Refunding Issue - Book-Entry Only

This Official Statement has been prepared by the Division of Bond Finance to provide information about the 2025A Bonds. Selected information is presented on this cover page for the convenience of the reader. ***To make an informed decision, a prospective investor should read this Official Statement in its entirety. Unless otherwise indicated, capitalized terms have the meanings given in the Master Resolution included as Appendix C.***

$241,035,000
STATE OF FLORIDA
Full Faith and Credit
State Board of Education
Public Education Capital Outlay Refunding Bonds
2025 Series A

Dated: Date of Delivery **Due:** June 1, as shown on the inside front cover

Bond Ratings	AAA (stable outlook) - Fitch Ratings Aaa (stable outlook) - Moody's Investors Service AAA (stable outlook) - S&P Global Ratings
Tax Status	In the opinion of Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the 2025A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals, and (ii) the 2025A Bonds and the income thereon are not subject to any Florida taxes, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. See "TAX MATTERS" herein for a more complete discussion of the tax aspects and see "Appendix G - Form of Bond Counsel Opinion."
Redemption	The 2025A Bonds are not subject to redemption prior to their stated dates of maturity.
Security	The 2025A Bonds are payable primarily from Gross Receipts Taxes and are additionally secured by the full faith and credit of the State of Florida.
Lien Priority	The lien of the 2025A Bonds on the Gross Receipts Taxes will be on a parity with the outstanding Parity Bonds and any Additional Bonds hereafter issued. The aggregate principal amount of Parity Bonds which will be outstanding subsequent to the issuance of the 2025A Bonds is $4,023,147,000.
Additional Bonds	Additional Bonds payable on a parity with the 2025A Bonds may be issued if historical Gross Receipts Taxes are at least 1.11 times annual debt service in each ensuing fiscal year. This description of the requirements for the issuance of Additional Bonds is only a summary of the complete requirements. See "ADDITIONAL PARITY BONDS" herein for more complete information.
Purpose	The proceeds of the 2025A Bonds will be used to refund a portion of the Outstanding State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series E, 2015 Series F, and 2016 Series A, and to pay costs of issuance. See "THE REFUNDING PROGRAM" herein for more detailed information.
Interest Payment Dates	June 1 and December 1, commencing June 1, 2025.
Record Dates	May 15 and November 15.
Form/Denomination	The 2025A Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants (defined herein) in denominations of $1,000 and integral multiples thereof. Purchasers of the 2025A Bonds will not receive physical delivery of the 2025A Bonds. See "DESCRIPTION OF THE 2025A BONDS" herein.
Closing/Settlement	The 2025A Bonds will be available for delivery through the facilities of DTC in New York, New York on March 4, 2025.
Bond Registrar/ Paying Agent	U.S. Bank Trust Company, National Association, Orlando, Florida.
Bond Counsel	Squire Patton Boggs (US) LLP, Tampa, Florida.
Issuer Contact/Website	Division of Bond Finance, (850) 488-4782, email: bond@sbafla.com, website: https://bondfinance.sbafla.com
Maturity Structure	The 2025A Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover.

January 30, 2025

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Yield*
34153QYE0	June 1, 2026	$23,650,000	5.00%	2.67%
34153QYF7	June 1, 2027	22,455,000	5.00	2.70
34153QYG5	June 1, 2028	23,620,000	5.00	2.74
34153QYH3	June 1, 2029	12,430,000	5.00	2.77
34153QYJ9	June 1, 2031	15,365,000	5.00	2.83
34153QYK6	June 1, 2032	24,390,000	5.00	2.85
34153QYL4	June 1, 2033	31,405,000	5.00	2.93
34153QYM2	June 1, 2034	32,965,000	5.00	3.00
34153QYN0	June 1, 2035	18,675,000	5.00	3.02
34153QYP5	June 1, 2036	36,080,000	5.00	3.07

* Yield information provided by the Underwriter.

The State of Florida has not authorized any dealer, broker, salesman or other person to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied on. Certain information herein has been obtained from sources other than records of the State of Florida which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State of Florida since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 2025A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation, or sale.

STATE OFFICIALS

STATE BOARD OF EDUCATION

BENJAMIN J. GIBSON

RYAN PETTY
ESTHER BYRD
GRAZIE P. CHRISTIE

DANIEL P. FOGANHOLI, SR.
KELLY GARCIA
MARYLYNN MAGAR

COMMISSIONER OF EDUCATION
MANNY DIAZ, JR.

GOVERNING BOARD OF THE DIVISION OF BOND FINANCE

GOVERNOR
RON DESANTIS
Chairman

ACTING ATTORNEY GENERAL
JOHN GUARD
Secretary

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
Treasurer

COMMISSIONER OF AGRICULTURE
WILTON SIMPSON

J. BEN WATKINS III
Director
Division of Bond Finance

SUZANNE PRIDGEON
Deputy Commissioner
Finance and Operations
Department of Education

CHRIS SPENCER
Executive Director
State Board of Administration of Florida

BOND COUNSEL
Squire Patton Boggs (US) LLP
Tampa, Florida

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OFFICIAL STATEMENT
Relating to

$241,035,000
STATE OF FLORIDA
Full Faith and Credit
State Board of Education
Public Education Capital Outlay Refunding Bonds
2025 Series A

For definitions of capitalized terms not defined in the text hereof, see the Master Resolution included as Appendix C.

INTRODUCTION

This Official Statement sets forth information relating to the sale and issuance of the $241,035,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2025 Series A, dated the Date of Delivery (the "2025A Bonds"), by the Division of Bond Finance of the State Board of Administration of Florida (the "Division").

Proceeds of the 2025A Bonds will be used to refund a portion of the Outstanding State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series E, 2015 Series F, and 2016 Series A, and to pay costs of issuance. The refunding is being effectuated to achieve debt service savings due to lower interest rates. See "THE REFUNDING PROGRAM" herein for more detailed information.

The 2025A Bonds will be secured by and payable primarily from Gross Receipts Taxes and are additionally secured by the full faith and credit of the State of Florida. See "SECURITY FOR THE 2025A BONDS" herein for more detailed information. The lien of the 2025A Bonds on the Gross Receipts Taxes will be on a parity with the outstanding Parity Bonds and with any Additional Bonds hereafter issued. The aggregate principal amount of Parity Bonds which will be outstanding subsequent to the issuance of the 2025A Bonds is $4,023,147,000. See "SECURITY FOR THE 2025A BONDS" herein for more detailed information.

Requests for additional information may be made to:

Division of Bond Finance
Phone: (850) 488-4782
E-mail: bond@sbafla.com
Mail: P. O. Box 13300, Tallahassee, Florida 32317-3300
Website: https://bondfinance.sbafla.com

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Any statements made in this Official Statement which involve opinions or estimates, whether or not expressly stated, are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realized. To make an informed decision, a full review should be made of the entire Official Statement. The descriptions of the 2025A Bonds and the documents authorizing and securing the same do not purport to be comprehensive or definitive. All references to and descriptions of such documents are qualified by reference to the actual documents. Copies of such documents may be obtained from the Division. Any addresses of or links to websites contained herein are not incorporated into this Official Statement and are given for convenience only.

Certain statements contained in this Official Statement (including the appendices hereto) reflect not historical facts but forecasts and constitute "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "budget" and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions, and other forward-looking statements in this Official Statement are expressly qualified in their entirety by the cautionary statement set forth above. Estimates are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth herein. No assurance is given that actual results will not differ materially from the estimates provided herein.

AUTHORITY FOR THE ISSUANCE OF THE 2025A BONDS

General Legal Authority

The State Board of Education (the "Board of Education") is authorized to issue bonds payable primarily from Gross Receipts Taxes and additionally secured by the full faith and credit of the State of Florida, in accordance with Section 9(a)(2) of Article XII of the Florida Constitution (the "Public Education Bond Amendment"), and the State Bond Act. Under the State Bond Act, the Division is authorized to act as the agent of the Board of Education to issue Board of Education bonds. All such bonds are issued in the name of the Board of Education. No election or approval of qualified electors is required for the issuance of the 2025A Bonds.

The amount of bonds which can be issued pursuant to Section 9(a)(2), Article XII is limited to 90% of the amount which the Board of Education determines can be serviced by the Gross Receipts Tax revenues.

State Board of Education

The Board of Education is established by Article IX, Section 2 of the Florida Constitution. It consists of seven members appointed by the Governor to staggered four-year terms, subject to confirmation by the Florida Senate. The Commissioner of Education is appointed by the Board of Education, and the current commissioner is Manny Diaz, Jr.

The following individuals have been appointed by the Governor to the State Board of Education:

Board Member	Term Expires
Benjamin J. Gibson, Chair	December 31, 2024*
Ryan Petty, Vice Chair	December 31, 2026
Esther Byrd	December 31, 2025
Grazie P. Christie	December 31, 2025
Daniel P. Foganholi, Sr.	December 31, 2024*
Kelly Garcia	December 31, 2025
MaryLynn Magar	December 31, 2026

*Will remain in office until reappointed or a successor is appointed.

Division of Bond Finance

The Division, a public body corporate created pursuant to the State Bond Act, is authorized to issue bonds on behalf of the State or its agencies. The Governing Board of the Division (the "Governing Board") is composed of the Governor, as Chairman, and the Cabinet of the State of Florida, consisting of the Attorney General, as Secretary, the Chief Financial Officer, as Treasurer, and the Commissioner of Agriculture. The Director of the Division serves as an assistant secretary of the Governing Board, and directs the day-to-day operations of the Division, including the issuance of bonds.

State Board of Administration of Florida

The State Board of Administration of Florida (the "Board of Administration") was created under Article IV, Section 4, of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and succeeds to all the power, control and authority of the state board of administration established pursuant to Article IX, Section 16, of the Constitution of the State of Florida of 1885. It will continue as a body at least for the life of Article XII, Section 9(c) of the Florida Constitution. The Board of Administration is composed of the Governor, as Chairman, the Chief Financial Officer and the Attorney General. Under the State Bond Act, the Board of Administration determines the fiscal sufficiency of all bonds proposed to be issued by the State of Florida or its agencies. The Board of Administration also acts as the fiscal agent of the Board of Education in administering the Sinking Fund and the Rebate Fund.

Administrative Approval

By the Master Resolution adopted on July 21, 1992, as amended by the Fiftieth Supplemental Authorizing Resolution adopted on January 18, 2011, and as supplemented by the Seventy-third Supplemental Authorizing Resolution adopted on May 29, 2024, the Board of Education authorized the issuance of various series of Public Education Capital Outlay Bonds under the terms, limitations and conditions contained therein, including the 2025A Bonds. The Master Resolution, the Fiftieth Supplemental Authorizing Resolution, and the Seventy-third Supplemental Authorizing Resolution are reproduced herein as

Appendix C, Appendix D, and Appendix E, respectively (collectively, the "Resolution"). The Board of Education authorized the sale of the 2025A Bonds by a resolution adopted on May 29, 2024.

The Division authorized the issuance and sale of the 2025A Bonds by resolutions adopted on December 17, 2024. The Board of Administration approved the fiscal sufficiency of the 2025A Bonds by a resolution adopted on December 17, 2024.

DESCRIPTION OF THE 2025A BONDS

The 2025A Bonds are full faith and credit obligations of the State issued in the name of the Board of Education. The 2025A Bonds are being issued as fully registered bonds in the denomination of $1,000 or integral multiples thereof. The 2025A Bonds are payable from the pledged revenues as described herein. The 2025A Bonds will be dated the Date of Delivery and will mature as set forth on the inside front cover. Interest is payable on June 1, 2025, for the period from the Date of Delivery to June 1, 2025, and semiannually thereafter on December 1 and June 1 of each year until maturity. Interest on the 2025A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months.

The 2025A Bonds will initially be issued exclusively in "book-entry" form. Ownership of one 2025A Bond for each maturity (as set forth on the inside front cover), each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as registered owner and nominee for the Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2025A Bonds. Individual purchases of the 2025A Bonds will be made in book-entry form only, and the purchasers will not receive physical delivery of the 2025A Bonds or any certificate representing their beneficial ownership interest in the 2025A Bonds. See Appendix H, "Provisions for Book-Entry Only System or Registered Bonds," for a description of DTC, certain responsibilities of DTC, the Board of Education, and the Bond Registrar/Paying Agent, and the provisions for registration and registration for transfer of the 2025A Bonds if the book-entry only system of registration is discontinued.

REDEMPTION PROVISIONS

The 2025A Bonds are not subject to redemption prior to their stated dates of maturity.

THE REFUNDING PROGRAM

The proceeds derived from the sale of the 2025A Bonds will be used to refund the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series E, maturing in the years 2026 and 2031 through 2036, in the outstanding principal amount of $133,840,000, the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series F, maturing in the years 2026 through 2029, 2032 through 2034, and 2036, in the outstanding principal amount of $111,950,000, and the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2016 Series A, maturing in the years 2027 and 2028, in the outstanding principal amount of $24,235,000 (collectively, the "Refunded Bonds"), and to pay costs of issuance. This refunding is being effectuated to achieve debt service savings.

Simultaneously with the delivery of the 2025A Bonds, the Board of Education will cause to be deposited a portion of the proceeds of the 2025A Bonds, along with other legally available moneys, in an irrevocable escrow account to be known as the "State of Florida, Full Faith and Credit, State Board of Education, 2025 Series A Public Education Capital Outlay Refunding Bonds Retirement Fund" (the "Retirement Fund") under an Escrow Deposit Agreement to be entered into among the Board of Education, the Division, and the Board of Administration (the latter, the "Escrow Agent"). Other than uninvested cash balances, the Escrow Agent will invest the funds in the Retirement Fund in direct obligations of, or obligations the principal of and interest on are unconditionally guaranteed by, the United States of America (the "Federal Obligations"), or other legally authorized investments.

The Retirement Fund will be funded in an amount which, together with interest earnings on the Federal Obligations, will be sufficient to redeem the Refunded Bonds on the redemption date. The Refunded Bonds will be considered legally defeased, will no longer have any claim upon the pledged Gross Receipts Taxes and the full faith and credit of the State, and will have a claim only upon the Retirement Fund until they are redeemed.

The Refunded Bonds will be called for redemption (by separate redemption notice) and will be redeemed on June 1, 2025, at a redemption price equal to the principal amount thereof with interest due thereon through the redemption date. No funds held in escrow will be available to pay debt service on the 2025A Bonds.

Sources and Uses of Funds

Sources:	
Par Amount of 2025A Bonds	$ 241,035,000
Premium Bid	29,655,492
Available Sinking Fund Transfer	2,927,669
Total Sources	$ 273,618,161
Uses:	
Deposit to Retirement Fund	$273,068,554
Underwriters Discount	143,652
Cost of Issuance	405,954
Total Uses	$ 273,618,161

Application of the 2025A Bond Proceeds

Upon receipt of the proceeds of the 2025A Bonds, the Board of Education will transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division in connection with the preparation, sale and issuance of the 2025A Bonds, including a reasonable charge for the services of the Division, will be transferred to the Division to be deposited in the Bond Proceeds Trust Fund, subject to disbursement of the funds to the Bond Fee Trust Fund and the Arbitrage Compliance Trust Fund pursuant to written instructions at the delivery of the 2025A Bonds unless such amount will be provided from another legally available source.

(B) All remaining proceeds will be transferred to the Board of Administration for deposit into escrow. After the redemption of the Refunded Bonds, any excess proceeds not used for such purpose will be transferred to the Public Education Fund and shall be used for any purpose for which moneys may be legally used from such fund (including the payment of debt service).

See "MISCELLANEOUS - Investment of Funds," herein for policies governing the investment of various funds.

SECURITY FOR THE 2025A BONDS

The 2025A Bonds will be payable primarily from the Gross Receipts Taxes on utilities in the State and will be additionally secured by the full faith and credit of the State. The lien of the 2025A Bonds on the Gross Receipts Taxes will be on a parity with the Outstanding Parity Bonds and with any Additional Bonds hereafter issued. See "Outstanding Obligations" below for a description of the Parity Bonds.

No Registered Owners of the 2025A Bonds will be entitled to require the payment of the principal of or interest on the 2025A Bonds from any funds of the State, the Board of Education, or any other political subdivision or agency of said State, except from the Gross Receipts Taxes pledged for the payment thereof and moneys appropriated for such purpose pursuant to the pledge of the full faith and credit of the State.

Pledge of Gross Receipts Taxes

The Master Resolution provides that payment of the principal of and interest on all of the Bonds issued thereunder, including any Additional Bonds, will be secured equally and ratably by a lien on the Gross Receipts Taxes deposited in the Public Education Fund pursuant to the Public Education Bond Amendment, and that all such Gross Receipts Taxes are irrevocably pledged to the payment of the principal of and interest on the Bonds.

Full Faith and Credit of the State

The Resolution provides that the 2025A Bonds are additionally secured by a pledge of the full faith and credit of the State, and that the State is unconditionally and irrevocably required to make all payments required for payment of the principal of and interest on the 2025A Bonds as the same mature and become due to the full extent that the Gross Receipts Taxes on deposit in the Sinking Fund are insufficient for such payments. It will be the mandatory duty of the Board of Education on or prior to each principal or interest payment date to immediately certify to the proper officials of the State any deficiencies in the moneys necessary for the payments on such dates, and the appropriate officials of the State will have the mandatory duty to pay over to the Board of Education the amounts of any such deficiencies.

The Florida Constitution requires the Legislature to appropriate moneys sufficient to pay debt service on bonds pledging the full faith and credit of the State as the same become due. All State tax revenues, other than trust funds dedicated by the Florida Constitution for other purposes, would be available for such an appropriation, if required. Amounts of such State tax revenues in recent years are shown in Appendices A and B.

Outstanding Obligations

The Board of Education has issued its State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds and Refunding Bonds, 2014 Series A through 2024 Series B Bonds (collectively, the "Parity Bonds"). The 2025A Bonds will be on a parity with the Parity Bonds as to the lien on the Gross Receipts Taxes. Subsequent to the issuance of the 2025A Bonds, the aggregate principal amount of Parity Bonds which will be outstanding is $4,023,147,000.

Future Bonding

There is currently no legislative authorization for additional Public Education Capital Outlay Bonds to finance new capital outlay projects. The Revenue Estimating Conference estimates bonding capacity for additional Public Education Capital Outlay Bonds, however, actual bonding capacity is dependent on Gross Receipts Tax collections, appropriations by the Legislature, and school construction needs. Additionally, future bonding capacity may also be affected by future legislative changes. See "ADDITIONAL PARITY BONDS" herein for a description of the Master Resolution and current statutory conditions to the issuance of additional parity Public Education Capital Outlay Bonds. See also "Levy of Taxes" under the heading "GROSS RECEIPTS TAX REVENUES AND DEBT SERVICE COVERAGE" herein.

Flow of Funds

The Gross Receipts Taxes, after making provision for any prior deficiencies, are deposited in the Public Education Fund in the State Treasury to be used and applied only in the following manner and order of priority:

(a) First, for the payment in each year of the full amount of the principal of and interest coming due on the Bonds.

(b) Thereafter, in each fiscal year, the remaining moneys are distributable by the Board of Education (i) for the payment of any amounts required to be paid into funds or accounts, or to reimburse providers of credit or liquidity support, established pursuant to a Supplemental Authorizing Resolution, (ii) to the State of Florida in amounts sufficient to reimburse the State for moneys paid pursuant to the State's full faith and credit pledge, (iii) for the payment of the cost of any Capital Outlay Projects approved by the Legislature, and (iv) for the direct purchase or redemption of Bonds.

See "MISCELLANEOUS - Investment of Funds" for policies governing the investment of various funds.

ADDITIONAL PARITY BONDS

The Master Resolution provides that no additional parity Public Education Capital Outlay Bonds can be issued unless the Board of Education determines that the debt service requirements in each ensuing fiscal year of the Bonds then Outstanding and the Additional Bonds proposed to be issued will not exceed 90% of the amount of Gross Receipts Taxes to be available in each Fiscal Year after the issuance of the Additional Bonds. No such Additional Bonds will be issued unless all payments required to be made by the Master Resolution have been made, and unless the Board of Education is in compliance with all of the covenants, agreements, and provisions of such resolution. Public Education Capital Outlay Bonds may be refunded on a parity basis as long as the Additional Bonds requirements are met.

Florida law has additionally provided that no additional parity Public Education Capital Outlay Bonds can be issued unless the Board of Education determines that the debt service requirements in each ensuing fiscal year of the Bonds then Outstanding and the Additional Bonds proposed to be issued will not exceed 90% of the average annual amount of Gross Receipts Taxes collected in the 24 months immediately preceding the most recent collection date before the issuance of such Additional Bonds. The Board of Education may adjust the amount of revenues used in this determination to reflect revenues which would have been collected had legislation enacted into law before the date of determination been in effect during the 24-month period.

GROSS RECEIPTS TAX REVENUES AND DEBT SERVICE COVERAGE

Levy of Taxes

The pledged revenues are Gross Receipts Taxes, which are derived from several sources. The gross receipts tax on sellers of electricity and natural or manufactured gas is imposed at a rate of 2.5%. Prior to 2010, the gross receipts tax on the sale of communications services was taxed at a rate of 2.37%; however, in 2010, the Legislature provided for an additional 0.15% tax on communications services to be pledged to the Bonds, resulting in a rate of 2.52% on such sales. During the 2014 legislative session, the Legislature reduced the sales tax on electricity and created an additional gross receipts tax of 2.6% on the retail sale of electric power or energy (excluding sales to residential households) to be pledged to the Bonds. Pursuant to the Florida Constitution, the rate at which Gross Receipts Taxes are levied may only be increased with the approval of at least two-thirds of each house of the Florida legislature.

The term "gross receipts" does not include gross receipts derived from: the sale of natural gas to a public or private utility, either for resale or for use as fuel in the generation of electricity; or the sale of electricity to a public or private utility, for resale within the state, or as part of an electrical interchange agreement between such utilities for the purpose of transferring more economically generated power.

Communications services means the transmission, conveyance, or routing of voice, data, audio, video or any other information or signals, including video services, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised. Among other things, the term does not include internet access service, electronic mail service, electronic bulletin board service, or similar on-line computer services.

Distribution of Gross Receipts Tax Revenues

The Public Education Bond Amendment requires that all Gross Receipts Taxes be placed in the Public Education Fund administered by the Board of Education. The moneys in the Public Education Fund must be expended in each fiscal year first, for the payment of principal of and interest on bonds maturing in such fiscal year; second, for annual reserve fund deposits, if any, for such fiscal year, then for direct payment of authorized project costs, or for the purchase or redemption of outstanding bonds.

Amounts required for debt service are transferred to the Sinking Fund semiannually prior to each interest/principal payment date. Investment of bond sinking fund moneys is generally controlled by the resolution authorizing the issuance of a particular series of bonds. The policy of the Board of Administration permits sinking funds to be invested only in U.S. Treasury securities and repurchase agreements backed by U.S. Treasury securities (if so authorized by the bond resolution). The Resolution for the 2025A Bonds authorizes such investments.

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Gross Receipts Tax Collections

Historical - By Industry. The following schedule illustrates the revenues associated with each component of the Gross Receipts Tax base.

Source of Collections
(in millions)

Fiscal Year	Electric	Telecommunications	Gas Fuels	Total Gross Receipts	Percent Change from Prior Year
2014-15	$739.36	$385.65	$27.37	$1,152.38	14.62%[1,2]
2015-16	748.26	382.26	27.21	1,157.73	0.46
2016-17	730.48	354.42	26.70	1,111.60	(3.98)
2017-18	760.44	364.15	29.14	1,153.72	3.79
2018-19[3]	767.30	352.76[3]	28.82	1,148.88	(0.42)
2019-20	753.21	333.58	28.35	1,115.14	(2.94)
2020-21	751.19	329.74	28.49	1,109.42	(0.51)
2021-22	840.94	334.04	31.46	1,206.44	8.75
2022-23	991.14	346.93	36.92	1,374.99	13.97
2023-24	1,014.80	351.26	38.37	1,404.43	2.14

Source: Office of Economic and Demographic Research.
[1] Compared to total collections of $1,005.36 million in Fiscal Year 2013-14.
[2] Increase in electric gross receipts tax in Fiscal Year 2014-15 is primarily attributable to collection of an additional $136.5 million from 2014 legislation converting certain sales taxes to a gross receipts tax.
[3] Telecommunications collections for Fiscal Year 2018-19 are adjusted in this table to reflect actual taxes owed because a processing error by the Department of Revenue resulted in an under distribution of such collections in EDR's published report.

Historical - Monthly. Presented below are monthly Gross Receipts Tax collections.

Gross Receipts Tax Monthly Collections

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
July	$97,427,409	$90,856,743	$100,458,804	$110,731,316	$122,604,541	$117,332,997
August	104,579,573	97,980,642	99,640,238	120,186,668	128,218,519	126,873,706
September	104,024,717	102,923,635	107,969,409	125,279,371	131,217,038	125,898,287
October	104,396,050	101,881,028	108,909,080	126,202,685	136,201,392	108,183,147
November	98,950,273	98,164,684	103,111,752	115,095,525	127,337,532	134,695,339
December	93,102,913	90,959,170	96,698,965	112,353,081	112,810,374	107,594,892
January	90,073,083	90,811,306	124,555,187	101,050,893	108,909,856	-
February	86,009,685	86,334,825	62,120,137	114,433,358	110,979,867	-
March	86,549,817	82,578,724	96,337,385	102,832,005	105,168,375	-
April	83,282,498	89,303,280	99,108,305	111,221,560	102,328,435	-
May	88,508,458	88,665,908	102,723,175	105,412,526	110,267,383	-
June	78,236,304	88,960,103	104,810,918	130,194,550	108,382,205	-
Total	$1,115,140,780	$1,109,420,048	$1,206,443,355	$1,374,993,538	$1,404,425,517	N/A
Percent Change	(2.94%)[1]	(0.51%)	8.75%	13.97%	2.14%	N/A

Source: Office of Economic and Demographic Research.
[1] Based on a comparison with the total collections of $1,148,877,072 for Fiscal Year 2018-19.

Projected. Presented below are projected Gross Receipts Tax collections, which are revised at least semiannually by the Consensus Estimating Conference. For a description of the Consensus Estimating Conference, see "STATE FINANCIAL OPERATIONS - Budgetary Process" in Appendix A. The projections are based on the best information available when the estimates are made. ***Investors should be aware that there have been material differences between past projections and actual Gross Receipts Tax collections; no assurance can be given that there will not continue to be material differences relating to such amounts.***

Projected Gross Receipts Tax Collections[1]
(in millions)

Fiscal Year	Total Projected Gross Receipts Tax Collections	Percent Change from Prior Year
2024-25	$1,363.42	(2.92%)[2]
2025-26	1,315.47	(3.52)
2026-27	1,319.58	0.31
2027-28	1,336.10	1.25
2028-29	1,340.51	0.33
2029-30	1,341.86	0.10
2030-31	1,345.35	0.26
2031-32	1,357.26	0.89
2032-33	1,370.20	0.95
2033-34	1,382.35	0.89

[1] Official projections adopted by the Florida Revenue Estimating Conference held July 2024.
[2] Compared to actual total collections of $1,404.43 million in Fiscal Year 2023-24.

Historical Debt Service Coverage

Set forth below is the historical debt service coverage for all outstanding Public Education Capital Outlay Bonds.

Schedule of Historical Debt Service Coverage

Fiscal Year	Gross Receipts Taxes	Annual Debt Service[1]	Coverage Ratio
2019-20	$1,115,140,780	$823,039,834[2]	1.35x
2020-21	1,109,420,048	830,117,478[3]	1.34x
2021-22	1,206,443,354	827,210,000[4]	1.46x
2022-23	1,374,993,538	791,536,855[5]	1.74x
2023-24	1,404,425,517	692,396,256[6]	2.03x

[1] Net of the federal subsidy on the 2006 Series G, 2007 Series G, 2008 Series D, and 2009 Series F Build America Bonds. The final year in which the Board of Education received federal subsidy payments on previously refunded bonds was Fiscal Year 2020
[2] Includes $15,535,080 of accrued debt service on previously refunded Bonds.
[3] Includes $13,490,128 of accrued debt service on previously refunded Bonds.
[4] Includes $5,183,817 of accrued debt service on previously refunded Bonds.
[5] Includes $2,081,388 of accrued debt service on previously refunded Bonds.
[6] Includes $151,726,367 of accrued debt service on previously refunded and defeased Bonds.

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SCHEDULE OF DEBT SERVICE

The table below shows the debt service on the Parity Bonds, debt service on the 2025A Bonds, and total debt service for the Bonds.

Fiscal Year	Debt Service on Parity Bonds[1]	Debt Service on 2025A Bonds Principal	Interest	Total	Total Debt Service
2025	$ 514,554,301	$-	$2,912,506	$2,912,506	$517,466,807
2026	465,178,188	23,650,000	12,051,750	35,701,750	500,879,938
2027	442,649,988	22,455,000	10,869,250	33,324,250	475,974,238
2028	418,372,428	23,620,000	9,746,500	33,366,500	451,738,928
2029	406,083,033	12,430,000	8,565,500	20,995,500	427,078,533
2030	397,704,583	-	7,944,000	7,944,000	405,648,583
2031	360,237,408	15,365,000	7,944,000	23,309,000	383,546,408
2032	335,518,683	24,390,000	7,175,750	31,565,750	367,084,433
2033	295,681,633	31,405,000	5,956,250	37,361,250	333,042,883
2034	254,513,808	32,965,000	4,386,000	37,351,000	291,864,808
2035	244,446,358	18,675,000	2,737,750	21,412,750	265,859,108
2036	191,710,428	36,080,000	1,804,000	37,884,000	229,594,428
2037	199,461,384	-	-	-	199,461,384
2038	121,894,953	-	-	-	121,894,953
2039	76,268,303	-	-	-	76,268,303
2040	44,508,373	-	-	-	44,508,373
2041	17,496,663	-	-	-	17,496,663
2042	12,126,600	-	-	-	12,126,600
2043	12,131,200	-	-	-	12,131,200
2044	12,130,600	-	-	-	12,130,600
2045	12,124,400	-	-	-	12,124,400
2046	12,127,200	-	-	-	12,127,200
2047	12,128,000	-	-	-	12,128,000
2048	6,531,200	-	-	-	6,531,200
Total	**$ 4,865,579,707**	**$ 241,035,000**	**$ 82,093,256**	**$ 323,128,256**	**$ 5,188,707,963**

[1] Fiscal Year 2025 includes accrued debt service of approximately $2.9 million on the Refunded Bonds.

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RECENT STATE FINANCIAL DEVELOPMENTS

Fiscal Year 2022-23

Budget and Revenues – The Fiscal Year 2022-23 adopted budget totaled $109.9 billion, which was $8.4 billion, or 8.3%, higher than the adopted Fiscal Year 2021-22 budget. The General Fund budget totaled approximately $41.8 billion, representing a 15% increase from the prior year, and was funded primarily from general revenue collections. The total Fiscal Year 2022-23 budget amount of $109.9 billion excluded the non-recurring appropriations of the remaining $3.5 billion the State received under American Rescue Plan Act ("ARPA").

Actual net general revenue collections of $47.3 billion for Fiscal Year 2022-23 were approximately $8.3 billion, or 21.2%, higher than the estimates used to develop the Fiscal Year 2022-23 budget and approximately $3.3 billion, or 7.5%, higher than the collections in the prior fiscal year. The increase in general revenue was largely the result of growth in the collections of sales tax and corporate income tax, which saw year-over-year increases of 5.2% and 46.7%, respectively.

Reserves – The Fiscal Year 2022-23 year-end General Fund balance was approximately $15.3 billion (net of approximately $1.9 billion of ARPA related reappropriations and other funds reappropriated in Fiscal Year 2023-24). This balance included approximately $2.2 billion in remaining contingent appropriations for State funded reinsurance to support the property insurance market. The Fiscal Year 2022-23 budget included a $410 million transfer to the Budget Stabilization Fund ("BSF"), which increased the fiscal year-end balance to approximately $3.1 billion. Including the BSF, total General Fund reserves at fiscal year-end totaled approximately $18.5 billion. Additionally, when approximately $3.9 billion in excess trust fund balances are included, the total State reserves at the end of Fiscal Year 2022-23 were approximately $22.3 billion (47.2% of Fiscal Year 2022-23 general revenue collections). While the Emergency Preparedness and Response Fund ("EPRF") received additional appropriations in Fiscal Year 2022-23, the balance was obligated to fund ongoing disaster relief efforts.

Fiscal Year 2023-24

Budget and Revenues – The Fiscal Year 2023-24 adopted budget totaled $116.5 billion, which was $6.6 billion, or 6.0%, higher than the adopted Fiscal Year 2022-23 budget of $109.9 billion. The General Fund budget totaled approximately $46.1 billion, representing a 10.3% increase from the adopted Fiscal Year 2022-23 General Fund budget of $41.8 billion, and was funded primarily from general revenue collections.

Actual net general revenue collections of $48.3 billion for Fiscal Year 2023-24 were approximately $3.0 billion, or 6.7%, higher than the estimates used to develop the Fiscal Year 2023-24 budget and approximately $1.0 billion, or 2.1%, higher than the collections in the prior fiscal year. The increase in general revenue collections was primarily the result of growth in collections of sales tax and corporate income tax, which saw year-over-year increases of 0.6% and 9.0%, respectively, and increased earnings on investments, which were $305 million more than the prior fiscal year.

Reserves – Based on the November 20, 2024, General Fund Outlook Statement and General Fund Retrospect, the Fiscal Year 2023-24 year-end General Fund balance was approximately $13.2 billion (net of approximately $3.2 billion of ARPA related reappropriations and other funds reappropriated in Fiscal Year 2024-25). This balance includes the approximately $2.2 billion remaining balance of contingent appropriations for State funded reinsurance to support the property insurance market. The Fiscal Year 2023-24 budget included a $1.0 billion transfer to the BSF, which increased the fiscal year-end balance of the BSF to over $4.1 billion. Including the BSF, total General Fund reserves at fiscal year-end were approximately $17.3 billion. Additionally, when $3.2 billion in excess trust fund balances are included, the total State reserves at the end of Fiscal Year 2023-24 were approximately $20.5 billion (42.5% of Fiscal Year 2023-24 general revenue collections). While the EPRF received additional appropriations in Fiscal Year 2023-24, the full balance at year-end was obligated to support disaster relief efforts.

Fiscal Year 2024-25

Budget – The Fiscal Year 2024-25 adopted budget totals $116.5 billion, which is consistent with spending levels in the adopted Fiscal Year 2023-24 budget. The General Fund budget totals approximately $48.6 billion, representing a 5.4% increase from the adopted Fiscal Year 2023-24 General Revenue budget of $46.1 billion, and is funded primarily from general revenue collections.

Revenues – The August 2024 Revenue Estimating Conference forecast for net general revenue collections in Fiscal Year 2024-25 totals $48.5 billion, which would represent an increase of $173.9 million, or 0.4%, from the collections in the prior Fiscal Year. The largest increases from the prior January 2024 estimates were made to earnings on investments (increased by $546.4 million, or 112.9%) and corporate income tax collections (increased by $275.0 million, or 4.8%). Projections for certain general revenue sources in Fiscal Year 2024-25 decreased from the prior January 2024 estimates, including sales tax collections (decreased by $124.2 million, or 0.3%, primarily due to legislative measures, including sales tax holidays, that were enacted in the 2024 legislative session) and insurance premium tax collections (decreased by $118.8 million, or 6.5%).

Actual net general revenue collections of $18.5 billion for the five-month period ended November 30, 2024, were approximately $435.3 million, or 2.4%, higher than the August 2024 estimates and approximately $544.3 million, or 3.0%, higher than the same period of the prior fiscal year, with the largest fiscal year-to-date overages in sales tax collections ($154.6 million, or 1.1%, above estimates) and earnings on investments ($233.0 million, or 54.2%, above estimates).

Reserves – Based on the November 20, 2024, General Fund Outlook Statement, the Fiscal Year 2024-25 year-end General Fund balance is projected to be approximately $10.7 billion (including the approximately $2.2 billion remaining balance of contingent appropriations for State funded reinsurance to support the property insurance market). The Fiscal Year 2024-25 Budget includes a $300 million transfer to the BSF, which increases the estimated year-end balance to approximately $4.4 billion. Including the BSF, total General Fund reserves at fiscal year-end are currently projected at approximately $15.1 billion. Additionally, when approximately $3.0 billion in various estimated excess trust fund balances are included, the total estimated State reserves at the end of Fiscal Year 2024-25 are approximately $18.2 billion (37.5% of projected Fiscal Year 2024-25 general revenue collections). The EPRF received additional appropriations in Fiscal Year 2024-25, but the balance has been obligated to fund ongoing disaster relief efforts.

Impact of Recent Hurricanes

The State has been impacted by hurricanes in recent fiscal years, with Hurricanes Ian, Nicole, and Idalia making landfall in Fiscal Years 2022-23 and 2023-24. In Fiscal Year 2024-25, Hurricanes Debby, Helene, and Milton made landfall in Florida in August 2024, September 2024, and October 2024, respectively. States of emergency were declared in advance of each of these storms, which provided the Governor with broad spending authority to meet the State's financial obligations resulting from the storms.

As of December 11, 2024, State agencies estimated that they will spend a total of approximately $7.2 billion in response to the recent hurricanes. The State continues to monitor and receive updates on storm-related expenditures from all State agencies, especially the most recent Hurricane Milton. The State anticipates that it will receive reimbursements from the Federal Emergency Management Agency ("FEMA") for 75%, 90%, or 100% of a significant portion of the costs related to the hurricanes, with the reimbursement levels dependent on the category of expenses and amount of overall State expenditures for each storm. Estimated State agency costs include paying a portion of the storm-related expenses of counties and the costs of certain categories of individual assistance provided by FEMA to Florida citizens. The majority of the State costs related to the hurricanes will be funded by amounts in the EPRF and the General Fund balance in advance of future FEMA reimbursements.

Additionally, approximately $818.9 million of additional State funded reinsurance that was selected for the 2022 and 2023 hurricane seasons has been utilized as of November 2024. The remaining $2.2 billion of contingent appropriations are not expected to be utilized and will remain in the General Fund balance.

The estimates provided above are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth above. No assurance is given that actual results will not differ materially from the estimates provided above.

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

The State Bond Act provides that all bonds issued by the Division are legal investments for state, county, municipal or other public funds, and for banks, savings banks, insurance companies, executors, administrators, trustees, and all other fiduciaries and also are securities eligible as collateral deposits for all state, county, municipal, or other public funds.

Negotiability

The 2025A Bonds will have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State.

TAX MATTERS

General

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the 2025A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) the 2025A Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel expresses no opinion as to any other tax consequences regarding the 2025A Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Division and the Board of Education contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the 2025A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations or the continuing compliance with those covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the 2025A Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Division or the Board of Education may cause loss of such status and result in the interest on the 2025A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the 2025A Bonds. The Division and the Board of Education have covenanted to take the actions required of them for the interest on the 2025A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the 2025A Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2025A Bonds or the market value of the 2025A Bonds.

Interest on the 2025A Bonds may be subject to (1) a federal branch profits tax imposed on certain foreign corporations doing business in the United States, (2) to a federal tax imposed on excess net passive income of certain S corporations and (3) (3) for tax years beginning after December 31, 2022, to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the 2025A Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the 2025A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a 2025A Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the 2025A Bonds ends with the issuance of the 2025A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Division, the Board of Education, or the owners of the 2025A Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2025A Bonds, under current IRS procedures, the IRS will treat the Board of Education as the taxpayer and the beneficial owners of the 2025A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the 2025A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the 2025A Bonds.

Prospective purchasers of the 2025A Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the 2025A Bonds at other than their original issuance should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2025A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2025A Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the 2025A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the 2025A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, the federal tax legislation that was enacted on December 22, 2017, reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax and eliminated tax-exempt advance refunding bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions may increase, reduce, or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the 2025A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the 2025A Bonds may be affected and the ability of holders to sell their 2025A Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the 2025A Bonds (the "2025A Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a 2025A Discount Bond. The issue price of a 2025A Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the 2025A Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a 2025A Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a 2025A Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the 2025A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that 2025A Discount Bond. A purchaser of a 2025A Discount Bond in the initial public offering at the price for that 2025A Discount Bond stated on the inside front cover of this Official Statement who holds that 2025A Discount Bond to maturity will realize no gain or loss upon the retirement of that 2025A Discount Bond.

Certain of the 2025A Bonds (the "2025A Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a 2025A Premium Bond, based on the yield to maturity of that 2025A Premium Bond, compounded semiannually. No portion of that bond premium is deductible by the owner of a 2025A Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a 2025A Premium Bond, the owner's tax basis in the 2025A Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a 2025A Premium Bond for an amount equal to or less than the amount paid by the owner for that 2025A Premium Bond. A purchaser of a 2025A Premium Bond in the initial public offering at the price for that 2025A Premium Bond stated on the inside front cover of this Official Statement who holds that 2025A Premium Bond to maturity (or, in the case of a callable 2025A Premium Bond, to its earlier call date that results in the lowest yield on that 2025A Premium Bond) will realize no gain or loss upon the retirement of that 2025A Premium Bond.

Owners of 2025A Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the 2025A Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

State Taxes

The 2025A Bonds and the income thereon are not subject to any taxation by the State or any county, municipality, political subdivision, agency, or instrumentality of the State, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

Florida laws governing the imposition of estate taxes do not provide for an exclusion of state or local bonds from the calculation of the value of the gross estate for tax purposes. Florida's estate tax is generally calculated on the basis of the otherwise unused portion of the federal credit allowed for state estate taxes. Under Chapter 198, Florida Statutes, all values for state estate tax purposes are as finally determined for federal estate tax purposes. Since state and local bonds are included in the valuation of the gross estate for federal tax purposes, such obligations would be included in such calculation for Florida estate tax purposes. Prospective owners of the 2025A Bonds should consult their own attorneys and advisors for the treatment of the ownership of the 2025A Bonds for estate tax purposes.

MISCELLANEOUS

Variable Rate Debt and Derivatives

The Division does not generally issue variable rate debt or enter into derivative contracts in connection with its bond issues. The Division has not entered into any derivative transactions on behalf of the state or any of its agencies with respect to outstanding debt, and the Division does not have any outstanding variable rate debt.

Investment of Funds

All State funds are invested by either the Chief Financial Officer or the Board of Administration. At closing, the 2025A Bond proceeds will be deposited as described above under the heading "THE REFUNDING PROGRAM - Application of the 2025A Bond Proceeds." After collection by the Department of Revenue, the Gross Receipts Taxes are deposited monthly for the account of the Department of Education in the Public Education Fund in the State Treasury. Amounts required for debt service are transferred to the Sinking Fund held by the Board of Administration semiannually just prior to each interest/principal payment date. Investment of Sinking Fund moneys is controlled by the Master Resolution, which is reproduced as an appendix hereto; however, see *"Investment by the Board of Administration"* below for the Board of Administration's investment policy with respect to sinking fund investments. Investment earnings are credited to the account or fund from which such investments were made.

Investment by the Chief Financial Officer – Funds held in the State Treasury are invested by internal and external investment managers. As of June 30, 2024, the ratio was approximately 49% internally managed funds, 45% externally managed funds, and 6% in an externally managed Security Lending program. The total portfolio market value on June 30, 2024, was approximately $68.75 billion.

Under State law, the State Treasury is charged with investing funds of each State agency and the judicial branch. As of June 30, 2024, approximately $60.66 billion of the investments in the Treasury consisted of accounts held by State agencies that are required by law to maintain their investments in the Treasury; additionally, approximately $4.23 billion as of this date consisted of moneys held by certain boards, associations, or entities created by the State Constitution or by State law that are not required to maintain their investments with the Treasury and are permitted to withdraw these funds from the Treasury.

As provided by State law, the Treasury must be able to timely meet all disbursement needs of the State. Accordingly, the Treasury allocates its investments to provide for estimated disbursements plus a cushion for liquidity in instances of greater-than-expected disbursement demand. To this end, a portion of Treasury's investments are managed for short-term liquidity and preservation of principal. The remainder is managed to obtain maximum yield, given the safety parameters of State law and Treasury's Comprehensive Investment Policy. Investments managed for short-term liquidity and preservation of principal are managed "internally" by Treasury personnel. The majority of investments managed for a maximum return are managed by "external" investment companies hired by the State.

The Externally Managed Investment Program provides long-term value while limiting risk appropriately and provides a backup source of liquidity. External investment strategy focuses on medium-term and long-term fixed income securities, rather than money market instruments, in order to take advantage of higher returns historically achieved by such securities. Portfolio managers are hired to actively manage funds. These funds may be invested in U.S. Treasury government agency obligations, investment grade corporate debt, municipal debt, mortgage-backed securities, asset backed securities, and U.S. dollar denominated investment-grade foreign bonds that are registered with the Securities and Exchange Commission. The managers may also use leveraging techniques such as forward purchase commitments, and interest rate futures.

Investment by the Board of Administration – The Board of Administration manages investment of assets on behalf of the members of the Florida Retirement System (the "FRS") Defined Benefit Plan. It also acts as sinking fund trustee for most State bond issues and oversees the management of FRS Investment Plan investment options, Florida Hurricane Catastrophe Fund moneys, a short-term investment pool for local governments, and smaller trust accounts on behalf of third-party beneficiaries.

The Board of Administration adopts specific investment policy guidelines for the management of its funds which reflect the long-term risk, yield, and diversification requirements necessary to meet its fiduciary obligations. As of June 30, 2024, the Board of Administration directed the investment and administration of 29 funds.

As of June 30, 2024, the total market value of the FRS (Defined Benefit) Trust Fund was approximately $198.2 billion. The Board of Administration pursues an investment strategy which allocates assets to different investment types. The long-term objective is to meet liability needs as determined by actuarial assumptions. Asset allocation levels are determined by the liquidity and cash flow requirements of the FRS, absolute and relative valuations of the asset class investments, and opportunities within those asset classes. Funds are invested internally and externally under a Defined Benefit Plan Investment Policy Statement.

The Board of Administration uses a variety of derivative products as part of its overall investment strategy. These products are used to manage risk or to execute strategies more efficiently or more cost effectively than could be done in the cash markets. They are not used to speculate in the expectation of earning extremely high returns. Any of the products used must be within investment policy guidelines designed to control the overall risk of the portfolio.

The Board of Administration invests assets in 28 designated funds other than the FRS (Defined Benefit) Trust Fund, including sinking funds for State bond issues. As of June 30, 2024, the total market value of these funds equaled approximately $59.2 billion. Each fund is independently managed by the Board of Administration in accordance with the applicable documents, legal requirements, and investment plans. Liquidity and preservation of capital are preeminent investment objectives for most of these funds, so investments for these are restricted to high quality money market instruments (e.g., cash, short-term treasury securities, certificates of deposit, banker's acceptances, and commercial paper). The term of these investments is generally short but may vary depending upon the requirements of each trust and its investment plan.

Investment of sinking funds for State bond issues is controlled by the resolution authorizing issuance of a particular series of bonds. The Board of Administration's investment policy with respect to such sinking funds is that only U.S. Treasury securities, and repurchase agreements backed thereby, be used.

Bond Ratings

Fitch Ratings, Moody's Investors Service and S&P Global Ratings (herein referred to collectively as "Rating Agencies"), have assigned their municipal bond ratings of AAA (stable outlook), Aaa (stable outlook), and AAA (stable outlook), respectively, to the 2025A Bonds. Such ratings reflect only the respective views of such Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings may be obtained from any of the respective rating agencies.

The State furnished to such Rating Agencies certain information and material in respect to the State and the 2025A Bonds. Generally, Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the Rating Agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended, or withdrawn entirely by the Rating Agencies, or any of them, if in their or its judgment, circumstances warrant. Any such downward change in, suspension of or withdrawal of such ratings may have an adverse effect on the market price of the 2025A Bonds.

Information Technology and Cybersecurity

Similar to other large organizations, the State relies on electronic systems and information technologies ("IT") to conduct operations. Protecting the State's IT infrastructure and data is essential to delivering government services. The State maintains a security posture designed to protect data, deter attacks on IT infrastructure, and respond to security incidents to minimize the impact on operations. The State has also historically maintained reserve funds and a liquidity position that provide the ability to respond to potential threats, breaches, and incidents.

The State has defended against cyber-attacks in the past, and cyber-attacks are an ongoing risk to the State's IT infrastructure and data. Despite the State's robust cybersecurity policies and procedures designed to protect their data and IT infrastructure, no assurance is given that such security measures will prevent cyber-attacks, nor can any assurance be given that any cyber-attacks, if successful, will not have a material impact on State operations.

The Information Technology Management Act, which includes the State Cybersecurity Act and Local Government Cybersecurity Act, provides the legal framework for the State's cybersecurity policies. The Florida Digital Service (the "FLDS"), created within the Department of Management Services, is the lead entity for cybersecurity for the State and is led by the State Chief Information Officer who is charged with implementing the State's comprehensive framework for addressing cybersecurity and establishing standards and processes consistent with best practices for IT security across all State agencies. The FLDS is responsible for assessing cybersecurity risks and determining appropriate security measures for State agencies and local governments; creating and annually updating the statewide cybersecurity strategic plan, including security goals and objectives and performance monitoring; and annually reviewing each State agency's IT security plans. The FLDS is also responsible for maintaining the framework used by State agencies and local governments to conduct risk assessments and reporting of security incidents. State law requires State agencies to designate information security managers to administer their cybersecurity programs, establish cybersecurity response teams, and develop processes for detecting, reporting, and responding to cybersecurity incidents based on the framework established by the FLDS. The FLDS operates the Cybersecurity Operation Center (the "CSOC"), a centralized threat clearinghouse and site for incident response coordination. The CSOC is primarily virtual, operates 24-hour, seven days per week, and is staffed by cybersecurity experts that help to monitor threats and vulnerabilities faced by State agencies and local governments during emergency and regular operations. Within the State's emergency response capabilities through the Division of Emergency Management, the FLDS leads the cybersecurity emergency support function, ESF CYBER, under the State's comprehensive emergency management plan, providing consultation and support to the State Emergency Response Team and the State Emergency Operations Center during cybersecurity incidents as well as during events caused by a cybersecurity incident or events that create the potential for cybersecurity incidents. The FLDS also works with the Florida Cybersecurity Advisory Council (the "Council"), to identify long term strategies to improve the State's cybersecurity and protect Floridians' personal information from cyber threats. The Council, comprised of State officials, including the Lieutenant Governor, the State Chief Information Officer, and the State Chief Information Security Officer, and cybersecurity experts from outside of State government, serves as an additional resource to assist State agencies and local governments by reviewing their cybersecurity policies, assessing ongoing and potential risks, assisting the FLDS in developing cybersecurity best practices; and examining inconsistencies between state and federal law regarding cybersecurity. The Council also makes legislative recommendations that it considers necessary to address cybersecurity to the President of the Senate and the Speaker of the House of Representatives on an annual basis.

The Board of Administration acts as the fiscal agent for the bonds issued by the Division of Bond Finance on behalf of the State and its agencies. As trustee for the Division of Bond Finance's bond programs, the Board of Administration protects its data and IT infrastructure, including data and information related to bond programs, through a multifaceted cybersecurity strategy. The Board of Administration's cybersecurity strategy includes a comprehensive set of security policies and procedures, which are designed to guide staff in their cybersecurity responsibilities; a security awareness program, which educates staff on active cybersecurity threats and security best practices; a risk-based threat and vulnerability management program; and a managed threat detection and incident response service which is continuously monitored by a third-party service provider. Additionally, the Board of Administration has implemented access and authentication protocols, which include multi-factor authentication and industry standard encryption to protect data in transit and at rest. As a further precaution, the Board of Administration's cybersecurity program is subjected to routine internal audits to evaluate the effectiveness of the program, as well as annual external audits and penetration testing to identify opportunities to improve its security posture. The Board of Administration's cybersecurity strategy is supported by administrative and technical controls, which assist in identifying potential threats and preventing attacks that may target the Board of Administration's data and IT systems. In the event a cybersecurity issue arises, the Board of Administration has an incident response capability to quickly address such issues, including comprehensive plans and external services to assist with incident response, crisis communication, and breach notification management.

Environmental Risk Mitigation and Resiliency

With more than 2,000 linear miles of coastline and relatively low elevations, weather and natural resources affect the State's economy in a variety of ways. Economic activity attributable to in-migration and tourism represents a significant part of the State's economy, and the State's warm weather and beaches attract seasonal and permanent residents and tourists. In addition, a majority of the State's residents live and work in coastal counties. Because of the State's reliance on its natural resources to generate business and sustain in-migration, its economy and financial condition may be vulnerable to the impacts of environmental events, including hurricanes and inland and coastal flooding, as well as long-term environmental risks associated with climate change.

The State has dedicated leadership and a variety of resources that have enabled it to effectively respond to environmental events. The State has a demonstrated history of protecting and preserving valuable natural resources, mitigating the impacts of environmental risks on public and private property, and providing funding for projects to improve the State's resilience. However, the frequency of environmental events, such as hurricanes, may increase on an annual basis according to models and forecasts. The State's demographic and economic growth have steadily increased the value of property at risk from any single environmental event even as improvements in building codes, innovations in construction, and mitigation and resiliency efforts have reduced disaster mortality. Consequently, the magnitude of the impact from environmental risks on the State's operations, economy, or financial condition is indeterminate and is unpredictable for future environmental events. There can be no assurance that such risks will not have an adverse effect on the operations, economy, or financial condition of the State.

Environmental resiliency efforts are a joint responsibility of local government and state leadership. The State is taking a coordinated approach to maximize the benefit of mitigation efforts and to improve the State's resilience to weather events, such as hurricanes, flooding, and sea level rise. Statewide resiliency efforts are directed and coordinated by the Statewide Office of Resilience within the Executive Office of the Governor, the Department of Environmental Projection ("DEP"), and the Division of Emergency Management ("DEM"). Additionally, the Chief Science Officer, housed within DEP, is charged with coordinating and prioritizing scientific data, research, monitoring, and analysis needs to ensure alignment with current and emerging environmental concerns most pressing to the State.

The State has financial reserves available to cover response-related expenditures, and, in most cases, the State can request reimbursement from federal relief funds to pay for a portion of such expenditures. Further, upon a declaration of a state of emergency, State law provides the Governor broad spending authority to meet financial needs resulting from a disaster, including access to a $500 million Emergency Preparedness and Response Fund. Notwithstanding multiple hurricanes, State finances and the economy have only experienced temporary economic disruption.

The State can respond to the impacts of environmental events through DEM which provides comprehensive, statewide planning for and response to both natural and manmade disasters, including floods and hurricanes. DEM coordinates its efforts with the federal government, State agencies, local governments, and private sector organizations. In addition to coordinating the State's operational response activities during emergencies and disasters, DEM prepares and implements a statewide Comprehensive Emergency Management Plan that describes the basic strategies, assumptions, operational objectives, and mechanisms through which resources are mobilized and disaster assistance is provided. DEM routinely conducts extensive exercises to test State and county emergency response capabilities.

The State has a singular, statewide, standard building code, which establishes requirements for all public and private buildings, structures, and facilities across the State. It is the minimum standard that all counties and municipalities are required to enforce. The code includes flood provisions that meet or exceed the federal flood insurance requirements and imposes more stringent requirements on construction in areas that are more susceptible to adverse impacts from hurricanes. State law limits development and imposes strict construction standards for most activities along the coastline and requires DEP to regulate coastal construction to protect the State's coastline from construction that would be overly susceptible to environmental impacts. State law also requires local governments in coastal areas to have a "Peril of Flood" coastal management element in their comprehensive plans to reduce flood risk and eliminate unsafe development. Public entities are also required to conduct

Sea Level Impact Projection ("SLIP") studies before undertaking building projects within the coastal building zones. Each SLIP study assesses the project's risks of flooding, inundation, and wave damage based on appropriate flood mitigation strategies.

The State works to reduce the impact of environmental events through a number of targeted programs. DEP and DEM administer several programs that offer technical assistance and funding related to flooding, sea level rise, and environmental impacts to Florida's coastline. DEM also works with local governments to administer their local flood damage reduction regulations and provides technical assistance to improve their administration of local floodplain management and building code requirements and ensure compliance with development regulations.

Verification of Mathematical Calculations

The arithmetical accuracy of the mathematical computations supporting the adequacy of the maturing principal amounts of, and interest earned on, the investments purchased with funds deposited pursuant to the Escrow Deposit Agreement to pay the principal of and interest on the Refunded Bonds will be verified by Causey Public Finance, LLC, as a condition of the delivery of the 2025A Bonds.

Litigation

Currently there is no litigation pending, or to the knowledge of the Board of Education or the Division threatened, which if successful would have the effect of restraining or enjoining the issuance or delivery of the 2025A Bonds or questioning or affecting the validity of the 2025A Bonds or the proceedings and authority under which such 2025A Bonds are to be issued. The Board of Education and the Division from time to time engage in certain routine litigation the outcome of which would not be expected to have any material adverse effect on the issuance and delivery of the 2025A Bonds.

Legal Opinion and Closing Certificates

The approving legal opinion of Squire Patton Boggs (US) LLP will be provided on the date of delivery of the 2025A Bonds. Such legal opinion expresses no opinion as to the accuracy, completeness, or fairness of any statement in this Official Statement or the appendices hereto or in any other report, financial information, offering or disclosure document or other information pertaining to the State or the 2025A Bonds that may be prepared or made available by the State, the Board of Education, the Division or others to the purchasers or holders of the 2025A Bonds or other parties. A proposed form of the legal opinion is attached as Appendix G. The actual legal opinion to be delivered may vary from the text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise will create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

A certificate, executed by appropriate State officials, to the effect that to the best of their knowledge this Official Statement, as of its date and as of the date of delivery of the 2025A Bonds, does not contain an untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which this Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading, will also be provided at delivery.

Continuing Disclosure

The Division, on behalf of the Board of Education, will undertake, for the benefit of the beneficial owners and the Registered Owners of the 2025A Bonds to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access System ("EMMA"). Any notice of material events will also be transmitted to the MSRB using EMMA. This undertaking is being made to assist the underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission. The Division has policies and procedures in place to assist the Board of Education in complying with disclosure undertakings. The form of the undertaking is set forth in Appendix F, Form of Continuing Disclosure Agreement. Neither the Board of Education nor the Division has failed, in the previous five years, to comply in all material aspects with any prior disclosure undertakings.

From time to time, the Division, on behalf of the Board of Education, may voluntarily submit additional information that is not required by any of its continuing disclosure undertakings on EMMA or the Division's website. Although the Division may provide additional information from time to time regarding the matters in such voluntary submissions, it is not required to do so. Further, the information on the Division's website is not incorporated by reference into this Official Statement, and the Division is not obligated to provide or update such information at any time in the future. The Division will not have any obligation to update such information or include it in any future submission.

Underwriting

J.P. Morgan Securities LLC (the "Underwriter") has agreed to purchase the 2025A Bonds at an aggregate purchase price of $270,546,840.06 (which represents the par amount of the 2025A Bonds plus an original issue premium of $29,655,492.10 and minus the Underwriter's discount of $143,652.04). The Underwriter may offer and sell the 2025A Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering price stated on the inside front cover.

Execution of Official Statement

The execution and delivery of this Official Statement have been duly authorized by the Board of Education and the Division.

MANNY DIAZ, JR.
Commissioner of Education

J. BEN WATKINS III
Director, Division of Bond Finance

APPENDIX A

STATE OF FLORIDA

STATISTICAL, DEMOGRAPHIC AND FINANCIAL INFORMATION

The information contained in this Appendix is intended to provide an overview of the organization of the State's government, as well as general economic, financial, and demographic data which might be of interest in connection with the foregoing Official Statement. All information contained herein has been obtained from sources believed to be accurate and reliable. Estimates of future results are statements of opinion based on the most recent information available at the time such estimates were made, which was believed to be accurate. Such estimates are subject to risks and uncertainties which may cause actual results to differ materially from those set forth herein.

All information and estimates contained in this Appendix were based upon the estimates and projections published by various resources, as cited throughout Appendix A, which were based upon the most recent information available at that time.

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STATE OF FLORIDA

GEOGRAPHY AND GENERAL HISTORY

Florida is the 22nd largest state based on total area of approximately 65,700 square miles, with land area of approximately 53,600 square miles, an additional water area of approximately 12,100 square miles, and coastline in excess of 8,400 miles. Florida has 67 counties and approximately 411 municipalities. The State capital is the City of Tallahassee.

STATE GOVERNMENT

Florida's governmental powers are divided among the executive, legislative and judicial branches.

Executive Branch

The executive branch consists of the Governor, the Lieutenant Governor, and the Cabinet, which is comprised of the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. Each office is elected to four-year terms. Government services are generally organized along functional or program lines into departments, which constitute the principal administrative units within the executive branch. Each department falls under the direct supervision of either the Governor, the Lt. Governor, the Governor and the Cabinet, or a specific Cabinet member. The State Constitution limits cabinet members to eight consecutive years in office. A Governor who has served for more than six years in two consecutive terms may not be re-elected for the succeeding term.

Legislative Branch

The legislative power of the State is vested in a bicameral legislature, consisting of a senate and a house of representatives. There are 40 senatorial districts and 120 representative districts within the State. Senators are elected to four-year terms and representatives to two-year terms. The State Constitution limits legislators to eight consecutive years in office.

Regular sessions of the legislature convene on the first Tuesday after the first Monday in March of each odd-numbered year, and on the first Tuesday after the first Monday in January, or such other date as may be fixed by law, of each even-numbered year, and shall not exceed 60 days. Special sessions may be called by the Governor or by joint proclamation of the President of the Senate and the Speaker of the House of Representatives.

Judicial Branch

Judicial power is vested in a supreme court, 6 district courts of appeal, 20 circuit courts and 67 county courts.

Services Provided by State Government

The State provides a wide range of services to its residents and to its local government units. The education system is the most extensive service provided by the State.

In general, nearly half of the State's general revenue appropriations are for education. All tax supported schools, from kindergarten through postsecondary, constitute a single, unified system of public education under the State Board of Education. Each of Florida's 67 counties comprises a single school district operating under an elected school board. Additionally, there are 48 area vocational-technical centers administered by local school boards. The State's 28 Florida College System institutions and twelve State universities are operated by boards of trustees under the oversight of the State Board of Education.

DEMOGRAPHIC & ECONOMIC INFORMATION

Population

Florida ranks as the third most populous state, with an estimated resident population of 23.08 million as of July 1, 2024. This represents an increase of 1.59% from the previous year.

Beginning in 2015, Florida's population has grown by at least 1.5% each year. In the most recent year for which Census data is available (Fiscal Year 2022-23), Florida was the second-fastest growing state in the country. Typically, there are two drivers of population growth – natural increases (births minus deaths) and net migration (people moving into the state minus people moving out of the State). Historically, Florida's population growth has been driven by positive net migration, a general trend that has strengthened since the beginning of Fiscal Year 2019-20. During that time, approximately 1.9 million people have migrated to Florida from other states.

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Population of Florida and U.S.
(in thousands)

	Florida		U.S.	
Year	**Population**	**% Change**	**Population**	**% Change**
2010	18,801	17.6%	309,322	9.7%
2020	21,538	14.6%	331,527	7.2%
2030*	24,772	15.0%	345,074	4.1%
2040*	26,789	8.1%	355,309	3.0%

Source: Office of Economic and Demographic Research, Demographic Estimating Conference held on July 9, 2024, and U.S. Census Bureau. U.S. actual populations are as of April 1 of each year whereas U.S. projected populations are as of July 1. All Florida numbers are as of April 1 of each year.
* Projection.

The age distribution of Florida's population differs from that of the nation because Florida has a somewhat larger elderly population and a slightly smaller working age population than the nation. Florida's population aged 65 or older was 17.3% of the State's population in 2010 and increased to 21.2% by 2020. In contrast, the nation's population aged 65 or older was approximately 13.0% in 2010 and 16.8% in 2020. Florida's 2010 working age population (18-64) was 61.4% of total population and declined to 59.4% in 2020. By comparison, the working age population (18-64) in the U.S. was 62.9% of total population in 2010 and 61.1% in 2020.

Florida Population Age Trends

	2010 Census		2020 Census		2030 Projection		2040 Projection	
Age	**Population**	**% of Total**	**Population**	**% of Total**	**Population**	**% of Total**	**Population**	**% of Total**
0-4	1,073,506	5.7%	1,030,284	4.8%	1,289,709	5.2%	1,315,865	5.0%
5-17	2,928,585	15.6%	3,168,671	14.7%	3,421,212	13.9%	3,667,511	13.8%
18-24	1,739,657	9.3%	1,820,715	8.5%	2,039,240	8.3%	2,100,414	7.9%
25-44	4,720,799	25.1%	5,229,071	24.3%	6,126,438	24.9%	6,340,389	23.9%
45-64	5,079,161	27.0%	5,721,420	26.6%	5,652,923	23.0%	6,226,593	23.5%
65+	3,259,602	17.3%	4,568,026	21.2%	6,058,930	24.6%	6,887,106	26.0%
Total	18,801,310	100.0%	21,538,187	100.0%	24,588,452	100.0%	26,537,878	100.0%

Source: Office of Economic and Demographic Research, Florida Demographic Estimating Conference November 2023.

Florida's Gross Domestic Product

Florida's Gross Domestic Product ("GDP") represents the value of goods and services produced by the State and serves as a broad measure of the State's economy. According to the U.S. Bureau of Economic Analysis (BEA), Florida's Real GDP for 2023 was estimated at $1.285 billion, which is approximately 22.4% higher than the 2018 GDP of $1.050 billion. Private industry accounted for 90.8% of Florida's 2023 GDP and government accounted for the remaining 9.2%. Real estate and rental/leasing was the largest single industry, accounting for 18.7% of Florida's 2023 GDP. Tourism is not treated as a separate industry sector but remains an important aspect of the Florida economy. Its financial impact is reflected in a broad range of market sectors, such as transportation, communications, retail trade and services, and in State tax revenues generated by business activities which cater to visitors, such as hotels, restaurants, admissions, and gift shops. According to VISIT FLORIDA, approximately 140.6 million people visited the State in 2023, a 2.3% increase from 2022.

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The following table compares the components of the State's GDP over the period shown.

Florida's Gross Domestic Product by Major Industry
(millions of chained 2017 dollars)[1]

	2018		2023	
Industry[2]	**GDP**	**% of Total**	**GDP**	**% of Total**
Agriculture, forestry, fishing, and hunting	$6,592	0.6%	$6,533	0.5%
Mining	1,190	0.1%	1,202	0.1%
Utilities	17,205	1.6%	20,787	1.6%
Construction	57,752	5.5%	61,156	4.8%
Manufacturing	52,096	5.0%	63,984	5.0%
Wholesale trade	71,481	6.8%	76,827	6.0%
Retail trade	81,325	7.7%	94,747	7.4%
Transportation and warehousing	35,766	3.4%	46,378	3.6%
Information	41,417	3.9%	58,392	4.5%
Finance and insurance	59,030	5.6%	73,205	5.7%
Real estate and rental and leasing	192,397	18.3%	240,103	18.7%
Professional, scientific, and technical services	76,655	7.3%	119,687	9.3%
Management of companies and enterprises	16,712	1.6%	26,772	2.1%
Administrative and waste management services	42,866	4.1%	55,235	4.3%
Educational services	10,559	1.0%	12,397	1.0%
Health care and social assistance	87,836	8.4%	108,408	8.4%
Arts, entertainment, and recreation	16,732	1.6%	19,295	1.5%
Accommodation and food services	45,844	4.4%	53,688	4.2%
Other services, except government	28,182	2.7%	28,277	2.2%
Government	108,905	10.4%	118,267	9.2%
Total	**$1,050,542**	**100.0%**	**$1,285,337**	**100.0%**

Source: U.S. Department of Commerce, Bureau of Economic Analysis (May 2024).

1 A measure of real output and prices using 2017 as the base year and applying annual - weighted indexes to allow for changes in relative prices and associated purchasing patterns over time, as developed by the Bureau of Economic Analysis.

2 According to the U.S. Department of Labor, Federal Bureau of Labor Statistics, the leisure and hospitality industry sector consists of (i) the arts, entertainment and recreation industry, and (ii) the accommodations and food service industry.

According to the Florida Department of Business and Professional Regulation, as of September 30, 2023, there were 62,953 food service establishments licensed by the state, as well as 69,604 lodging establishments with 2,017,653 total lodging units. According to the Florida Department of Environmental Protection, visitors to the State's public parks and recreation areas totaled 28.7 million for Fiscal Year 2022-23.

Transportation of goods and passengers is facilitated by Florida's integrated transportation system. According to the Florida Department of Transportation, the State has approximately 123,488 miles of public roads, 2,746 miles of railroad track, 30 urban and 17 rural transit systems, 20 commercial airports, 15 deep water seaports, and 8 active space launch sites.

Construction activity, which constituted approximately 4.8% of Florida's 2023 GDP, is another factor to consider in analyzing the State's economy. The following table shows housing starts and construction values over the most recent 10-year period available.

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Florida Housing Starts and Construction Value[1]

	Housing Starts (thousands)		Construction Value (millions of current dollars)			
Year	**Single Family**	**Multi-Family**	**Single Family**	**Multi- Family**	**Non-Residential**	**Total**
2014	53.5	39.2	$17,083.2	$4,673.6	$15,832.2	$37,589.0
2015	64.4	49.6	20,682.5	7,507.8	19,870.8	48,061.1
2016	71.2	52.8	22,758.1	9,536.7	24,180.3	56,475.1
2017	80.0	50.5	25,036.1	9,818.1	28,135.3	62,989.5
2018	91.0	53.5	27,821.0	9,191.9	30,125.8	67,138.7
2019	94.8	68.4	29,160.7	9,527.4	30,838.6	69,526.7
2020	111.5	61.8	32,820.2	11,083.6	32,095.2	75,999.0
2021	141.2	93.3	43,102.7	10,601.3	33,530.6	87,234.6
2022	124.7	110.7	38,640.1	16,330.9	40,427.5	95,398.5
2023	116.2	104.6	34,585.7	19,228.4	44,597.4	98,411.5

Source: Office of Economic and Demographic Research, the Florida Legislature.
[1] Data is subject to revision on a monthly basis for up to five years.

Employment

As shown below, total employment in Florida increased from 10.59 million in Fiscal Year 2022-23 to 10.76 million in Fiscal Year 2023-24, though the unemployment rate increased slightly from 2.7% to 3.0%. Florida's unemployment rate historically trends in line with the nation's unemployment rate but was notably lower than the national rates in each of the most recent three Fiscal Years.

Unemployment Rate
Florida vs. U.S.

	Total Civilian Labor Force (in thousands)		Total Employment (in thousands)		Annual Average Unemployment Rate (percent)	
Fiscal Year	**Florida**	**U.S.**	**Florida**	**U.S.**	**Florida**	**U.S.**
2014-15	9,597.0	156,600.0	9,046.0	147,700.0	5.7%	5.7%
2015-16	9,729.1	158,000.0	9,243.8	150,100.0	5.0%	5.0%
2016-17	9,967.3	159,800.0	9,492.5	152,400.0	4.8%	4.7%
2017-18	10,161.7	161,100.0	9,763.3	154,500.0	3.9%	4.1%
2018-19	10,185.2	162,700.0	9,834.8	156,500.0	3.4%	3.8%
2019-20	10,222.2	162,600.0	9,652.4	152,900.0	5.7%	6.0%
2020-21	10,186.4	160,600.0	9,503.1	149,500.0	6.7%	6.9%
2021-22	10,578.7	162,900.0	10,201.5	156,100.0	3.6%	4.2%
2022-23	10,884.7	165,600.0	10,594.9	159,700.0	2.7%	3.5%
2023-24	11,088.9	167,700.0	10,757.0	161,300.0	3.0%	3.8%

Source: Office of Economic and Demographic Research, Florida Economic Estimating Conference held December 19, 2023, and National Economic Estimating Conference held July 12, 2024.

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As shown below, the total number of non-agricultural jobs in Florida increased 17.8% from 2017 to 2022. At the same time, total U.S. non-agricultural jobs increased 8.3%. In 2022, healthcare and social assistance was the largest industry in Florida, accounting for 10.5% of all non-farm jobs.

Composition of Nonagricultural Employment
Florida and the Nation
(In thousands)

	2017				2022			
	Florida		United States		Florida		United States	
Industry[1]	# of Jobs	% of Total	# of Jobs	% of Total	# of Jobs	% of Total	# of Jobs	% of Total
Forestry, fishing, and related activities	61.3	0.5	938.3	0.5	62.7	0.4	966.8	0.5
Mining	23.5	0.2	1,320.9	0.7	17.2	0.1	1,050.2	0.5
Utilities	25.5	0.2	590.8	0.3	27.9	0.2	605.6	0.3
Construction	713.7	5.9	10,558.0	5.4	888.0	6.3	11,867.8	5.7
Manufacturing	409.0	3.4	13,233.2	6.8	457.1	3.2	13,523.7	6.4
Wholesale trade	390.1	3.2	6,491.9	3.4	447.8	3.2	6,757.3	3.2
Retail trade	1,314.8	10.9	19,344.1	10.0	1,378.1	9.8	19,510.3	9.3
Transportation and warehousing	492.5	4.1	7,996.7	4.1	835.3	5.9	11,473.5	5.5
Information	180.8	1.5	3,404.5	1.8	213.0	1.5	3,861.9	1.8
Finance and Insurance	708.7	5.9	10,250.3	5.3	1,038.4	7.4	12,982.3	6.2
Real estate and rental and leasing	772.1	6.4	9,203.7	4.7	1,057.3	7.5	11,832.2	5.6
Professional, scientific, and technical services	854.8	7.1	13,849.2	7.1	1,109.0	7.9	15,978.4	7.6
Management of companies and enterprises	133.0	1.1	2,568.7	1.3	178.7	1.3	2,953.8	1.4
Administrative and waste management services	979.2	8.1	12,213.6	6.3	1,125.9	8.0	13,058.3	6.2
Educational services	233.4	1.9	4,727.4	2.4	260.5	1.8	4,885.7	2.3
Health care and social assistance	1,323.4	11.0	22,215.3	11.5	1,483.5	10.5	23,545.5	11.2
Arts, entertainment, and recreation	358.0	3.0	4,518.6	2.3	377.0	2.7	4,457.3	2.1
Accommodation and food services	1,048.4	8.7	14,788.4	7.6	1,099.9	7.8	14,750.3	7.0
Other services, except government	794.7	6.6	11,065.5	5.7	905.5	6.4	11,616.1	5.5
Government	1,201.6	10.0	24,493.0	12.6	1,194.6	8.5	24,198.0	11.5
Total	**12,018.4**	**100.0**	**193,772.1**	**100.0**	**14,157.4**	**100.0**	**209,875.0**	**100.0**

Source: US Department of Commerce, Bureau of Economic Analysis (September 2023).
1 According to the U.S. Department of Labor, Federal Bureau of Labor Statistics, the leisure and hospitality industry sector consists of (i) the arts, entertainment and recreation industry, and (ii) the accommodations and food service industry.

Income

Historically, Florida's total personal income has grown at rates similar to those of the U.S. and the other southeastern states. The following table shows total and per capita personal income for the U.S., the Southeast, and Florida from 2014 through 2023. During that time, Florida's total personal income grew by approximately 82% and its per capita income increased approximately 59%. Over the same time period, the U.S.'s total personal income increased by 55% and its per capital income grew 48%, while the southeast region's total personal income increased by 62% and its per capita income grew by 50%.

Total and Per Capita Personal Income
U.S., Southeast, and Florida
(in millions of current dollars)

	Total Personal Income						Per Capita Personal Income					
Year	U.S.	Change	Southeast	Change	Florida	Change	U.S.	Change	Southeast	Change	Florida	Change
2014	$14,778,160	n/a	$3,326,261	n/a	$848,535	n/a	$46,287	n/a	$40,962	n/a	$42,865	n/a
2015	15,467,113	4.7%	3,493,964	5.0%	905,451	6.7%	48,060	3.8%	42,618	4.0%	44,945	4.9%
2016	15,884,741	2.7%	3,598,072	3.0%	938,986	3.7%	48,971	1.9%	43,437	1.9%	45,720	1.7%
2017	16,658,962	4.9%	3,786,490	5.2%	1,011,002	7.7%	51,004	4.2%	45,300	4.3%	48,439	5.9%
2018	17,514,402	5.1%	3,978,127	5.1%	1,078,011	6.6%	53,309	4.5%	47,228	4.3%	51,009	5.3%
2019	18,343,601	4.7%	4,189,538	5.3%	1,145,461	6.3%	55,547	4.2%	49,379	4.6%	53,640	5.2%
2020	19,609,985	6.9%	4,480,458	6.9%	1,221,122	6.6%	59,151	6.5%	52,446	6.2%	56,556	5.4%
2021	21,392,812	9.1%	4,950,935	10.5%	1,376,880	12.8%	64,427	8.9%	57,602	9.8%	63,071	11.5%
2022	21,820,248	2.0%	5,102,324	3.1%	1,441,599	4.7%	65,473	1.6%	58,784	2.1%	64,804	2.7%
2023	22,952,028	5.2%	5,396,159	5.8%	1,543,132	7.0%	68,531	4.7%	61,546	4.7%	68,248	5.3%

Source: U.S. Department of Commerce, Bureau of Economic Analysis (accessed April 1, 2024).

The following table shows Florida personal income and earnings by major source for calendar years 2018 and 2023. Total Income in Florida increased approximately 43.1% over the five-year period.

Florida Personal Income and Earnings by Major Source: 2018 vs. 2023
(thousands of current dollars)

Non-Farm Earnings by Industry*	**2018**	**% Total**	**2023**	**% Total**
Private:				
Forestry, fishing and other	$1,901,637	0.2%	$2,342,557	0.2%
Mining	407,240	0.0%	620,048	0.0%
Utilities	4,849,097	0.4%	8,413,094	0.5%
Construction	44,274,167	4.1%	62,926,918	4.1%
Manufacturing	30,493,867	2.8%	44,375,492	2.9%
Wholesale Trade	34,833,869	3.2%	50,764,709	3.3%
Retail Trade	46,908,940	4.4%	65,324,285	4.2%
Transportation & Warehousing	23,768,077	2.2%	39,884,222	2.6%
Information	17,572,068	1.6%	20,245,767	1.3%
Finance and insurance	46,282,611	4.3%	69,652,104	4.5%
Real estate and rental and leasing	17,441,139	1.6%	20,926,514	1.4%
Professional and technical services	63,425,120	5.9%	107,196,519	6.9%
Management of companies and enterprises	14,839,792	1.4%	22,291,114	1.4%
Administrative and waste services	37,152,816	3.4%	55,452,609	3.6%
Educational services	9,106,986	0.8%	12,933,871	0.8%
Health care and social assistance	79,394,515	7.4%	110,884,889	7.2%
Arts, entertainment, and recreation	12,017,513	1.1%	18,676,711	1.2%
Accommodation and food services	31,025,777	2.9%	46,225,299	3.0%
Other services, except public administration	27,861,944	2.6%	37,741,867	2.4%
Total Private	$543,557,175	50.4%	$796,878,589	51.6%
Government & government enterprises	90,421,186	8.4%	111,657,674	7.2%
Total Non-Farm Earnings	**$633,978,361**	**58.8%**	**$908,536,263**	**58.9%**
Farm Earnings*	**2,378,289**	**0.2%**	**2,233,146**	**0.1%**
Total Earnings*	**$636,356,650**	**59.0%**	**$910,769,409**	**59.0%**
Other Income:				
plus: Dividends, Interest & Rent	308,529,763	28.6%	442,117,503	28.7%
plus: Personal current transfer receipts	203,449,009	18.9%	293,679,709	19.0%
plus: Adjustment for residence	3,520,702	0.3%	4,097,833	0.3%
less: Contributions for social insurance	(73,845,538)	(6.9)%	(107,532,764)	(7.0)%
Total Other Income	**$441,653,936**	**41.0%**	**$632,362,281**	**41.0%**
Total Personal Income and Earnings	**$1,078,010,586**	**100.0%**	**$1,543,131,690**	**100.0%**

Source: U.S. Department of Commerce, Bureau of Economic Analysis (March 2024).
* Includes employer supplements to wages and salaries (for pensions, insurance, and government social insurance) and proprietors' income.

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International Trade

Florida plays a pivotal role in international trade as a gateway between North America, Latin America, the Caribbean, and other world regions. The state's total merchandise trade (imports plus exports) reached an all-time record of $191 billion, which was an increase of 0.7% over 2022. The state's total merchandise trade has grown by 29% since 2019. The state's top five merchandise exports in 2023 were aviation parts, phones, automobiles, data processing machines, and medicaments. The top merchandise imports in that year were automobiles, repairs and returns, nucleic acids and salts, phones, and gold. Florida's top trading partners in 2023 were Brazil, China, Chile, Colombia, and the Dominican Republic. In 2023, Florida also ranked sixth in the nation in state-origin exports.

Florida's International Trade
(in billions)

Year	Exports	% Change	Imports	% Change
2013	$85,483	(5.3)%	$73,075	1.7%
2014	81,774	(4.3)	71,227	(2.5)
2015	73,306	(10.4)	73,856	3.7
2016	67,946	(7.3)	74,725	1.2
2017	70,220	3.3	77,427	3.6
2018	73,483	4.6	80,126	3.5
2019	72,117	(1.9)	81,258	1.4
2020	59,449	(17.6)	75,572	(7.0)
2021	75,043	26.2	88,933	17.7
2022	87,067	16.0	102,959	15.8
2023	86,408	(0.8)	104,682	1.7

Source: Enterprise Florida, Florida International Trade Summary 2023.

Primary Sources of Sales Tax

The following tables illustrate taxable sales by category of expenditure over the most recent 10-year period and compare the top 25 types of businesses generating sales tax revenues in the most recent fiscal year available to five years prior.

Florida Taxable Sales and Sales Tax Liability by Category
(in millions)

	Consumer Non-durables				Consumer Durables				Building Investment		Business Investment	
Fiscal	Recreation/Tourism		Other		Autos & Accessories		Other					
Year	Sales	Taxes	Sales	Taxes	Sales	Taxes	Sales	Taxes	Sales	Taxes	Sales	Taxes
2013-14	$77,019	$4,607	$107,834	$6,515	$59,686	$3,568	$23,232	$1,387	$20,106	$1,200	$65,634	$3,844
2014-15	83,645	5,000	114,018	6,883	65,521	3,910	25,128	1,498	22,055	1,318	70,641	4,140
2015-16	88,351	5,299	115,432	7,003	70,257	4,213	26,276	1,576	23,835	1,432	76,193	4,446
2016-17	92,551	5,529	121,002	7,301	73,918	4,416	26,683	1,529	25,497	1,524	80,974	4,746
2017-18	98,416	5,887	125,731	7,600	76,540	4,573	27,797	1,662	27,354	1,637	87,654	5,108
2018-19	103,668	6,201	131,458	7,929	78,952	4,722	27,908	1,668	29,394	1,761	96,766	5,590
2019-20*	92,815	5,516	127,543	7,709	79,078	4,713	26,797	1,603	29,720	1,778	98,372	5,663
2020-21	90,096	5,413	145,244	8,779	96,092	5,760	31,819	1,905	33,147	1,990	104,136	5,998
2021-22	131,233	7,873	187,785	11,363	113,417	6,788	35,873	2,146	42,258	2,533	122,199	7,037
2022-23	141,888	8,484	201,796	12,187	120,332	7,189	35,303	2,110	44,711	2,668	135,793	7,820

Source: Office of Economic and Demographic Research (April 2024).

* Fiscal Year 2020 sales decreased or remained flat when compared to Fiscal Year 2019, which was largely caused by the economic impacts from business restrictions enacted in response to the COVID-19 pandemic.

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State Sales Tax Collections by Top 25 Business Types[1]
Fiscal Years Ended June 30,

Type of Business	2019	2023
General Merchandise Stores, Survival Kits	$3,733,042,731	$7,801,503,380
Motors Vehicle Dealers, Trailers, Campers	3,983,052,958	5,914,516,315
Restaurants, Lunchrooms, Catering Service	2,741,426,248	4,396,765,448
Lease or Rentals of Office Space and Commercial Retails	1,914,079,934	2,861,224,166
Hotels, Rooming Houses, Apartments, Tourist Courts	1,740,859,681	2,796,293,068
Lumber and Building Materials, Prefab Buildings	1,327,640,700	2,372,832,392
Wholesale Dealers	1,096,314,329	2,132,425,674
Grocery Stores	1,339,530,240	2,118,475,730
Admissions, Amusement & Recreation Services	1,055,549,685	1,568,393,157
Clothing Stores, Alterations	1,004,353,432	1,373,468,665
Manufacturing, Processing, Mining	761,878,878	1,301,714,417
Furniture Stores, New and Used	592,774,104	891,782,974
Utilities, Electricity or Gas	559,213,818	860,727,980
Music Stores, Radio, Television, Consumer Electronics, Computers	625,492,588	799,463,151
Auto Accessories, Tires, Parts, (Trailers) Auto	367,631,563	621,187,663
Garages, Auto Paint and Body Shops	345,818,769	616,401,114
Rental of Tangible Personal Property	414,951,221	564,188,826
Communications, Telephone, Telegraph, Radio & Television Stations[2]	273,979,647	501,543,067
Hardware, Paints, Light Machinery, Bicycle	217,446,341	364,354,865
Taxable Services	202,647,511	301,291,611
Building Contractors (Roads and Realty)	248,257,420	300,558,569
Insurance, Banking, Savings and Loan Research	211,607,714	272,538,375
Motorboats, Yachts, Marine Parts, Accessories	166,251,928	270,905,161
Repair of Tangible Personal Property	162,921,396	258,717,676
Industrial Machinery	158,880,883	257,010,152

Source: Florida Department of Revenue, Office of Tax Research.

1 Top 25 business types as of 2023.

2 Includes sales and use tax portion of Communications Services Tax.

STATE FINANCIAL OPERATIONS

Florida law requires the maintenance of a General Revenue Fund, trust funds, and a Budget Stabilization Fund administered by the Chief Financial Officer. The majority of State tax revenues are deposited in the General Revenue Fund. Trust funds consist of monies which under law or trust agreement are segregated for a specified purpose. State monies are disbursed by the Chief Financial Officer upon warrants or other orders pursuant to appropriations acts. The Governor and Chief Financial Officer are responsible for ensuring that sufficient revenues are collected to meet appropriations and that no deficits occur in State funds.

The State Constitution mandates the creation and maintenance of a Budget Stabilization Fund in an amount not less than 5% nor more than 10% 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 committed to any other purpose. 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.

The State Constitution prohibits the Legislature from appropriating nonrecurring general revenue funds for recurring purposes in an amount that exceeds 3% of the total general revenue funds estimated to be available at the time the appropriation is made. The Legislature may override this prohibition by a three-fifths vote of the membership of each house. Nonrecurring general revenue funds are general revenue funds (such as transfers to the general revenue fund from trust funds) that are not expected to be available on an ongoing basis.

The State budget must be kept in balance from current revenues each State fiscal year (July 1-June 30), and the State may not borrow to fund governmental operations. (See "***Budget Shortfalls"*** below.) Revenues in the General Revenue Fund which exceed amounts needed to fund appropriations or for transfers to the Budget Stabilization Fund are maintained as "unallocated general revenues."

Budgetary Process

The State's budgetary process is an integrated, continuous system of planning, evaluation, and controls. State law requires the Joint Legislative Budget Commission to prepare an annual long-range State financial outlook on or before September 15. The outlook includes projections of major programs driving the State's annual budget requirements and revenue estimates, and it recommends fiscal strategies to assist the legislature in making budget decisions. State agencies are also required to develop goals and objectives consistent with the State long-range planning document. Generally, individual State agencies prepare and submit appropriation requests to the Office of Planning and Budgeting, Executive Office of the Governor, no later than October 15 of the year preceding legislative consideration. The Office of Planning and Budgeting conducts a detailed evaluation of all agency requests, after which it makes budget recommendations to the Governor.

Drawing from recommended appropriations and revenue estimates, the Governor submits a recommended budget to the Legislature. The House and Senate each adopt their respective versions of the appropriations bill and any differences are worked out by a conference committee composed of House and Senate members. The conference committee adopts a committee version of the appropriations bill, which is then voted on by the House and Senate. After passage of the appropriations bill, the bill is sent to the Governor, who has 7 consecutive days (15 days if the Legislature has adjourned or taken a recess of more than 30 days) after the bill is presented to him to sign it "as is" or exercise his authority to veto individual line-item appropriations.

The State has routinely completed the budget for the next fiscal year prior to the end of the current fiscal year. Only one time in at least the last 60 years was the budget not completed prior to the start of the fiscal year. In 1992, the budget was implemented on the first day of the fiscal year, i.e., July 1. In this instance the payment of all financial obligations and the delivery of services occurred normally.

Almost all of the State's debt is paid semi-annually, so even if a budget is not adopted before the start of a fiscal year, debt service payments generally occur at intervals sufficient to provide additional time for payment. Debt service payments due at the beginning of a fiscal year are paid from appropriations of the prior fiscal year. Additionally, the Legislature and the Governor can authorize appropriations for debt service even if they haven't resolved differences over other appropriations.

Revenue Estimates

State law provides for consensus estimating conferences to develop official economic and demographic data and revenue forecasts for use in planning and budgeting. Each conference adopts estimates within its area of expertise by unanimous consent of the conference principals. The four principals of the estimating conference are professional staff of the Governor's Office, the Senate, and the House of Representatives, and the Legislature's Office of Economic and Demographic Research. Once an estimating conference is convened, an official estimate does not exist until a new consensus is reached.

Consensus revenue estimating conferences are generally held three times each year to estimate revenue collections for the next fiscal year based on current tax laws and administrative procedures. General State and national economic scenarios are agreed upon by the conference principals. Consensus Estimating Conferences are held in late summer to refresh estimates for the Long-Range Financial Outlook (Article III, Section 19(c)1, Florida Constitution), in the fall to establish a forecast for the Governor's budget recommendations, and in the spring to determine the revenues available for appropriation during the legislative session. Conferences may reconvene at any time if it is felt that prior recommendations are no longer valid. Conferences are also held during legislative session to determine the fiscal impact of proposed tax law changes, and after each legislative session to review changes in tax legislation and to amend official conference recommendations accordingly.

There are currently ten estimating conferences formally identified in statute: Economic, Demographic, Revenue, Education, Criminal Justice, Social Services, Labor Market, Early Learning, Self- Insurance, and Florida Retirement System Actuarial Assumptions.

State Revenue Limitation

State revenues include taxes, licenses, fees, and charges for services imposed by the legislature on individuals, businesses, or agencies outside of State government, as well as proceeds from the sale of lottery tickets. ***The Florida Constitution places a limit on the rate of growth in state revenues***. In any year, the revenue limit is determined by multiplying the average annual growth rate in Floridians' personal income over the previous five years by the maximum amount of revenue permitted under the cap for the previous year. State revenues subject to the limitation do not include lottery receipts returned as prizes; balances carried forward from prior years; proceeds from the sale of goods (e.g. land, buildings); funds pledged for debt service on State bonds; State funds used to match federal money for Medicaid (partially exempt); charges imposed on the local governmental level; receipts of the Hurricane Catastrophe Trust Fund; and revenues required to be imposed by amendment to the Constitution after July 1, 1994. Revenues collected in excess of the limitation are deposited into the Budget Stabilization Fund unless two-thirds of the members of both houses of the Legislature vote to raise the limit. The revenue limitation may be adjusted to reflect the transfer of responsibility for funding governmental functions between the State and other levels of government.

In addition, no new State tax or fee may be imposed by any amendment to the Florida Constitution unless the proposed amendment is approved by not fewer than two-thirds of the voters voting in the election in which such proposed amendment is considered. The phrase "new State tax or fee" means any tax or fee which would produce revenue subject to lump sum or other appropriation by the Legislature, either for the State general revenue fund or any trust fund, provided such tax or fee was not already in effect on November 7, 1994.

Financial Control

After the appropriations bill becomes law, ***the Office of Planning and Budgeting prepares monthly status reports comparing actual revenue receipts to the estimates on which appropriations were based.*** This constant cash flow monitoring system enables the Governor and the Chief Financial Officer to ensure that the revenues collected will be sufficient to meet appropriations.

All balances of General Revenue Fund appropriations for operations in each fiscal year (except appropriations for fixed capital outlay) expire on the last day of such fiscal year. Amounts identified by agencies as incurred obligations which have not been disbursed as of June 30 are carried forward, with unused amounts expiring on September 30. Because capital projects are often funded on a multi-year basis, with the full appropriation being made in the first year even though payments are actually made over multiple years, unused appropriations for fixed capital outlay revert on February 1 of the second fiscal year (the third fiscal year if for an educational facility or a construction project of a State university).

Budget Shortfalls

Appropriations are maximum amounts available for expenditure in the current fiscal year and are contingent upon the collection of sufficient revenues. The Governor and the Chief Financial Officer are responsible for ensuring that revenues collected will be sufficient to meet appropriations and that no deficit occurs in any state fund. A determination that a deficit has occurred, or will occur, can be made by either the Governor or the Chief Financial Officer after consultation with the Revenue Estimating Conference. If the Governor fails to certify a deficit, the Speaker of the House of Representatives and President of the Senate may do so after consultation with the Revenue Estimating Conference. A determination made by the Chief Financial Officer is reported to the Governor, the Speaker of the House, and the President of the Senate, and, if neither the Governor nor the House Speaker and Senate President certifies the existence of a deficit within 10 days after the report by the Chief Financial Officer, the Chief Financial Officer must then report his or her findings to the Legislative Budget Commission for further action. Within 30 days after determining that a budget shortfall will occur, the Governor is required to develop a plan of action to eliminate the budget shortfall for the Executive Branch, and the Chief Justice of the Supreme Court is required to develop a plan of action for the judicial branch.

Budget shortfalls of less than 1.5% of the money appropriated from the General Revenue Fund during a fiscal year are resolved by the Governor for the Executive Branch and by the Chief Justice of the Supreme Court for the Judicial Branch, with the approval of the Legislative Budget Commission, subject to statutory guidelines and directives contained in the appropriations act. The statutory guidelines include a requirement that all branches of government are generally required to accept a proportional budget reduction. The Governor for the Executive Branch and the Chief Justice for the Judicial Branch may reduce appropriations by placing them in mandatory reserve, or withhold appropriations by placing them in budget reserve, if such action is necessary to prevent deficits or implement legislative directives in the General Appropriations Act.

If the Revenue Estimating Conference projects a shortfall in the General Revenue Fund in excess of 1.5% of the monies appropriated from the General Revenue Fund during a fiscal year, the shortfall must be resolved by the Legislature. Any available State funds may be used in eliminating shortfalls in the General Revenue Fund. Additionally, the Legislature may eliminate a shortfall by reducing appropriations.

Evaluation, Accounting and Auditing Procedures

Florida has an integrated general ledger accounting system which provides online monitoring of budget commitments by individual agency units. This system prevents agencies from overcommitting available funds.

Each State agency supported by any form of taxation, licenses, fees, imposts, or exactions must file with the Chief Financial Officer financial and other information necessary for preparation of the State's annual financial statements. In addition, each such agency must prepare financial statements showing the financial position and results of agency operations as of June 30 for internal management purposes. The Chief Financial Officer is responsible for preparing the State's combined annual financial report, copies of which are available from the Chief Financial Officer, Division of Accounting and Auditing. The Auditor General conducts annual audits of all officers and agencies in the Executive and Judicial branches. Individual agency audits are made in accordance with generally accepted auditing standards and governmental auditing standards as adopted by the State Board of Accountancy. In addition to the annual financial and compliance audits, performance audits are made to determine the efficiency and effectiveness of agency operations.

Systems and procedures are in place to enable the State and its component units to comply in a timely manner with Governmental Accounting Standards Board Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

REVENUES

Major sources of tax revenues to the General Revenue Fund are the sales and use tax, corporate income tax, documentary stamp tax, intangibles tax, beverage tax, and insurance premium tax. Unlike many other jurisdictions, ***the State of Florida does not levy ad valorem taxes on real property or tangible personal property, nor does it impose a personal income tax.***

Sales and Use Tax

The largest single source of tax receipts in Florida is the sales and use tax. Each sale, admission, storage, or rental in Florida is taxable, unless the transaction is exempt. Sales tax is added to the price of taxable goods or services and collected from the purchaser at the time of sale. Use tax is due on the use or consumption of taxable goods when sales tax was not paid at the time of purchase. Florida imposes a general state sale and use tax rate of 6%. Exceptions apply to electricity (6.95%), the rental, lease, or license of commercial real property (2%), amusement machine receipts (4%), and retail sales of new mobile homes (3%). The Legislature has, from time to time, temporarily waived collection of sales taxes on items such as clothing, school supplies, hurricane preparedness items, and energy efficient appliances through sales tax holidays.

Receipts of the sales and use tax are transferred to various state funds and programs, with the remainder (the vast majority) of the revenue credited to the General Revenue Fund.

Motor and Diesel Fuel Tax

There are several distinct taxes on motor and diesel fuels including: (1) the state sales tax on motor and diesel fuels, currently levied at $0.21 per gallon; (2) a state excise tax, currently levied at $0.04 per gallon; (3) the State Comprehensive Enhanced Transportation System ("SCETS") tax, currently levied at $0.094 per gallon; and (4) local option fuel taxes, which may range from $0.01 to $0.12 per gallon for motor fuel and are set at $0.07 per gallon for diesel fuel. The state sales tax and the SCETS tax are indexed annually by the Consumer Price Index.

The proceeds from the state sales tax on motor and diesel fuel, as well as the proceeds from the SCETS tax, are deposited into the State Transportation Trust Fund for road maintenance and construction. The net receipts from the SCETS tax must be spent in the district where generated. The first two cents of the state excise tax, ("the Constitutional Fuel Tax"), are distributed by a formula to Florida's counties and used to meet the debt service requirements, if any, on local bond issues backed by the tax proceeds, with any surplus funds distributed to the counties. The third cent of the excise tax, ("the County Fuel Tax"), is distributed by the same formula as the Constitutional Fuel Tax. The proceeds from the fourth cent of the state excise tax, ("the Municipal Fuel Tax"), are transferred into the Revenue Sharing Trust Fund for Municipalities.

Beverage Tax

Florida's beverage tax is an excise tax imposed on distributors as follows: beer at $0.48 per gallon; wine at $2.25 to $3.50 per gallon; cider at $0.89 per gallon; and spirits at $2.25 to $9.53 per gallon, with rates varying according to the alcohol content of the beverage. Of the revenue collected from the excise taxes on alcoholic beverages, two percent are deposited to the Alcoholic Beverage and Tobacco Trust Fund, with the remainder deposited to the State's General Revenue Fund.

Corporate Income Tax

Florida corporate income tax is computed using federal taxable income, modified by certain Florida adjustments, additions, and subtractions. A corporation doing business outside Florida may apportion its total income. The current tax rate is 5.5% of Florida net income. All receipts of the Corporate Income Tax are credited to the General Revenue Fund.

Documentary Stamp Tax

Documentary stamp tax is an excise tax imposed on certain documents executed, delivered, or recorded in Florida. Deeds and other documents relating to real property are taxed at 70 cents per $100 of the consideration (except Miami-Dade County, which is 60 cents per $100 consideration). Corporate shares, bonds, certificates of indebtedness, promissory notes, wage assignments, and retail charge accounts are taxed at 35 cents per $100 of the consideration.

At its inception, Documentary Stamp Tax proceeds were credited to the General Revenue Fund. However, over the years a series of statutory amendments have dedicated portions of the proceeds to various trust funds for specific purposes. After deducting costs associated with collection and enforcement, Documentary Stamp Tax collections are currently distributed as follows:

1. Amounts necessary to make payments on Florida Forever Bonds and Everglades Restoration Bonds, or any other bonds authorized to be issued on a parity basis with such bonds.

2. If the amounts utilized for the above-referenced payments on bonds are less than 33% of taxes collected minus the costs of collection, an amount equal to 33% of taxes collected minus the amounts utilized for the payments on bonds shall be deposited into the Land Acquisition Trust Fund.

3. After providing for the uses described above, the remainder of the Documentary Stamp Taxes are to be distributed as follows:
    - The lesser of 20.5453% of the remainder or $466.75 million to the State Transportation Trust Fund;
    - The lesser of 0.1456% of the remainder or $3.25 million to the Grants and Donations Trust Fund;
    - 9.70254%% of the remainder to the State Housing Trust Fund and Local Government Housing Trust Fund;
    - The lesser of 0.017% or $300,000 to the General Inspection Trust Fund;
    - $75 million of the remainder to the State Economic Enhancement and Development Fund;
    - 5.4175% of the remainder to the Resilient Florida Trust Fund;
    - 5.4175% of the remainder to the Water Protection and Sustainability Program Trust Fund.

4. The remainder to the General Revenue Fund.

Intangibles Tax

A non-recurring 2 mill tax is levied on mortgages and other obligations secured by liens on Florida realty, and an annual 0.5 mill tax is imposed on non-exempt governmental leaseholds. Intangibles tax revenue is deposited into the General Revenue Fund, except for revenue collected pursuant to the tax on governmental leaseholds, which is returned to the local school boards in the counties where the leasehold property is located.

Insurance Premium Tax

The insurance premium tax is a tax on insurance premiums received by insurers. The tax is paid by insurance companies at the following rates: 1.75% on gross property and casualty premiums minus reinsurance and return premiums; 1% on annuity premiums; 1.6% on self-insurers; and 4.94% on surplus lines premiums and independently procured coverage. Corporate income taxes and emergency excise taxes paid to Florida are credited against premium tax liability. In addition to the premium taxes imposed, a $2 surcharge is imposed on homeowner's policies, and a $4 surcharge is imposed on certain commercial policies.

Assessments for Police and Firefighter pension funds are distributed to local governments. Fire Marshal assessments, filing fees and $125,000 annually, adjusted by the lessor of 20% or the growth in total retaliatory taxes, are deposited into the Insurance Regulatory Trust Fund. The remainder of the Premium Tax is deposited to the General Revenue Fund. Surcharge collections are deposited to the Emergency Management, Preparedness, and Assistance Trust Fund, which is administered by the Division of Emergency Management.

Gross Receipts Tax

A 2.5% tax is imposed on the gross receipts of sellers of utility services (electricity and natural or manufactured gas). An additional tax of 2.6% is levied on commercial electricity, but gross receipts from the sale of gas used to generate electricity are exempt from the tax. Communications services are taxed at a rate of 2.52%. The gross receipts tax on communication services is remitted as a component of the Communications Services Tax. All Gross Receipts Tax collections are credited to the Public Education Capital Outlay and Debt Service Trust Fund.

Communications Services Tax

The Communications Services Tax is imposed on retail sales of communications services which originate and terminate in Florida or originate or terminate in Florida and are billed to a Florida address. Communications services include all forms of telecommunications previously taxed by the Gross Receipts Tax plus cable television and direct-to-home satellite service. Including the gross receipts tax, the total state tax rate for communications services is 7.44%, but each local taxing jurisdiction (municipality, charter county, or unincorporated county) also has a specific local tax rate. Direct-to-home satellite service is currently taxed at a total rate of 11.44%. Local tax does not apply to this service.

Except for the tax on direct-to-home satellite service, the Communications Services Tax is distributed according to the same formula as the Sales and Use Tax.

Other State Taxes

To the extent not pre-empted by the federal government, the State levies a one-time excise tax on cigarettes, at rates based on their weight and package quantity. All non-cigarette tobacco products other than cigars are taxed at the rate of 85% (25% tax and 60% surcharge) of the wholesale price.

Tobacco Litigation Settlement

In 1997, the State of Florida settled litigation against the tobacco industry. The settlement provided for the state to receive, in perpetuity, annual payments of $440 million beginning in 1999, with adjustments based on inflation and the financial performance of the tobacco industry defendants.

For many years, tobacco settlement revenues were deposited in the Lawton Chiles Endowment Fund to provide a source of funding for state health programs and biomedical research. In 2021, the endowment fund was terminated, and the Legislature directed the State Board of Administration to redirect all existing funds from the endowment fund to the Budget Stabilization Trust Fund by June 30, 2022.

Lottery

In order to provide additional funding for education, the 1987 Legislature created the Department of the Lottery to operate a State lottery. After prizes and administrative expenses are paid, revenues generated by the Florida Lottery are distributed to the Educational Enhancement Trust Fund.

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FLORIDA FINANCIAL INFORMATION

The following tables present information regarding the State's historical and projected financial resources, as well as budgets by program area and appropriations by department.

Five Year History of Trust Fund and General Revenues
(millions of dollars)

	Fiscal Year				
	2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
General Revenue Receipts[1]					
Sales and Use Tax[2]	$24,591.3	$27,158.1	$34,039.7	$35,800.2	$36,014.0
Beverage Licenses and Taxes	296.4	333.9	352.4	311.9	345.0
Corporation Income Tax	2,473.5	3,395.6	3,761.6	5,517.2	6,015.8
Documentary Stamp Tax	983.1	1,432.5	2,054.2	1,357.9	1,257.0
Corporate Filing Fees	368.2	535.9	527.8	553.9	572.3
Tobacco Tax	167.8	172.6	157.1	147.0	126.6
Insurance Taxes	972.5	1,095.1	1,230.7	1,604.7	1,739.8
Indian Gaming (General Revenues)[3]	-	-	187.5	-	179.3
Pari-Mutuel Fees, Licenses and Taxes	7.9	7.2	11.6	10.8	11.3
Slot Machine Licenses (General Revenues)	11.7	10.0	3.0	-	-
Intangible Personal Property Tax	493.0	701.6	848.0	525.6	444.4
Motor Vehicle and Mobile Home Licenses	80.9	45.3	13.3	5.6	5.9
Auto Title and Lien Fees	99.4	141.2	147.7	112.0	101.2
Drivers Licenses and Fees	201.6	218.6	214.6	190.3	180.8
HSMV Misc Fees, Licenses & Fines	57.1	51.7	62.3	60.5	62.3
Earnings on Investments	370.6	342.9	181.8	493.8	1,093.9
Oil and Gas Severance Tax	1.3	0.6	1.7	2.0	1.3
Solid Mineral Severance Tax	9.1	9.3	8.1	7.2	6.8
Article V Fees & Transfers	104.6	77.2	100.9	100.4	97.2
Counties' Medicaid Share (General Revenues)	301.7	304.0	295.2	287.1	310.3
Fines/Forfeitures/Judgements (General Revenues) [4]	2.5	7.2	2.1	3.4	2.2
Miscellaneous Revenue (General Revenues)[4]	8.9	11.5	5.6	10.3	9.7
BP Settlement Agreement (General Revenues)	26.7	26.7	26.7	26.7	26.7
Other (General Revenues)[5,6]	6,046.6	6,574.0	5,913.4	233.2	223.6
Total (General Revenues) Collections and Transfers	$37,676.4	$42,652.7	$50,147.1	$47,361.7	$48,827.3
Plus Service Charges to (General Revenues)	483.7	537.3	633.6	559.7	365.1
Less Refunds of (General Revenues)	(911.5)	(820.0)	(1,150.3)	(566.9)	(644.4)
Net (General Revenues) Collections and Transfers	**$37,248.6**	**$42,370.0**	**$49,630.4**	**$47,354.5**	**$48,548.0**
Trust Fund Revenues for State Use[1]					
Major Transportation Revenues:					
Auto Title and Lien Fees	$336.2	$357.5	$361.9	$392.2	$384.9
Motor Fuel Tax	2,302.3	2,359.7	2,620.6	2,676.0	2,976.5
Motor Vehicle and Mobile Home Licenses	1,077.2	1,217.9	1,301.5	1,343.3	1,330.5
Motor Vehicle Fees and Charges	408.3	418.9	488.0	501.2	496.2
Transportation Subtotal	$4,124.0	$4,354.0	$4,772.2	$4,912.7	$5,188.1
Workers Insurance Tax:					
Workers Compensation Assessment	56.2	49.1	49.8	53.8	54.1
Workers' Comp. Special Disability	18.4	15.7	16.2	17.9	17.7
Reemployment Assistance Tax	432.2	1,060.6	653.1	681.1	672.8
Workers Insurance Subtotal	$506.8	$1,125.3	$719.1	$752.8	$744.5
Conservation and Recreational Lands:					
Documentary Stamp Tax	1,891.8	2,650.3	3,304.9	2,506.9	2,320.4
Solid Mineral Severance Tax	12.4	13.1	9.1	13.7	8.9
Oil and Gas Severance Tax	-	0.4	1.8	(0.1)	0.5
Indian Gaming	-	-	-	-	177.7
Sales and Use Tax	28.7	28.7	556.1	1,108.6	863.4
Conservation and Recreational Subtotal	$1,933.0	$2,692.5	$3,871.8	$3,629.2	$3,370.9
Education – Tuition, Fees, and Charges:					
Slot Machine Tax to Education	156.7	168.2	241.0	241.6	243.6
Lottery to Education	1,851.5	2,246.0	2,382.0	2,374.0	2,403.0
Unclaimed Property (State School Trust Fund)	144.0	328.5	263.3	425.0	395.0
Education Subtotal	2,152.2	2,742.7	2,886.3	3,040.6	3,041.6
Agencies' Administrative Trust Funds:					
Beverage Licenses and Taxes	30.9	32.4	33.3	30.8	26.4
Insurance Taxes	52.0	54.0	61.1	73.2	78.8
General Inspection Fees and Licenses	59.8	71.9	65.4	77.5	67.2
Citrus Inspection Fees and Licenses	10.5	8.6	7.5	5.2	5.2

	Fiscal Year				
	2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
DFS and Treasury Fees, Licenses & Taxes	179.6	205.8	230.5	260.7	283.2
Citrus Taxes	6.1	7.8	6.8	5.4	5.8
Hunting and Fishing Licenses	62.8	72.6	72.5	74.1	92.3
Pari-mutuel Fees, Licenses and Taxes	13.1	14.6	15.0	17.8	13.8
Professional Fees and Licenses	72.7	89.0	94.6	98.9	82.8
Drivers' Licenses and Fees	143.6	151.9	169.5	192.3	212.8
HSMV, Misc. Fees, Licenses & Fines	31.7	33.5	34.7	32.9	28.7
Slot Machine Licenses and Fees	6.5	8.4	17.6	20.4	18.3
Lottery to Administration	580.4	645.6	545.2	744.8	666.6
Administrative Subtotal	$1,249.8	$1,395.9	$1,353.6	$1,633.9	$1,581.8
Other Trust Fund Revenues for State Use:					
Tobacco Tax	920.6	915.7	896.1	857.5	788.5
Lottery Prizes	5,094.0	6,199.5	6,408.1	6,698.1	6,375.0
Unclaimed Property DFS Trust (Residual)	357.6	359.0	374.6	412.7	373.7
Opioid Settlement Trust	-	-	-	239.6	65.9
Tobacco Fines/Forfeitures/Judgements Trust	335.3	402.6	412.1	385.1	352.2
Other Fines/Forfeitures/Judgements Trust	199.5	200.7	200.4	204.4	244.5
Article V Fees	106.3	108.3	110.2	130.0	116.3
Earnings on Investments	444.1	207.3	170.9	159.6	487.5
Miscellaneous Revenues[4]	249.0	211.4	246.1	215.9	239.3
Refunds & Reimbursement	2,866.7	2,714.8	3,026.0	3,898.6	3,847.1
Sales, Concessions, Rent & Leases	95.6	88.8	81.3	140.1	85.7
Other Fees, Licenses and Taxes	3,154.2	2,999.6	3,964.8	4,327.1	5,531.9
Other Trust Funds Subtotal	$13,822.8	14,407.7	$15,890.5	$17,668.6	$18,507.8
Total Trust Fund Revenue for State Use	**$23,788.6**	**$26,718.1**	**$29,493.5**	**$31,637.8**	**$32,434.7**
Revenues Shared with Local Government & School Districts					
Sales and Use Tax	$2,933.6	$3,206.5	$3,985.8	$4,242.8	$4,207.4
Beverage Licenses and Taxes	16.8	18.1	19.4	18.6	19.3
Insurance Premium Tax	201.4	206.0	221.5	291.9	346.5
Indian Gaming	7.2	-	-	5.6	-
Motor Fuel Tax	403.3	401.4	445.8	451.3	456.1
Oil and Gas Severance Tax	0.4	0.2	0.5	0.6	0.4
Solid Mineral Severance Tax	5.6	5.9	5.1	4.5	4.2
Gross Receipts Tax[2]	1,115.1	1,109.4	1,206.4	1,375.0	1,404.4
BP Settlement Agreement Local Distribution	80.0	80.0	80.0	80.0	80.0
Motor Vehicle and Mobile Home Licenses	180.1	199.8	202.9	206.3	207.8
Tobacco Taxes	6.4	6.4	6.1	5.8	5.0
Opioid Settlement Agreement Local Distribution	-	-	-	135.6	97.9
Other Fees, Licenses and Taxes[2]	56.3	50.8	47.1	42.6	37.4
Total Local Government	**$5,006.2**	**$5,284.5**	**$6,220.7**	**$6,860.6**	**$6,866.6**
Federal and Local Assistance					
Counties and Cities	$100.3	$129.4	$121.9	$92.4	$90.9
U.S. Government	35,954.9	54,509.9	39,840.8	43,125.0	39,146.9
Other Assistance and Donations Grants	104.0	1,120.7	1,625.9	386.7	412.4
Total Federal and Local Assistance	**$36,159.1**	**$55,759.9**	**$41,588.7**	**$43,604.1**	**$39,650.2**
Summary of Trust Fund and General Revenue					
General Revenue	$37,248.6	$42,370.0	$49,630.4	$47,354.5	$48,548.0
Trust Fund	23,788.6	26,718.1	29,493.5	31,637.8	32,434.7
Revenues Shared with Local Governments	5,006.2	5,284.5	6,220.7	6,860.6	6,866.6
Federal and Local Assistance	36,159.1	55,759.9	41,588.7	43,604.1	39,650.2
Total Direct Revenues	**$102,202.5**	**$130,132.5**	**$126,933.3**	**$129,457.0**	**$127,499.5**

Source: Florida Office of Economic and Demographic Research, Long-Term Revenue Analysis Estimating Conference, August 2024.

1 The Trust Fund portion of each tax source may include an obligatory General Revenue service charge, thereby reducing the dollars available for appropriations out of the Trust Fund.

2 Includes a portion of Communications Services Tax.

3 Indian Gaming revenues were zero in Fiscal Years 2020 and 2021 because the Seminole Tribe of Florida ceased making revenue sharing payments to the State in Fiscal Year 2019 due to a dispute over the applicable Revenue Sharing Agreement. A new revenue sharing agreement (the "2021 Compact") became effective on August 11, 2021. Litigation over the legality of the compact resulted in the suspension of payments after Fiscal Year 2021-22. However, following a ruling by the U.S. Court of Appeals for the D.C. Circuit, the revenue sharing payments resumed in January 2024.

4 Includes an unknown amount of General Revenue appropriations.

5 Includes Other Fees Licenses and Taxes General Revenue and Other Nonoperating General Revenue.

6 Fiscal Years 2019-20, 2020-21 and 2021-22, include federal funds for COVID-19 relief.

GENERAL REVENUE FUND
FINANCIAL RETROSPECT STATEMENT
Fiscal Years 2022-23 and 2023-24[1]
(in millions of dollars)

	RECURRING	NON-RECURRING	TOTAL
FUNDS AVAILABLE 2022-23			
Balance Forward from 2021-22	$0.0	$22,803.1	$22,803.1
Prior Year Ending Adjustments	0.0	178.3	178.3
Revenue Collections	47,828.7	(342.6)	47,486.1
Transfers from Trust Funds	0.0	82.1	82.1
BP Settlement Agreement Payment State Share	26.7	0.0	26.7
FEMA Reimbursements (Irma, Michael, & Sally)	0.0	73.5	73.5
FEMA Reimbursements (COVID-19)	0.0	278.4	278.4
2021 Medicaid Managed Care Achieved Savings Rebate State Share	0.0	105.1	105.1
Fixed Capital Outlay Reversions	0.0	1.6	1.6
Alzheimer’s Disease Research Reversion (s. 381.82(8), F.S.)	0.0	0.3	0.3
Federal Funds Interest Earnings Rebates	(0.7)	0.0	(0.7)
Total 2022-23 Funds Available	$47,854.7	$23,176.2	$71,031.0
EXPENDITURES 2022-23			
State Operations	$19,311.4	$1,912.9	$21,224.4
Aid to Local Government	17,498.5	(210.1)	17,288.3
Fixed Capital Outlay	50.9	4,144.1	4,195.0
Fixed Capital Outlay/Aid to Local Government	0.0	2,003.5	2,003.5
Transfer to State Employees’ Health Insurance Trust Fund	0.0	200.0	200.0
Transfer to Budget Stabilization Fund	0.0	410.0	410.0
Transfer to Risk Management Trust Fund	0.0	70.0	70.0
Transfer to Medical Care Trust Fund	0.0	160.0	160.0
Transfer to Tobacco Settlement Trust Fund	0.0	25.1	25.1
Transfers for Reinsurance Assistance to Policyholders Program	0.0	800.5	800.5
Transfers for Florida Optional Reinsurance Assistance Program	0.0	2.0	2.0
Transfer to Emergency Preparedness and Response Fund	0.0	1,920.0	1,920.0
Transfer to Trust Funds for Motor Fuel Tax Relief	0.0	200.0	200.0
Transfer to State Transportation Trust Fund for Toll Relief	0.0	500.0	500.0
Transfer to Unclaimed Property Trust Fund	0.0	23.9	23.9
Indian Gaming Local Distribution	0.0	5.6	5.6
Transfers to Trust Funds form American Rescue Plan Act Funds	0.0	747.8	747.8
Miscellaneous Nonoperating Expenditures	0.0	2.8	2.8
Total 2022-23 Expenditures	$36,860.8	$12,918.0	$49,778.9
ENDING BALANCE	**$10,993.9**	**$10,258.2**	**$21,252.1**
FUNDS AVAILABLE 2023-24			
Balance Forward from 2022-23	$0.0	$21,252.1	$21,252.1
Prior Year Ending Adjustments	0.0	(19.5)	(19.5)
Revenue Collections	48,838.4	(342.6)	48,495.8
Transfers from Trust Funds	0.0	60.3	60.3
BP Settlement Agreement Payment State Share	26.7	0.0	26.7
Indian Gaming Revenue	0.0	179.3	179.3
FEMA Reimbursements (Irma, Michael)	0.0	25.1	25.1
2021 Medicaid Managed Care Achieved Saving Rebate State Share	0.0	105.6	105.6
Fixed Capital Outlay Reversions	0.0	1,212.6	1,212.6
Toll Relief Reversion (Ch. 2022-270, L.O.F.)	0.0	35.4	35.4
Ian/Nicole Match Waiver Reversions	0.0	50.0	50.0
Opioid Lawsuit Settlement Payments	0.0	5.2	5.2
Alzheimer’s Disease Research Reversion (s. 381.82(8), F.S.)	0.0	0.3	0.3
Florida Job Growth Grant Fund Reversion (Ch. 2017-233, L.O.F.)	0.0	2.3	2.3
Federal Funds Interest Earnings Rebates	(7.7)	0.0	(7.7)
American Rescue Plan Act of 2021 – Local Fiscal Recovery Fund Refund	0.0	(1.3)	(1.3)
Miscellaneous Adjustments	0.0	0.0	0.0
Total 2023-24 Funds Available	$48,857.4	$22,564.7	$71,422.2
EXPENDITURES 2023-24			
State Operations	$21,929.2	$2,816.9	$24,746.1
Aid to Local Government	18,732.2	204.3	18,936.5

	RECURRING	NON-RECURRING	TOTAL
Fixed Capital Outlay	50.9	1,355.6	1,406.6
Fixed Capital Outlay/Aid to Local Government	10.0	2,204.8	2,214.8
Transfer to State Employees' Health Insurance Trust Fund	0.0	322.6	322.6
Transfer to State Transportation Trust Fund-Move Florida Forward	0.0	4,370.0	4,370.0
Transfer to Division of Bond Finance	0.0	200.0	200.0
Transfers to Housing Trust Funds	0.0	110.0	110.0
Transfer to Emergency Preparedness & Response Fund	0.0	1,000.0	1,000.0
Transfer to Budget Stabilization Fund	0.0	1,000.0	1,000.0
Transfer for Local Government Emergency Revolving Loan Program	0.0	88.1	88.1
Transfer for Agriculture & Aquaculture Producers Disaster Loan Program	0.0	75.0	75.0
Transfer to State Transportation Trust Fund Fund-Toll Relief	0.0	450.0	450.0
Transfer to Educational Enhancement Trust Fund	0.0	76.0	76.0
Transfer for Reinsurance Assistance to Policyholders Program	0.0	18.4	18.4
Miscellaneous Nonoperating Expenditures	0.0	2.8	2.8
Total 2023-24 Expenditures	$40,722.4	$14,294.5	$55,016.9
ENDING BALANCE	**$8,135.0**	**$8,270.3**	**$16,405.3**

Source: Office of Economic and Demographic Research as of November 20, 2024.

[1] The cash balance in the Budget Stabilization Fund (not shown here) at the end of Fiscal Year 2022-23 was $3,140.2 million and at the end of Fiscal Year 2023-24 was $4,140.4 million. Amounts are displayed to one decimal place but calculated at the full dollar amount, so they may not add to the total.

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GENERAL REVENUE FUND
FINANCIAL OUTLOOK STATEMENT
FY 2023-24 through FY 2029-30
Including Fiscal Year 2023-24 Closeout, and Other Adjustments as of November 5, 2024
(in millions of dollars)

	RECURRING	NON-RECURRING	TOTAL
FUNDS AVAILABLE 2023-24			
Balance Forward from 2022-23	$0.0	$21,252.1	$21,252.1
Prior Year Ending Adjustments	0.0	(19.5)	(19.5)
Revenue Collections	48,838.4	(342.6)	48,495.8
Trust Fund Transfers	0.0	60.3	60.3
BP Settlement Agreement Payment State Share [(C)]	26.7	0.0	26.7
Indian Gaming Revenue (J)	0.0	179.3	179.3
FEMA Reimbursements (Irma, Michael)	0.0	25.1	25.1
Fixed Capital Outlay Reversions	0.0	1,212.6	1,212.6
2022 Medicaid Managed Care Achieved Savings Rebates State Share	0.0	105.6	105.6
Toll Relief Funding Reversion	0.0	35.4	35.4
Ian/Nicole Match Waiver Reversions	0.0	50.0	50.0
Opioid Lawsuit Settlement Payments (M)	0.0	5.2	5.2
Alzheimer's Disease Research Reversion	0.0	0.3	0.3
Florida Job Growth Grant Fund Reversion	0.0	2.3	2.3
Federal Funds Interest Earning Rebate	(7.7)	0.0	(7.7)
American Rescue Plan Act of 2021 – Local Fiscal Recovery Fund Refund	0.0	(1.3)	(1.3)
Miscellaneous Revenue	0.0	0.0	0.0
Total 2023-24 Funds Available [(A) (B) (D)]	$48,857.4	$22,564.7	$71,422.2
EXPENDITURES 2023-24			
State Operations	$21,929.2	$2,816.9	$24,746.1
Aid to Local Government	18,732.2	204.3	18,936.5
Fixed Capital Outlay	50.9	1,355.6	1,406.6
Fixed Capital Outlay/Aid to Local Government	10.0	2,204.8	2,214.8
Transfers to State Transportation Trust Fund-Move Florida Forward (I)	0.0	4,370.0	4,370.0
Transfers to State Employee's Health Insurance Trust Fund	0.0	322.6	322.6
Transfer to Division of Bond Finance for Debt Defeasance	0.0	200.0	200.0
Transfers to Housing Trust Funds	0.0	110.0	110.0
Transfers to Emergency Preparedness & Response Fund	0.0	1,000.0	1,000.0
Transfer to Budget Stabilization Fund [(A)]	0.0	1,000.0	1,000.0
Transfer for Local Government Emergency Revolving Loan Program	0.0	88.1	88.1
Transfer for Agriculture & Aquaculture Producers Natural Disaster Recovery Loan Program	0.0	75.0	75.0
Transfer to State Transportation Trust Fund Fund-Toll Relief [(K)]	0.0	450.0	450.0
Transfer to Educational Enhancement Fund	0.0	76.0	76.0
Transfers for Reinsurance Assistance to Policyholders Program [(G)]	0.0	18.4	18.4
Miscellaneous Expenditures	0.0	2.8	2.8
Total 2023-24 Expenditures	$40,722.4	$14,294.5	$55,016.9
ENDING BALANCE [(A) (B) (D) (J)]	**$8,135.0**	**$8,270.3**	**$16,405.3**
FUNDS AVAILABLE 2024-25			
Balance Forward from 2023-24	$0.0	$16,405.3	$16,405.3
Estimated Revenues	48,747.5	(231.6)	48,515.9
HB5001 (2024) Trust Fund Transfers (Line Item 637; s. 270) (Net of Vetoes)	0.0	119.8	119.8
BP Settlement Agreement Payment State Share [(C)]	26.7	0.0	26.7
FEMA Reimbursement (Michael, Irma)	0.0	7.4	7.4
Fixed Capital Outlay Reversions	0.0	3.8	3.8
Prior Year Reversion Adjustment	0.0	53.0	53.0
Federal Funds Interest Earnings Rebate	(13.5)	0.0	(13.5)
Total 2024-25 Funds Available [(A) (B) (D)]	$48,760.7	$16,357.7	$65,118.4
EFFECTIVE APPROPRIATIONS 2024-25			
State Operations	$24,389.4	$2,061.4	$26,450.8
Aid to Local Government	20,465.2	775.8	21,241.0
Fixed Capital Outlay	152.4	721.1	873.5
Fixed Capital Outlay/Aid to Local Government	20.0	1,252.3	1,272.3
HB 5001 (2024) Transfers to State Employees' Health Insurance Trust Fund (s. 280 & 290)	0.0	424.4	424.4
HB 5001 (2024) Transfer to State Board of Administration (s. 286)	0.0	245.0	245.0

	RECURRING	NON-RECURRING	TOTAL
HB 5001 (2024) Transfer to Budget Stabilization Fund (s. 291) [(A)]	0.0	300.0	300.0
HB 5001 (2024) Initial Interest-Related Transfer for Hillsborough County Transportation Discretionary Sales Surtax Settlement (s. 283)	0.0	19.5	19.5
Transfer to DOH for Revolving Loan Program [(L)]	0.0	50.0	50.0
Transfer for FHFC for Hometown Hero Program [(E)]	0.0	100.0	100.0
Reappropriations [(E) (F)]	0.0	3,197.6	3,197.6
Budget Amendment – DOT Roll Forward Projects (s. 339.135(6)(c), F.S.)	0.0	234.8	234.8
Budget Amendment – Service Member Death Benefits	0.0	0.3	0.3
Contingency Reserve for Reinsurance Assistance to Policyholders Program [(G)]	0.0	1,186.1	1,186.1
Contingency Reserve for Florida Optional Reinsurance Assistance Program [(H)]	0.0	1,004.0	1,004.0
Total 2024-25 Effective Appropriations	$45,027.0	$11,572.3	$56,599.3
ENDING BALANCE [(A) (B)]	**$3,733.7**	**$4,785.4**	**$8,519.1**
FUNDS AVAILABLE 2025-26			
Balance Forward from 2024-25	$0.0	$8,519.1	$8,519.1
Estimated Revenues	49,811.1	(114.0)	49,697.1
BP Settlement Agreement Payment State Share [(C)]	26.7	0.0	26.7
Unused Appropriations/Reversions	0.0	134.8	134.8
Fixed Capital Outlay Reversions	0.0	3.8	3.8
Federal Funds Interest Earnings Rebate	(4.4)	0.0	(4.4)
Total 2025-26 Funds Available [(A) (B) (J)]	$49,833.4	$8,543.7	$58,377.0
FUNDS AVAILABLE 2026-27			
Estimated Revenues	$51,766.7	$62.3	$51,829.0
BP Settlement Agreement Payment State Share [(C)]	26.7	0.0	26.7
Unused Appropriations/Reversions	0.0	134.8	134.8
Fixed Capital Outlay Reversions	0.0	3.8	3.8
Federal Funds Interest Earnings Rebate	(2.4)	0.0	(2.4)
Total 2026-27 Funds Available [(A) (B)]	$51,791.0	$200.9	$51,991.9
FUNDS AVAILABLE 2027-28			
Estimated Revenues	$52,978.0	$22.5	$53,000.5
BP Settlement Agreement Payment State Share [(C)]	26.7	0.0	26.7
Unused Appropriations/Reversions	0.0	134.8	134.8
Fixed Capital Outlay Reversions	0.0	3.8	3.8
Federal Funds Interest Earnings Rebate	(3.0)	0.0	(3.0)
Total 2027-28 Funds Available [(A) (B)]	$53,001.7	$161.1	$53,162.8
FUNDS AVAILABLE 2028-29			
Estimated Revenues	$54,334.3	$1.9	$54,336.2
BP Settlement Agreement Payment State Share [(C)]	26.7	0.0	26.7
Unused Appropriations/Reversions	0.0	134.8	134.8
Fixed Capital Outlay Reversions	0.0	3.8	3.8
Federal Funds Interest Earnings Rebate	(2.7)	0.0	(2.7)
Total 2028-29 Funds Available [(A) (B)]	$54,358.3	$140.5	$54,498.8
FUNDS AVAILABLE 2029-30			
Estimated Revenues	$55,754.4	$0.0	$55,754.4
BP Settlement Agreement Payment State Share [(C)]	26.7	0.0	26.7
Unused Appropriations/Reversions	0.0	134.8	134.8
Fixed Capital Outlay Reversions	0.0	3.8	3.8
Federal Funds Interest Earnings Rebate	(2.6)	0.0	(2.6)
Total 2029-30 Funds Available [(A) (B) (J)]	$55,778.5	$138.6	$55,917.1

Source: Office of Economic and Demographic Research as of November 20, 2024.

[A] The cash balance in the Budget Stabilization Fund (not shown here) at the time of this Outlook is $4,440.5 million and includes the FY 2024-25 $300.0 million General Revenue transfer and the $1,056.3 million in transfers from FY 2021-22 through FY 2024-25 from the Lawton Chiles Endowment Fund. Based on the cash balance in the fund and the August 14, 2024 forecast, transfers for FY 2024-25 through FY 2029-30 will not be required.

[B] This financial statement is based on current law as it is currently administered. It does not include the potential effect of any legal actions that might affect revenues or appropriations. The Attorney General periodically issues an update on any such litigation. In addition, it does not recognize any projected deficits or surpluses in any spending programs unless specifically stated.

[C] Payments are associated with the settlement reached in In re: Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico, MDL No. 2179 (April 20, 2010). The payments are in consideration of the full and complete settlement and release of claims by the state for various damages. It provides a total payment to the State of Florida of $2.0 billion over the period FY 2016-17 through FY 2032-33. The first payment of $400 million was received on July 1, 2016. Annual payments of $106.7 million began in FY 2018-19. Pursuant to Chapter 2017-63, L.O.F., 75 percent of all payments to the state must be transferred immediately from the General Revenue Fund to the Triumph Gulf Coast Trust Fund for subsequent transfer to a trust account held by Triumph Gulf Coast, Inc. The revenue numbers shown here are net of this transfer.

[D] The American Rescue Plan (ARP) Act of 2021 (Public Law 117-2; enacted 3/11/2021) continues the federal government support to state and local governments, individuals, businesses, and specific industries dealing with the COVID-19 pandemic and its associated economic consequences. To date, Florida has received all of the distributions for the State Fiscal Recovery Fund ($8,816.6 million), Local Fiscal Recovery Fund ($1,416.4 million), and the Homeowners Assistance Fund ($676.1 million), and a distribution for Emergency Rental Assistance ($296.2 million).

[E] In Section 152 of the Fiscal Year 2021-22 General Appropriations Act (GAA), the Legislature authorized up to $6,696.5 million in nonrecurring appropriations for the 2020-21 fiscal year contingent upon the Department of Financial Services receiving and depositing into the General Revenue Fund any amount from the state's allocation from the federal Coronavirus State Fiscal Recovery Fund. The Governor vetoed $1.35 billion, reducing the total to $5,346.5 million. The state received $4,408.3 million on May 19, 2021. Any unexpended balances of funds remaining at June 30, 2021 were reverted and reappropriated for the same purposes in the 2021-22 fiscal year. Amendments to the Fiscal Year 2021-22 budget began July 28, 2021. In Sections 195 and 196 of the Fiscal Year 2022-23 GAA, the Legislature specified that any unexpended balances remaining at June 30, 2022, are reverted and reappropriated for the same purposes in the 2022-23 fiscal year. In Section 233 of the Fiscal Year 2023-24 GAA, the Legislature reverted and reappropriated $64.0 million from Section 195 and $25.0 million from Section 196 (Fiscal Year 2021-22 GAA) for new projects in Fiscal Year 2022-23. In addition, the Legislature specified that any unexpended balances remaining at June 30, 2023 are reverted and reappropriated for the same purposes in Fiscal Year 2023-24. In Section 271 of the Fiscal Year 2024-25 GAA, the Legislature reverted $253.0 million from Section 233 (Fiscal Year 2023-24 GAA) and reappropriated $139.6 million in Section 272 for new projects. The Governor vetoed $204.1 million of the reversions, which restored the original appropriations. The Legislature specified that any unexpended balances remaining at June 30, 2024 are reverted and reappropriated for the same purposes in Fiscal Year 2024-25. In Section 273, the Legislature authorized the transfer of $498.3 million from American Rescue Plan (ARP) appropriations in Section 233 (Fiscal Year 2023-24 GAA) to non-ARP appropriations for the same purpose. In Section 274, the Legislature authorized the transfer of $511.7 million from non-ARP appropriations to ARP appropriations for the same purpose. The Governor vetoed $200.0 million of the transfers, which restored the original appropriations. In addition, the Legislature appropriated $100 million in Chapter 2024-188, L.O.F., from ARP funds for the Hometown Hero Housing Program in Fiscal Year 2024-25

[F] In Section 197 of the Fiscal Year 2022-23 General Appropriations Act (GAA), the Legislature authorized up to $3,470.1 million in nonrecurring appropriations for the 2021-22 fiscal year contingent upon the Department of Financial Services receiving and depositing into the General Revenue Fund the second distribution of the state's allocation from the federal Coronavirus State Fiscal Recovery Fund. The Governor vetoed $37.1 million, reducing the total to $3,433.0 million. Any unexpended balances of funds remaining at June 30, 2022, are reverted and reappropriated for the same purposes in the 2022-23 fiscal year. In Section 233 of the Fiscal Year 2023-24 GAA, the Legislature appropriated $37.1 million from the vetoed projects, and reverted and reappropriated $226.4 million from Section 197 (Fiscal Year 2021-22 GAA) for new projects in Section 234 in Fiscal Year 2022-23. In addition, the Legislature specified that any unexpended balances remaining at June 30, 2023 are reverted and reappropriated for the same purposes in Fiscal Year 2023-24. In Section 273, the Legislature authorized the transfer of $70 million from an American Rescue Plan (ARP) appropriation from Section 234 (Fiscal Year 2023-24 GAA) to a non-ARP appropriation for the same purpose.

[G] Legislation passed during Special Session 2022D (Ch. 2022-268, L.O.F.) authorized transfers of up to $2 billion from the General Revenue Fund to the State Board of Administration (SBA) to cover the state's financial obligations resulting from the Reinsurance to Assist Policyholders (RAP) Program, and up to $5 million for the administration of the program and post-event examinations for covered events that require RAP coverage. The actual transfers, if any, are contingent on individual insurers' hurricane-related losses exceeding levels specified in the legislation. If no funds have been transferred to the SBA to reimburse RAP Program insurers for losses associated with the covered event by June 30, 2025, the appropriation expires on July 1, 2025; otherwise, the appropriation expires on July 1, 2029. The amount shown in Fiscal Year 2024-25 is a contingency against the remaining balance. All unencumbered funds return to the General Revenue Fund unallocated.

[H] Legislation passed during Special Session 2022A (Ch. 2022-271, L.O.F.) authorized transfers of up to $1 billion from the General Revenue Fund to the State Board of Administration (SBA) to cover the state's financial obligations resulting from the Florida Optional Reinsurance Assistance (FORA) Program, and up to $6 million for the administration of the program and post-event examinations for covered events that require FORA coverage. The actual transfers, if any, are contingent on individual insurers' hurricane-related losses exceeding levels specified in the legislation. If no funds have been transferred to the SBA to reimburse FORA Program insurers for losses associated with the covered event by June 30, 2026, the appropriation expires on July 1, 2026; otherwise, the appropriation expires on July 1, 2030. The amount shown in Fiscal Year 2024-25 is a contingency against the remaining balance. All unencumbered funds return to the General Revenue Fund unallocated.

[I] The $4.0 billion transfer to the State Transportation Trust Fund was contingent on Legislative Budget Commission approval of a budget amendment pursuant to the provisions of chapter 216, Florida Statutes, that included a project list, implementation schedule, finance plan, and budget authority necessary to implement the initiative. The $370 million was placed in reserve for the department to request the release of funds by submitting a budget amendment pursuant to the provisions of chapter 216, Florida Statutes, which updated the project list, implementation schedule, and finance plan.

[J] Three percent of the total amount paid by the Seminole Tribe to the state under the Indian Gaming Compact is designated as the local government share. Based on the Indian Gaming Revenues August 6, 2024 forecast, the estimated distributions are $16.1 million in Fiscal Year 2024-25; $23.2 million in Fiscal Year 2025-26; $24.4 million in Fiscal Year 2026-27; $25.7 million in Fiscal Year 2027-28; $27.0 million in Fiscal Year 2028-29; $28.5 million in Fiscal Year 2029-30.

[K] Chapter 2024-228, Laws of Florida, implements the toll relief program, effective April 1, 2024 through March 31, 2025. Any unexpended balance of funds as of May 30, 2025, immediately reverts to the General Revenue Fund.

[L] Chapter 2024-16, Laws of Florida, requires the Department of Health (DOH) to administer a revolving loan program for applicants seeking to implement certain health care innovations, and appropriates $50.0 million, beginning in Fiscal Year 2024-25 through Fiscal Year 2033-34, in nonrecurring funds from the General Revenue Fund to implement the program.

[M] The opioid lawsuit settlement payments are related to the February 4, 2021 settlement agreement with McKinsey & Company. Florida received $33.8 million in Fiscal Year 2020-21. The $5.2 million reflects payments of $1.7 million for Fiscal Year 2023-24, and $1.7 million in each year for Fiscal Years 2021-22 and 2022-23, which were deposited into a Department of Legal Affairs trust fund and transferred to the General Revenue Fund in Fiscal Year 2023-24. The final payment of $1.7 million is scheduled for Fiscal Year 2024-25, bringing the total settlement to $40.8 million.

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Actual and Projected General Revenues

Net general revenue collections for Fiscal Year 2023-24 were $1.0 billion, or 2.1%, more than net collections for Fiscal Year 2022-23 of $47.3 billion. General revenue projections for Fiscal Years 2024-25 through 2027-28, as adopted by the Revenue Estimating Conference ("Conference") on August 14, 2024, are shown in the following table.

The projections are based on the best information available when the estimates are made. ***Investors should be aware that there have been material differences between past projections and actual general revenue collections; no assurance can be given that there will not continue to be material differences relating to such amounts.***

General Revenues
Fiscal Year 2023-24 Actuals and
Projections for Fiscal Years 2024-25 through 2027-28
(in millions of dollars)

	Actual	Estimated							
	FY 2023-24	FY 2024-25	% Change	FY 2025-26	% Change	FY 2026-27	% Change	FY 2027-28	% Change
Sales Tax	$36,014.0	$36,120.3	0.3%	$37,353.5	3.4%	$38,493.8	3.1%	$39,576.6	2.8%
Beverage Tax & License	345.0	283.3	(17.9)	275.8	(2.6)	284.4	3.1	292.4	2.8
Corporate Income Tax	6,015.8	6,049.4	0.6	6,046.9	0.0	6,232.3	3.1	6,377.9	2.3
Documentary Stamp Tax[1]	1,257.0	1,325.7	5.5	1,413.1	6.6	1,481.2	4.8	1,550.1	4.7
Tobacco Taxes	126.6	118.6	(6.3)	109.2	(7.9)	105.1	(3.8)	101.3	(3.6)
Insurance Premium Tax	1,739.8	1,723.0	(1.0)	1,462.4	(15.1)	2,298.8	57.2	2,226.5	(3.1)
Pari-Mutuels Tax	11.3	11.5	1.8	11.7	1.7	12.0	2.6	12.2	1.7
Intangibles Tax	444.4	464.5	4.5	476.8	2.6	489.3	2.6	502.5	2.7
Indian Gaming Revenues[2]	0.0	30.4	-	32.1	5.6	33.8	5.3	35.6	5.3
Earnings on Investments	1,093.9	1,030.3	(5.8)	935.6	(9.2)	792.8	(15.3)	680.0	(14.2)
Highway Safety Licenses & Fees	350.1	389.0	11.1	425.8	9.5	430.0	1.0	439.0	2.1
Counties' Medicaid Share	310.3	367.4	18.4	413.1	12.4	417.2	1.0	442.4	6.0
Severance Tax	8.1	7.9	(2.5)	7.6	(3.8)	7.6	0.0	7.6	0.0
Service Charges	365.1	365.8	0.2	363.3	(0.7)	363.4	0.0	363.6	0.1
Corporate Filing Fees	572.3	590.5	3.2	610.9	3.5	633.8	3.7	657.4	3.7
Other Taxes, Licenses & Fees	332.7	314.5	(5.5)	243.7	(22.5)	241.1	(1.1)	235.2	(2.4)
Total Revenue	$48,986.5	$49,192.1	0.4%	$50,181.5	2.0%	$52,316.6	4.3%	$53,500.3	2.3%
Less: Refunds	(644.4)	(676.2)	4.9%	(484.4)	(28.4)%	(487.6)	0.7%	(499.8)	2.5%
Net General Revenue	**$48,342.0**	**$48,515.9**	**0.4%**	**$49,697.1**	**2.4%**	**$51,829.0**	**4.3%**	**$53,000.5**	**2.3%**

Source: Office of Economic and Demographic Research, August 14, 2024, Consensus Revenue Estimating Conference.

[1] Florida law redirects to various trust funds Documentary Stamp Tax Collections which otherwise would go into the General Revenue Fund.

[2] A new revenue sharing agreement (the "2021 Compact") became effective on August 11, 2021, however payments were discontinued after Fiscal Year 2021-22 due to litigation. Payments resumed in January 2024-25.

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Operating and Fixed Capital Outlay Budget by Program Area[1] Fiscal Years 2020-21 through 2024-25

(in millions of dollars)

	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
General Revenue	Operating	FCO	Operating	FCO	Operating	FCO	Operating	FCO	Operating	FCO
Administered Funds	$153.3	-	$195.8	$0.1	$168.1	$20.0	$504.8	-	$398.3	-
Education	17,755.6	$45.0	17,768.7	419.7	18,578.6	1,498.8	20,808.6	$217.4	22,449.3	$317.8
Environmental	245.5	283.2	278.2	723.9	266.8	2,861.2	333.7	1,621.2	517.5	916.5
General Government	514.5	64.5	749.4	265.7	1,080.8	351.2	1,224.8	182.1	989.6	173.6
Human Services	9,844.9	5.9	11,016.7	113.9	12,691.3	160.1	15,337.7	208.2	16,751.6	136.5
Public Safety	4,638.7	56.5	4,825.8	189.3	5,244.5	115.7	5,906.5	143.3	6,158.6	222.8
Transportation and Economic Development	133.6	15.2	1,321.3	8.6	5,268.5	968.2	1,458.2	974.4	404.2	348.2
Total General Revenue	$33,286.1	$470.3	$36,155.8	$1,771.1	$43,298.5	$5,975.3	$45,574.3	$3,346.6	$47,669.0	$2,115.0
Trust Funds										
Administered Funds	$43.0	-	$49.0	-	$68.0	-	$63.5	-	$68.4	$100.0
Education	17,385.2	1,543.2	10,597.7	1,437.5	8,937.9	1,575.0	8,069.3	2,108.7	7,472.6	1,778.8
Environmental	2,380.6	1,546.5	2,460.2	2,499.3	2,586.5	2,492.9	3,532.5	3,990.7	3,677.5	2,175.4
General Government	1,767.7	61.3	1,848.3	45.4	2,472.2	69.8	2,091.1	52.6	2,236.3	38.8
Human Services	28,698.7	21.8	32,483.7	9.1	34,353.6	-	32,177.6	-	30,839.3	24.4
Public Safety	845.8	3.4	957.6	2.8	989.9	5.0	1,058.0	11.5	1,052.0	2.5
Transportation and Economic Development	3,714.1	9,525.4	4,285.3	11,445.8	4,267.5	11,391.2	6,077.0	14,306.6	4,966.9	14,410.3
Total All Trust Funds	$54,835.1	$12,701.5	$52,681.7	$15,439.9	$53,675.6	$15,533.9	$53,069.2	$20,470.1	$50,313.0	$18,530.2
Total All Funds										
Administered Funds	$196.3	-	$244.8	$0.1	$236.1	$20.0	$568.4	-	$466.7	$100.0
Education	35,140.8	$1,588.2	28,366.3	1,857.2	27,516.5	3,073.8	28,877.9	$2,326.1	29,921.9	2,096.5
Environmental	2,626.1	1,829.7	2,738.3	3,223.2	2,853.3	5,354.1	3,866.3	5,611.9	4,195.0	3,092.0
General Government	2,282.1	125.8	2,597.8	311.1	3,553.1	421.0	3,315.8	234.6	3,225.8	212.5
Human Services	38,543.6	27.7	43,500.4	123.0	47,044.9	160.1	47,515.6	208.2	47,590.9	160.9
Public Safety	5,484.5	59.8	5,783.4	192.1	6,234.3	120.7	6,964.5	154.8	7,210.6	225.3
Transportation and Economic Development	3,847.7	9,540.7	5,606.5	11,504.3	9,536.0	12,359.3	7,535.1	15,281.1	5,371.1	14,758.5
Total All Funds	$88,121.2	$13,171.9	$88,837.5	$17,211.0	$96,974.2	$21,509.1	$98,643.6	$23,816.7	$97,982.0	$20,645.7

Source: Executive Office of the Governor. Includes appropriations in annual General Appropriations Bills and other legislation after Governor's vetoes.

STATE DEBT

As a general rule, bonds of the State or its agencies are issued by the Division of Bond Finance pursuant to the State Bond Act, ss. 215.57-.83, Florida Statutes. During the 2001 Session, the Florida Legislature formalized in statute an annual Debt Affordability Study to be used as a tool for measuring, monitoring, and managing the State's debt. The State debt fiscal responsibility policy, s. 215.98, Florida Statutes, establishes debt service to revenues as the benchmark debt ratio to estimate future debt capacity, using a target ratio of 6% and a cap of 7%. The estimated future debt capacity is intended to provide legislative policy makers with information to measure the financial impact of new financing programs and to assist them in formulating capital spending plans.

The study first looks at total State debt outstanding, separating the debt into tax-supported debt and self-supporting debt. Tax-supported debt is repaid by the State from a specified tax revenue source or general appropriation of the State. Self-supporting debt is reasonably expected to be repaid from project revenue or loan repayments. Some but not all of State debt is additionally secured by the full faith and credit of the State.

State Full Faith and Credit Debt

Article VII, Section 11(a) of the Florida Constitution authorizes the issuance of bonds pledging the full faith and credit of the State to finance or refinance State capital outlay projects upon approval by vote of the electors, provided that the outstanding principal amount may not exceed 50% of total State tax revenues for the two preceding fiscal years. There are currently no bonds outstanding under this authorization.

All of Florida's full faith and credit debt which is currently outstanding has been issued under separate constitutional authority which also authorizes the pledge of a dedicated tax or other revenue source as well. Such debt includes bonds for pollution control and abatement and solid waste disposal (operating revenues, assessments); right-of-way acquisition and bridge construction (motor fuel or special fuel taxes); public education capital outlay (gross receipts taxes); roads within a county (second gas tax); and school districts or community colleges (motor vehicle license revenues). Although these bonds are not subject to the above-referenced debt limitation, each program has debt service coverage tests which must be met prior to issuance.

State Revenue Bonds

The Florida Constitution authorizes the issuance of bonds to finance or refinance State capital outlay projects, which are payable from funds derived directly from sources other than State tax revenues.

Bonds outstanding under this authorization include financings for the State University System, individual universities, community colleges, public schools, State owned office facilities, toll roads, ports, and other transportation projects. The Constitution specifically authorizes the issuance of bonds to fund student loans; to finance housing; and to refund outstanding bonds at a lower net interest cost. The Constitution was amended in 1998 to expressly permit the issuance of bonds pledging a dedicated State tax source for the purposes of conservation, outdoor recreation, water resource development, restoration of natural systems, or historic preservation.

Bonds may also be issued, which are payable from Documentary Stamp Taxes deposited in the Land Acquisition Trust Fund for conservation and recreation purposes, including Everglades restoration.

Other Obligations

Although most debt of the State or its agencies is issued through the Division of Bond Finance, there are other entities which issue bonds or incur other long-term obligations which are secured by State revenues. These include the Florida Housing Finance Corporation, the Florida Correctional Finance Corporation, the Department of Corrections, the Department of Juvenile Justice, the Department of Children and Families, the State Board of Administration Finance Corporation, and the Inland Protection Financing Corporation. The Florida Legislature has also dedicated a portion of cigarette tax collections to the H. Lee Moffitt Cancer Center and Research Institute, which are pledged to secure bonds issued by the City of Tampa. The State's Chief Financial Officer has a Consolidated Equipment Financing Program for State agencies and a lease purchase financing for replacement of the State's accounting and cash management systems, which are subject to annual appropriation. The State's five water management districts have authority to issue bonds secured by certain monies from the Water Management Lands Trust Fund.

The Florida Water Pollution Control Financing Corporation was created to finance projects through the State's Department of Environmental Protection which are authorized under the Federal Clean Water Act. The Corporation is authorized to issue bonds secured through the repayment of loans to local government entities. The principal amount of such bonds which may be issued shall not exceed $300 million in any Fiscal Year and there are no such bonds currently outstanding.

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Direct Debt Outstanding by Type and Program
As of June 30, 2024
(in Millions of Dollars)

Debt Type		Amount
Tax-Supported Debt		$11,113.1
Self-Supporting Debt		4,238.3
Total State Debt Outstanding		**$15,351.4**
Tax-Supported Debt		
Education		
Public Education Capital Outlay	$4,140.7	
Capital Outlay	33.0	
Lottery	317.5	
University System Improvement	48.3	
State (Community) Colleges	30.0	
Total Education		$4,569.5
Environmental		
Florida Forever Bonds	217.8	
Everglades Restoration Bonds	87.7	
Total Environmental		$305.5
Transportation		
Right-of-Way Acquisition and Bridge Construction	1,852.9	
GARVEE	172.8	
DOT Financing Corporation	325.8	
P3 Obligations	2,500.2	
Florida Ports	190.3	
Total Transportation		$5,041.9
Appropriated Debt/Other		
Facilities	103.1	
Prisons	289.9	
Children & Families	26.0	
Moffitt Cancer Center	561.4	
Law Enforcement Communication	26.3	
Master Lease	5.9	
Energy Saving Contracts	7.6	
Sports Facility Obligations	184.3	
Total Appropriated Debt/Other		$1,196.1
Total Net Tax-Supported Debt Outstanding		**$11,113.1**
Self-Supporting Debt		
Education		
University Mandatory Fee		$83.9
University Auxiliary Facility Revenue Bonds		861.8
Toll Facilities		3,292.6
Total Self-Supported Debt Outstanding		**$4,238.3**

Source: State of Florida Division of Bond Finance.

Tax Supported Debt Per Capita
(Fiscal Years Ended June 30)

Fiscal Year	State Population[1] (thousands)	Total Principal Outstanding[2] (millions)	Tax Supported Debt Per Capita
2015	19,815	$21,406	$1,080
2016	20,149	20,077	996
2017	20,484	18,870	921
2018	20,841	17,480	839
2019	21,209	16,959	800
2020	21,596	15,621	723
2021	21,846	14,668	671
2022	22,164	12,981	586
2023	22,635	12,179	538
2024	23,015	11,113	483

[1] Population estimate as of April 1 of each year by the Office of Economic and Demographic Research, Florida Legislature.
[2] State of Florida Division of Bond Finance; excludes self-supporting and refunded debt.

State of Florida
Total Debt Outstanding as of June 30, 2024
(Fiscal Years Ending June 30)

Fiscal	Tax-Supported Debt Outstanding[1]			Self-Supporting Debt Outstanding			Total Debt Outstanding		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	$876,114,822	$499,667,813	$1,375,782,635	$210,274,000	$168,126,734	$378,400,734	$1,086,388,822	$667,794,546	$1,754,183,368
2026	838,245,008	463,425,275	1,301,670,284	202,910,000	162,760,046	365,670,046	1,041,155,008	626,185,322	1,667,340,330
2027	779,457,867	425,785,015	1,205,242,882	209,028,000	153,307,656	362,335,656	988,485,867	579,092,671	1,567,578,538
2028	713,738,557	391,497,884	1,105,236,442	188,638,000	143,685,999	332,323,999	902,376,557	535,183,883	1,437,560,441
2029	653,786,750	360,153,340	1,013,940,089	188,821,000	134,578,365	323,399,365	842,607,750	494,731,705	1,337,339,455
2030	621,176,588	330,794,428	951,971,015	193,403,982	125,578,924	318,982,907	814,580,570	456,373,352	1,270,953,922
2031	590,357,631	303,731,069	894,088,700	191,003,682	116,268,138	307,271,820	781,361,313	419,999,207	1,201,360,520
2032	581,848,009	275,864,612	857,712,621	193,706,171	107,107,162	300,813,333	775,554,180	382,971,774	1,158,525,953
2033	544,246,950	251,311,037	795,557,987	202,434,372	98,387,336	300,821,708	746,681,322	349,698,372	1,096,379,694
2034	493,237,327	230,967,593	724,204,919	191,246,861	89,463,847	280,710,708	684,484,188	320,431,439	1,004,915,627
2035	480,637,617	216,842,259	697,479,876	182,930,924	81,395,646	264,326,570	663,568,541	298,237,905	961,806,446
2036	457,158,757	198,895,359	656,054,116	183,594,009	74,324,899	257,918,908	640,752,766	273,220,257	913,973,023
2037	435,537,150	163,626,760	599,163,910	159,152,518	67,452,890	226,605,408	594,689,668	231,079,650	825,769,318
2038	354,947,076	147,676,436	502,623,512	155,106,183	61,559,824	216,666,008	510,053,259	209,236,261	719,289,520
2039	302,695,374	134,350,497	437,045,870	153,850,055	55,870,177	209,720,233	456,545,429	190,220,674	646,766,103
2040	280,046,018	120,892,392	400,938,410	138,618,648	50,291,597	188,910,245	418,664,666	171,183,989	589,848,655
2041	271,902,546	108,670,855	380,573,402	130,858,554	45,576,373	176,434,926	402,761,100	154,247,228	557,008,328
2042	270,073,049	96,030,267	366,103,316	127,687,778	41,173,180	168,860,958	397,760,827	137,203,447	534,964,273
2043	293,851,461	82,583,413	376,434,875	120,162,428	36,766,517	156,928,945	414,013,890	119,349,930	533,363,820
2044	213,784,741	62,577,669	276,362,410	113,557,102	32,597,681	146,154,783	327,341,843	95,175,350	422,517,193
2045	142,597,376	53,772,828	196,370,205	110,717,060	28,663,523	139,380,583	253,314,436	82,436,351	335,750,787
2046	132,660,210	48,418,769	181,078,979	104,487,893	24,853,690	129,341,583	237,148,103	73,272,458	310,420,561
2047	130,098,951	43,559,236	173,658,187	108,038,474	21,304,778	129,343,251	238,137,425	64,864,014	303,001,439
2048	107,649,399	38,647,936	146,297,334	111,894,089	17,450,919	129,345,008	219,543,487	56,098,855	275,642,342
2049	90,476,880	34,524,897	125,001,777	97,695,322	13,532,305	111,227,626	188,172,201	48,057,202	236,229,404
2050	84,094,103	30,996,989	115,091,092	91,496,769	10,192,039	101,688,808	175,590,872	41,189,028	216,779,900
2051	78,533,006	27,599,494	106,132,500	81,498,388	7,014,763	88,513,151	160,031,395	34,614,257	194,645,651
2052	81,973,566	24,134,794	106,108,360	46,630,645	4,020,532	50,651,176	128,604,211	28,155,326	156,759,537
2053	85,601,761	20,478,915	106,080,676	27,802,983	1,957,487	29,760,470	113,404,744	22,436,402	135,841,146
2054	78,838,529	15,676,999	94,515,528	21,014,363	761,885	21,776,248	99,852,891	16,438,884	116,291,776
2055	47,724,001	1,062,450	48,786,451	-	-	-	47,724,001	1,062,450	48,786,451
	$11,113,091,079	$5,204,217,280	$16,317,308,359	$4,238,260,252	$1,976,024,910	$6,214,285,162	$15,351,351,331	$7,180,242,190	$22,531,593,521

Source: State of Florida Division of Bond Finance.

[1] Total annual payment obligations for the Department of Transportation's long-term Public/Private Partnership ("P3") obligations are included in tax-supported debt. Although certain payments are expected to be made from non-tax sources, those payments have not been considered in showing tax-supported debt payments. Short-term P3 obligations are excluded.

Tax-Supported Bonds Issued Since July 1, 2024

Tender and Buyback of Public Education Capital Outlay and Right-of-Way Acquisition and Bridge Construction Bonds (various series)	($150,099,000)
Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 2025A	138,695,000
Public Education Capital Outlay Refunding Bonds, 2025 Series A*	241,035,000
Less: Bonds Refunded*	(270,025,000)
	($40,394,000)

Self-Supporting Bonds Issued Since July 1, 2024

Florida Agricultural and Mechanical University Dormitory Revenue Bonds, Series A 2024-1[1]	$33,180,242
Department of Transportation, Turnpike Revenue Bonds, Series 2024C	220,170,000
Department of Transportation, Turnpike Revenue Bonds, Series 2024D	117,030,000
Tender of Department of Transportation, Turnpike Revenue Bonds (various series)	(195,811,000)
	$174,569,242

[1] These bonds were issued as a drawdown loan with the US Department of Education. The amount shown is the current loan balance issued since July 1, 2024 (approximately $2.4 million was issued prior to July 1, 2024) and the final loan amount will not exceed $97.5 million after all draws are made.

*Subject to delivery of the 2025 Series A Bonds on March 4, 2025.

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STATEMENT OF ASSETS AND LIABILITIES

Administered by State Chief Financial Officer

	June 30, 2024	June 30, 2023
ASSETS		
Currency and Coins	$0.00	$0.00
Unemployment Compensation Investments Due From U.S Treasury -Unemployment TF[1]	4,352,625,911.82	2,807,439,345.12
Deferred Compensation Assets[2]	5,822,174,870.61	5,413,067,738.66
Bank Accounts[3]	(71,223,349.73)	(769,652,884.72)
Consolidated Revolving Account[4]	230,469.46	561,554.89
Total Cash, Receivables, and Other Assets	$10,103,807,902.16	$7,451,415,753.95
Certificates of Deposit	$562,000,000.00	$402,000,000.00
Securities[6]	65,447,622,645.48	67,073,912,293.51
Total Investments	66,009,622,645.48	67,475,912,293.51
Total Assets of the Division of Treasury	**$76,113,430,547.64**	**$74,927,328,047.46**
LIABILITIES		
Due to General Revenue Fund	26,934,490,452.52	31,005,273,775.33
Due to Trust Fund[7]	33,435,158,136.48	28,056,117,063.54
Due to Budget Stabilization Fund	4,140,424,228.65	3,140,229,228.65
Total State Liabilities	$64,510,072,817.65	$62,201,620,067.52
Interest Payable & Securities Liability[8]	(583,956,825.72)	671,580,673.56
Due to Special Purpose Investment Accounts[5]	6,364,909,215.64	6,640,498,012.83
Due to Deferred Compensation Participants and/or Program[2]	5,822,174,870.61	5,413,067,738.66
Due to Consolidated Revolving Account Agency Participants[4]	230,469.46	561,554.89
Total Liabilities of the Division of Treasury	**$76,113,430,547.64**	**$74,927,328,047.46**

Source: Annual Report of the State Chief Financial Officer (CFO) for the Division of Treasury for the Fiscal Year Ended June 30, 2024.

Note: The following footnotes apply to the 2024 numbers only. For footnotes regarding the 2023 numbers, see the Annual Report of the CFO for the Division of Treasury for the Fiscal Year Ended June 30, 2023.

1 Unemployment Trust Fund represents U.C. Benefit Funds invested by the Federal government and due from the U.S. Treasury.

2 Plan assets held in the Deferred Compensation Trust Fund for the exclusive benefit of participants and their beneficiaries.

3 Represents the "Per Reconciled Cash Balance" of $89,330,537.45 as of June 30, 2024, with receipted items in transit of $301,718.57 and disbursed items in transit of ($53,830.35), which nets to $247,888.22. These items have cleared the bank but have not been posted to the state ledger. The Total Bank Accounts figure does not include $272,601,231.39 held in clearing and\or revolving accounts outside the Treasury.

4 The amount due to agency participants in the Consolidated Revolving Account as of June 30, 2024, is $9,086,155.13. Of this, $230,469.46 is in a financial institution account and $8,855,685.67 invested in Special Purpose Investment Accounts.

5 Represents the CFO's Special Purpose Investment Accounts held in the Treasury Investment Pool and interest due to those accounts. The CFO's Special Purpose Investment Accounts are investments on behalf of state agencies with funds outside the CFO's Cash Concentration System and other statutorily or constitutionally created entities.

6 Includes Purchased Interest in the amount of $8,962,913.76.

7 Included in the Trust Fund Balance is $18,052,729,865.67 earning interest for the benefit of Trust Funds; Unemployment Trust Fund balance of $4,352,625,911.82; the remaining balance of $11,029,802,358.99 earning interest for General Revenue.

8 Represents $10,033,558.12 in interest not yet receipted to State Accounts and Securities Liability Cost of ($593,990,383.84) which settles July 1, 2024.

Note:	June 30, 2024	June 30, 2023
Total Market Value of all Securities held by the Treasury	$64,884,866,007.47	$64,663,321,086.02

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FLORIDA RETIREMENT SYSTEM

(Source: Florida Department of Management Services, Division of Retirement, Florida Statutes)

General. In 1970, the Florida Legislature established The Florida Retirement System ("FRS"). The FRS is a cost-sharing system that provides retirement, disability, and death benefits for participating public employees. In addition to Chapter 121, Florida Statutes (the "Act"), the FRS is governed by Article X, Section 14 of the State Constitution, which prohibits increasing benefits without concurrently providing for funding the increase on a sound actuarial basis. FRS membership is compulsory for employees working in regularly established positions for a state agency, county governmental unit, district school board, state university, state college or participating city, independent special district, charter school or metropolitan planning district, except for retirees initially reemployed on or after July 1, 2010, who may not be enrolled. As of June 30, 2024, the State's allocable portion of FRS Contributions was approximately 16.8%.

FRS Retirement Programs: There are two primary types of FRS retirement programs: a defined benefit plan, and an investment plan. The FRS Defined Benefit Program (also referred to as the FRS Pension Plan) is administered by the Division of Retirement in the Department of Management Services ("DMS"). In the FRS Pension Plan, a monthly benefit is paid to retired employees in a fixed amount calculated at the time of retirement as determined by a statutory formula. The benefit is paid to the retiree for life and, if applicable, a survivor benefit is paid to the designated beneficiary at the death of the retiree. The assets of the FRS Pension Plan are held in the FRS Trust Fund and are invested by the State Board of Administration.

The FRS Investment Plan was created by the Florida Legislature as a defined contribution plan alternative to the FRS Pension Plan and is administered by the State Board of Administration. In the FRS Investment Plan, the employee's benefit is comprised of the accumulated required contributions and investment earnings on those contributions. Instead of guaranteed benefits based on a formula, the contributions to the member account are guaranteed by the plan and the investment risk is assumed by the employee. Since the employer's obligation to make contributions to the FRS Investment Plan does not extend beyond the required contribution from current payroll, the employer's funding obligation for a Defined Contribution Plan is fully funded as long as these contributions are made.

In addition to the FRS Pension Plan and the FRS Investment Plan, there are non-integrated defined contribution plan alternatives available to targeted employee groups in the State University System, the State Community College System, and members of the Senior Management Service Class.

FRS Membership Classes: There are five classes of FRS plan membership: Elected Officers' Class ("EOC"), Regular Class, Senior Management Service Class ("SMSC"), Special Risk Class, and Special Risk Administrative Support Class. Regular Class membership covers any position that is not designated to participate in any other membership class. Members initially enrolled in the FRS on or after January 1, 2018, who do not elect to participate in the FRS Pension Plan will default into the FRS Investment Plan, except for Special Risk Class members, who will default into the FRS Pension Plan. Elected officials who are eligible to participate in the EOC may elect to withdraw from the FRS altogether or choose to participate in the SMSC in lieu of the EOC.

Participation by cities, municipalities, special districts, charter schools, and metropolitan planning districts although optional, is generally irrevocable once the election to participate is made. As of June 30, 2024, there were 995 participating employers enrolling new members and 30 participating employers closed to new FRS membership with grandfathered FRS members, and 1,247,454 individual members, as follows:

Retirees & Beneficiaries	459,428[1]
Terminated Vested Members	117,142
DROP Participants	29.,017
Active Vested Members	489,438
Active Non-vested members	169,895
TOTAL	1,264,920[2]

[1] Excludes Teachers' Retirement System Survivors' Benefit ("TRS- SB"), General Revenue payment recipients, and FRS Investment Plan members who received a distribution.

[2] Includes FRS Pension Plan and Investment Plan members.

Benefits. The FRS Pension Plan typically provides a monthly retirement payment. The amount of the payment is determined by a formula that takes into account the retiree's years of FRS service, the average compensation for a certain number of the highest-earning fiscal years of the retiree's career (the retiree's "Average Final Compensation"), and the accrued percentage of Average Final Compensation earned by the retiree for each year of their FRS service (the retiree's Percentage Value").

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Summary of FRS Members' Percentage Value Accrual

Membership Class	Percentage of Average Final Compensation Earned Per Year of FRS Service
Elected Officers'	3.33% for judges and justices; 3.00% for other elected officers
Special Risk	2.00% for service from 12/0/1970 through 09/30/1974; 3.00% for service on or after 10/01/1974
Senior Management Service	2.00%
Special Risk Administrative Support	1.60%
Regular	1.60%

In 2011, the Florida Legislature significantly reformed the FRS. Most notably, the reforms required FRS members to begin contributing a portion of their salaries to the FRS system and established a "two-tier" benefit system with less generous benefits for employees who became members of the FRS on or after July 1, 2011 ("Post-July 2011 Members").

FRS Pension Plan members receive one month of service credit for each month in which any salary is paid. Pre-July 2011 Members vest after six years of service for all membership classes and Post-July 2011 Members vest after eight years of service for all membership classes. Members vest after eight years for non-duty related disability benefits. After they are vested, members are eligible for normal retirement when they have met the minimum age or service requirements for their membership class. For Pre-July 2011 Members of the Regular Class, SMSC and the EOC, normal retirement is age 62 and vested, or 30 years of service regardless of age, and age 65 and vested, or 33 years of service regardless of age for Post-July 2011 members. For Members of the Special Risk Class, normal retirement is age 55 and vested, or 25 years of service regardless of age. Early retirement may be taken any time after vesting subject to a 5% benefit reduction for each year prior to normal retirement age.

For Pre-July 2011 Members, their five highest-earning fiscal years are used to calculate their Average Final Compensation for retirement benefit purposes, whereas for Post-July 2011 Members, their eight highest-earning fiscal years are utilized. Members with an effective retirement date (includes participation in Deferred Retirement Option Program, or "DROP") before August 1, 2011, receive an annual 3% cost of living adjustment ("COLA"), whereas Pre-July 2011 Members with an effective retirement date or DROP-begin date on or after August 1, 2011, receive a smaller COLA that is calculated by dividing their total years of service before July 1, 2011 by their total years of service at retirement and multiplying the result by 3%. Post-July 2011 Members will not have a retirement COLA.

Summary of FRS Pension Plan Benefits

	Vesting Period	Eligibility for Retirement (EOC, SMSC, Regular Class)	Eligibility for Retirement (Special Risk Class)	Average Final Compensation Period	Annual COLA
Pre-July 2011 Members	6 years	62 years old or 30 years of service	55 years old or 25 years of service	5 years	Yes, up to 3.00%
Post-July 2011 Members	8 years	65 years old or 33 years of service	55 years old or 25 years of service	8 years	No

FRS Pension Plan members who reach normal retirement may participate in DROP which allows a member to retire while deferring termination. DROP participants can continue employment for up to 96 months (or 120 months for some instructional personnel under certain conditions). The retirement benefit is calculated as of the beginning of DROP participation and no further service is accrued. During DROP participation, the member's retirement benefits accumulate in the FRS Trust Fund, earning monthly interest at an equivalent annual rate of 4.0%. At termination, the member's DROP accumulation may be paid out as a lump sum, a rollover, or a combination of these two payout methods, and the member begins receiving monthly pension payments.

FRS Investment Plan members invest their contributions in the investment options offered under the plan. Members immediately vest in their own contributions, and vest in employer contributions after one year of service. If an FRS member switches from the FRS Pension Plan to the FRS Investment Plan, any transferred funds and associated earnings must meet the FRS Pension Plan's vesting requirement.

FRS Investment Plan members' retirement benefit is based on their investment account balance. The balance consists of the member's contributions and their employer's contributions, plus investment earnings, minus any account fees and expenses. FRS Investment Plan members continue to manage their account throughout retirement. Benefits can be paid to members in the form of a lump sum, a rollover into another qualified plan, an annuity, a customized payment schedule, or a combination of such options.

Funding. Since July 1, 2011, FRS members have been required to pay pre-tax retirement contributions. Both FRS Pension Plan and FRS Investment Plan members contribute 3% of their salary as retirement contributions, with the employer automatically deducting the employee contributions from each member's salary. Members participating in the Deferred Retirement Option Program ("DROP") and re-employed retirees are not required to make the 3% employee contributions.

The employer contribution rates for the FRS Investment Plan are set by statute, and the FRS Pension Plan rates are determined annually by the Legislature based on an actuarial valuation and any plan changes adopted during the legislative session. (See "Schedule of Funding Progress" below). These two rates are “blended” to create the uniform contribution rate for the primary, integrated FRS programs as required under Part III of Chapter 121, F.S. The portion of the required FRS Investment Plan contribution rate destined for the member’s account is forwarded to the FRS Investment Plan’s administrator and the portion for Pension Plan funding is forwarded to the FRS Trust Fund. The employer contribution rates for the non-integrated defined contribution plans are set by statute and forwarded to the specified provider company under the program.

The table below shows the number of persons receiving benefits from the FRS Pension Plan, the total benefits paid, and the average benefits for the last five fiscal years reported.

Annuitants and Annualized Benefit Payments Under the FRS Pension Plan[1,2]

Fiscal Year	**2020**	**2021**	**2022**	**2023**	**2024**
Annuitants	432,258	440,307	448,846	455,601	459,428
Benefits Payments (in thousands)	$10,249,540	$10,732,490	$11,226,458	$11,702,730	$12,089,102
Average Benefits	$23,712	$24,375	$25,012	25,686	26,313

Source: DMS, Division of Retirement. Florida Retirement System Annual Comprehensive Finance Reports.

1 Figures include disability payments, General Revenue, Institute of Food and Agricultural Sciences Supplemental Program and TRS-SB, but do not include refunds of member contributions.

2 Figures exclude FRS Investment Plan and DROP participants.

Funding and Financial Reporting of the FRS. The Governmental Accounting Standards Board (GASB) adopted two accounting statements, GASB 67 (for reporting at the pension plan level) and GASB 68 (for employer reporting requirements, including their allocation of net pension liability and pension expense). The accounting statements require pension plans and employers to report total pension plan liabilities (Total Pension Liability), as well as the value of the plans’ assets (Fiduciary Net Position) and the unfunded portion of the liability (Net Pension Liability or NPL) in both the plans’ and the employers’ financial statements.

GASB 67 and GASB 68 separate the funding considerations from the financial reporting requirements. Employers can compare the funding valuation contributions to the actuarially determined contribution (ADC) determined under the GASB 67 requirements and comparisons of retirement plans under GASB 67 and 68 have a common basis. Total Pension Liability (TPL) is required to be reported under the individual entry age normal actuarial cost method regardless of the actuarial cost method used for funding purposes. The plans’ Fiduciary Net Position (FNP) assets must be shown on a market value basis rather than the actuarial value of assets, which is typically smoothed over a period of years to reduce volatility.

Valuation of Assets. The actuarial value of plan assets is necessary in order to determine the funded ratio of the plan by comparing the plan’s actuarial liabilities to its actuarial value of assets. A plan's assets are generally valued either at the market value of assets (GASB valuation) or the Actuarial Value of Assets (funding valuation). The market value of assets looks at the fair market value of the assets as of a given point in time. The Actuarial Value of Assets reflects the value of plan assets as determined by the plans’ actuary for purposes of an actuarial valuation. The actuarial valuation measure reflects a five-year smoothing methodology (the “Asset Smoothing Method”), as required by Section 121.031(3)(a), Florida Statutes. The Asset Smoothing Method prevents extreme fluctuations in the Actuarial Value of Assets, the Unfunded Actuarial Liability (UAL) and the funded ratio that may otherwise occur as a result of market volatility. Asset smoothing delays recognition of gains and losses and is intended to decrease the volatility of employer contribution rates. The Actuarial Value of Assets is not the market value of Florida Retirement System Trust Fund assets at the time of measurement. As a result, presenting the Actuarial Value of Assets using the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes the full value of investment gains and losses annually.

The actuarial valuation of the FRS uses a variety of assumptions to calculate the actuarial liability and the Actuarial Value of Assets. No assurance can be given that any of the assumptions underlying the actuarial valuations will reflect the actual results experienced by the FRS. Variances between the assumptions and actual results may cause an increase or decrease in the actuarial value of assets, the actuarial liability, the UAL, or the funded ratio.

Non-Economic Assumptions. The FRS conducts an actuarial experience study every five years. The purpose of the experience study is to compare the actual plan experience with the assumptions for the previous five-year period and determine the adequacy of the non-economic actuarial assumptions including, for example, those relating to mortality, retirement, disability, employment, and turnover of the members and beneficiaries of the FRS. Based upon the results of this review and the recommendation of the actuary, the FRS Actuarial Assumption Conference may adopt changes to such actuarial assumptions as it deems appropriate for incorporation beginning with the valuation following the experience study period. The most recent experience study was completed in 2024 and the Conference adopted the assumptions recommended by the actuary.

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Actuarial Assumptions. The FRS is required to conduct an actuarial valuation of the plan annually. The valuation process includes a review of the major actuarial assumptions used by the plan actuary, which may be changed during the FRS Actuarial Assumption Conference that occurs each fall. See "Actuarial Cost Method and Amortization Method" and "Assumed Investment Rate of Return" herein for further discussion. As of July 1, 2024, FRS actuarial determinations for funding purposes and for GASB 67 reporting purposes are based on the following:

	Funding Purposes	**GASB 67 Reporting Purposes**
Actuarial Cost Method	Individual Entry Age	Individual Entry Age Normal
Amortization Method	20-year, Level Percentage of Pay, Closed, Layered	20-year, Level Percentage of Pay, Closed, Layered
Asset valuation method	5-year Smoothed Method	Fair market value
Investment rate of return	6.70%	6.70%
Discount rate	n/a	6.70%[1]
Payroll growth rate	3.50%	3.50%
Inflation level	2.40%	2.40%
Post-retirement cost of living adjustments[2]	3.00% (pre-July 2011 service)	3.00%

[1] The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees in determining the projected depletion date. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.
[2] Granted only for pre-July 1, 2011, service; 0% thereafter.

Actuarial Cost Method and Amortization Method. The actuarial cost method used for FRS funding is Individual Entry Age Normal, which aligns with the actuarial cost method used for financial reporting purposes. The length of the amortization period is 20 years for all bases, which is considered a best practice.

Assumed Investment Rate of Return. Both the actuarial funding valuation adopted by the Conference and the financial reporting valuation used in the FRS financial statements assume a long-term investment rate of return on the assets in the FRS Trust Fund. The investment return assumption adopted by the Conference each year is used to calculate the actuarially required contribution in the FRS annual actuarial valuation ("funding purposes"). The investment return assumption, which may or may not be the same as the return assumption used for funding purposes, used in the FRS financial statements is used to calculate the unfunded pension liability for financial reporting in the State's financial statements. The most recent financial statements available for the FRS are for Fiscal Year 2023-24, which reflected an investment return assumption of 6.70%, which matches the assumption used for funding. The most recent investment return assumption adopted by the Conference in October 2024, and to be used for funding purposes beginning in Fiscal Year 2025-26, remained at 6.70%. The investment return assumption used for funding purposes has been reduced since 2014 from 7.75% to the current assumption; however, in prior years, there was a difference in the investment return assumptions used for funding purposes and financial reporting purposes. A disparity between such investment return assumptions causes a difference in the unfunded pension liability calculated for the financial reporting (NPL) and the unfunded pension liability calculated for funding purposes by Actuary in the FRS annual actuarial valuation (UAL). A disparity between the investment return assumptions also causes a difference in the funded ratio disclosed in more detail under the tables entitled "Schedule of Funding Progress" herein. Additionally, using a higher investment return assumption for calculating the actuarially determined contribution rate has a material impact on the amount of the contribution required to the FRS. As of June 30, 2024, the State's allocable portion of FRS Contributions was approximately 16.8%.

Due to the volatility of the marketplace, the actual rate of return earned by the FRS Trust Fund on its assets may be higher or lower than the assumed rate. Changes in the FRS Trust Fund's assets as a result of market performance will lead to an increase or decrease in the UAL/NPL and the funded ratio. The five-year Asset Smoothing Method required by Florida law for funding purposes attenuates the impact of sudden market fluctuations. Only a portion of these increases or decreases will be recognized in the current year, with the remaining gain or loss spread over the remaining four years.

The table below shows the assumed and actual rates of investment return for the last ten years, as well as the differences between the two, and additionally shows annualized returns for the most recent 3, 5, and 10-year periods. No assurance can be given about future market performance and its impact on the UAL/NPL.

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Actual versus Assumed Rate of Returns and Historical Performance

Fiscal Year	Assumed Rate of Return[1]	Actual Rate of Return[2,3]	Difference
2014-15	7.65%	3.67%	(3.98)%
2015-16	7.60	0.54	(7.06)
2016-17	7.50	13.77	6.27
2017-18	7.40	8.98	1.58
2018-19	7.20	6.26	(0.94)
2019-20	7.00	3.08	(3.92)
2020-21	6.80	29.46	22.66
2021-22	6.80	(6.27)	(13.07)
2022-23	6.70	7.50	0.80
2023-24	6.70	7.50	3.82

Annualized Return for 3 Year Period ending June 30, 2024[2]	3.65%
Annualized Return for 5 Year Period ending June 30, 2024[2]	8.24%
Annualized Return for 10 Year Period ending June 30, 2024[2]	7.39%

[1] Assumed return is determined annually at the FRS Actuarial Assumption Conference and reflects rates used for each year's actuarial valuation.
[2] Actual return is determined on a fair market value of assets basis.
[3] Information obtained from the FRS Annual Comprehensive Financial Reports.

As of June 30, 2024, the Florida Retirement System Trust Fund was invested in the following asset classes and approximate percentages:

48.5%	Global Equity
20.4%	Fixed Income
9.5%	Real Estate
9.3%	Private Equity
6.3%	Strategic Investments
4.8%	Active Credit (est. April 2024)
1.2%	Cash

For additional information, see the Florida Retirement System Pension Plan Annual Report on the "Publications" page of the Division of Retirement's website. Financial statements are prepared using the accrual basis of accounting, and reporting is done in accordance with Government Accounting Standards Board requirements.

Funded Status. As discussed under "Assumed Investment Rate of Return" herein, the computation of information related to the FRS can be different for financial reporting when compared to the computation of the same information for funding purposes. . The following tables summarize the current financial condition and the funding progress of the FRS. The first table shows the funded ratio using the Actuarial Value of Assets, based on the actuarial assumptions used to determine the appropriate funding level for the FRS each year. The second table shows the funded ratio using the same actuarial assumptions but using the market value of assets. The third table shows the funding progress using the actuarial assumptions required for GASB 67 reporting purposes.

The following tables include funding data for the entire FRS and not just the portion attributable to State agencies. The FRS is a multi-employer plan, which employees working for a state agency, county governmental unit, district school board, state university, state college or participating city, independent school district, charter school or metropolitan planning district may participate in. As of June 30, 2024, the State's allocable portion of FRS was approximately 16.8%.

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Schedule of Funding Progress
Actuarial Value of Assets
(thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AL) Entry Age (b)	Unfunded AL (UAL) (b-a)	Funded Ratio (%) (a/b)	Covered Payroll[1] (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2015	$143,195,531	$165,548,928	$22,353,397	86.50%	$32,726,034	68.30%
July 1, 2016	145,451,612	170,374,609	24,922,997	85.37	33,214,217	75.04
July 1, 2017	150,593,242	178,579,116	27,985,874	84.33	33,775,800	82.86
July 1, 2018	156,104,350	185,950,079	29,845,729	83.95	34,675,018	86.07
July 1, 2019	161,004,533	191,330,896	30,326,363	84.15	35,571,200	85.26
July 1, 2020	164,302,519	200,277,170	35,974,651	82.04	36,898,200	97.50
July 1, 2021	174,898,452	209,636,046	34,737,594	83.43	37,590,100	92.41
July 1, 2022	179,178,895	217,434,441	38,255,546	82.41	38,679,800	98.90
July 1, 2023	184,235,157	226,204,201	41,969,044	81.45	41,958,000	100.03
July 1, 2024	191,571,244	237,370,289	45,799,045	80.71	44,621,000	102.64

Source: DMS Division of Retirement FRS ACFRs and FRS Pension Plan Actuarial Valuations.
1 Covered payroll shown includes the payroll for Investment Plan members, reemployed retirees without membership and other optional program payrolls on which only UAL rates are charged.

Schedule of Funding Progress
GASB 67 Reporting
(thousands of dollars)

Fiscal Year	Fiduciary Net Position[1] (a)	Total Pension Liability (TPL) Entry Age[1] (b)	Net Pension Liability (NPL) (b-a)	Funded Ratio (%) (a/b)	Covered Payroll[1] (c)	NPL as a Percentage of Covered Payroll ((b-a)/c)
2015	$148,454,394	$161,370,735	$12,916,341	92.00%	$32,726,034	39.47%
2016	141,780,921	167,030,999	25,250,078	84.88	33,214,217	76.02
2017	154,053,263	183,632,592	29,579,329	83.89	33,775,800	87.58
2018	161,196,881	191,317,399	30,120,518	84.26	34,675,000	86.87
2019	163,573,726	198,012,334	34,438,608	82.61	35,571,200	96.82
2020	161,568,265	204,909,739	43,341,474	78.85	36,898,200	117.46
2021[2]	202,082,183	209,636,046	7,553,863	96.40	37,590,100	20.10
2022	180,226,405	217,434,441	37,208,036	82.89	38,679,800	96.20
2023	186,357,366	226,204,201	39,846,835	82.38	41,958,000	94.97
2024	198,685,586	237,370,289	38,684,703	83.70	44,621,000	86.70

Source: DMS, Division of Retirement, FRS Annual Comprehensive Finance Reports and FRS Pension Plan Actuarial Valuations.
1 Covered payroll includes the normal cost and UAL payroll for active Pension Plan and Investment Plan members and payroll of reemployed retirees without renewed membership and the salaries of SMSOAP, SUSORP, and SCCSORP members.
2 Beginning in FY 2021, the assumptions used for calculating the actuarial liability for funding purposes and the GASB 67 Total Pension Liability are the same.

The following table shows employer contributions to the FRS Pension Plan. Annually, the FRS's actuary recommends rates, determined as a percentage of employee payrolls that FRS employers must contribute to fully fund their annual pension obligations. The Actuarially Determined Contribution (the "ADC") is a target contribution to the FRS Pension Plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted. The ADC is comprised of the FRS Pension Plan's Normal Cost plus any Unfunded Actuarial Liability, which is also called the Actuarially Determined Contribution (the "ADC"). The ADC reflects only the actuarially determined employer contributions. The Florida Legislature adopts rates that all participating FRS employers must pay on behalf of their employees, which may or may not correspond to the actuary's recommended rates.

The Florida Legislature failed to adopt rates sufficient to fully fund the ADC between Fiscal Years 2011 through 2013. Failure to adopt rates sufficient to fully fund the ADC exacerbates the impact of investment earnings below the return assumption that contribute to the decline in the funded status of the FRS. For Fiscal Years 2014 through 2024, the Florida Legislature adopted the employer contribution rates recommended by the Actuary which fully funded the ADC. See "Actuarial Cost Method and Amortization Method" for more information.

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Employer Contributions to the FRS Pension Fund
(thousands of dollars)

Fiscal Year	State Employer Contributions[1] (a)	Non-State Employer Contributions (b)	Total Employer Contributions (a+b)	Actuarially Determined Contribution (ADC) (c)	Percent of ADC Contributed ((a+b)/c)	Amount of ADC Unfunded (c-(a+b))
2014	$389,944	$1,800,481	$2,190,424	$2,190,424	100.00%	$0
2015	$437,921	$2,000,164	$2,438,085	$2,438,085	100.00%	$0
2016	442,631	1,996,028	2,438,659	2,438,659	100.00	0
2017	457,950	2,145,296	2,603,246	2,603,246	100.00	0
2018	505,400	2,344,519	2,849,920	2,849,920	100.00	0
2019	543,395	2,557,327	3,100,722	3,100,722	100.00	0
2020	564,233	2,758,323	3,322,557	3,322,557	100.00	0
2021	617,286	3,192,282	3,809,568	3,809,568	100.00	0
2022	663,500	3,603,682	4,267,182	4,267,182	100.00	0
2023	786,813	4,023,830	4,810,643	4,810,643	100.00	0
2024[2]	950,997	4,711,636	5,662,633	5,662,633	100.00	0

Source: DMS, Division of Retirement, FRS ACFRs and FRS Actuarial Valuations.
[1] Includes only State agencies.

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RETIREE HEALTH INSURANCE SUBSIDY AND OTHER POSTEMPLOYMENT BENEFITS

(The information contained under the heading "RETIREE HEALTH INSURANCE SUBSIDY AND OTHER POSTEMPLOYMENT BENEFITS" has been obtained from the State of Florida's and Florida Retirement System Pension Plan and other State Administered Systems Annual Comprehensive Financial Reports except as otherwise indicated.)

Retiree Health Insurance Subsidy Program

The Retiree Health Insurance Subsidy ("HIS") Program is a cost-sharing, defined benefit plan administered by the Division of Retirement within the Department of Management Services ("DMS"). The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. Since July 1, 2023, eligible retirees and beneficiaries have received a monthly HIS payment equal to their number of years of creditable service multiplied by $7.50. A beneficiary's subsidy payment cannot exceed $225 per month. The HIS Program is funded by statutorily required contributions from FRS participating employers. The contributions are submitted to DMS and deposited into the Retiree Health Insurance Subsidy Trust Fund. Effective July 1, 2023, the contribution rate increased to 2% of payroll, up from 1.66% for the fiscal year ended June 30, 2023. The State has contributed 100% of its statutorily required contributions for the current and preceding two years. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event that legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

Information relating to the statutorily required State contribution, benefits paid, and the resulting trust fund assets is shown below, for Fiscal Years ending June 30.

Retiree Health Insurance Subsidy Program Information
(dollars in thousands)

	Fiscal Year Ended June 30,				
	2020	**2021**	**2022**	**2023**	**2024**
Recipients	395,179	402,566	409,837	415,827	418,210
Contributions	$576,623	$587,856	$605,133	$658,040	$846,891
Benefits Paid	$505,549	$514,361	$524,004	$534,547	$808,987
Trust Fund Net Assets	$378,261	$452,618	$535,368	$681,815	$756,775

HIS actuarial determinations are based on the following:

Valuation Date:	July 1, 2024
Actuarial Cost Method:	Individual Entry Age
Amortization Method:	Level Percentage of Pay, Open
Equivalent Single Amortization Period:	30 years[1]
Asset Valuation Method:	Fair Market Value
Actuarial Assumptions:	
Discount Rate:	3.93%[2,3]
Projected Salary Increases	3.50%[2]
Cost of Living Adjustments:	0.00%

Source: DMS, Division of Retirement.

[1] Used for GASB 67 reporting purposes.

[2] Includes inflation at 2.40%.

[3] In general, the discount rate used for calculating the HIS liability under GASB 67 is equal to the single rate that results in the same Actuarial Present Value as would be calculated by using two different discount rates as follows: (1) Discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net position (trust assets); and (2) Discount at a municipal bond rate for benefit payments after the projected depletion date. Because the HIS is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to a long-duration, high-quality, tax-exempt municipal bond rate selected by the plan sponsor. In September 2014 the Actuarial Assumption Conference adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index. As a result, the discount rate will change annually

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The following table summarizes the funding progress of the Retiree Health Insurance Subsidy Program using the actuarial assumptions required for GASB 67 reporting purposes.

Retiree Health Insurance Subsidy Program Schedule of Funding Progress
GASB 67 Reporting[1]
(dollars in thousands)

June 30	Fiduciary Net Position (FNP) (a)	Total Pension Liability (TPL) Entry Age (b)	Net Pension Liability (NPL) (b-a)	Funded Ratio (%) (FNP as % of TPL) (a/b)	Covered Payroll[2] (c)	NPL as a Percentage of Covered Payroll ((b-a)/c)
2015	$50,774	$10,249,201	$10,198,427	0.50%	$ 30,340,449	33.61%
2016	113,859	11,768,445	11,654,586	0.97	30,875,274	37.75
2017	178,311	10,870,772	10,692,461	1.64	31,885,633	33.53
2018	232,463	10,816,576	10,584,112	2.15	32,670,918	32.40
2019	302,044	11,491,044	11,188,999	2.63	33,452,626	33.45
2020	378,261	12,588,098	12,209,837	3.00	34,715,391	35.17
2021	452,618	12,719,121	12,266,503	3.56	35,406,397	34.64
2022	535,368	11,126,966	10,591,597	4.81	36,451,712	29.06
2023	681,815	16,563,149	15,881,334	4.12	39,628,534	40.08
2024	756,775	15,757,752	15,000,977	4.80	42,340,606	35.43

[1] Source: DMS, Division of Retirement, FRS Annual Comprehensive Financial Reports.
[2] Covered payroll includes the normal cost and UAL payroll for active Pension and Investment Plan members and payroll of reemployed retirees without membership.

Other Postemployment Benefits (OPEB)

The following information is based on the July 1, 2024, actuarial valuation of the State Employees' Health Insurance Program.

Plan Description. The State Employees' Group Health Insurance Program ("Program") operates as a cost-sharing multiple-employer defined benefit health plan; however, current administration of the Program is not through a formal trust and therefore disclosure requirements are those applicable to an agent multiple-employer plan. The Division of State Group Insurance within the DMS is designated by Section 110.123, F.S., to be responsible for all aspects of the purchase of healthcare for state and university employees and retirees under the Program.

The State implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same group health plan offered to active employees. Although retirees pay 100% of the premium amount, the premium cost to the retiree is implicitly subsidized due to commingling of the claims experience in a single risk pool with a single premium determination for active employees and retirees under age 65. Section 110.123, F.S., authorizes the offering of health insurance benefits to retired state and university employees. Section 112.0801, F.S., requires all public employers that offer benefits through a group insurance plan to allow their retirees to continue participation in the plan. The law also requires the claims experience of the retirees under 65 group to be combined with the claims experience of active employees for premium determination and the premium offered to retired employees to be no more than the premium applicable to active employees. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the plan is secondary payer to Medicare Parts A and B. Retirees are required to enroll in the Medicare program as soon as they are eligible.

Census and enrollment data received as of July 1, 2022, was used to develop results for the fiscal year ended June 30, 2024. There are 21 participating employers including the primary government of the State, the 12 State universities, and other governmental entities. There were 183,991 employees covered by the OPEB Plan, including 127,265 active members, 22,773 active members with no coverage, and 33,953 retirees at July 1, 2022. Employees must make an election to participate in the plan within 60 days of the effective date of their retirement to be eligible to continue in the plan as a retiree. Four types of health plans are offered to eligible participants: a standard statewide Preferred Provider Organization ("PPO") Plan, a high deductible PPO Plan, a standard Health Maintenance Organization ("HMO") Plan, and a 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.

Accounting and Reporting Changes. As of fiscal year ended June 30, 2017, the state implemented GASB Statement No. 75 ("GASB 75"), which established standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. While prior accounting standards allowed the amortization of an unfunded liability over a period of up to 30 years, GASB 75 requires the entire OPEB liability to be reported and established one cost method for attributing the present value of benefit payments to specific years to allow for more comparability and transparency when surveying similar plans. GASB 75 generally requires an actuarial evaluation every two years Additional information required under GASB 75,includes:

- Reconciliation of changes in deferred outflows and inflows.
- Impact on OPEB liability of a 1% increase and 1% decrease in the discount rate; and the healthcare cost trend rate.
- Effects of changes during the period on total OPEB liability.
- A 10-year schedule of employer's proportion and proportionate share of Collective Net OPEB liability, employer's covered-employee payroll, the employer's proportionate share of Collective Net OPEB liability as a percent of employer's covered-employee payroll, and OPEB Plan's Fiduciary net position as a percent of total OPEB liability.

Funding Policy. Benefit provisions are described by Section 110.123, F.S. and, along with contributions, can be amended by the Florida Legislature. The State has not advance-funded OPEB costs or the net OPEB obligation. The Self-Insurance Estimating Conference develops official information for determining the budget levels needed for the State's planning and budgeting process. The Governor's recommended budget and the General Appropriations Act provide for a premium level necessary for funding the program each year on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of GASB 75.

Premiums are pay 100% by retirees participating in the plan. Monthly premiums, for active employees and retirees under the age of 65 for standard coverage were $813 and $1,831 for single and family contracts, respectively. For retirees over the age of 65 who pay premiums for a Medicare supplement, monthly premiums for the standard PPO Plan were $430 for a single contract, $860 for two Medicare eligible members, and $1,244 for a family contract when only one member is Medicare eligible.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Actuarial valuations for the OPEB Plan are conducted biennially. The total OPEB liability for the fiscal year ended June 30, 2024, was determined by an actuarial valuation as of July 1, 2022, and the following actuarial assumptions were used:

- Discount Rate: 4.13%
- Investment Rate or Return: 0.00%
- Inflation: 2.60%
- Salary Increase: varies by FRS Class

In general, the discount rate for calculating the total OPEB liability under GASB 75 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the OPEB benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. All future benefits were discounted using a high quality municipal bond rate. This rate was based on the week closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

The healthcare cost trend rates used are consistent with the Report on the Financial Outlook for the Fiscal Years Ending June 30, 2022, through June 30, 2027, as presented on August 10, 2022, by the Self- Insurance Estimating Conference conducted by the Office of Economic and Demographic Research. The trend rates are a key assumption used in determining the costs of the plan, and these rates have been developed in a manner consistent with actuarial industry standards. Trend rate assumptions vary slightly by medical plan. For the HMO plans, the initial rate is 7.53%, reaching an ultimate rate of 4.04% for years after 2075. For the PPO plans, the initial rate is 10.31%, reaching an ultimate rate of 4.04% for years after 2075. Post-retirement participation also varies slightly by medical plan. For the HMO and PPO plans, 43% participation is assumed, with an assumption of 25% electing spouse coverage in the HMO plan and 35% electing spouse coverage in the PPO plan. Members who elected no coverage as active members are assumed to elect coverage in the same proportion as active members with coverage.

The demographic assumptions that determined the total OPEB liability as of June 30, 2022, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2014 - June 30, 2019.

- Valuation date = July 1, 2022
- Measurement date = June 30, 2022
- Actuarial value of assets = N/A (no plan assets)
- Inflation = 2.60%
- Payroll growth = varies by FRS class
- 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.
- Mortality (details in valuation report)
  - Pub-2010 with fully generational improvement using Scale MP-2018
- Actuarial cost method = Entry Age Normal
- Marital status = 80% assumed married, with male spouses 3 years older than female spouses

Estimates are based on information available at the time of the estimates. Such estimates are subject to revision as additional information becomes available. Also, estimates are subject to risks and uncertainties which may cause results to differ materially from those estimates set forth above. No assurance is given that actual results will not differ materially from the estimates provided above.

The following disclosure regarding OPEB Schedule of Funding Progress and Schedule of Employer Contributions relate to the cost-sharing plan as a whole of which the State of Florida is one participating employer.

Other Postemployment Benefits Schedule of Funding Progress

(thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets[1] (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annualized Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2013	--	$7,487,708	$7,487,708	0.00%	$7,467,560	100.27%
July 1, 2014[2]	--	6,824,971	6,824,971	0.00	7,308,275	93.39
July 1, 2015	--	8,900,312	8,900,312	0.00	7,810,110	113.96
July 1, 2016	--	9,198,289	9,198,289	0.00	7,847,743	117.21
July 1, 2017	--	10,811,085	10,811,085	0.00	7,312,085	147.85
July 1, 2018	--	10,551,552	10,551,552	0.00	7,636,518	138.17
July 1, 2019[3]	--	12,658,249	12,658,249	0.00	7,644,191	165.59
July 1, 2020[3]	--	10,290,045	10,290,045	0.00	8,072,906	127.46
July 1, 2021	--	10,540,636	10,540,636	0.00	8,125,929	129.72
July 1, 2022	--	7,843,256	7,843,256	0.00	8,269,139	94.85

Source: State of Florida and DMS, Division of State Group Insurance, Annual Comprehensive Financial Reports.

1 The State of Florida does not hold assets in a formal trust, so none are actuarially valued to offset the liability.

2 Update of the previous year's actuarial valuation. A new valuation was not performed.

3 A significant portion of the increase in the Actuarial Accrued Liability on July 1, 2019, reflects the full impact of the Affordability Care Act's excise tax that would have come in to effect in 2022. A significant portion of the decrease in the Actuarial Accrued Liability on July 1, 2020, reflects the December 2019 repeal of the excise tax.

Changes in Total OPEB Liability

	State	Component Units	Total
Reporting Period ending June 30, 2022	$7,302,127	$3,238,509	$10,540,636
Changes for the Year:			
Service cost	374,937	164,144	539,081
Interest	166,602	72,937	239,539
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(363,244)	(159,025)	(522,269)
Changes of assumptions or other inputs	(1,926,088)	(843,222)	(2,769,310))
Benefit payments	(127,759)	(56,662)	(184,421)
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	28,503	(28,503)	-
Other Changes	-	-	-
Net changes	(1,847,049)	(850,331)	(2,697,380)
Reporting Period ending June 30, 2023	$5,455,078	$2,388,178	$7,843,256

APPENDIX B

State of Florida

FINANCIAL INFORMATION

The portion of the State of Florida Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023, meeting the minimum requirements for general purpose financial statement, including the Introductory Section through the Required Supplementary Information follows herein. The remainder of the Report as indicated in the Table of Contents, including Combining and Individual Fund Statements and Schedules - Nonmajor Funds and Statistical and Economic Data is not provided herewith but is available upon request from the Office of the Chief Financial Officer.

STATE OF FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

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' at:

https://www.myfloridacfo.com/transparency/state-financial-reports

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

February 28, 2024

Citizens of the State of Florida
The Honorable Ron DeSantis, Governor
The Honorable Kathleen Passidomo, President of the Senate
The Honorable Paul Renner, Speaker of the House of Representatives

To the Citizens of Florida, Governor DeSantis, President Passidomo, and Speaker Renner:

I am pleased to submit the State of Florida's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023, 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, 2023. 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 recorded its third year of above-average growth in General Revenue Fund collections when the state's fiscal year ended on June 30, 2023. Following two-years of strong-double-digit growth in revenues, growth patterns began a welcome return to normal patterns in the 2022-23 fiscal year, signaling an economy approaching full recovery from the pandemic's immediate aftermath. The same as last year, Florida's near-term economic outlook is now largely linked to the future health of the national economy.

This linkage means that a greater focus necessarily falls on the national economic projections. Unfortunately, these projections are still far from clear-cut. Along with the economic disruption that continues today from the tight labor market and elevated inflation, considerable

uncertainly exists regarding the impact on Florida from current geopolitical events, national fiscal policy decisions and future Federal Reserve actions. In December 2023, a survey conducted by the National Association for Business Economics (NABE) showed participants expect "...growth to slow to 1% between the fourth quarter of 2023 and the fourth quarter of 2024." When asked what the greatest downside risk to the U.S. economy in 2024 would be, 42 percent of the panelists believed too much monetary policy tightness was the biggest risk, considering both probability of occurrence and potential impact. Twenty-six percent cited the broadening of war in Ukraine and the Middle East.

As this report is put to bed, significant economic ups and downs are occurring almost daily, some of which provide conflicting messages about the future. In October 2023, war between Israel and Hamas broke out, ultimately leading to disruption in the Red Sea as Houthi rebels from Yemen—an Iran-backed group in support of Hamas—conducted a series of attacks on commercial vessels in those crucial shipping lanes. In December 2023, the United States launched an international naval operation (Operation Prosperity Guardian) that, by January 2024, led to targeted air strikes against the Houthi rebels. Currently, a resolution to this conflict is not in sight. Continued escalation into a broader regional conflict will likely lead to higher transportation and energy costs which would increase inflationary pressures.

December 2023 also saw Federal Open Market Committee (FOMC) hold rates to a targeted range between 5.25 percent and 5.50 percent, 100 basis points higher than this time last year. In its statement, the FOMC indicated that it will continue to monitor "...a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments," in formulating the best monetary policy path to returning inflation to 2 percent. Forty-seven percent of NABE participants anticipate that core personal consumption expenditure (PCE) inflation will not decline to a year-over-year rate of 2 percent until 2025. The Legislative Office of Economic and Demographic Research (EDR) reports that, "S&P Global considers some weakening of economic conditions necessary to bring down the still unacceptably high levels of inflation to the Federal Reserve's objective of 2% within an acceptable timeframe. In their view, this requires a period of below trend growth, referred to as a growth recession, to cool off the economy and reduce wage pressures on inflation." Except for the January events, all of this information informed the new forecasts adopted by the state's Economic Estimating Conference (Conference) in December 2023.

Several metrics from the Florida Economic Forecast stand out. One measure for assessing the economic health of states is the year-to-year change in real Gross Domestic Product (GDP); this is the gain or loss in all goods and services produced or exchanged within a state. According to the latest revised data, Florida's quarterly GDP movements have generally performed better than the nation as a whole since the beginning of the pandemic. Buffeted by a series of economic shocks, the state's GDP dipped to near zero (0.4 percent) in fiscal year 2019-20, bounced back to 4.7 percent in fiscal year 2020-21, and surged to 7.0 percent in fiscal year 2021-22, more than double the pre-pandemic-year growth rate and exceeding the prior peak growth rate of 6.6 percent in fiscal year 2004-05. The state's economy expanded by 4.4 percent in fiscal year 2022-23, but the Conference expects growth to decelerate to 2.8 percent and 1.1 percent over the current and next fiscal years as businesses and consumers transition from a high inflation environment to a high interest rate environment. Beginning in fiscal year 2025-26, the economy will grow at a more characteristic 1.9 – 2.0 percent per year.

Normally, personal income growth is another important gauge of the state's economic health; however, its changes have been in stark contrast to GDP, driven largely by the ebb and flow of federal dollars into Florida households and businesses due to the pandemic. Buttressed during the early part of the pandemic by an infusion of federal dollars, the final growth rate for the state's 2020-21 fiscal year was 10.3 percent. It fell to slightly less robust 6.6 percent at the end of the 2021-22 fiscal year when some of the extra federal support ended. Personal income growth then accelerated to 7.9 percent in fiscal year 2022-23 as workers and employers chased historic levels of inflation and leveraged the tight labor market into better paying opportunities. Largely on the continuing strength of wage growth, the Conference expects still high growth of 6.3 percent in fiscal Year 2023-24, followed by a nearly matching year at 6.4 percent growth. After three additional years of above 5 percent growth (the 2025-26, 2026-27 and 2027-28 fiscal years), annual growth rates begin to stabilize at 4.7 percent.

The key measures of employment are job growth and the unemployment rate. Along with the nation and the world, the job market in Florida experienced an unprecedented contraction in the second quarter of 2020 when a large part of the Florida economy either shut down or sent workers home to slow the spread of Coronavirus. Employment dropped by almost 1.3 million jobs from February 2020 to April 2020, a loss of 14.1 percent of the pre-pandemic jobs. In fiscal year 2021-22, Florida jobs moved above the 2018-19 level, registering growth of 6.6 percent, the highest rate since the inception of the series in 1990. The 2022-23 fiscal year was again strong, recording the second highest job growth rate since the 1990s, +4.7 percent. The Conference expects growth to decelerate to 2.5 percent in fiscal year 2023-24, 1.7 percent in fiscal year 2024-25 and 1.4 percent in fiscal year 2025-26 as the nation's economy softens due to the Federal Reserve's efforts to fight persistently elevated inflation. Job growth stabilizes at this percentage level through fiscal year 2028-29 before declining to 1.2 percent for the remainder of the forecast.

Florida's unemployment rate had been below 4.0 percent from January 2018 through February 2020. With the onset of the pandemic, the unemployment rate spiked to 14.1 percent in May 2020, handily surpassing the prior peak rate of 10.9 percent reached during the Great Recession (the first four months of 2010). Three years later, Florida's monthly unemployment rate had dropped to 2.7 percent for the entire 2022-23 fiscal year, not far from the lowest recorded rate in modern times: the first half of 2006 when it was 2.4 percent. Given the Federal Reserve's actions to cool off the economy through higher interest rates, the Conference expects the unemployment rate to start an upward

February 28, 2024
Page Three

drift—hitting 3.0 percent in fiscal year 2023-24. The rate ultimately reaches 4.3 percent in fiscal year 2026-27, after which it slightly retreats and then plateaus at 4.0 percent. The Conference assumes the "full employment" unemployment rate is about 4.0 percent.

Two areas of the state's economy indirectly benefited from the Federal Reserve's actions to protect the wider economy from the worst of the pandemic effects, but with a future payback: real estate and construction. Throughout the worst of the crisis, these economic sectors thrived as the federal funds rate neared zero and pushed interest rates to historic lows. By the second quarter of the 2021 calendar year, single-family starts were 63.0 percent higher than the same period in the prior year, while multi-family starts were 83.8 percent higher. Growing by almost 24.0 percent, total private housing starts reached a 16-year high of 251,500 units in fiscal year 2021-22, yet they were still far from the housing boom peak of over 272,000 units in fiscal Year 2004-05. The timing is important to the 2021-22 result—over the course of that year, the conventional mortgage rate had risen slightly from the prior year to 3.88 percent. The Federal Reserve's series of interest rate hikes to tame inflation had just begun (March 2022), but continued steadily through July 2023. As reported by the Mortgage Bankers Association, the 30-Year fixed rate mortgage reached 6.50 percent in the second quarter of the 2023 calendar year, and edged up to 7.00 percent in the third quarter. Moving in step, starts contracted by 14.6 percent in fiscal year 2022-23, and the Conference projects the slump to continue with a loss of 2.1 percent this year and 12.4 percent in fiscal year 2024-25. After leveling off in fiscal year 2025-26, starts lose ground for several more years before anemic growth resumes. At the end of the ten-year forecast period, total private housing starts achieve only 67.9 percent of the peak in fiscal Year 2004-05, but still surpass the projections in the pre-pandemic forecast. Reflecting the overall constraints in the construction industry, construction employment finally exceeds its fiscal year 2005-06 peak level in fiscal year 2028-29, 23 years later. Affected by many of the same factors, the existing home market entered its third year of contraction in fiscal year 2023-24. Even so, prices were higher than expected as many existing homeowners stayed out of the market, thereby limiting supply. Among other issues, they found it increasingly difficult to give up lower-interest mortgages on their current homes with the purpose of purchasing new homes in the high-interest environment.

Finally, Florida's tourism-sensitive economy was particularly vulnerable to the longer-term effects of the pandemic. The total number of tourists declined nearly 70.0 percent from the prior year in the second quarter of 2020. After that dramatic drop, tourism managed to recover gradually, buttressed by the increased number of domestic visitors travelling to Florida by air or car. It took two years to reach recovery from this pandemic in domestic visitors and three years in Canadian visitors, while international visitors are still at depressed levels. Total visitors, growing by 39.0 percent, surpassed the pre-pandemic peak by the end of fiscal year 2021-22, albeit with a different composition. After 2.5 percent in fiscal Year 2022-23, the Conference expects another strong period of growth (6.4 percent) during fiscal year 2023-24, after which the annual growth rate moderates from 4.9 percent in fiscal year 2024-25 to 2.9 percent in the latter half of the forecast period. While the new forecast levels never exceed the pre-pandemic forecast levels for those years, they come close in the latter part of the 10-year forecast horizon.

Based on these economic factors, the state's Revenue Estimating Conference met on January 16, 2024, to adopt a new forecast for the General Revenue Fund. Through December 2023, collections across all sources were running $1.26 billion or 6.0 percent above the forecast since the beginning of the fiscal year. Given the economic uncertainties going forward, the Conference added $1.59 billion to the estimate for the current year (fiscal year 2023-24), but moderated the increase going forward. The projected growth in fiscal year 2024-25 over the prior forecast is $585.5 million, yielding a two-year combined increase of $2.18 billion. These changes reflect increases over the previous estimates of 3.5 percent in fiscal year 2023-24 and 1.2 percent in fiscal year 2024-25.

ACKNOWLEDGEMENTS

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

Sincerely,

Jimmy Patronis

Jimmy Patronis
Chief Financial Officer

JP:pjb

ORGANIZATION AT JUNE 30, 2023

THE ELECTORATE OF FLORIDA

Legislative Branch
- Senate
- House of Representatives

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

Executive Branch

Judicial Branch
- Supreme Court
- District Courts of Appeal - 6 Districts
  - Circuit Courts - 20 Circuits
  - County Courts - 67 Counties

- Justice Administrative Commission
  - Capital Collateral Regional Counsel
  - Criminal Conflict and Civil Regional Counsel
  - Guardian ad Litem Program
  - State Attorneys (elected officials)
  - Public Defenders (elected officials)
- Judicial Qualifications Commission

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

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

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

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

PRINCIPAL OFFICIALS AT JUNE 30, 2023

Legislative Branch
Senate
Kathleen Passidomo, President
House of Representatives
Paul Renner, Speaker

Executive Branch
Ron DeSantis, Governor
Jeanette Nuñez, Lieutenant Governor
Cabinet
Ashley Moody, Attorney General
Jimmy Patronis, Chief Financial Officer
Wilton Simpson, Commissioner of Agriculture

Judicial Branch
Carlos G. Muñiz, Chief Justice

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FINANCIAL SECTION

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AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

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111 West Madison Street
Tallahassee, Florida 32399-1450

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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying 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, 2023, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of:

- The Prepaid College Program Fund, which is a major enterprise fund and represents 28 percent and 4 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 79 percent and 85 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 27 percent and 11 percent, respectively, of the assets and revenues of the business-type activities.
- The College Savings Plan and the trust fund maintained by the State Board of Administration to account for the investments of the Public Employee Optional Retirement Program, which collectively represent 6 percent of the assets and 4 percent of the revenues/additions of the aggregate remaining fund information.
- The Florida Retirement System Trust Fund maintained by the State Board of Administration to account for the assets and investment income of the Florida Retirement System Defined Benefit

Pension Plan which represent 90 percent and 78 percent, respectively, of the assets and revenues/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 59 percent and 36 percent, respectively, of the assets and revenues of the discretely presented component units.

The financial statements for the above-listed funds and entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the State of Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Florida's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 State of Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis** on pages 19 through 25 and the **Budgetary Comparison Schedules** on pages 193 through 197, **Budget to GAAP Reconciliation** on page 198, **Budgetary Reporting** on pages 199 through 200, **Schedule of Proportionate Share and Schedule of State Contributions** for pension on pages 202 through 205, **Schedule of Changes in Net Pension Liability and Schedule of State Contributions** on pages 206 through 207, **Schedule of Changes in Other Postemployment Benefits Liability** on pages 208 through 209, and **Information About Infrastructure Assets Reported Using the Modified Approach** on pages 210 through 211 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Florida's basic financial statements. The combining and individual fund statements and related budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has 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 GAAS 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section on pages 6 through 9, and the Statistical Section on pages 299 through 333, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears otherwise to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the State of Florida'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 included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. 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 of Florida'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 of Florida's internal control over financial reporting and compliance.

Respectfully submitted,

Sherrill F. Norman

Sherrill F. Norman, CPA
Tallahassee, Florida
February 28, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The information contained in the Management's Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the State of Florida's (the state's) financial activities and performance for the fiscal year ended June 30, 2023 (fiscal year 2022-23). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Annual Comprehensive Financial Report (ACFR).

Financial Statements Overview

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

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

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

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

Table 1: Major Features of the Basic Financial Statements

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

Condensed Government-wide Financial Statements and Overall Financial Analysis

Statement of Net Position

Table 2 below presents the state's Condensed Statement of Net Position as of June 30, 2023, and 2022, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was $112.2 billion for governmental activities and $26.6 billion for business-type activities which was a combined total of $138.8 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling $97.3 billion as of June 30, 2023, 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 $25.4 billion as of June 30, 2023. 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 an unrestricted net position of $15.2 billion at June 30, 2023, an increase of $7.4 billion over the prior year. The increase in the unrestricted net position over that reported in prior years is explained in the Major Fund Analysis, Governmental Funds section that follows.

Business-type activities reflect a restricted net position of $11.3 billion at June 30, 2023, a decrease of $5.9 billion over the prior year. The increase in the restricted net position over that reported in prior years is explained in the Major Fund Analysis, Proprietary Funds section that follows.

Table 2: Condensed Statement of Net Position
As of June 30
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 67,793	$ 63,963	$ 37,967	$ 37,403	$ 105,760	$ 101,366
Capital and right to use assets, net	89,520	85,836	17,984	17,120	107,504	102,956
Total assets	157,313	149,799	55,951	54,523	213,264	204,322
Total deferred outflows of resources	4,091	3,922	111	111	4,202	4,033
Other liabilities	13,438	12,898	12,522	5,541	25,960	18,439
Noncurrent liabilities	29,418	26,253	16,440	17,137	45,858	43,390
Total liabilities	42,856	39,151	28,962	22,678	71,818	61,829
Total deferred inflows of resources	6,370	12,819	462	326	6,832	13,145
Net position						
Net investments in capital assets	82,820	80,475	14,496	13,370	97,316	93,845
Restricted	14,173	13,451	11,262	17,194	25,435	30,645
Unrestricted	15,185	7,825	880	1,066	16,065	8,891
Total net position	$ 112,178	$ 101,751	$ 26,638	$ 31,630	$ 138,816	$ 133,381

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2022-23 and fiscal year 2021-22, as derived from the government-wide Statement of Activities. Over time, increases and decreases in the net position measure whether the state's financial position is improving or deteriorating. The state's total net position increased during the fiscal year by $5.4 billion. The net position of governmental activities increased by $10.5 billion, and the net position of business-type activities decreased by $5 billion. The majority of the $17.7 billion increase in total program expenses for governmental activities relates to a $5.9 billion increase in Human Services expenses and $5.6 billion increase in Education expenses, while the largest increase in business-type activities expenses is the $9.8 billion increase in Hurricane Catastrophe fund program expenses. Refer to the Major Fund Analysis section for information regarding the 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	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	$ 10,248	$ 11,046	$ 15,280	$ 11,034	$ 25,528	$ 22,080
Operating grants and contributions	50,885	51,700	4	1,299	50,889	52,999
Capital grants and contributions	2,243	1,850	91	—	2,334	1,850
Total program revenues	63,376	64,596	15,375	12,333	78,751	76,929
General revenues and payments						
Sales and use tax	40,641	38,414	—	—	40,641	38,414
Other taxes	19,683	19,210	—	—	19,683	19,210
Investment earnings (loss)	1,236	(1,600)	19	(22)	1,255	(1,622)
Miscellaneous	—	—	—	3	—	3
Total general revenues and payments	61,560	56,024	19	(19)	61,579	56,005
Total revenues	124,936	120,620	15,394	12,314	140,330	132,934
Program expenses						
General government	13,607	9,386	—	—	13,607	9,386
Education	31,051	25,407	—	—	31,051	25,407
Human services	54,763	48,864	—	—	54,763	48,864
Criminal justice and corrections	5,703	4,674	—	—	5,703	4,674
Natural resources and environment	3,824	3,316	—	—	3,824	3,316
Transportation	5,944	5,795	847	964	6,791	6,759
Judicial branch	703	454	—	—	703	454
Lottery	—	—	7,347	6,983	7,347	6,983
Hurricane Catastrophe Fund	—	—	9,868	71	9,868	71
Prepaid College Program	—	—	(149)	(1,093)	(149)	(1,093)
Reemployment Assistance	—	—	797	1,785	797	1,785
Nonmajor enterprise funds	—	—	420	386	420	386
Indirect interest on long term debt	111	74	—	—	111	74
Total program expenses	115,706	97,970	19,130	9,096	134,836	107,066
Excess (deficiency) before gain (loss) and transfers	9,230	22,650	(3,736)	3,218	5,494	25,868
Gain (loss) on sale of capital assets	(54)	(14)	(2)	(7)	(56)	(21)
Transfers	1,279	1,188	(1,279)	(1,188)	—	—
Change in net position	10,455	23,824	(5,017)	2,023	5,438	25,847
Beginning net position, as restated (Note 2)	101,723	77,927	31,655	29,607	133,378	107,534
Ending net position	$ 112,178	$ 101,751	$ 26,638	$ 31,630	$ 138,816	$ 133,381

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of $53.3 billion at June 30, 2023, a $8.3 billion or 18.3 percent increase from the prior year. Revenues increased by $6.6 billion or 5.5 percent, other financing sources and uses decreased by $876.5 million or 27.3 percent, and expenditures increased by $17.7 billion or 18.1 percent. Overall increases in revenues and expenditures were primarily attributable to an increase in taxes, fees and charges.

General Fund - This fund reported a fund balance of $34 billion at June 30, 2023, an increase of $6.2 billion or 22.7 percent. The increase in net position was primarily due to an increase in taxes and investment earnings.

Natural Resources, Environment, and Growth Management - This fund reported a fund balance of $6.6 billion at June 30, 2023, an increase of $747 million or 12.7 percent. The increase in net position was primarily due to an increase in the receipt of documentary stamp tax distributions.

Transportation - This fund reported a fund balance of $2.1 billion at June 30, 2023, an increase of $231 million or 12.2 percent. The increase in fund balance was primarily due to an increase in investment earnings of $241 million.

Proprietary Funds

The state's proprietary funds report combined ending net position of $26.6 billion at June 30, 2023, of which $14.5 billion is the net investment in capital assets and $11.3 billion is restricted for specific purposes. The remaining $0.8 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.

Transportation - This fund reported net position of 15.3 billion at June 30, 2023, an increase of $855 million or 5.9 percent. The increase in net position was primarily due to an increase in contributions to support road construction and other capital projects.

Lottery – This fund reported net position of $44.1 million at June 30, 2023, an increase of $11.6 million or 36 percent. The increase in net position was primarily due to ticket sales surpassing operating expenses and transfers to the Educational Enhancement Trust Fund (EETF). The increase resulted in a $25.7 million increase in restricted for future prizes or special prize promotions and a $14.2 million decrease in unrestricted net position.

Reemployment Assistance – This fund reported restricted net position of $3.1 billion at June 30, 2023, an increase of $1.3 billion or 68 percent. The increase in restricted net position was primarily due to a decrease in reemployment assistance claims.

Hurricane Catastrophe Fund – The restricted net position at June 30, 2023, totaled $2.9 billion, a decrease of $8 billion or 73 percent. The decrease in the Fund's net position is primarily a result of including the outstanding obligations for Hurricane Ian losses. The Hurricane Catastrophe fund's net position of $2.9 billion includes the net position of the Florida Optional Reinsurance Assistance Program Premium fund, amounting to $144.7 million.

Prepaid College Program – The restricted net position at June 30, 2023, totaled $4.9 billion, an increase of $821 million or 20 percent. The growth in net position and revenues can be attributed to investment gains driven by the overall rise in the financial markets. Meanwhile, the reduction in expenses is primarily a result of an increase in the discount rate employed by the actuary for calculating the present value of the Prepaid Plan's liabilities and receivables.

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 $8 billion increase between the original and final estimated revenues. Final budgeted total expenditures increased by $568.2 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 ACFR.

Capital Assets including Lease and Subscription-Based Information Technology (SBITA) Assets

Capital Asset Activity

At June 30, 2023, the state reported $89.5 billion in net capital assets for governmental activities and $18 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year

2021-22 to fiscal year 2022-23 by approximately 2.9 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 $17.4 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities increased by approximately $343.3 million compared to the prior year. Net capital assets also include leased assets and subscription-based information technology arrangements (SBITAs), net of amortization, totaling $822 million and $317 million, respectively. Refer to Note 6 in the notes to the financial statements for additional information on leased assets and SBITA assets. Refer to Note 7 to the financial statements for information on capital assets and Note 9 to the financial statements for information on construction commitments.

Long-term Debt Activity

Total bonded debt outstanding decreased by $1.0 billion, or approximately 5.6 percent, from the prior fiscal year to a total of $16.9 billion at June 30, 2023 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 ($6.7 billion), the Florida Hurricane Catastrophe Fund ($3.5 billion) and transportation ($6.0 billion). New and refinanced bonded debt issues for 2023 totaled $1 billion. Availability payment agreements contracts outstanding decreased from the prior year by $115 million or 4.3 percent to a total of $2.6 billion. The annual debt service requirements decreased from $2.1 billion in 2022 to $1.7 billion in 2023. The annual debt service payment experienced a notable reduction of almost $400 million or 19 percent. This decline can be mainly attributed to the completion of the final milestone payment for the I-4 P3 in FY 2022. The annual debt service is projected to decrease to approximately $1.6 billion through Fiscal Year 2024 to approximately $794 million in FY2033.

Pursuant to the provisions of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the State of Florida recorded $7.8 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2022. The $7.8 billion includes the State's proportionate share of the liability for the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Florida National Guard Supplemental Retirement Benefit Plan. (See Note 8 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 $5.5 billion in other postemployment benefits liabilities for the fiscal year ended June 30, 2023. This resulted in an decrease of $1.8 billion or 25 percent. (See Note 8 to the Financial Statements for further information.)

The state maintained its credit ratings during the past year. During the fiscal year ended June 30, 2023, all three major rating agencies (Standard & Poor's Rating Services, Fitch Ratings and Moody's Investors Services) rated the state in the highest rating category and have affirmed the state's AAA general obligation rating and stable outlooks. The state's benchmark debt ratio decreased in Fiscal Year 2023 to 2.93 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 2023 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 6b, 8, 10, 11, 12 and 13 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 2022-23 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during past years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways and bridges included on the State Highway System at the predetermined condition levels. These estimates are based on the FDOT five-year plan that is revised as projects are added, deleted, adjusted, or postponed. Refer to the Other Required Supplementary Information of the ACFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

Economic Factors

With a transition to a more stable economic environment that is nearing completion, many of the key metrics used to gauge the health of the overall economy were calming to normal growth patterns as the state's fiscal year ended June 30, 2023. After two years of double-digit increases, General Fund tax collections came in 7.5 percent higher than the prior fiscal year. Florida's experience differs notably from other states which collectively saw small growth in their General Funds (+0.9 percent across all states). Even so, signs of economic disruption were still evident, with varied impacts on household savings, the elevated use of credit, the continued normalization of spending on services and away from taxable goods, and strong inflationary pressures on households. Nonetheless, final state revenue collections exceeded prior expectations which had assumed a mild recession in the first and second quarters of the 2023 calendar year that failed to materialize. Ultimately, the annual growth rates for the General Fund are expected to go through a multiyear period of adjustment prior to stabilizing at the 2.8 percent annual growth projected for the long run.

Just over one-half (53.5 percent) of the year-over-year net increase in General Fund receipts (total revenue minus refunds) came from the gain in sales tax collections. Over the past 19 years, this revenue source's share of the fund has changed from a 70.6 percent in fiscal year 2004-05 to 75.6 percent in fiscal year 2022-23, which means that even a small percentage increase in collections from the prior year translates into a nontrivial dollar gain. As the economy continued to normalize in the post-pandemic world, total sales tax liability increased 7.2 percent from fiscal year 2021-22 to fiscal year 2022-23, with all but one of the state's six sales tax categories used for reporting purposes (consumer nondurables, tourism and recreation, autos and accessories, other durables, construction and building investment, and business investment) showing positive growth over the prior year. This equates to a $2.72 billion increase from the fiscal year 2021-22 level for this source, of which $1.76 billion flowed through to the General Fund after taking account of other revenue adjustments. Because the state's Revenue Estimating Conference had previously expected the underlying economic disruption to erode some of the potential sales tax growth, the final strength of that gain to the General Fund came as a windfall of $419.4 million or 1.2 percent over the anticipated level for the year. There are several reasons why this occurred, but one is particularly problematic. The initial response to inflation is an increase in sales tax collections that reflects the higher prices. Persistent inflation conditions, however, ultimately suppress collections as consumers begin to spend more money on non-taxable necessities like food and healthcare. The precise turning point between the two conditions is difficult to predict.

Several revenue sources continued to perform better than expected, still benefiting from the lingering effects of government actions to provide relief and support during the first crucial stages of the pandemic. Among these sources, collections of both the documentary stamp and intangibles taxes rely predominantly on activity in the state's real estate market. To provide an important firewall between the turmoil in the economy at-large and the financial system, the Federal Reserve aggressively instituted rate cuts to near-zero percent, backstopped credit markets and created new facilities to buy corporate debt. One result was record low interest rates that set off a surge of home buying and refinancing that began in the last quarter of fiscal year 2019-20. Two years later, the Federal Reserve initiated a series of interest rate hikes to tame accelerating inflation (March 2022). The impact on mortgage rates and construction loans was felt throughout the 2022-23 fiscal year, with total Documentary Stamp Tax collections dropping -27.9 percent from the prior year's supercharged level. This was still $229.8 million higher than expected for the year, with the General Fund benefiting by $120.4 million. Reflecting a slightly different aspect of the market, intangibles tax collections, which entirely benefit the General Fund, ultimately lost 38.0 percent over its prior year level—although, collections were still higher than expected by $39.2 million as refinancing activity showed some resilience in the early stages of the high-interest rate environment.

Setting a record since the original implementation of the tax in 1972, corporate income tax collections grew an astonishing 46.7 percent over the prior year. According to the Federal Reserve Bank of St. Louis, underlying profits remained high, and corporations were able to pass higher input costs fully onto consumers. In a follow-up analysis released by the Federal Reserve Bank of Kansas City, the authors suggested that "anticipatory price-setting, in which firms expect higher costs of production in the near future and thus raise prices on the goods they produce today" may have led to greater price increases than needed. To the extent that companies were able to maintain these higher prices as inflation began to stabilize and cool, corporate profits continued to increase. Even though the state's Revenue Estimating Conference had assumed that the 2022-23 fiscal year would have robust double-digit growth, corporate income tax receipts came in even stronger than expected, providing $349.1 million of the gain to the estimate for the year. Going forward, corporate profits is one of the few areas where the outlook has unambiguously weakened throughout the new economic forecast. While economic profits for corporations grew by stronger than expected 5.3 percent in the 2022-23 fiscal year, the forecast is markedly softer in the 2023-24 and 2024-25 fiscal years, with economic profits turning negative.

In addition to sales tax and corporate income tax which were addressed above, two other General Fund sources showed material growth over the prior year: insurance premium tax and earnings on investments. In total, seven of the 17 active revenue sources, posted year-over-year gains. Of the 10 sources that lost ground during the year, the most significant have already been discussed (documentary stamp tax and intangibles taxes). The remainder (severance taxes, beverages taxes and licenses, pari-

mutuel taxes, counties' Medicaid share, service charges, tobacco taxes, highway safety licenses and fees, and article V fees) did not have material dollar losses. Revenue sharing from the Seminole Tribe of Florida—which typically comprises the 18th revenue source—was suspended during this period.

The Revenue Estimating Conference last met in January 2024 to revise the General Fund forecast for fiscal years 2023-24 and 2024-25. After coming in nearly $1.26 billion over estimate since the beginning of the current fiscal year, the Conference added a similar amount ($1.59 billion) to the overall forecast for the 2023-24 fiscal year. Even at that, relative to actual collections in fiscal year 2022-23, the new forecast for fiscal year 2023-24 has a decline of -0.2 percent due to the net effect of legislative changes, the forecast adjustments, and the diminishing impact from Hurricane Ian recovery efforts. The projected growth in fiscal year 2024-25 over the prior forecast is $585.5 million, yielding a two-year combined increase of $2.18 billion. These changes reflect increases over the previous estimates of 3.5 percent in fiscal year 2023-24 and 1.2 percent in fiscal year 2024-25.

As a buffer against any future emergencies and to control recurring spending commitments, the latest General Revenue Outlook shows that there will be $10.83 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 $4.14 billion. The fund balance is now at the highest recorded level in its history. In addition, the Legislature created the Emergency Preparedness and Response Fund during the 2022 Regular Session as a primary source of funding for preparing or responding to a disaster declared by the Governor as a state of emergency. Between the three funds, reserves total $15.79 billion or 33.4 percent of the state's estimated General Fund tax collections for the current year (after payment of refunds). This level is materially higher than the analysis included in the state's Long-Range Financial Outlook adopted in September 2023. According to that document, the state will not have a budget gap in the upcoming fiscal year (2024-25), meaning the projected revenues will meet all anticipated needs. At the time the report was adopted by the state's Legislative Budget Commission, the projected surplus of revenues over needs for fiscal year 2024-25 was $7.03 billion, but 57.8 percent of this was nonrecurring dollars.

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, 2023
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
ASSETS				
Cash and cash equivalents	$ 47,649	$ 288,709	$ 336,358	$ 2,869,815
Pooled investments with State Treasury	55,161,344	4,765,539	59,926,883	3,329,247
Other investments	1,185,904	28,738,896	29,924,800	18,647,283
Receivables, net	5,696,776	1,457,352	7,154,128	3,047,778
Lease Receivables, net	13,897	18,662	32,559	476,705
Internal balances	252,925	(252,925)	—	—
Due from component units/primary	324	25,438	25,762	1,386,028
Inventories	198,653	8,757	207,410	133,473
Restricted cash and cash equivalents	—	19,920	19,920	640,471
Restricted pooled investments with State Treasury	—	472,048	472,048	631,268
Restricted investments	—	494,793	494,793	8,819,002
Advances to other entities	898,811	1,283	900,094	—
Other loans and notes receivable, net	4,336,035	1,866,205	6,202,240	1,666,294
Other assets	1,022	61,946	62,968	996,276
Capital assets, net	89,520,465	17,984,160	107,504,625	30,111,388
Total assets	157,313,805	55,950,783	213,264,588	72,755,028
DEFERRED OUTFLOWS OF RESOURCES				
Accum. decrease in fair value - hedging derivatives	—	—	—	26,842
Grants paid in advance	30,109	—	30,109	—
Amount deferred on refunding of debt	3,627	10,409	14,036	50,343
Lease related	—	—	—	202
Pension-related items	2,889,808	57,754	2,947,562	1,747,846
Other postemployment benefits	1,167,015	42,757	1,209,772	746,661
Asset retirement obligations	—	—	—	9,185
Total deferred outflows of resources	4,090,559	110,920	4,201,479	2,581,079

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

STATEMENT OF NET POSITION
JUNE 30, 2023
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
LIABILITIES				
Accounts payable and accrued liabilities	4,053,272	1,313,178	5,366,450	4,719,319
Due to other governments	—	—	—	—
Due to component units/primary	159,523	200	159,723	167,492
Obligations under security lending agreements	1,637,550	1,026,806	2,664,356	—
Long-term liabilities				
Due within one year	7,587,459	10,181,865	17,769,324	4,014,223
Due in more than one year	29,417,999	16,440,244	45,858,243	16,544,290
Total liabilities	42,855,803	28,962,293	71,818,096	25,445,324
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	—	118,259	118,259	106,821
Accum. increase in fair value - hedging derivatives	—	—	—	180
Amount deferred on refunding of debt	64,357	15,809	80,166	2,020
Lease related	13,821	183,542	197,363	534,951
Pension-related items	1,517,273	16,110	1,533,383	375,803
Other postemployment benefits liability	4,775,034	128,139	4,903,173	1,990,043
Irrevocable split-interest agreements	—	—	—	60,373
Total deferred inflows of resources	6,370,485	461,859	6,832,344	3,070,191
NET POSITION				
Net investments in capital assets	82,820,323	14,495,635	97,315,958	24,289,609
Restricted for				
Natural resources, environment, and growth management	6,291,986	—	6,291,986	—
Public Education	736,330	—	736,330	—
Health and Family Services	2,417,139	—	2,417,139	—
Transportation	2,116,416	221,254	2,337,670	—
Nonmajor governmental funds	1,526,768	—	1,526,768	—
Debt service	20,792	—	20,792	117,898
Lottery	—	118,038	118,038	—
Prepaid College Program	—	4,893,624	4,893,624	—
Hurricane Catastrophe Fund	—	2,893,971	2,893,971	—
Reemployment Assistance	—	3,120,377	3,120,377	—
Other	1,063,304	14,839	1,078,143	7,158,821
Funds held for permanent endowment				
Expendable	—	—	—	2,833,669
Nonexpendable:				
Inventories	—	—	—	4,086,023
Unrestricted	15,185,018	879,813	16,064,829	8,334,572
Total net position	$ 112,178,076	$ 26,637,551	$ 138,815,627	$ 46,820,592

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	$ 13,606,818	$ 6,062,077	$ 4,193,427	$ 2,913	$ (3,348,401)
Education	31,051,456	361,027	8,017,175	199	(22,673,055)
Human services	54,762,982	2,235,929	36,511,534	2,636	(16,012,883)
Criminal justice and corrections	5,703,096	308,103	192,642	14,911	(5,187,440)
Natural resources and environment	3,824,448	432,949	1,803,181	1,836	(1,586,482)
Transportation	5,943,637	732,614	165,404	2,220,565	(2,825,054)
Judicial branch	702,838	116,123	1,529	—	(585,186)
Indirect interest on long-term debt	110,687	—	—	—	(110,687)
Total governmental activities	115,705,962	10,248,822	50,884,892	2,243,060	(52,329,188)
Business-type activities:					
Transportation	847,130	1,428,136	—	32,850	613,856
Lottery	7,346,606	9,811,758	—	—	2,465,152
Hurricane Catastrophe Fund	9,867,561	1,861,536	—	—	(8,006,025)
Prepaid College Program	(148,572)	672,157	—	—	820,729
Reemployment Assistance	797,415	987,151	3,205	—	192,941
Nonmajor enterprise funds	419,619	519,054	647	57,908	157,990
Total business-type activities	19,129,759	15,279,792	3,852	90,758	(3,755,357)
Total primary government	$ 134,835,721	$ 25,528,614	$ 50,888,744	$ 2,333,818	$ (56,084,545)
Component units					
Florida Housing Finance Corporation	$ 283,425	$ (77,423)	$ —	$ —	$ (360,848)
University of Florida	8,152,563	5,438,063	1,340,804	356,006	(1,017,690)
Citizens Property Insurance Corporation	4,357,701	1,902,036	—	—	(2,455,665)
Nonmajor component units	14,772,315	3,763,014	4,942,514	1,718,216	(4,348,571)
Total component units	$ 27,566,004	$ 11,025,690	$ 6,283,318	$ 2,074,222	$ (8,182,774)

	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Net (expense) revenue	$ (52,329,188)	$ (3,755,357)	$ (56,084,545)	$ (8,182,774)
General revenues:				
Taxes				
Sales and use tax	40,640,600	—	40,640,600	—
Fuel taxes	3,438,656	—	3,438,656	—
Corporate income tax	5,458,515	—	5,458,515	—
Documentary stamp tax	3,880,253	—	3,880,253	—
Intangible personal property tax	527,978	—	527,978	—
Communications service tax	903,103	—	903,103	—
Beverage and tobacco taxes	1,320,639	—	1,320,639	—
Insurance premium tax	1,993,432	—	1,993,432	—
Gross receipts utilities tax	1,038,868	—	1,038,868	—
Property taxes	—	—	—	524,605
Other taxes	1,121,172	—	1,121,172	—
Investment earning (loss)	1,235,678	18,666	1,254,344	(203,685)
Gain/(loss) on disposal of general fixed assets	—	—	—	(9,254)
Gain (loss) on sale of capital assets	(54,233)	(1,611)	(55,844)	(8,079)
Payments from the State of Florida	—	—	—	5,532,838
Miscellaneous	—	108	108	1,519,152
Transfers	1,279,440	(1,279,440)	—	—
Contributions to permanent funds	—	—	—	131,160
Total general revenues, transfers and contributions	62,784,101	(1,262,277)	61,521,824	7,486,737
Changes in net position	10,454,913	(5,017,634)	5,437,279	(696,037)
Net position - beginning, as restated (Note 2)	101,723,163	31,655,185	133,378,348	47,516,629
Net position - ending	$ 112,178,076	$ 26,637,551	$ 138,815,627	$ 46,820,592

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

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 Governmental Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 215.

2023 STATE OF FLORIDA ACFR

BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Totals 6/30/23
ASSETS							
Current assets							
Cash and cash equivalents	$ 4,972	$ 2,355	$ —	$ 10,770	$ 799	$ 16,611	$ 35,507
Pooled investments with State Treasury	34,291,758	4,891,375	1,907,182	3,419,681	4,416,750	5,552,341	54,479,087
Other investments	380,330	—	—	—	—	694,682	1,075,012
Receivables, net	2,597,565	210,634	124,817	1,686,764	357,919	600,886	5,578,585
Due from other funds	177,844	65,351	144,255	106,386	369,227	238,147	1,101,210
Due from component units/primary	56	70	—	—	—	89	215
Lease receivables	3,193	—	—	5	—	—	3,198
Inventories	9,813	897	—	35,203	12,665	140,075	198,653
Other	730	—	—	—	8	275	1,013
Total current assets	37,466,261	5,170,682	2,176,254	5,258,809	5,157,368	7,243,106	62,472,480
Noncurrent assets							
Long-term investments	—	—	—	—	—	44,497	44,497
Lease receivables, net	9,786	4	—	10	—	6	9,806
Advances to other funds	1,425	—	—	—	111,854	—	113,279
Advances to other entities	10,811	403	863,437	—	23,873	287	898,811
Other loans and notes receivable, net	512	1,911,208	786	38,568	383,131	2,001,830	4,336,035
Total noncurrent assets	22,534	1,911,615	864,223	38,578	518,858	2,046,620	5,402,428
Total assets	37,488,795	7,082,297	3,040,477	5,297,387	5,676,226	9,289,726	67,874,908
DEFERRED OUTFLOWS OF RESOURCES							
Grants paid in advance	—	—	—	—	30,109	—	30,109
Total deferred outflows of resources	—	—	—	—	30,109	—	30,109
Total assets and deferred outflows	37,488,795	7,082,297	3,040,477	5,297,387	5,706,335	9,289,726	67,905,017
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities	1,054,309	66,845	122,846	886,322	845,288	462,741	3,438,351
Due to other funds	594,285	85,121	26,622	53,752	168,510	298,311	1,226,601
Due to component units/primary	60,779	95,430	2,713	96	—	318	159,336
Compensated absences	22,983	1,907	13	5,692	2,817	3,418	36,830
Claims payable	93,728	—	—	1,116,072	—	5,459	1,215,259
Deposits	8,557	127,540	13,328	—	2,181,712	191,691	2,522,828
Obligations under security lending agreements	1,323,395	60,481	46,678	4,786	105,014	82,154	1,622,508
Total current liabilities	3,158,036	437,324	212,200	2,066,720	3,303,341	1,044,092	10,221,713
Noncurrent liabilities							
Advances from other funds	—	—	1,397,347	—	25,000	1,509	1,423,856
Deposits	—	—	—	—	—	115	115
Other	—	—	294	—	—	—	294
Total noncurrent liabilities	—	—	1,397,641	—	25,000	1,624	1,424,265
Total liabilities	3,158,036	437,324	1,609,841	2,066,720	3,328,341	1,045,716	11,645,978
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	303,252	1,475	—	717,651	261,575	1,691,244	2,975,197
Lease related	12,919	4	—	15	—	6	12,944
Total deferred inflows of resources	316,171	1,479	—	717,666	261,575	1,691,250	2,988,141
FUND BALANCES							
Nonspendable							
Inventories	19,604	897	—	35,203	12,673	140,238	208,615
Restricted	108,061	3,199,392	1,741,944	723,035	50	1,660,729	7,433,211
Committed	598,683	3,443,205	693,094	1,754,763	2,103,696	4,751,793	13,345,234
Unassigned	33,288,240	—	(1,004,402)	—	—	—	32,283,838
Total fund balances	34,014,588	6,643,494	1,430,636	2,513,001	2,116,419	6,552,760	53,270,898
Total liabilities, deferred inflows and fund balances	$ 37,488,795	$ 7,082,297	$ 3,040,477	$ 5,297,387	$ 5,706,335	$ 9,289,726	$ 67,905,017

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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

Total fund balances for governmental funds		$ 53,270,898
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and leased 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	22,980,206	
Nondepreciable infrastructure	59,912,874	
Buildings, equipment and other depreciable assets	7,533,266	
Accumulated depreciation	(5,100,464)	
Construction work in progress	2,245,071	
		87,570,953
Right to use subscriptions	333,424	
Non-amortizable leased assets	—	
Right to use leased assets	771,337	
Accumulated amortization	(174,633)	
		930,128
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(857,739)	
Subscription liabilities	(288,969)	
Installment purchases/leases/public-private partnership agreements	(3,502,381)	
Claims payable	(3,272,302)	
Bonds payable	(9,866,406)	
Certificates of participation payable	(35,356)	
Pension liability	(5,252,432)	
Other postemployment benefits	(7,578,337)	
Due to other governments	(322,482)	
Other	(22,350)	
		(30,998,754)
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.		(58,576)
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.		1,363,082
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.		(3,548,667)
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position.		(330)
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.		2,975,197
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.		674,145
Net position of governmental activities		$ 112,178,076

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

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2023 STATE OF FLORIDA ACFR

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Totals 6/30/23
REVENUES							
Taxes	$ 54,259,527	$ 314,130	$ 1,376,398	$ 847,413	$ 3,128,212	$ 346,829	$ 60,272,509
Licenses and permits	242,256	57,018	1,600	39,594	16,603	1,955,533	2,312,604
Fees and charges	1,727,882	191,643	60,586	2,529,949	520,352	783,788	5,814,200
Grants and donations	1,563,847	201,387	7,826,368	36,064,704	2,353,069	4,539,239	52,548,614
Investment earnings (losses)	1,126,538	72,006	82,159	19,756	117,618	114,578	1,532,655
Fines, forfeits, settlements and judgments	351,678	5,467	184,070	42,419	6,463	765,259	1,355,356
Other	174,334	71,222	18,779	755,365	343,289	99,267	1,462,256
Total revenues	59,446,062	912,873	9,549,960	40,299,200	6,485,606	8,604,493	125,298,194
EXPENDITURES							
Current:							
General government	7,355,881	17,088	—	166,821	229,739	5,753,793	13,523,322
Education	18,974,755	—	11,672,778	—	—	205,907	30,853,440
Human services	11,559,663	—	—	41,686,280	—	495,589	53,741,532
Criminal justice and corrections	4,447,386	—	—	—	—	626,085	5,073,471
Natural resources and environment	857,430	1,431,436	—	—	—	1,774,460	4,063,326
Transportation	2,651	—	—	—	5,871,107	138	5,873,896
Judicial branch	583,907	—	—	—	—	106,970	690,877
Capital outlay	666,135	136,050	71	241,573	2,340,319	470,856	3,855,004
Debt service:							
Principal retirement	9,548	245	—	—	100,995	1,032,215	1,143,003
Interest and fiscal charges	6,657	181	—	2,296	107,945	421,189	538,268
Total expenditures	44,464,013	1,585,000	11,672,849	42,096,970	8,650,105	10,887,202	119,356,139
Excess (deficiency) of revenues over expenditures	14,982,049	(672,127)	(2,122,889)	(1,797,770)	(2,164,499)	(2,282,709)	5,942,055
OTHER FINANCING SOURCES (USES)							
Proceeds of bond issues	1,545	—	115,350	—	—	122,571	239,466
Proceeds of refunding bonds	—	—	—	—	—	426,367	426,367
Proceeds of financing agreements	3,082	—	—	—	—	—	3,082
Lease liabilities issued	326,050	30,397	—	199,200	1,359	92,848	649,854
Subscription liabilities issued	34,854	—	—	—	—	254,214	289,068
Operating transfers in	817,245	1,658,289	3,037,279	1,837,746	3,208,004	6,035,629	16,594,192
Operating transfer out	(9,925,064)	(269,564)	(1,047,941)	(467,064)	(785,985)	(2,940,411)	(15,436,029)
Payments to refunded bond agent	—	—	—	—	—	(426,367)	(426,367)
Total other financing sources (uses)	(8,742,288)	1,419,122	2,104,688	1,569,882	2,423,378	3,564,851	2,339,633
Net change in fund balances	6,239,761	746,995	(18,201)	(227,888)	258,879	1,282,142	8,281,688
Fund balances - beginning, as restated (Note 2)	27,774,827	5,896,499	1,448,837	2,740,889	1,857,540	5,270,618	44,989,210
Fund balances - ending	$ 34,014,588	$ 6,643,494	$ 1,430,636	$ 2,513,001	$ 2,116,419	$ 6,552,760	$ 53,270,898

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

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, 2023
(in thousands)

Net change in fund balance - total governmental funds		$ 8,281,688
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.		27,877
Governmental funds report capital outlays and leases as expenditures. However, in the Statement of Activities the cost of these assets are allocated over the estimated useful lives of the assets and reported as depreciation and amortization expense. The amount by which capital outlay and lease expenditures exceeded depreciation and amortization in the current period.		
Capital outlay and lease expenditures	1,872,631	
Subscription expenditures	333,424	
Lease expenditures	765,867	
Capital asset transfers, net	(127,292)	
Depreciation and amortization expense	(462,436)	
		2,382,194
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.		(54,233)
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.		(466,471)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences	95,138	
Decrease in accrued interest	(21,945)	
Increase in claims payable	915,980	
Decrease in other postemployment benefits	(406,295)	
Decrease in net pension related items	(84,232)	
Decrease in due to other governments	(17,497)	
Increase in other liabilities	(15)	
		481,134
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 and the payment of leases 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 and leases issued	(239,466)	
Refunding bond proceeds	(426,367)	
Financing agreement proceeds (leases and subscriptions issued)	(1,387,945)	
Repayment of bonds	1,031,626	
Repayment of leases/installment purchase contracts/certificates of participation	213,902	
Payment to refunded bond escrow agent	426,367	
Amortization of bond premium	178,390	
Amortization of amount deferred on refunding of debt	2,217	
Other	4,000	
		(197,276)
Change in net position of governmental activities		$ 10,454,913

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

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. This fund accounts for operations of the Florida Hurricane Catastrophe Fund, the Reinsurance to Assist Policyholders Program, and the Florida Optional Reinsurance Assistance Program each created to help cover insurer 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 Enterprise Funds

Nonmajor enterprise funds are presented on page 256.

Internal Service Funds

Internal service funds are presented on page 263.

2023 STATE OF FLORIDA ACFR

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/23	Internal Service Funds
ASSETS								
Current assets								
Cash and cash equivalents	$ 61,743	$ 11,089	$ 60,137	$ 117,604	$ 13,961	$ 24,175	$ 288,709	$ 12,142
Pooled investments with State Treasury	887,379	391,600	—	—	3,005,311	481,249	4,765,539	682,257
Other investments	70,117	—	9,815,646	1,716,900	—	7,992	11,610,655	66,395
Receivables, net	47,568	53,242	263,911	504,460	393,461	7,160	1,269,802	42,145
Lease receivables, net	—	—	—	—	—	1,374	1,374	143
Due from other funds	293,647	—	46	59	561	14,632	308,945	75,208
Due from component units/primary	—	—	—	—	279	25,159	25,438	109
Inventories	7,303	1,453	—	—	—	1	8,757	—
Other	25,000	3,097	—	2	—	1,332	29,431	8
Total current assets	1,392,757	460,481	10,139,740	2,339,025	3,413,573	563,074	18,308,650	878,407
Noncurrent assets								
Lease receivables, net	—	—	—	—	—	17,288	17,288	750
Restricted cash and cash equivalents	182	—	—	—	—	19,738	19,920	—
Restricted pooled investments with State Treasury	386,523	85,525	—	—	—	—	472,048	—
Restricted investments	268,281	226,512	—	—	—	—	494,793	—
Long-term investments	—	—	5,256,306	11,761,924	—	110,011	17,128,241	—
Advances to other funds	25,000	—	—	—	—	—	25,000	—
Advances to other entities	—	—	—	—	—	1,283	1,283	—
Other loans and notes receivable, net	71,917	—	—	1,794,147	—	141	1,866,205	—
Capital assets								
Right to use subscription	—	—	—	—	—	2,391	2,391	25,940
Right to use leased assets	—	35,525	—	—	—	58,171	93,696	111,328
Accumulated amortization	—	(11,740)	—	—	—	(7,404)	(19,144)	(5,847)
Land and other non-depreciable assets	1,483,560	493	—	—	—	—	1,484,053	296
Non-depreciable infrastructure	13,362,020	—	—	—	—	—	13,362,020	—
Buildings, equipment, and other depreciable assets	1,557,893	12,304	121	130	—	384,335	1,954,783	1,564,833
Accumulated depreciation	(759,542)	(8,644)	(86)	(108)	—	(116,190)	(884,570)	(720,621)
Construction work in progress	1,973,708	—	—	16,252	—	971	1,990,931	43,455
Other	—	32,514	—	—	—	—	32,514	—
Total noncurrent assets	18,369,542	372,489	5,256,341	13,572,345	—	470,735	38,041,452	1,020,134
Total assets	19,762,299	832,970	15,396,081	15,911,370	3,413,573	1,033,809	56,350,102	1,898,541
DEFERRED OUTFLOWS OF RESOURCES								
Amount deferred on refunding of debt	10,409	—	—	—	—	—	10,409	2,310
Pension-related items	—	8,626	603	1,266	—	47,259	57,754	20,675
Other postemployment benefits	—	5,176	192	319	—	37,070	42,757	18,942
Total deferred outflows of resources	10,409	13,802	795	1,585	—	84,329	110,920	41,927

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

2023 STATE OF FLORIDA ACFR

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/23	Internal Service Funds
LIABILITIES								
Current liabilities								
Accounts payable and accrued liabilities	87,138	10,267	30,044	764,100	291,355	44,621	1,227,525	291,735
Accrued prize liability	—	356,212	—	—	—	—	356,212	—
Due to other funds	178,205	119,548	403	67,213	1,841	6,492	373,702	29,973
Due to component units/primary	—	—	—	—	—	200	200	187
Compensated absences	—	872	91	111	—	6,346	7,420	2,118
Subscription liability	—	—	—	—	—	910	910	8,693
Installment purchases/leases	5,126	4,438	—	—	—	5,741	15,305	10,274
Bonds payable	—	—	—	—	—	—	—	15,005
Bonds payable from restricted assets	152,970	—	—	—	—	—	152,970	—
Deposits	133,764	—	—	—	—	20,207	153,971	146,056
Claims payable	—	—	8,969,600	—	—	—	8,969,600	—
Obligations under security lending agreements	33,369	12,555	—	970,283	—	10,599	1,026,806	15,042
Certificates of participation payable	—	—	—	—	—	—	—	36,885
Tuition and housing benefits payable	—	—	—	521,727	—	—	521,727	—
Pension liability	—	5	—	1	—	6	12	—
Other postemployment benefits	—	550	10	12	—	3,166	3,738	1,003
Total current liabilities	590,572	504,447	9,000,148	2,323,447	293,196	98,288	12,810,098	556,971
Noncurrent liabilities								
Advances from other funds	111,270	—	—	—	—	—	111,270	500
Accrued prize liability	—	208,877	—	—	—	—	208,877	—
Bonds payable	3,266,133	—	3,500,000	—	—	—	6,766,133	108,107
Certificates of participation payable	—	—	—	—	—	—	—	327,996
Subscription liability	—	—	—	—	—	1,568	1,568	17,313
Installment purchases/leases	348,666	19,836	—	—	—	49,132	417,634	56,294
Deposits	103	—	—	—	—	43,441	43,544	—
Compensated absences	—	2,992	259	822	—	19,430	23,503	6,753
Tuition and housing benefits payable	—	—	—	8,674,811	—	—	8,674,811	—
Pension liability	—	23,540	1,612	2,951	—	131,096	159,199	58,614
Other postemployment benefits liability	—	21,330	374	461	—	122,810	144,975	38,917
Total noncurrent liabilities	3,726,172	276,575	3,502,245	8,679,045	—	367,477	16,551,514	614,494
Total liabilities	4,316,744	781,022	12,502,393	11,002,492	293,196	465,765	29,361,612	1,171,465
DEFERRED INFLOWS OF RESOURCES								
Deferred service concession arrangement receipts	118,259	—	—	—	—	—	118,259	—
Amount deferred on refunding of debt	15,809	—	—	—	—	—	15,809	4,467
Lease related	—	—	—	—	—	183,542	183,542	877
Pension-related items	—	3,062	177	148	—	12,723	16,110	11,220
Other postemployment benefits	—	18,547	300	417	—	108,875	128,139	78,294
Total deferred inflows of resources	134,068	21,609	477	565	—	305,140	461,859	94,858
NET POSITION								
Net investment in capital assets	14,210,720	3,663	35	16,274	—	264,943	14,495,635	438,215
Restricted for Reemployment Assistance	—	—	—	—	3,120,377	—	3,120,377	—
Restricted for Lottery	—	118,038	—	—	—	—	118,038	—
Restricted for Hurricane Catastrophe Fund	—	—	2,893,971	—	—	—	2,893,971	—
Restricted for Prepaid College Program	—	—	—	4,893,624	—	—	4,893,624	—
Restricted for Transportation	221,254	—	—	—	—	—	221,254	—
Restricted - other	—	—	—	—	—	14,839	14,839	232,651
Unrestricted	889,922	(77,560)	—	—	—	67,451	879,813	3,279
Total net position	$ 15,321,896	$ 44,141	$ 2,894,006	$ 4,909,898	$ 3,120,377	$ 347,233	$ 26,637,551	$ 674,145

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

2023 STATE OF FLORIDA ACFR

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/23	Internal Service Funds
OPERATING REVENUES								
Sales - nonstate	$ 9,962	$ 9,807,454	$ 1,551,584	$ 375,289	$ —	$ 117,308	$ 11,861,597	$ 453,852
Change in actuarial value of contract premiums	—	—	—	21,620	—	—	21,620	—
Fees	1,343,825	—	—	1,110	579,551	299,582	2,224,068	—
Sales - state	—	—	46	225	—	66,497	66,768	2,353,587
Rents and royalties - nonstate	9,639	295	—	—	—	—	9,934	—
Rents - state	—	—	—	—	—	—	—	77,242
Fines, forfeits, settlements and judgments	3,663	117	—	—	—	8,669	12,449	74
Other	—	—	—	—	—	44	44	17,089
Total operating revenues	1,367,089	9,807,866	1,551,630	398,244	579,551	492,100	14,196,480	2,901,844
OPERATING EXPENSES								
Benefit payments	—	—	—	—	483,099	—	483,099	—
Payment of lottery winnings	—	6,555,700	—	—	—	—	6,555,700	—
Commissions on lottery sales	—	571,384	—	—	—	—	571,384	—
Contractual services	608,087	171,263	4,595	386,761	—	140,968	1,311,674	585,295
Gain (loss) on disposal of general fixed assets	—	—	—	—	—	899	899	8,035
Change in actuarial value of contract benefit payments	—	—	9,795,617	(604,436)	—	—	9,191,181	—
Insurance claims expense	—	—	—	—	—	—	—	2,654,861
Personal services	18,850	29,533	1,956	3,351	—	211,602	265,292	42,902
Amortization and depreciation	80,691	4,259	17	17	—	21,022	106,006	38,663
Materials and supplies	15,173	1,492	10	40	—	5,651	22,366	2,787
Repairs and maintenance	—	965	—	—	—	1,834	2,799	3,231
Basic services	—	1,285	276	219	—	31,380	33,160	5,284
Interest and fiscal charges	—	—	—	3	—	3,229	3,232	1,018
Total operating expenses	722,801	7,335,881	9,802,471	(214,045)	483,099	416,585	18,546,792	3,342,076
Operating income (loss)	644,288	2,471,985	(8,250,841)	612,289	96,452	75,515	(4,350,312)	(440,232)
NONOPERATING REVENUES (EXPENSES)								
Grants and donations	32,850	—	—	—	3,205	58,555	94,610	—
Investment earnings (losses)	67,681	3,892	309,910	273,913	41,180	16,871	713,447	29,077
Interest and fiscal charges	(123,213)	(10,725)	(65,090)	(55,720)	—	(1,649)	(256,397)	(13,607)
Fines, forfeits, judgments and settlements	—	—	—	108	—	—	108	—
Property disposition gain (loss)	(3,863)	(57)	—	—	—	48	(3,872)	(592)
Grant expense and client benefits	—	—	—	—	—	(930)	(930)	—
Other	(1,116)	—	—	—	52,095	(438)	50,541	184,494
Total nonoperating revenues (expenses)	(27,661)	(6,890)	244,820	218,301	96,480	72,457	597,507	199,372
Income (loss) before transfers and contributions	616,627	2,465,095	(8,006,021)	830,590	192,932	147,972	(3,752,805)	(240,860)
Operating transfers in	116,590	99	—	—	1,082,394	28,407	1,227,490	288,332
Operating transfers out	(35,637)	(2,453,574)	(10,000)	(9,753)	(14,138)	(98,843)	(2,621,945)	(19,682)
Capital contributions	129,626	—	—	—	—	—	129,626	95
Change in net position	827,206	11,620	(8,016,021)	820,837	1,261,188	77,536	(5,017,634)	27,885
Total net position - beginning	14,466,942	32,521	10,910,027	4,089,061	1,859,189	271,808	31,629,548	646,260
Adjustments to increase (decrease) beginning net position	27,748	—	—	—	—	—	27,748	—
Change in AP to increase/(decrease) beg net asset	—	—	—	—	—	(2,111)	(2,111)	—
Total net position - beginning, as restated (Note 2)	14,494,690	32,521	10,910,027	4,089,061	1,859,189	269,697	31,655,185	646,260
Total net position - ending	$ 15,321,896	$ 44,141	$ 2,894,006	$ 4,909,898	$ 3,120,377	$ 347,233	$ 26,637,551	$ 674,145

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

2023 STATE OF FLORIDA ACFR

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/23	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	$ 1,302,059	$ 9,797,583	$ 1,443,216	$ 554,409	$ 655,763	$ 494,102	$ 14,247,132	$ 2,835,279
Cash paid to vendors	(552,804)	(749,241)	(4,917)	(556,216)	—	(196,116)	(2,059,294)	(616,875)
Cash paid to employees	(18,737)	(30,858)	(1,890)	(3,145)	—	(216,819)	(271,449)	(72,041)
Cash received/(paid) for grants	—	—	—	—	—	(864)	(864)	—
Loans collected/(issued)	—	—	—	—	—	4	4	157
Lottery prizes	—	(6,471,260)	—	—	—	—	(6,471,260)	—
Cash paid for insurance claims	—	—	(2,338,778)	—	—	—	(2,338,778)	(2,632,003)
Reemployment assistance	—	—	—	—	(382,626)	—	(382,626)	—
Net cash provided (used) by operating activities	730,518	2,546,224	(902,369)	(4,952)	273,137	80,307	2,722,865	(485,483)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in (out)	234,645	(2,382,504)	(10,000)	(9,753)	1,068,256	(70,916)	(1,170,272)	360,770
Advances from or repayment from other funds	(18,117)	—	—	—	—	—	(18,117)	(114)
Advances, grants or loans (to) from or repayment from others	(3,218)	—	(8)	—	—	—	(3,226)	—
Payment of bonds or loans (principal and interest)	(5,570)	—	(59,703)	—	—	—	(65,273)	(50,096)
Payment of fees	—	—	—	—	3,205	54,413	57,618	—
Net cash provided (used) by noncapital financing activities	207,740	(2,382,504)	(69,711)	(9,753)	1,071,461	(16,503)	(1,199,270)	310,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Cash received from sale or lease of capital assets	78	—	—	—	—	2	80	—
Cash received from the issuance of debt	389,992	—	—	—	—	12,481	402,473	—
Payment of bond principal	(5,525)	—	—	—	—	—	(5,525)	(16,410)
Payment of principal on installment purchases/leases	(349,510)	—	—	—	—	(3,979)	(353,489)	(157)
Payment of interest on bonds/installment purchases/leases	(150,072)	—	—	—	—	(170)	(150,242)	(1,198)
Purchase or construction of capital assets	(833,551)	(4,570)	(15)	(7,503)	—	(9,004)	(854,643)	(29,506)
Line of credit draws/(payments)	—	—	—	—	—	(773)	(773)	—
Net cash provided (used) by capital and related financing activities	(948,588)	(4,570)	(15)	(7,503)	—	(1,443)	(962,119)	(47,271)
CASH FLOWS FROM INVESTING ACTIVITIES								
Security lending	(47,859)	(8,100)	—	3,328	—	5,231	(47,400)	(1,291)
Proceeds from the sale or maturity of investments	3,808,215	22,919	104,958,596	17,678,852	—	96,672	126,565,254	11,592
Cash paid to grand prize winners upon maturity of grand prize investments	—	(22,919)	—	—	—	—	(22,919)	—
Investment earnings	61,488	8,743	173,756	206,994	41,180	4,748	496,909	22,015
Purchase of investments	(3,776,115)	—	(104,100,120)	(17,841,916)	—	(117,876)	(125,836,027)	(11,100)
Net cash provided (used) by investing activities	45,729	643	1,032,232	47,258	41,180	(11,225)	1,155,817	21,216
Net increase (decrease) in cash and cash equivalents	35,399	159,793	60,137	25,050	1,385,778	51,136	1,717,293	(200,978)
Cash and cash equivalents - beginning	1,300,428	328,421	—	92,554	1,633,494	474,026	3,828,923	895,377
Cash and cash equivalents - ending	$ 1,335,827	$ 488,214	$ 60,137	$ 117,604	$ 3,019,272	$ 525,162	$ 5,546,216	$ 694,399

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/23	Internal Service Funds
Operating income (loss)	$ 644,288	$ 2,471,985	$ (8,250,841)	$ 612,289	$ 96,452	$ 75,515	$ (4,350,312)	$ (440,232)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization expense	80,691	4,259	17	17	—	21,022	106,006	38,663
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(25,971)	(13,014)	(108,200)	(2,098)	(2,294,956)	24,454	(2,419,785)	(6,546)
(Increase) decrease in due from other funds	(9,778)	—	—	(17)	434	3,776	(5,585)	143
Increase (decrease) in allowance for uncollectibles	—	546	(104)	—	2,216,857	(25,817)	2,191,482	(3,389)
(Increase) decrease in inventories	2,020	199	—	—	—	(1,049)	1,170	—
(Increase) decrease in future contract premiums and other receivables	2,594	—	—	(19,522)	—	(1)	(16,929)	—
(Increase) decrease in other noncurrent assets	—	343	—	—	—	—	343	(1)
Increase (decrease) in accounts payable	21,612	(1,698)	(67)	(2,705)	254,350	2,492	273,984	20,286
Increase (decrease) in compensated absences	—	391	70	121	—	3,276	3,858	1,936
Increase (decrease) in due to other funds	11,710	—	—	11,272	—	(3,899)	19,083	(38,295)
Increase (decrease) in tuition and housing benefits payable	—	—	—	(604,436)	—	—	(604,436)	—
Increase (decrease) in other noncurrent liability	—	93	—	—	—	(12,955)	(12,862)	21,249
(Increase) decrease in deposits and prepaid items	—	—	—	1	—	(150)	(149)	—
Increase (decrease) in unearned revenue	3,352	—	—	—	—	857	4,209	(57,402)
Increase (decrease) in prize liability	—	84,837	—	—	—	—	84,837	—
Increase (decrease) in pension liability and deferrals	—	(73)	18	129	—	(390)	(316)	(15,368)
Increase (decrease) in OPEB liability and deferrals	—	(1,644)	(1)	(3)	—	(6,824)	(8,472)	(6,527)
Increase (decrease) in claims payable	—	—	7,456,739	—	—	—	7,456,739	—
Net cash provided (used) by operating activities	$ 730,518	$ 2,546,224	$ (902,369)	$ (4,952)	$ 273,137	$ 80,307	$ 2,722,865	$ (485,483)
Noncash investing, capital, and financing activities								
Borrowing under lease or installment purchase	$ 55,596	$ —	$ —	$ —	$ —	$ —	$ 55,596	$ —
Change in fair value of investments	23,198	(34,106)	368,919	233,669	—	250	591,930	—
Contribution of capital assets	34,463	—	—	—	—	—	34,463	—
Other noncash items	34,415	—	—	—	—	1,552	35,967	—

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

2023 STATE OF FLORIDA ACFR

FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS
Individual fund descriptions and financial statements begin on page 273.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
Individual fund descriptions and financial statements begin on page 279.

INVESTMENT TRUST FUNDS
Individual fund descriptions and financial statements begin on page 285.

CUSTODIAL FUNDS
Individual fund descriptions and financial statements begin on page 289.
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STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/23
ASSETS					
Cash and cash equivalents	$ 16,749	$ 109,809	$ 3,383,341	$ 86,891	$ 3,596,790
Pooled investments with State Treasury	577,275	259,864	472,400	2,687,808	3,997,347
Total cash and cash equivalents	594,024	369,673	3,855,741	2,774,699	7,594,137
Investments					
Certificates of deposit	—	700,086	3,994,851	—	4,694,937
U.S. government & federally guaranteed obligations	52,089	12,514,333	—	—	12,566,422
Federal agencies	8,649	7,557,063	—	—	7,565,712
Commercial paper	—	2,345,295	8,528,352	—	10,873,647
Repurchase agreements	—	1,400,000	626,485	—	2,026,485
Bonds and notes	18,969	11,454,094	306,144	—	11,779,207
International bonds and notes	3,614	2,889,003	—	—	2,892,617
Real estate contracts	—	16,137,412	—	—	16,137,412
Mutual fund investments	1,064,759	15,126,188	—	—	16,190,947
Money market and short-term investments	119,863	681,043	515,348	10,380	1,326,634
Domestic equity	4,966	55,828,403	—	—	55,833,369
Alternative investments	—	42,147,124	—	—	42,147,124
International equity	—	33,841,990	—	—	33,841,990
International equity commingled	—	3,653,954	—	—	3,653,954
Deferred compensation annuities	—	9,912	—	—	9,912
Self-directed brokerage investments	—	1,186,229	—	—	1,186,229
Other investments	(97)	(30,578)	—	21,014	(9,661)
Total investments	1,272,812	207,441,551	13,971,180	31,394	222,716,937
Receivables					
Accounts receivable	594	63,789	—	1,352,983	1,417,366
State contributions receivable	—	112,844	—	—	112,844
Nonstate contributions receivable	—	526,741	—	—	526,741
Interest receivable	9,686	199,206	51,050	1,015	260,957
Dividends receivable	107	298,183	—	—	298,290
Pending investment sales	1,198	831,577	—	—	832,775
Foreign currency contracts receivable	—	215,478	—	—	215,478
Futures trade equity	151	—	—	—	151
Due from state funds	90,071	125,180	—	318,040	533,291
Due from other governments	17,079	—	—	224	17,303
Total receivables	118,886	2,372,998	51,050	1,672,262	4,215,196
Security lending collateral	—	444,639	—	—	444,639
Advances to other funds	1,397,347	—	—	—	1,397,347
Advances to other entities	—	—	—	275,747	275,747
Right to use leased assets	—	17,560	—	—	17,560
Accumulated amortization	5	(1,853)	—	—	(1,848)
Capital assets	309	1,136	—	6,236	7,681
Accumulated depreciation	(226)	(584)	—	(540)	(1,350)
Other assets	—	903	24	30,989	31,916
Total assets	3,383,157	210,646,023	17,877,995	4,790,787	236,697,962
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	1,202	152	—	—	1,354
Other postemployment benefits	542	4,468	—	—	5,010
Total deferred outflows of resources	1,744	4,620	—	—	6,364

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/23
LIABILITIES					
Accounts payable and accrued liabilities	$ 5,693	$ 222,576	$ 6,158	$ 623,268	$ 857,695
Due to other funds	473	140,639	144	247,122	388,378
DROP	—	253,834	—	—	253,834
Pending investment purchases	16,941	1,984,887	—	—	2,001,828
Short sell obligations	—	147,559	—	—	147,559
Foreign currency contracts payable	22	215,525	—	—	215,547
Broker rebate fees	—	2,464	—	—	2,464
Due to other governments	15,246	—	7,150	2,661,133	2,683,529
Due to component units/primary	—	—	13,558	—	13,558
Obligations under security lending agreements	12,556	463,399	12,680	23,385	512,020
Claims payable	—	—	—	29,889	29,889
Deposits payable	59,678	9,695	—	90,923	160,296
Compensated absences	617	1,426	—	—	2,043
Installment purchases/leases	2	841	—	—	843
Other liabilities	3	15,152	—	30,103	45,258
Pension liability	2,685	415	—	—	3,100
Other postemployment benefits liability	3,002	11,012	—	—	14,014
Total liabilities	116,918	3,469,424	39,690	3,705,823	7,331,855
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	396	45	—	—	441
Amount deferred on refunding of debt	—	—		1,983	1,983
Other postemployment benefits	2,946	9,406	—	—	12,352
Total deferred inflows of resources	3,342	9,451	—	1,983	14,776
NET POSITION					
Restricted for pension benefits	—	201,059,087	—	—	201,059,087
Restricted for other postemployment benefits	—	6,112,681	—	—	6,112,681
Restricted for individuals, organizations and other governments	3,264,641	—	17,838,305	1,082,981	22,185,927
Total Net Position	$ 3,264,641	$207,171,768	$ 17,838,305	$ 1,082,981	$229,357,695

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, 2023
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investments Trust Funds	Custodial Funds	Totals 6/30/23
ADDITIONS					
Contributions and other deposits					
Pension fund employer contributions - state	$ —	$ 1,240,730	$ —	$ —	$ 1,240,730
Pension fund employer contributions - nonstate	—	5,170,065	—	—	5,170,065
Pension fund employee contributions	—	1,202,363	—	—	1,202,363
Other contributions	—	193,496	—	7,194	200,690
Purchase of time by employees	—	4,436	—	—	4,436
Fees	481	1,905	—	1,875,491	1,877,877
Grants and contributions	244,354	—	—	2,281	246,635
Flexible benefits contributions	—	334,711	—	—	334,711
Fines, forfeits, settlements and judgments	215	6	—	1,052,643	1,052,864
Unclaimed property remittances	835,282	—	—	—	835,282
Receivership assets acquired	—	—	—	437,788	437,788
Transfers in from state funds	11,826	674,269	—	1,242	687,337
Total contributions and other deposits	1,092,158	8,821,981	—	3,376,639	13,290,778
Investment income					
Interest income	42,349	1,654,971	781,767	9,787	2,488,874
Dividends	12,322	1,963,613	—	—	1,975,935
Other investment income (loss)	—	2,092,574	—	436	2,093,010
Net increase (decrease) in fair market value	74,796	10,321,423	145	54	10,396,418
Total investment income (loss)	129,467	16,032,581	781,912	10,277	16,954,237
Investment activity expense	(11,792)	(750,676)	(6,365)	—	(768,833)
Net income (loss) from investing activity	117,675	15,281,905	775,547	10,277	16,185,404
Security lending activity					
Security lending income	—	42,841	—	—	42,841
Security lending expense	—	(24,394)	—	—	(24,394)
Net income from security lending	—	18,447	—	—	18,447
Total net investment income (loss)	117,675	15,300,352	775,547	10,277	16,203,851
Other additions	668,962	36,710	—	12,062,654	12,768,326
Total additions	1,878,795	24,159,043	775,547	15,449,570	42,262,955
DEDUCTIONS					
Benefit payments	—	14,623,606	—	—	14,623,606
Gain/(loss) on disposal of fixed assets	(18)	949	—	—	931
Insurance claims expense	—	8,257	—	—	8,257
Supplemental insurance payments	—	99,675	—	—	99,675
Lease liabilities issued	8	—	—	—	8
Flexible reimbursement payments	—	21,024	—	—	21,024
Life insurance premium payments	—	37,431	—	—	37,431
Remittances to annuity companies	—	221,436	—	—	221,436
Program contribution refunds	—	35,824	—	—	35,824
Interest expense	1,779	2	—	643	2,424
Student loan default payments	76,428	—	—	—	76,428
Payments to unclaimed property claimants	341,038	—	—	—	341,038
Distribution to State School Fund	183,531	—	—	—	183,531
Administrative expense	15,326	31,276	96	45,486	92,184
Property disposition gain (loss)	4	5	—	—	9
Interest and fiscal charges	—	213	—	—	213
Transfers out to state funds	2,065	713,449	—	4,181	719,695
Other deductions	756,326	65	—	14,912,649	15,669,040
Total deductions	1,376,487	15,793,212	96	14,962,959	32,132,754
Depositor activity					
Deposits	1,140,063	—	32,886,529	2,621	34,029,213
Withdrawals	(924,058)	—	(33,004,466)	(2,620)	(33,931,144)
Excess (deficiency) of deposits over withdrawals	216,005	—	(117,937)	1	98,069
Change in net position	718,313	8,365,831	657,514	486,612	10,228,270
Net position - beginning, restated (Note 2)	2,546,328	198,805,937	17,180,791	596,369	219,129,425
Net position - ending	$ 3,264,641	$207,171,768	$ 17,838,305	$ 1,082,981	$229,357,695

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 294.

2023 STATE OF FLORIDA ACFR

STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2023 (in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/23
ASSETS					
Cash and cash equivalents	$ 143,931	$ 282,670	$ 599,382	$ 1,843,832	$ 2,869,815
Pooled investments with State Treasury	1,187,340	516,332	—	1,625,575	3,329,247
Other investments	1,978,022	2,380,733	7,871,298	6,417,230	18,647,283
Receivables, net	43,826	1,024,681	317,758	1,661,513	3,047,778
Lease receivables, net	—	21,150	—	455,555	476,705
Due from component units/primary	—	420,829	—	965,199	1,386,028
Inventories	—	88,085	—	45,388	133,473
Restricted cash and cash equivalents	—	22,213	—	618,258	640,471
Restricted pooled investments with State Treasury	—	305,031	—	326,237	631,268
Restricted investments	—	3,675,970	—	5,143,032	8,819,002
Other loans and notes receivable, net	1,547,894	15,767	—	102,633	1,666,294
Other assets	11,141	363,167	152,684	469,284	996,276
Capital assets, net	—	5,293,463	49,965	24,767,960	30,111,388
Total assets	4,912,154	14,410,091	8,991,087	44,441,696	72,755,028
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	11,691	—	15,151	26,842
Amount deferred on refunding of debt	—	26,877	—	23,466	50,343
Lease related	—	—	—	202	202
Pension-related items	—	480,954	—	1,266,892	1,747,846
Other postemployment benefits	—	158,393	—	588,268	746,661
Asset retirement obligations	—	9,185	—	—	9,185
Total deferred outflows of resources	—	687,100	—	1,893,979	2,581,079
LIABILITIES					
Accounts payable and accrued liabilities	24,906	659,767	2,796,142	1,238,504	4,719,319
Due to component units/primary	—	106,200	—	61,292	167,492
Long-term liabilities					
Due within one year	121,316	487,086	2,286,498	1,119,323	4,014,223
Due in more than one year	1,432,756	4,238,282	475,047	10,398,205	16,544,290
Total liabilities	1,578,978	5,491,335	5,557,687	12,817,324	25,445,324
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	—	—	106,821	106,821
Accum. increase in fair value-hedging derivatives	—	—	—	180	180
Amount deferred on refunding of debt	—	1,510	—	510	2,020
Lease related	—	71,017	—	463,934	534,951
Pension-related items	—	83,517	—	292,286	375,803
Other postemployment benefits	—	626,809	—	1,363,234	1,990,043
Irrevocable split-interest agreements	—	18,422	—	41,951	60,373
Total deferred inflows of resources	—	801,275	—	2,268,916	3,070,191
NET POSITION					
Net investment in capital assets	—	2,867,413	317	21,421,879	24,289,609
Restricted for					
Debt service	—	7,228	—	110,670	117,898
Other	3,169,359	485,934	—	3,503,528	7,158,821
Funds held for permanent endowment					
Expendable	—	1,626,114	—	1,207,555	2,833,669
Nonexpendable	—	1,535,689	—	2,550,334	4,086,023
Unrestricted	163,817	2,282,203	3,433,083	2,455,469	8,334,572
Total net position	$ 3,333,176	$ 8,804,581	$ 3,433,400	$ 31,249,435	$ 46,820,592

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

2023 STATE OF FLORIDA ACFR

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

		Program Revenues				Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/23
Florida Housing Finance Corporation	$ 283,425	$ (77,423)	$ —	$ —	$ (360,848)	$ —	$ —	$ —	$ (360,848)
University of Florida	8,152,563	5,438,063	1,340,804	356,006	—	(1,017,690)	—	—	(1,017,690)
Citizens Property Insurance Corporation	4,357,701	1,902,036	—	—	—	—	(2,455,665)	—	(2,455,665)
Nonmajor component units	14,772,315	3,763,014	4,942,514	1,718,216	—	—	—	(4,348,571)	(4,348,571)
Total component units	$ 27,566,004	$ 11,025,690	$ 6,283,318	$ 2,074,222	(360,848)	(1,017,690)	(2,455,665)	(4,348,571)	(8,182,774)
General revenues									
Property taxes					—	—	—	524,605	524,605
Investment earnings (losses)					—	287,946	(810,711)	319,080	(203,685)
Gain/(loss) on disposal of general fixed assets					—	—	—	(9,254)	(9,254)
Gain (loss) on sale of capital assets					—	(1,268)	—	(6,811)	(8,079)
Payments from the State of Florida					—	957,698	—	4,575,140	5,532,838
Miscellaneous					472,663	307,538	—	738,951	1,519,152
Contributions to permanent funds					—	76,251	—	54,909	131,160
Total general revenues and contributions					472,663	1,628,165	(810,711)	6,196,620	7,486,737
Change in net position					111,815	610,475	(3,266,376)	1,848,049	(696,037)
Net position - beginning, as restated (Note 2)					3,221,361	8,194,106	6,699,776	29,401,386	47,516,629
Net position - ending					$ 3,333,176	$ 8,804,581	$ 3,433,400	$ 31,249,435	$ 46,820,592

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Blended Component Units

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

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

- Career Source Florida, Inc.
- Corrections Foundation, Inc.
- Florida Board of Governors
- Florida Citrus Commission (Department of Citrus)
- Florida Clerks of Court Operations Corporation
- Florida Commission on Community Service (Volunteer Florida)
- Florida Department of Transportation Financing Corporation*
- Florida Engineers Management Corporation
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Prescription Drug Monitoring Program Foundation*
- 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, 2023, are approximately $1.9 million.

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, 2023. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Accordingly, amounts reported by the state as due from and to component units on the statement of net position may not agree with amounts reported by the component units as due from and to the state. Refer to Section D of this note for more information on major fund determination and presentation. The state's discretely presented component units are grouped into the following categories:

State Universities and Colleges. State universities and colleges receive funding from the state. The State University System is governed by the Florida Board of Governors. The Florida College System is governed by the State Board of Education. Each university and college is administered by a local board of trustees. All state universities and colleges have a June 30 year-end. Component units included in this category are:

State Universities

Major:

- University of Florida[1]

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 2022-23 fiscal year between the University of Florida and the state totaled $1.3 billion. 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 2022-23 fiscal year between the Florida Housing Finance Corporation and the state included revenues of state documentary stamp taxes totaling $291 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 17D.

Water Management Districts. Pursuant to Section 373.069, F.S., these districts were created to provide for the management and conservation of water and related land resources. In addition, the general regulatory and administrative functions of these districts are either fully or in part financed by general appropriations. Water management districts have a September 30 year-end. Component units included in this category are:

Non-major:

- Northwest Florida Water Management District
- St. Johns River Water Management District
- South Florida Water Management District
- Southwest Florida Water Management District
- Suwannee River Water Management District

Other. Additional discretely presented component units of the state include various foundations and not-for-profit organizations. The fiscal year-ends of these component units may vary. Component units included in this category are:

Non-major:

- Commission for Florida Law Enforcement Accreditation, Inc.*
- Enterprise Florida, Inc.
- Florida Agricultural Museum*
- Florida Agriculture Center and Horse Park Authority*
- Florida Agriculture in the Classroom, Inc.*
- Florida Alliance to End Human Trafficking*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Board of Governors Foundation, Inc.*
- Florida Concrete Masonry Education Council*
- Florida Corrections Accreditation Commission, Inc.*
- Florida Education Foundation, Inc.*
- Florida Education Fund, Inc.
- Florida Foundation for Correctional Excellence*
- Florida Fund for Minority Teachers, Inc.*
- Florida Healthy Kids Corporation
- Florida is for Veterans, Inc.*
- Florida Mobile Home Relocation Corporation*
- Florida 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 $124 million and $40 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.

Joint Ventures

A joint venture is an organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. Financial data for the state's joint ventures are not included in its statements. The state's joint ventures include the following:

Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission. Section 373.69, F.S., provides for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

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

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

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

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

Related Organizations

Organizations for which the state is accountable because the state appoints a voting majority of the board, but for which the state is not financially accountable, are deemed "related organizations." The state's related organizations include certain transportation authorities, hospital districts, tourism oversight district, 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, *Annual Comprehensive 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.

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 insurer losses in the event of a hurricane disaster. The Hurricane Catastrophe Fund also accounts for reinsurance programs created to reimburse participating insurer 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 employee 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; therefore, cannot be used to support the state's own programs.

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

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

Custodial Funds – funds that are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. For example, these funds account for asset and liability balances related to retiree health care, taxes collected and held by the Department of Revenue for other entities, and student funds held by the Florida School for the Deaf and the Blind.

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

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

Cash and Cash Equivalents

The state's cash includes cash on hand and on deposit in banks, including demand deposits, certificates of deposit, and time deposits. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB Codification Section 2450, *Cash Flows Statements*, pooled investments with the State Treasury are considered cash equivalents. Details of deposits are included in Note 3.

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 3.

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, as well as intangible right-to-use lease assets, 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 7.

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 leases and subscription-based information technology arrangements (SBITAs); Note 8 for information on pension and other postemployment benefit (OPEB) liabilities; Note 10 for information on bonds payable and certificates of participation; Note 11 for information on installment purchases; Note 12 for public-private partnership agreements and availability payment arrangements; and Note 13 for changes in long-term liabilities.

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Leases and Subscription Obligations

The State has both leases under which it is obligated as a lessee and leases for which it is a lessor.

Leases and Subscription-Based Information Technology Arrangements (SBITAs) are included in capital assets and long-term liabilities on the Statement of Net Position.

An intangible right-to-use asset represents the State's right to use an underlying asset for the lease or SBITA term. Lease obligations represent the State's liability to make lease payments arising from lease agreements or SBITA agreements. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds twelve months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease obligation. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

The State is a lessor for non-cancelable leases of land and land improvements, buildings, and equipment. Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight line basis over the lease term. For additional information, refer to Note 4.

At the commencement of the leases, the lease receivables are measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the amounts of the lease receivables, adjusted for lease payments received at or before the lease commencement dates. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease terms.

Key estimates and judgments include how the state determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

a. The state uses its estimated incremental borrowing rate as the discount rate for leases.
b. The lease terms include the noncancelable periods of the leases.
c. Lease receipts included in the measurement of the lease receivables are composed of fixed payments from the lessees.

The state monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables. Lease detail is included in Note 6.

At the commencement of each lease and subscription, the liability is measured at the present value of payments expected to be made during the term. Subsequently, the lease and subscription liabilities are reduced by the principal portions of payments made. The RTU lease and subscription assets are measured as the initial amount of the individual liabilities, adjusted for payments made at or before the lease and subscription commencement dates, plus certain initial direct costs. Subsequently, the RTU lease and subscription assets are amortized on a straight-line basis over their useful lives.

Key estimates and judgments related to leases and subscriptions include how the state determines the discount rate it uses to discount the expected lease and subscription payments to present value, lease and subscription term, and lease and subscription payments.

- The interest rate charged by the lessor is used as the discount rate. When an interest rate charged by the lessor is not provided, the estimated incremental borrowing rate is used as the discount rate for leases and subscriptions.
- The lease terms include the noncancelable period of the leases and subscriptions and option years that the state is reasonably certain to exercise. Lease and subscription payments included in the measurement of the lease and subscription liabilities are composed of fixed payments and purchase option prices that the state is reasonably certain to exercise.

The state monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.
Lease and subscription assets are reported with capital assets and lease and subscription liabilities are reported with long-term debt on the statement of net position.

For additional information, refer to Note 6.

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, 2023, the government-wide statement of net position reported a restricted net position of $25.4 billion, of which $10.36 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, *Annual Comprehensive 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, 2023 (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	$ 10,070	$ 897	$ —	$ 35,203	$ 12,673	$ 140,223	$ 199,066
Long-term Receivables and Advances	9,534	—	—	—	—	—	9,534
Permanent Fund Principal	—	—	—	—	—	15	15
Total	19,604	897	—	35,203	12,673	140,238	208,615
Restricted:							
Grantors/Contributors	611	78,366	—	132,625	—	51,594	263,196
Enabling Legislation	71,521	6,875	119,254	450,899	50	269,784	918,383
Constitutional Provision	—	59,931	738,329	—	—	711	798,971
Creditors	8	2,171	850,109	—	—	978,305	1,830,593
Federal Government	35,921	3,052,049	34,252	139,511	—	360,335	3,622,068
Total	108,061	3,199,392	1,741,944	723,035	50	1,660,729	7,433,211
Committed:	598,683	3,443,205	693,094	1,754,763	2,103,696	4,751,793	13,345,234
Unassigned:	33,288,240	—	(1,004,402)	—	—	—	32,283,838
Total Fund Balances	$ 34,014,588	$ 6,643,494	$ 1,430,636	$ 2,513,001	$ 2,116,419	$ 6,552,760	$ 53,270,898

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 2023 General Appropriations Act as being unappropriated June 30, 2023, cash balances that are to be transferred to and from the funds indicated during the 2023-24 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	$ 35,000	$ —	$ —	$ (35,000)	$ —	$ —	$ —
Transfer from Non-Governmental Funds	5,000	—	—	—	—	—	5,000
Total	$ 40,000	$ —	$ —	$ (35,000)	$ —	$ —	$ 5,000

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 14.

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. 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 $3.14 billion in cash at June 30, 2023. During fiscal year 2022-23, The Lawton Chiles Endowment Fund (LCEF) was mostly liquidated, and $410 million was transferred from the LCEF to the Budget Stabilization Fund. There were no disbursements made from the Budget Stabilization Fund.

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NOTE 2 - ACCOUNTING AND REPORTING CHANGES

A. Accounting and Reporting Changes

The state implemented GASB Statement No. 91, *Conduit Debt Obligations*, to introduce a single method to report conduit debt obligations, eliminating the option for issuers to report conduit debt obligations as their own liabilities. The statement defines a conduit debt obligation as a debt instrument issued in the name of a state or local government (the issuer) for the benefit of a third party that is primarily liable for repayment of the debt instrument (third-party obligor). A conduit debt obligation must have all the following characteristics:

a. It involves at least three parties: an issuer, a third-party obligor, and a debt holder or a debt trustee.
b. Its issuer and the third-party obligor are not within the same financial reporting entity.
c. The debt obligation is not a parity bond of the issuer or cross-collateralized with other debt of the issuer.
d. The third-party obligor or its agent—not the issuer—ultimately receives the proceeds from the debt issuance.
e. The third-party obligor—not the issuer—is primarily responsible for the payment of all amounts associated with the debt obligation (debt service payments).

The state implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is defined as an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in the Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The state implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which defines SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a SBITA. SBITAs provide governments with access to vendors' IT software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. A SBITA differs from a traditional technology arrangement covered by existing guidance in that it allows temporary use that ends when the subscription expires. Examples of SBITAs include Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS). Any contract that meets this definition should be accounted for under the SBITA guidance, unless specifically excluded in the Statement.

The state implemented paragraphs 18-22 and 23-25 of Statement No. 99, *Omnibus 2022*, which addresses practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 99:

a. Clarifies in paragraphs 18-22 the provisions in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* related to the determination of the term of a PPP, recognition and measurement of installment payments, and the transfer of the underlying PPP asset.
b. Explains in paragraphs 23-25 the provisions in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* related to the subscription term of a SBITA and the option to terminate, short-term SBITAs, and recognition requirements for subscription liability for SBITAs other than short-term SBITAs.

The adoption of paragraphs 18-22 and 23-25 of this Statement was done in conjunction with the adoption of GASB Statement No. 94 and 96

The state implemented GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, which establishes new requirements and clarifications for three types of accounting changes: changes in accounting principles, changes in accounting estimates, and changes to or within the reporting entity. The statement also addresses corrections of errors in previously issued financial statements.

B. Fund Balance and Net Position Reclassifications and Restatements

Fund balances and Net position at June 30, 2023 have been adjusted as follows (in thousands):

	6/30/2022 As Previously Reported	Change in Accounting Principle	Error Correction	6/30/2022 As Restated
Government-Wide				
Governmental Activities	$ 101,750,912	$ —	$ (27,749)	$ 101,723,163
Business-Type Activities	31,629,548	—	25,637	31,655,185
Total Primary Government	$ 133,380,460	$ —	$ (2,112)	$ 133,378,348
Governmental Funds				
Major Funds:				
General	$ 27,774,827	$ —	$ —	$ 27,774,827
Natural Resources, Environmental, and Growth Management	5,896,499	—	—	5,896,499
Public Education	1,448,837	—	—	1,448,837
Health and Family Services	2,740,889	—	—	2,740,889
Transportation	1,885,289	—	(27,749)	1,857,540
Nonmajor Funds	5,270,618	—	—	5,270,618
Total Governmental Funds	$ 45,016,959	$ —	$ (27,749)	$ 44,989,210
Proprietary Funds				
Major Funds:				
Transportation	$ 14,466,942	$ —	$ 27,748	$ 14,494,690
Lottery	32,521	—	—	32,521
Hurricane Catastrophe Fund	10,910,027	—	—	10,910,027
Prepaid College Program	4,089,061	—	—	4,089,061
Reemployment Assistance	1,859,189	—	—	1,859,189
Nonmajor Funds	271,808	(2,111)	—	269,697
Total Proprietary Funds	$ 31,629,548	$ (2,111)	$ 27,748	$ 31,655,185
Fiduciary Funds				
Private-Purpose Trust Funds	$ 2,546,328	$ —	$ —	$ 2,546,328
Pension and Other Employee Benefits Trust Funds	198,805,937	—	—	198,805,937
Investment Trust Funds	17,180,791	—	—	17,180,791
Custodial Funds	473,409	—	122,960	596,369
Total Fiduciary Funds	$ 219,006,465	$ —	$ 122,960	$ 219,129,425
Component Units				
Florida Housing Finance Corporation	$ 3,221,361	$ —	$ —	$ 3,221,361
University of Florida	8,194,222	(116)	—	8,194,106
Citizens Property Insurance Corporation	6,698,055	1,721	—	6,699,776
Nonmajor Component Units	29,360,250	33,286	7,850	29,401,386
Total Component Units	$ 47,473,888	$ 34,891	$ 7,850	$ 47,516,629

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2023, the state's deposits in financial institutions totaled approximately $4.3 billion for primary government and $3.5 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, 2023, 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, 2023

	Bank Statement Balance (in U.S. $)	
Custodial Credit Risk	Primary Government	Component Units
(1)	$ 3,605,874	$ 426,963
(2)	—	208,696
(3)	—	—
Total deposits subject to custodial credit risk	$ 3,605,874	$ 635,659

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 a total fund investment policy for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund that sets ranges on investments by asset class. Under the FRS Pension Trust Fund investment policy statement approved by SBA Trustees effective January 17,2023, foreign and domestic equity securities are included in the global equity asset class. The FRS Pension Trust Fund has a target allocation to global equities of 53% with a policy range from 45-70%, but within this range there is no limit 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 Lawton Chiles Endowment Fund (LCEF) previously had an investment policy that allowed foreign and domestic equity securities in the global equity asset class, but this fund was almost fully liquidated during the fiscal year ended June 30,2022, and only contains residual balances. The Florida Prepaid Program's comprehensive investment plan limits investment in foreign equities to 30% 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, 2023, as illustrated in the following schedule (in thousands):

Schedule of Investments with State Board of Administration
Foreign Currency Deposits Held As of June 30, 2023

	Bank Statement Balance (in U.S. $)			
Currency	FRS Pension Trust Fund	LCEF	Florida Prepaid Program and Investment Plan	Total
Australian dollar	$ 1,490	$ —	$ —	$ 1,490
Brazilian real	4,103	—	—	4,103
British pound sterling	7,367	—	—	7,367
Canadian dollar	6,431	—	—	6,431
Chilean peso	509	—	—	509
Chinese yuan Hong Kong	9,465	—	—	9,465
Colombian peso	9	—	—	9
Czech koruna	1	—	—	1
Danish krone	662	10	—	672
Egyptian pound	64	—	—	64
Euro	18,658	—	92	18,750
Hong Kong dollar	4,997	11	35	5,043
Hungarian forint	553	—	—	553
Indian rupee	4,272	—	—	4,272
Indonesian rupiah	477	—	—	477
Israeli shekel	1,772	—	750	2,522
Japanese yen	10,705	—	55	10,760
Kuwaiti dinar	293	—	—	293
Malaysian ringgit	262	—	—	262
Mexican peso	1,302	—	1,581	2,883
New Taiwan dollar	3,750	—	—	3,750
New Zealand dollar	13	—	—	13
New Zimbabwe dollar	388	—	—	388
Norwegian krone	774	—	—	774
Pakistan rupee	54	—	—	54
Peruvian sol	5	—	—	5
Philippines peso	130	—	—	130
Polish zloty	261	—	—	261
Qatari riyal	246	—	—	246
Saudi Arabian riyal	1,572	—	—	1,572
Singapore dollar	1,353	13	—	1,366
South African rand	1,499	—	—	1,499
South Korean won	8,822	—	—	8,822
Swedish krona	865	—	—	865
Swiss franc	6,366	—	—	6,366
Turkish lira	381	—	—	381
United Arab Emirates dirham	132	—	—	132
Vietnam dong	3,690	—	—	3,690
Total deposits subject to foreign currency risk	$ 103,693	$ 34	$ 2,513	$ 106,240

B. Investments

At June 30, 2023, the state's investments reported in governmental and business-type activities and fiduciary funds totaled $317.7 billion, consisting of pooled investments with the State Treasury in the amount of $64.4 billion and other investments in the amount of $253.3 billion. The State Treasury also had holdings at June 30, 2023, of $4.4 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 $25.6 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, fully invests the funds 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 contain deposits from funds and component units of the reporting entity (internal portion) as well as deposits from certain legally separate organizations outside the reporting entity (external portion). The external portion of pooled investments with the State Treasury is reported in a governmental external investment pool.

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

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

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

Per Section 17.61(1), F.S., the State Treasury shall invest all general revenue funds, trust funds, all agency funds of each state agency, and of the judicial branch. As a result, state agencies and the judicial branch are considered involuntary participants in pooled investments with the State Treasury. The total involuntary participation as of June 30, 2023, was $62.4 billion or 91% 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, 2023

ASSETS	
Current and Other Assets	$ 70,172,616
Total Assets	70,172,616
LIABILITIES	
Other Liabilities	3,154,324
Total Liabilities	3,154,324
NET POSITION	
Net position held for Internal Pool Participants	66,557,558
Net position held for External Pool Participants	460,734
Total net position, ending	$ 67,018,292

Condensed Statement of Changes of Fiduciary Net Position
June 30, 2023

ADDITIONS	
Net income (loss) from investing activity	$ 2,052,979
DEDUCTIONS	
Distributions paid and payable	(2,052,979)
DEPOSITOR ACTIVITY	
Deposits	172,636,959
Withdrawals	(163,847,307)
Excess (deficiency) of deposits over withdrawals	8,789,652
Change in net position	8,789,652
Net position, beginning	58,228,640
Net position, ending	$ 67,018,292

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
As of June 30, 2023

	Par	Fair Value	Range of Interest Rates*	Range of Maturity Dates
Commercial paper	$ 315,000	$ 314,695	0.000% - 4.250%	7/3/2023 - 7/12/2023
Money market funds	501,638	501,638	5.152% - 5.152%	N/A
Repurchase agreements	4,415,809	4,415,809	4.780% - 5.070%	7/3/2023 - 07/26/2023
U.S. guaranteed obligations	30,323,870	28,339,587	0.000% - 8.500%	7/15/2023 - 3/20/2065
Federal agencies	9,141,314	7,940,480	0.000% - 10.450%	7/13/2023 - 6/1/2062
Bonds and notes - domestic	14,604,209	13,265,366	0.091% - 9.943%	7/1/2023 - 4/1/2122
Bonds and notes - international	1,813,159	1,697,018	0.250% - 9.625%	7/26/2023 - 11/15/2069
Federal agencies discounted securities	982,251	965,660	1.920% - 5.330%	8/17/2023 - 3/25/2042
U.S. guaranteed obligations discounted securities	8,980,581	8,890,789	0.000% - 5.350%	7/5/2023 - 4/20/2052
Commingled STIF	606,567	606,567	N/A	N/A
Unemployment compensation	2,807,439	2,807,439	N/A	N/A
Totals	$ 74,491,837	$ 69,745,048		

*The coupon rate in effect at June 30, 2023, 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, 2023, as well as reconciliation to the basic financial statements (in thousands):

Schedule of Pooled Investments with State Treasury
As of June 30, 2023

Investment type	**Fair Value**
Commercial paper	$ 314,695
Money market funds	501,638
U.S. guaranteed obligations	37,230,376
Federal agencies	8,588,657
Bonds and notes - domestic	13,081,207
Bonds and notes - international	1,697,018
Repurchase agreements	3,175,000
Commingled STIF	606,567
Unemployment compensation funds pooled with U. S. Treasury	2,807,439
Total investments excluding security lending collateral*	68,002,597
Lending collateral investments:	
Commercial paper	—
Repurchase agreements	1,240,809
Money market funds	—
Federal agencies	317,483
Bonds and notes - domestic	184,159
Bonds and notes - international	—
Total lending collateral investments	1,742,451
Total investments	69,745,048
Cash on deposit	427,568
Total State Treasury holdings	70,172,616
Adjustments:	
Outstanding warrants	(303,027)
Deposits in transit	—
SPIA Revolving Account**	(8,702)
Unsettled securities liability	(1,100,144)
Reconciled balance, June 30, 2023	$ 68,760,743
Reconciliation to the basic financial statements (in thousands):	
Unrestricted Pooled investments with State Treasury	
Governmental activities	$ 55,161,344
Business-type activities	4,765,539
Fiduciary funds	3,997,347
Component units	3,329,247
Component units timing difference	403,950
Total unrestricted pooled investments with State Treasury	67,657,427
Restricted Pooled investments with State Treasury	
Business-type activities	472,048
Component units	631,268
Total restricted pooled investments with State Treasury	1,103,316
Total pooled investments with State Treasury	$ 68,760,743

*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.

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

Other Investments

Other investments in various funds of the state are primarily managed by the SBA. The largest of these funds managed by the SBA is the FRS Pension Trust Fund (Defined Benefit Pension Fund), whose total investments represented 73.3% of total other investments at June 30, 2023. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 5.7% of total other investments, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 5.9% and 5.7%, 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, 2023, as well as reconciliation to the basic financial statements (in thousands):

Schedule of Other Investments
As of June 30, 2023

	Fair Value[1]			
		Other funds		
Investment types	FRS Pension Trust Fund	Managed by SBA	Not managed by SBA	Total
Certificates of deposit	$ 700,086	$ 5,324,599	$ 791	$ 6,025,476
Commercial paper	2,345,295	11,970,773	—	14,316,068
Money market funds	27,250	1,287,311	22,147	1,336,708
Repurchase agreements	1,400,000	774,000	—	2,174,000
U.S. guaranteed obligations	12,409,773	14,771,772	11,512	27,193,057
Federal agencies	7,459,319	1,275,085	—	8,734,404
Domestic bonds and notes	8,986,547	5,811,449	2,117,015	16,915,011
Commingled domestic bonds and notes funds/mutual funds	—	3,763,905	—	3,763,905
International bonds and notes	2,871,905	2,098,211	1,046	4,971,162
International bonds and notes mutual fund	—	23,102	—	23,102
Domestic stocks	54,961,305	1,026,288	77,246	56,064,839
Commingled domestic equity funds/mutual funds	—	7,405,158	—	7,405,158
International stocks	33,780,786	722,808	3,357	34,506,951
Commingled international equity funds/mutual funds	3,653,954	3,143,028	—	6,796,982
Commingled real asset funds	—	1,088,750	—	1,088,750
Alternative investments	42,147,124	—	—	42,147,124
Real estate investments (directly owned)	13,726,007	—	1,213	13,727,220
Commingled real estate investments funds	2,411,405	—	—	2,411,405
Self-Directed brokerage accounts	—	1,186,229	—	1,186,229
Derivative instruments, net:[2]				
Forward currency contracts	(1,764)	(11)	—	(1,775)
Futures (debt and equity)	(22,636)	(105)	—	(22,741)
Option contracts	—	—	104	104
Swap contracts	(6,178)	19	2,256	(3,903)
Mutual funds	—	—	3,287,395	3,287,395
Total investments excluding lending collateral	186,850,178	61,672,371	5,524,082	254,046,631
Lending collateral investments:				
Certificates of deposit	—	380,890	—	380,890
Commercial paper	—	203,947	—	203,947
Money market funds	436,720	—	—	436,720
Repurchase agreements	—	282,000	—	282,000
Domestic bonds and notes	7,919	—	—	7,919
Total lending collateral investments	444,639	866,837	—	1,311,476
Total investments for all types	$187,294,817	$ 62,539,208	$ 5,524,082	$ 255,358,107
% of total other investments	73.3 %	24.5 %	2.2 %	

[1]Investments of the Local Government Surplus Funds Trust Fund are reported based on amortized cost which approximates fair value. See the Local Government Surplus Funds Trust Fund disclosure on page 85 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 defiance, are reported at cost.
[2]Refer to Note 3.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	$ 1,141,407	$ 11,610,655	$ —	1,924,216	$ 14,676,278
Restricted investments	—	494,793	—	—	494,793
Long-term investments	44,497	17,128,241	222,716,937	—	239,889,675
Security lending collateral[2]	—	—	444,639	—	444,639
Timing and other differences[3]	(143,341)	(22,471)	(139,988)	158,522	(147,278)
Total other investments	$ 1,042,563	$ 29,211,218	$ 223,021,588	$ 2,082,738	$ 255,358,107

[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 3 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, 2023.

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, 2023

Investment Type	Fair Value
U.S. guaranteed obligations	$ 134,433
Total	$ 134,433

Florida Prepaid Investment Plan
Securities Pledged as Collateral for Futures Contracts
As of June 30, 2023

Investment Type	Fair Value
U.S. guaranteed obligations	$ 415
Total	$ 415

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 pending foreign currency contracts and commitments to purchase (TBAs), the FRS Pension Trust Fund agrees to receive or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receivables and payables are known as variation margin. All initial and variation margin amounts held by counterparties, and the variation margins held by the FRS Pension Trust Fund as of June 30, 2023, 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, 2023

	Fair Value
Margin receivable from counterparties:	
Futures contracts	$ 46,003
Swap contracts	10,111
Foreign currency contracts	1,370
Commitments to purchase (TBAs)	3,017
Total margin receivable	$ 60,501
Margin payable to counterparties:	
Futures contracts	$ 1,344
Swap contracts	1,314
Total margin payable	$ 2,658

The Florida Prepaid Investment Plan also held open futures positions at June 30, 2023. Similar to the FRS Pension Trust Fund, Florida Prepaid pays to or receives from the broker a variation margin (i.e., an amount of cash) equal to the daily fluctuation in the value of the futures contract. All variation margin amounts held by counterparties, and the variation margins held by the Florida Prepaid Program and Investment Plan as of June 30, 2023, 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):

Florida Prepaid Investment Plan
Cash and Foreign Currency Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2023

	Fair Value
Margin receivable from counterparties:	
Futures contracts	$ 151
Commitments to purchase (TBAs)	140
Total margin receivable	$ 291
Margin payable to counterparties:	
Futures contracts	$ 23
Swap contracts	22
Commitments to purchase (TBAs)	140
Total margin payable	$ 185

The FRS Pension Trust Fund also held short positions in investments at June 30, 2023. 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, 2023 (in thousands):

FRS Pension Trust Fund
Short Investment Position
As of June 30, 2023

Investment Type	Fair Value
Federal agencies	$ (147,560)
Total	$ (147,560)

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, 2023. 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, 2023, 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, 2023, are excluded.

Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2023

Investment type	Fair Value
Certificates of deposit	$ 57,373
Commercial paper	21,986
Repurchase agreements	476
Money market funds	418,838
U.S. guaranteed obligations	4,246,116
Federal agencies	922,959
Domestic bonds & notes	6,991,090
International bonds & notes	804,679
Domestic stocks	1,396,512
International stocks	867,053
Real estate investments	241,701
Mutual funds	2,990,398
Investment agreements	6,582,888
Total other investments for all types	$ 25,542,069
Reconciliation of fair value to the basic financial statements:	
Other investments	$ 18,647,283
Restricted investments	8,819,002
Less SBA Investments*	(1,924,217)
Total other investment for component units	$ 25,542,069

*Investment types for component units with investments held by SBA are disclosed on the Schedule of Other Investments on page 82.

At June 30, 2023, 60.51% 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, 2023, were rated by the nationally recognized statistical rating organizations (NRSRO) Standard and Poor's (S&P) and Moody's, and the ratings are presented below using the applicable rating scale (in thousands):

State Treasury
Credit Quality Ratings
As of June 30, 2023

S&P rating[2]	Moody's rating[2]	Total[1]	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Repurchase agreements[3]	Money Market funds
AAAm		$ 501,638	$ —	$ —	$ —	$ —	$ —	$ 501,638
AAA		2,404,489	—	7,266	2,360,392	36,831	—	—
AA		10,051,753	—	8,527,638	844,750	49,347	630,018	—
A		5,052,055	—	—	3,900,614	1,151,441	—	—
A-1		209,739	209,739	—	—	—	—	—
BBB		3,229,376	—	—	2,931,128	298,248	—	—
BB		21,112	—	—	17,646	3,466	—	—
B		926	—	—	926	—	—	—
Below B		5	—	—	5	—	—	—
	Aaa	2,171,013	—	—	2,152,688	18,325	—	—
	Aa	185,008	—	—	185,008	—	—	—
	A	227,059	—	—	223,404	3,655	—	—
	P-1	104,956	104,956	—	—	—	—	—
	Baa	464,111	—	—	401,275	62,836	—	—
	Ba	99,084	—	—	99,084	—	—	—
	B	10,868	—	—	—	10,868	—	—
Not Rated	Not Rated	3,756,683	—	371,236	148,446	62,001	3,175,000	—
		$ 28,489,875	$ 314,695	$ 8,906,140	$ 13,265,366	$ 1,697,018	$ 3,805,018	$ 501,638
Not Rated[4]	Not Rated[4]	37,230,376	U.S. guaranteed obligations					
Not Rated	Not Rated	606,567	Commingled STIF					
Not Rated	Not Rated[1]	610,791	Repurchase agreements					
		$ 66,937,609						

[1] The remaining $2,807,439 (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" and "P-1", which are a short-term ratings for S&P and Moody's, respectively.

[3] Collateral underlying the repurchase agreements was not rated.

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

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date and duration of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2023, more than five percent of the State Treasury's investment pool is invested in the Federal National Mortgage Association (FNMA). These investments are approximately 7 percent of the State Treasury's investments pool.

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 constitute the primary portion of other investments.

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

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

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

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

Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio – These portfolios allow U.S. Treasuries, U.S. Government agencies, corporate, 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 107% 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.

<u>Florida Prepaid College Program Lending Program</u> – Short-term obligations should be limited to obligations rated in the highest rating category by at least two NRSROs or, if only rated by one NRSRO, rated at the time of purchase in the highest rating category by that NRSRO (S&P A-1, Moody's P-1, Fitch F1 or equivalent). A "short-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has an original maturity of 397 days or less at the time of purchase or has a put that entitles the holder to receive the principal amount at specified intervals not exceeding 397 days. With respect to bonds and other long-term obligations, investment is limited to obligations backed by the United States Government and have a maximum maturity of 762 days. A "long-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has a remaining maturity of greater than 397 days at the time of purchase and is not subject to a demand feature in 397 days or less.

The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund's fair market value at June 30, 2023. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2023 (in thousands):

FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2023

Credit Rating[1] S&P	Moody's	Total[2]	Certificates of Deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies[3]	Domestic bonds & notes	International bonds & notes
A-1/AAAm		$ 3,097,247	$ 474,301	$ 2,158,976	$ 463,970	$ —	$ —	$ —	$ —
A-2		10,408	—	10,408	—	—	—	—	—
A-3		1,157		1,157	—	—	—	—	—
AAA		1,122,160	—	—	—	—	—	626,365	495,795
AA		891,632	—	—	—	7,180	492,377	246,410	145,665
A		2,669,446	—	—	—	—	—	1,968,510	700,936
BBB		4,457,968	—	—	—	—	—	3,657,718	800,250
BB		213,924	—	—	—	—	—	174,800	39,124
B		73,465	—	—	—	—	—	45,529	27,936
CCC		7,673	—	—	—	—	—	3,700	3,973
CC		6,408	—	—	—	—	—	6,408	—
D		844	—	—	—	—	—	844	—
	P-1	399,340	224,586	174,754	—	—	—	—	—
	P-2	1,199	1,199	—	—	—	—	—	—
	Aaa	1,383,909	—	—	—	—	—	992,601	391,308
	Aa	97,449	—	—	—	—	—	74,416	23,033
	A	212,541	—	—	—	—	—	190,450	22,091
	Baa	381,184	—	—	—	—	—	269,765	111,419
	Ba	136,839	—	—	—	—	—	119,311	17,528
	B	62,110	—	—	—	—	—	39,485	22,625
	Caa	5,429	—	—	—	—	—	694	4,735
	Ca	1,708	—	—	—	—	—	—	1,708
NR	NR	8,400,795	—	—	—	792,614	6,966,942	577,460	63,779
Total ratable investments		23,634,835	$ 700,086	$ 2,345,295	$ 463,970	$ 799,794	$ 7,459,319	$ 8,994,466	$ 2,871,905
Ratings not Applicable:									
Repurchase agreements[4]		600,206							
U.S. guaranteed obligations[4]		12,409,773							
Domestic stocks		54,961,305							
International stocks		33,780,786							
Commingled international equity funds		3,653,954							
Alternative investments		42,147,124							
Real estate (directly owned)		13,726,007							
Commingled real estate investment funds		2,411,405							
Derivative instruments, net:									
Forward currency contracts		(1,764)							
Futures (debt and equity)		(22,636)							
Swaps		(6,178)							
Total investments		$ 187,294,817							

[1]S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated). Long-term ratings are presented except for commercial paper and money market funds.
[2]All FRS investments are included in this schedule, including security lending collateral investments.
[3]Federal agency TBAs and mortgage-backed securities are classified as "NR" because they do not have explicit credit ratings on individual securities.
[4]U.S. guaranteed obligations and repurchase agreements collateralized by securities explicitly guaranteed by the U.S. Government do not require disclosure of credit quality.

All futures, and swaps contracts held by the FRS Pension Trust Fund and the Florida Prepaid Investment Plan at June 30, 2023, were exchange traded, thereby 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 derivative instruments subject to close-out netting totaled $-2.9 million as of June 30, 2023.

Counterparty credit ratings related to credit risk for forward foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2023, are listed below (in thousands):

FRS Pension Trust Fund
Forward Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2023

Counterparty Credit Rating (Long / Short)[1] S&P	Moody's	Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)[2]
AA/A-1		$ 2,862	$ (5,884)	$ (3,022)
	A/P-1	—	(5)	(5)
	NR/P-1	1,635	(372)	1,263
Total		$ 4,497	$ (6,261)	$ (1,764)

[1]S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).
[2] Forward currency exchange contracts are reported net, as an investment derivative on the Statement of Fiduciary Net Position.

Counterparty credit ratings related to credit risk for spot currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2023, are listed below (in thousands):

FRS Pension Trust Fund
Spot Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2023

Counterparty Credit Rating (Long /Short)[1] S&P	Moody's	Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
AA/A-1		$ 4,001	$ (4,007)	$ (6)
A/A-1		148,846	(148,917)	(71)
	A/P-1	16,330	(16,324)	6
	NR/P-1	1,478	(1,474)	4
NR	NR	44,823	(44,803)	20
	Total	$ 215,478	$ (215,525)	$ (47)

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

Counterparty credit ratings related to credit risk for spot currency exchange contracts held in the Florida Prepaid Program at June 30, 2023, were unavailable.

Counterparty credit ratings related to credit risk for forward currency exchange contracts held in the Florida Prepaid Investment Plan at June 30,2023, are listed below (in thousands):

Florida Prepaid Investment Plan
Forward Foreign Currency Exchange Contracts Counterparty Credit Ratings
As of June 30, 2023

Counterparty Credit Rating (Long /Short)[1] S&P	Moody's	Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
A/A-2		$ 670	$ (681)	$ (11)
	Total	$ 670	$ (681)	$ (11)

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

The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2023, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2023

Credit Rating[1] S&P	Credit Rating[1] Moody's	Total[2]	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies	Domestic bonds and notes[3]	International bonds and notes
AAAm		$ 1,254,259	$ —	$ —	$ 1,254,259	$ —	$ —	$ —	$ —
A-1		11,592,105	—	11,592,105	—	—	—	—	—
A-2		88,858	—	88,858	—	—	—	—	—
AAA		672,957	—	—	—	—	—	597,905	75,052
AA		1,398,136	—	—	—	19,173	75,525	818,696	484,742
A		3,356,931	—	—	—	76,279	—	1,954,272	1,326,380
BBB		1,197,812	—	—	—	4,125	—	1,047,426	146,261
BB		17,323	—	—	—	—	—	15,332	1,991
B		1,019	—	—	—	—	—	942	77
	P-2	473,758	—	473,758	—	—	—	—	—
	Aaa	296,974	—	—	—	—	—	248,838	48,136
	Aa	20,595	—	—	—	—	—	18,472	2,123
	A	458,727	—	—	—	423	—	451,543	6,761
	Baa	142,473	—	—	—	—	—	138,231	4,242
	Ba	63,614	—	—	—	—	—	63,406	208
	B	1,648	—	—	—	—	—	392	1,256
NR	NR	11,302,083	5,705,489	19,999	33,052	100,000	1,199,560	4,219,899	24,084
Total ratable investments		$ 32,339,272	$ 5,705,489	$ 12,174,720	$ 1,287,311	$ 200,000	$ 1,275,085	$ 9,575,354	$ 2,121,313
Ratings not applicable									
Repurchase agreements[4]		691,000							
Repurchase agreement(collateralized by stocks)		165,000							
U.S. guaranteed obligations[4]		14,771,772							
Domestic stocks		1,026,288							
Commingled domestic equity funds/mutual funds		7,405,158							
International stocks		722,808							
Commingled international equity fund//mutual funds		3,143,028							
Commingled real asset funds		1,088,750							
Self-directed brokerage accounts		1,186,229							
Derivative instruments, net:									
Forward currency contracts		(11)							
Futures contracts (debt)		(105)							
Swap contracts		19							
Total investments		$ 62,539,208							

[1]S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated). Long-term ratings are presented except for commercial paper and money market funds.
[2]All investments are included in this schedule, including security lending collateral investments. Fair value is presented for all investments, except for repurchase agreements and money market funds, which are presented at cost.
[3]These columns include several commingled domestic bonds and notes funds/mutual funds and one international bonds and notes mutual fund with fair values of approximately $3.8 billion and $23.1 million, respectively, that do not carry credit ratings.
[4]U.S. guaranteed obligations and collateral for repurchase agreements, which are explicitly guaranteed by the U.S. government, do not require disclosure of credit quality.

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, 2023

Component Unit*	Federal agencies	Bonds & notes	Money market funds	Bond mutual funds	U.S. guaranteed obligations	Total	S&P rating
Florida Housing Finance Corporation (FHFC)	$ —	$ 44,102	$ —	$ —	$ —	$ 44,102	AAA-
FHFC (continued)	—	89,904	—	—	—	89,904	AAA-AA
FHFC (continued)	—	25,190	—	—	—	25,190	AAA-A-
FHFC (continued)	—	246,903	—	—	—	246,903	AAA-BBB-
FHFC (continued)	23,878	—	—	—	253,788	277,666	AA+
University of Florida (UF)	—	9,695	142,396	51,836	—	203,927	AAA
UF (continued)	7,650	2,782	—	53,847	—	64,279	AA
UF (continued)	312	1,661	—	75,627	—	77,600	A
UF (continued)	1,014	36,158	15,420	7,437	—	60,029	Less than A
Citizens Property Insurance Corporation (CPIC)	514,096	—	—	—	1,757,895	2,271,991	AA+
CPIC (continued)	—	780,326	—	—	—	780,326	A+
CPIC (continued)	—	4,818,981	—	—	—	4,818,981	A
Total Investments	$ 546,950	$ 6,055,702	$ 157,816	$ 188,747	$ 2,011,683	$ 8,960,898	

*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, 2023. 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, 2023

	Fair value
Invested security lending collateral:	
Repurchase agreements	$ 1,240,809
Federal agencies	317,483
Bonds and notes - domestic	184,159
Total	$ 1,742,451

Other Investments

The SBA's custodial credit risk policy states that custodial credit risk will be minimized through the use of trust accounts maintained at top tier third party custodian banks. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, or in the case of certain foreign investments, in an omnibus client account, but separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities, and does not apply to investments evidenced by contractual agreements such as alternative or real estate investments, cleared derivative instruments (futures, options and swaps), external investment pools or open-ended mutual funds. These types of investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name or in the case of certain foreign investments, in an omnibus client account, by the SBA's custodial financial institutions at June 30, 2023. 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, 2023

	FRS Pension Trust Fund	Other funds
Invested security lending collateral:		
Certificates of deposit	$ —	$ 380,890
Commercial paper	—	203,947
Repurchase agreements	—	282,000
Domestic bonds and notes	7,919	—
Total	$ 7,919	$ 866,837

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, 2023

Component unit / Investment type	Fair value
University of Florida	
Federal agencies	$ 8,663
Bonds and notes	21,214
Total	$ 29,877

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, 2023

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Commercial paper	$ 314,695	0.01	$ —	N/A
Money market funds	501,638	0.28	—	N/A
Repurchase agreements	3,175,000	0.01	1,240,809	2.13
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	27,053,798	2.61	—	N/A
U.S. Treasury strips	28,656	18.07	—	N/A
U.S. Treasury bills	8,858,657	0.12	—	N/A
GNMA mortgage-backed pass-through	701,360	5.46	—	N/A
GNMA TBA pass-through	36,753	4.05	—	N/A
GNMA collateralized mortgage obligations (CMO's)	106,267	9.30	—	N/A
GNMA CMO's - principal only	3,477	18.69	—	N/A
GNMA CMO's - interest only	14,957	1.16	—	N/A
SBA asset-backed	426,451	5.07	—	N/A
Federal agencies:			317,483	0.55
Discount notes	965,626	0.22	—	N/A
Unsecured bonds & notes	84,975	7.48	—	N/A
Mortgage-backed pass-through	6,888,565	5.56	—	N/A
TBA mortgage-backed pass-through	213,234	5.28	—	N/A
Mortgage-backed CMO's	418,176	4.96	—	N/A
Mortgage-backed CMO's - principal only	33	2.50	—	N/A
Mortgage-backed CMO's - interest only	18,048	3.25	—	N/A
Domestic bonds and notes:			184,159	0.32
Corporate	7,827,863	5.41	—	N/A
Corporate asset-backed	2,599,054	1.79	—	N/A
Non-government backed CMO's & CMBS*	1,910,579	3.20	—	N/A
Non-government backed CMO's & CMBS* - interest only	10,961	2.81	—	N/A
Municipal/provincial	732,750	6.48	—	N/A
International bonds and notes:			—	0.00
Government & Agency	160,521	5.51	—	N/A
Corporate	1,536,497	3.28	—	N/A
Commingled STIF	606,567	—	—	N/A
Futures contracts - long**	—	6.18	—	N/A
Futures contracts - short**	—	9.77	—	N/A
Total portfolio effective duration and weighted average maturity		2.85		3.00
Total debt investments***	$ 65,195,158		$ 1,742,451	

*Commercial Mortgage-Backed Securities (CMBS).

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

***The remaining $2,807,439 (in thousands) reported for Pooled Investments with State Treasury is comprised of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

Other Investments

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

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

Short-term Portfolio – Weighted average maturity to final maturity date (WAL) is limited to 120 days and weighted average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation.

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

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

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

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

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

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

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

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, 2023

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$ —	N/A	$ 700,086	51
Commercial paper	—	N/A	2,345,295	13
Money market funds	—	N/A	463,970	3
Repurchase agreements	—	N/A	1,400,000	3
U.S. guaranteed obligations:				
U.S. Treasury bills	1,337,752	0.18	—	N/A
U.S. Treasury bonds and notes	9,326,343	3.75	—	N/A
U.S. Treasury strips	14,597	17.61	—	N/A
Index linked government bonds	227,904	5.54	—	N/A
U.S. government guaranteed bonds and notes	1,792	1.47	—	N/A
Asset-backed	2,779	1.94	—	N/A
GNMA mortgage-backed pass-through	1,010,181	5.39	—	N/A
GNMA TBA mortgage-backed pass-through	127,193	4.72	—	N/A
GNMA CMO's and CMBS[1]	361,232	5.49	—	N/A
Federal agencies:				
Discount notes	11,437	0.23	—	N/A
Unsecured bonds and notes	480,940	4.69	—	N/A
Agency strips	22,589	7.97	—	N/A
Mortgage-backed pass-through	5,213,956	4.50	—	N/A
FNMA, FHLMC TBA mortgage-backed pass-through	773,212	5.83	—	N/A
Mortgage-backed CMO's and CMBS[1]	957,185	5.32	—	N/A
Domestic bonds and notes:				
Corporate	6,450,442	0.86	—	N/A
Non-government asset and mortgage-backed	705,557	1.79	7,201	25
Non-government backed CMO's and CMBS[1]	1,809,078	3.63	718	25
Municipal/provincial	21,470	7.07	—	N/A
International bonds and notes:				
Government and agency	583,310	2.99	—	N/A
Corporate	1,617,406	2.36	—	N/A
Non-government asset and mortgage-backed	627,445	0.04	—	N/A
Non-government backed CMO's and CMBS[1]	43,744	0.05	—	N/A
Futures contracts - long (debt)[2]	(51,090)	4.07	—	N/A
Futures contracts - short (debt)[2]	11,138	6.35	—	N/A
Credit default swaps[2]	(7,029)	—	—	N/A
Interest rate swap contracts[2]	851	(2.76)	—	N/A
Total debt investments	$ 31,681,414		$ 4,917,270	

[1]Includes investments in IOs, POs, and INVs totaling $50 million at June 30, 2023.
[2]The futures and swap contracts effective weighted duration were calculated using notional values (in U.S. dollars) rather than fair values.

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

FRS Pension Trust Fund
Sold Short[1] Debt Investment Positions
As of June 30, 2023

Investment type	Fair value (duration)	Effective weighted duration (in years)
FNMA, FHLMC commitments to sell (TBAs)	$ (147,560)	6.00
Total debt investments sold short[1]	$ (147,560)	

[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, 2023 (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, 2023

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	$ 501,031	$ 501,031	$ —	$ —	$ —	$ —	$ —	$ —
U.S. Treasury bonds, notes, and SLGS*	35,569	29,932	2,382	1,622	1,633	—	—	—
U.S. Treasury strips	226,511	23,577	45,758	39,059	68,620	24,280	15,604	9,613
Total debt investments	$ 763,111	$ 554,540	$ 48,140	$ 40,681	$ 70,253	$ 24,280	$ 15,604	$ 9,613

*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, 2023

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$ —	N/A	$ 5,705,981	79
Commercial paper	187,737	0.13	11,987,426	30
Money market funds	32,795	0.08	1,254,878	3
Repurchase agreements	—	N/A	1,056,000	3
U.S. guaranteed obligations:				
U.S. Treasury bills	53,807	0.30	2,838,515	15
U.S. Treasury bonds and notes	704,027	13.37	6,159,474	375
U.S. Treasury strips	3,987,078	13.04	—	N/A
Index linked government bonds	116,603	6.28	—	N/A
U.S. government guaranteed	298	3.84	—	N/A
U.S. guaranteed (SBA) asset-backed	5,030	4.52	—	N/A
GNMA mortgage-backed pass through	25,488	6.67	—	N/A
GNMA commitments to purchase (TBAs)	88,587	6.00	—	N/A
GNMA CMO's[1]	29,709	7.58	—	N/A
Federal agencies:				
Discount notes	—	N/A	307,816	7
Unsecured bonds and notes	60,168	8.86	—	N/A
Agency strips	284,321	7.16	—	N/A
Mortgage-backed (FNMA, FHLMC)	261,081	7.07	—	N/A
FNMA, FHLMC commitments to purchase (TBAs)	310,223	6.79	—	N/A
Mortgage-backed CMO's and CMBS[1]	51,476	5.45	—	N/A
Domestic bonds and notes:				
Corporate	2,320,148	9.90	2,762,436	351
Non-government asset and mortgage-backed	413,336	2.03	—	N/A
Non-government backed CMO's and CMBS[1]	256,248	3.29	—	N/A
Municipal/provincial	44,447	7.66	14,850	35
Commingled funds/mutual funds	3,763,904	4.87	—	N/A
International bonds and notes:				
Government and agency	47,823	7.05		
Corporate	253,178	8.67	71,809	417
Non-government asset and mortgage-backed	103,697	0.02	1,621,704	398
Mutual fund	23,102	7.33	—	N/A
Futures contracts - long (debt)[2]	(88)	5.82	—	N/A
Futures contracts - short (debt)[2]	(17)	7.96	—	N/A
Interest rate Swaps[2]	$ 19	(18.78)	$ —	N/A
Total debt investments	$ 13,424,225		$ 33,780,889	

[1]Includes Investments in IO's and INV IO's totaling $10.2 million and $127 thousand, respectively, at June 30,2023, in the Florida Prepaid College Program, and $388 thousand in IO's in Florida Prepaid Investment Plan.
[2] The futures contracts effective weighted duration was calculated using notional values (in U.S. dollars) rather than fair values.

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, 2023

Component unit / Investment type	Total fair value	Investment maturities (in years): Less than or equal to 1	> 1 to 5	> 5 to 10	> 10
University of Florida					
U.S. guaranteed obligations	$ 9,199	$ 8,872	$ 327	$ —	$ —
Federal agencies	8,975	7,225	629	844	277
Bonds & notes	50,296	21,277	501	—	28,518
Bond Mutual funds	188,748	10,298	162,942	15,508	—
Total debt investments	$ 257,218	$ 47,672	$ 164,399	$ 16,352	$ 28,795

Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2023

Component unit / Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in years)
Florida Housing Finance Corporation				
U.S. guaranteed obligations	$ 246,895	1.77	$ —	N/A
Federal agencies	30,771	1.71	—	N/A
Bonds & notes	406,099	1.83	—	N/A
Others	—	0.00	—	N/A
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	—	N/A	1,757,895	3.00
Federal agencies	—	N/A	514,096	7.81
Bonds & notes	—	N/A	4,818,981	6.02
International bonds and notes	—	N/A	780,326	5.00
Total debt investments	$ 683,765		$ 7,871,298	

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4. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

Pooled Investments with the State Treasury

The State Treasury does not have any investments in foreign currency. State law and investment policy do not authorize investments in foreign currency related to State Treasury investment operations.

Other Investments

The FRS Pension Trust Fund, the LCEF, and the Florida Prepaid College Program had exposure to foreign currency risk at June 30, 2023. These funds are managed primarily by the use of "asset classes".

The FRS Pension Trust Fund investment policy, approved and effective on January 17, 2023, by the Trustees, limits the global equity asset class (including domestic and foreign equities) to a policy range of 45-70% and a target allocation of 53%. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. Within the global equity asset class, the FRS Pension Trust Fund also holds units in international equity commingled funds. The FRS Pension Trust Fund owns only a portion of the overall investment in the funds, which are also owned by other investors. Exchange-traded funds (ETFs) are investment funds that hold assets such as stocks or bonds and are traded on the stock exchanges. Participatory notes (P-notes) allow the FRS Pension Trust Fund to participate in certain foreign equity markets where direct participation is not possible due to local government regulations, tax policies, or other reasons. The FRS Pension Trust Fund's unit holdings in the overall investments or notes themselves may be valued in U.S. dollars, but a portion of the underlying assets are exposed to foreign currency risk in various currencies. Within the alternative investment asset class, the FRS Pension Trust owns an interest in several alternative investment commingled funds (primarily limited partnerships) with other investors and, therefore, owns only a portion of the overall investment in the funds. The alternative investment funds denominated in foreign currency are presented in the foreign currency risk table below by currency. For the alternative investment funds denominated in U.S. dollars, some of the underlying investments may be exposed to foreign currency risk in various currencies. Alternative investments with potential exposure to foreign currency risk totaled approximately $40.0 billion as of June 30, 2023.

The LCEF fund was almost fully liquidated by the end of the fiscal year ended June 30, 2023, and only held a small amount of illiquid stock exposed to foreign currency risk.

The Florida Prepaid Program's comprehensive investment plan limits investment in foreign equities to 30% of total equities, with the target for total equities to be 70% of actuarial reserve. The Florida Prepaid Program also holds units in international equity commingled funds.

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, 2023, 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, 2023

	Investment Type				
Currency	Equity	Alternative Investments	Fixed Income	Other	Spot Contracts, Net
Australian dollar	$ 824,031	$ —	$ —	$ 78,441	$ (2,861)
Brazilian real	557,797	—	—	—	(76)
British pound sterling	2,986,618	137,598	12,930	(40,344)	18,069
Canadian dollar	1,353,677	—	3,568	113,434	(3,583)
Chilean peso	44,489	—	—	—	—
Chinese yuan renminbi	708,421	—	—	4,746	(370)
Colombian peso	325	—	—	—	—
Czech koruna	22,455	—	—	—	—
Danish krone	742,624	—	—	(7,633)	(2,185)
Egyptian pound	59	—	—	—	—
Euro	7,816,652	1,921,914	92,263	(483,007)	108,535
Hong Kong dollar	2,427,307	—	—	36,326	(1,366)
Hungarian forint	8,670	—	—	—	—
Indian rupee	1,224,502	—	—	(29,032)	—
Indonesian rupiah	223,603	—	—	—	(253)
Israeli shekel	38,752	—	—	—	—
Japanese yen	3,688,587	9,645	—	6,412	2,120
Kuwaiti dinar	11,050	—	—	—	—
Malaysian ringgit	46,866	—	—	—	(6)
Mexican peso	269,009	—	—	—	(1,248)
New Taiwan dollar	1,292,497	—	—	(7,926)	(1,750)
New Zealand dollar	20,669	—	—	—	75
Norwegian krone	180,450	—	—	4,468	(494)
Philippines peso	41,162	—	—	—	—
Polish zloty	74,469	—	—	—	(17)
Qatari riyal	16,239	—	—	—	—
Russian ruble	3	—	—	—	—
Saudi Arabian riyal	264,196	—	—	—	—
Singapore dollar	439,457	—	—	7,074	(963)
South African rand	196,854	—	—	—	(21)
South Korean won	1,286,834	—	—	(27,624)	334
Swedish krona	569,052	37,790	—	39,998	(650)
Swiss franc	1,703,007	—	—	(11,629)	(3,049)
Thailand baht	191,240	—	—	—	(26)
Turkish lira	23,422	—	—	—	—
United Arab Emirates dirham	93,595	—	—	—	—
Vietnam dong	16,250	—	—	—	—
Total foreign currency investments	29,404,890	2,106,947	108,761	(316,296)	110,215
Other investments with potential exposure to foreign currency risk:					
Alternative investments	—	40,040,177	—	—	—
P-notes and ETFs	86,718	—	—	—	—
Commingled international equity funds	3,653,953	—	—	—	—
Total investments subject to foreign currency risk	$ 33,145,561	$ 42,147,124	$ 108,761	$ (316,296)	$ 110,215

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In addition to the investments presented above, the FRS Pension Trust Fund and the Florida Prepaid Investment Plan hold 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 (or Florida Prepaid's name), in accordance with the initial margin requirements of the counterparty. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the SBA (or Florida Prepaid) 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, 2023, 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, 2023

			In Local Currency			
	Currency	Number of Contracts	Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss)	Unrealized Gain/(Loss) (in U.S. $)
Stock Index Futures:						
MSCI EAFE[1]	U. S. dollar	4,437	483,074	478,198	(4,876)	$ (4,876)
MSCI Emerging Markets[1]	U. S. dollar	366	18,192	18,261	69	69
Bond Futures:						
Euro Bobl	Euro	(82)	(9,618)	(9,488)	130	142
Euro Bund	Euro	(14)	(1,893)	(1,872)	21	23
						$ (4,642)

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

The FRS Pension Trust Fund did not hold any positions in option or swap contracts that were exposed to foreign currency risk at June 30, 2023.

The FRS Pension Trust Fund, Florida Prepaid Program and Investment Plan also enter into foreign currency exchange contracts which are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. Currently, there are two types of foreign currency contracts being utilized by the FRS Pension Trust Fund. Spot currency contracts are valued at spot (traded) currency rates and are used primarily for trade settlement and currency repatriation. Forward currency contracts are valued at interpolated forward rates and may be used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. On the Statement of Fiduciary Net Position, individual forward currency contract positions are recorded as net in Other investments, and spot currency contracts are recorded as receivables and payables. In addition, such contracts may be used to seek additional value independent of underlying equity assets. The Florida Prepaid Plans may also use both spot and forward currency contracts, but only the Investment Plan currently utilizes forward 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, 2023, is presented below, by currency (in thousands):

FRS Pension Trust Fund
Foreign Currency Exchange Contracts
As of June 30, 2023

	Forward Currency Contracts				**Spot Currency Contracts**			
Currency	**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	$ 84,232	$ 4,386	$ 78,441	$ (1,405)	$ 34	$ (2,895)	$ (2,861)	$ (11)
Brazilian real	—	—	—	—	—	(76)	(76)	—
British pound sterling	24,518	64,248	(40,345)	(615)	22,814	(4,745)	18,069	11
Canadian dollar	117,454	5,312	113,434	1,291	—	(3,583)	(3,583)	(5)
Chinese yuan renminbi	5,034	—	4,746	(288)	—	(370)	(370)	(1)
Danish krone	33,653	41,332	(7,633)	46	—	(2,185)	(2,185)	(8)
Euro	22,475	505,969	(483,172)	321	122,503	(13,968)	108,535	(34)
Hong Kong dollar	40,794	4,248	36,326	(219)	1,466	(2,832)	(1,366)	—
Indian rupee	—	29,077	(29,032)	45	—	—	—	—
Indonesian rupiah	—	—	—	—	—	(253)	(253)	—
Japanese yen	11,423	4,892	6,412	(118)	9,444	(7,324)	2,120	(3)
Malaysian ringgit	—	—	—	—	—	(6)	(6)	—
Mexican peso	—	—	—	—	237	(1,485)	(1,248)	2
New Taiwan dollar	—	8,066	(7,926)	141	—	(1,750)	(1,750)	(1)
New Zealand dollar	—	—	—	—	75	—	75	—
Norwegian krone	4,543	—	4,468	(75)	—	(494)	(494)	(1)
Polish zloty	—	—	—	—	—	(17)	(17)	—
Singapore dollar	7,205	—	7,074	(131)	—	(963)	(963)	(3)
South African rand	—	—	—	—	1,185	(1,206)	(21)	1
South Korean won	—	27,635	(27,624)	10	336	(2)	334	—
Swedish krona	40,750	—	39,998	(752)	—	(650)	(650)	1
Swiss franc	55,475	67,089	(11,629)	(15)	3,599	(6,648)	(3,049)	5
Thailand baht	—	—	—	—	1,222	(1,248)	(26)	—
U.S. dollar	762,253	447,555	314,698	—	52,563	(162,825)	(110,262)	—
Total	**$ 1,209,809**	**$ 1,209,809**	**$ (1,764)**	**$ (1,764)**	**$ 215,478**	**$ (215,525)**	**$ (47)**	**$ (47)**

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The FRS Pension Plan's Swap agreement positions as of June 30,2023, that were exposed to foreign currency risk are presented below (in thousands):

FRS Pension Trust Fund
Swap Positions Exposed to Foreign Currency Risk
AS of June 30,2023

Currency	**Notional Amount (Local Currency)**	**Receive[1]**	**Pay**	**Maturity Date**	**Market Value (Local Currency)**	**Market Value (in U.S. $)**
British Pound Sterling	5565	SONIA-1D	1% Fixed	5/8/2026	669	$ 851

[1]The SONIA (Sterling Overnight Index Average) is an interest rate published by the British central bank (Bank of England). SONIA can be seen as the average interest rate at which a selection of financial institutions lend to one another in British pound sterling (GBP) with a maturity of 1 day (overnight).

A schedule of the Lawton Chiles Endowment Fund and Florida Prepaid College Fund investments exposed to foreign currency risk as of June 30, 2023, is presented below, by currency (in thousands):

Lawton Chiles Endowment Fund (LCEF) and Florida Prepaid College Program
Investments Exposed to Foreign Currency Risk (fair values in U.S. $)
As of June 30, 2023

	LCEF Investment Type	Florida Prepaid Program and Investment Plan Investment Type			
Currency	Equity	Equity	Fixed Income	Other[1]	Spot Foreign Currency Contracts, Net
Australian dollar	$ —	$ —	$ —	$ —	$ —
British pound sterling	—	46,631	—	—	(61)
Canadian dollar	—	51,086	—	—	—
Danish krone	10	50,691	—	—	—
Euro	—	171,672	675	(720)	—
Hong Kong dollar	11	32,717	—	—	(35)
Israeli shekel	—	10,696	—	—	—
Japanese yen	—	72,932	—	—	(55)
Mexican Peso	—	22,401	—	—	—
Singapore dollar	13	9,504	—	—	671
South African rand	—	6,567	—	—	463
Swedish krona	—	6,659	—	—	—
Swiss franc	—	18,625	—	—	—
Taiwan Dollar	—	6,923	—	—	—
Total foreign currency risk	$ 34	$ 507,104	$ 675	$ (720)	$ 983
Other investments with potential exposure to foreign currency risk:					
Commingled International bonds and notes funds	—	—	23,102	—	—
Commingled international equity funds	—	524,871	—	—	—
Total investments subject to foreign currency risk	$ 34	$1,031,975	$ 23,777	$ (720)	$ 983

[1]Other investments consist of forward foreign currency contracts and futures contracts, net that are exposed to foreign currency risk.

The Florida Prepaid Investment Plan's futures contract positions at June 30, 2023, that have exposure to foreign currency risk are presented below (values in thousands):

Fiduciary Funds (Investment Plan)
Futures Positions Exposed to Foreign Currency Risk
As of June 30, 2023

			In Local Currency			
	Currency	Number of Contracts	Notional Traded Exposure	Notional Market Exposure	Unrealized Gain (Loss)	Unrealized Gain/(Loss) (in U.S. $)
Bond Futures:						
Euro Bobl	Euro	(11)	(1,284)	(1,273)	11	$ (5)
Euro Buxl 30 year	Euro	(4)	(547)	(559)	(12)	(21)
Euro Bund	Euro	(9)	(268)	(267)	1	(13)
						$ (39)

A Schedule of the Florida Prepaid College Plan's foreign currency exchange contracts outstanding at June 30, 2023, is presented below, by currency (in thousands):

Florida Prepaid College Plans
Foreign Currency Exchange Contracts
As of June 30, 2023

	Florida Prepaid Investment Plan				Florida Prepaid Program			
	Forward Currency Contracts				Spot Currency Contracts			
Currency	**Receivable Notation**	**Payable Notation**	**Total Market Value**	**Unrealized Gain/ (Loss)**	**Receivables**	**Payables**	**Net Receivables/ Payables**	**Net Unrealized Gain/(Loss)**
Canadian Dollar	$ —	$ —	$ —	$ —	$ —	$ (61)	$ (61)	$ —
Euro	—	(681)	(681)	(11)	—	—	—	—
Hong Kong Dollar	—	—	—	—	—	(35)	(35)	—
Japanese yen	—	—	—	—	—	(55)	(55)	—
Singapore Dollar	—	—	—	—	671	—	671	—
South African rand	—	—	—	—	463	—	463	(6)
U.S. dollar	670	—	670	—	151	(1,140)	(989)	—
Total	$ 670	$ (681)	$ (11)	$ (11)	$ 1,285	$ (1,291)	$ (6)	$ (6)

Note: Spot currency contracts are reported gross as receivables and payables on the Statement of Net Position Forward currency contracts are treated as derivative investments and are reported at net fair value on the Fiduciary Statement of Net Position.

Component Units

Component unit information regarding foreign currency risk was unavailable.

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, 2023. 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 $1,743,158,256 cash collateral and $5,607,109,879 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 $1,701,313,877. Securities held with others under security lending agreements with non-cash collateral totaled $5,482,477,231. 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, 2023, are as follows (in thousands):

State Treasury Investments on Loan Under Security Lending Agreements
As of June 30, 2023

Securities on Loan for Cash Collateral, by Security Type	Fair Value of Securities on Loan*
U.S. guaranteed obligations	$ 1,454,496
Federal agencies	2,118
Domestic bonds and notes	167,075
International bonds and notes	77,625
Total securities on loan for cash collateral	1,701,314
Securities on Loan for Non-Cash Collateral, by Security Type	
U.S. guaranteed obligations	5,477,182
Domestic bonds and notes	5,051
International bonds and notes	244
Total securities on loan for non-cash collateral	5,482,477
Total securities on loan	$ 7,183,791

*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 and the Florida Prepaid College Program participate in security lending programs during the fiscal year ended June 30, 2023. Initial collateral requirements for securities on loan range from 100% to 105%, depending on the lending agent, the type of security lent and the type of collateral received. The SBA had received and invested approximately $1.4 billion in cash and $7.2 billion in U.S. government and federal agency securities as collateral for the lending programs as of June 30, 2023. At June 30, 2023, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest). 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 three 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 2% to 17% 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, 2023, the collateral re-investment portfolios for the FRS Pension Trust Fund was primarily reinvested in selected money market funds in order to maximize earnings and reduce risk. The portfolios contain some legacy securities that will remain until they are either sold or mature. At June 30, 2023, 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, 2023 (in thousands):

Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2023

	Fair value of Securities on Loan[1]		
Securities on Loan for Cash Collateral, by Security type	FRS Pension Trust Fund	Other Funds Managed by SBA	Total
U.S. guaranteed obligations	$ 140,659	$ 729,238	$ 869,897
Federal agencies	7,293	79,948	87,241
Domestic bonds and notes	100,775	87,994	188,769
International bonds and notes	80,264	23,279	103,543
Domestic stocks	89,882	12,003	101,885
International Stocks	32,191	23,668	55,859
Total Securities on loan for cash collateral	451,064	956,130	1,407,194
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	1,062,637	939,967	2,002,604
Federal agencies	9,250	19,276	28,526
Domestic bonds and notes	244,399	30,401	274,800
International bonds and notes	53,907	12,163	66,070
Domestic stocks	1,972,681	29,928	2,002,609
International stocks	2,496,710	42,189	2,538,899
Total securities on loan for non-cash collateral	5,839,584	1,073,924	6,913,508
Total securities on loan	$ 6,290,648	$ 2,030,054	$ 8,320,702

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

6. Derivatives

A derivative instrument is defined as a financial instrument or other contract that has all of the following characteristics:

a. Settlement factors – It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. These terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
b. Leverage – It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
c. Net Settlement – Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments consisted of futures, forward currency contracts, and swaps. Although allowed in the FRS Pension Trust Fund, no options were traded during the fiscal year ended June 30, 2023.

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, 2023. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2023. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2023.

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

		Changes in Fair Value		Fair Value at June 30, 2023	
	Notional (in U.S. $)	Classification	Amount	Classification	Amount
State Treasury					
Investment derivatives:					
Futures	$ 225,774	Investment Income	$ 1,595	Receivable/(Payable)	$ (1,861)

This schedule includes both long and short positions.

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

Other Investments

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

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

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price. There were no option contracts traded during the fiscal year ended June 30, 2023.

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, 2023, all of the SBA investment derivatives were reported at fair value (in thousands).

		Increase/(Decrease) in Fair Value		Fair Value at June 30, 2023	
	Notional (in U.S. $)	Classification	Amount (in U.S. $)	Classification	Amount (in U.S. $)
Fiduciary funds (FRS Pension Trust Fund)					
Investment derivative instruments:					
Futures[1]					
Futures (debt)	$ 5,247,030	Investment Income	$ (104,910)	Investment	$ (39,951)
Futures (equity)	$ 2,094,996	Investment Income	288,560	Investment	17,315
Total futures			$ 183,650		$ (22,636)
Forward currency contracts	$ 1,209,809	Investment Income	$ (20,687)	Investment	$ (1,764)
Swaps					
Credit default swaps	$ 658,311	Investment Income	$ (7,341)	Investment	$ (7,029)
Interest rate swaps	$ 7,075	Investment Income	847	Investment	851
Total swaps			$ (6,494)		$ (6,178)

[1] The total notional values of long and short fixed income futures positions were $4.0 billion and $1.3 billion, respectively. The total notional value of long equity futures positions was $2.1 billion.

A summary of the derivatives traded in the Florida Prepaid Investment Plan is presented below. The Florida Prepaid College Program did not trade any investment derivatives during the fiscal year ended June 30, 2023.

		Increase/(Decrease in Fair Value)		Fair Value at June 20, 2023	
	Notional (in U.S. $)	Classification	Amount (in U.S. $)	Classification	Amount (in U.S. $)
Fiduciary funds (Investment Plan)					
Investment derivative instruments:					
Futures (debt)[1]	$ 16,319	Investment Income	$ (157)	Investment Income	$ (105)
Forward currency contracts	$ 670	Investment Income	$ (2)	Investment Income	$ (11)
Interest rate Swaps	$ 345	Investment Income	$ 12	Investment Income	$ 19

[1] The total notional values of long and short debt futures positions were $12.9 million and $3.4 million, respectively.

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 $17.2 billion as of June 30, 2023.

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, 2023, the State Treasury had the following recurring fair value measurements (in thousands):

Investments and Derivative Instruments Measured at Fair Value
As of June 30, 2023

Investments by fair value level	**Total**	**Level 1**	**Level 2**	**Level 3**
Commercial paper	$ 314,695	$ —	$ 314,695	$ —
U.S. guaranteed obligations	37,230,376	35,935,319	1,295,057	—
Federal agencies	8,588,657	—	8,588,657	—
Bonds and notes - domestic	13,081,207	—	13,081,207	—
Bonds and notes - international	1,697,018	23,396	1,673,622	—
Commingled STIF	606,567	—	—	606,567
Lending collateral investments:				
Commercial Paper	—	—	—	—
Federal Agencies	317,483	—	317,483	—
Bonds and notes - domestic	184,159	—	184,159	—
Bonds and notes - international	—	—	—	—
Total investments by fair value level	$62,020,162	$35,958,715	$25,454,880	$ 606,567
Investment derivative instruments				
Futures contracts	$ (1,861)	$ (1,861)	$ —	$ —
Total investment derivative instruments	$ (1,861)	$ (1,861)	$ —	$ —

Other Investments

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

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

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

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

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using 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 derivative instruments.

Private equity funds and real estate direct investments classified as Level 3 are valued using external appraisals as described in the footnotes for the *Additional GASB 72 Required Disclosures* table, footnotes 13 and 15, respectively. Other private equity funds are measured at net asset value (NAV).

Certain investments, such as money market funds, repurchase agreements and U.S. guaranteed State and Local Government Series (SLGS) securities are not reported at fair value in the tables below because they are carried at cost and not priced at fair value. Additionally, U.S. guaranteed securities in the Debt Service Escrowed Fund and all investments of the Local Government Surplus Funds Trust Fund are not included at fair value in the tables below because they are carried at cost and amortized cost, respectively. See page 85 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, 2023 (in thousand):

FRS Pension Trust Fund
As of June 30, 2023

	Fair Value Measurement Using			
Investments by fair value level	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Certificates of deposit	$ 700,086	$ —	$ 700,086	$ —
Commercial paper	2,345,295	—	2,345,295	—
U.S. guaranteed obligations	12,409,773	—	12,409,773	—
Federal agencies	7,459,319	—	7,432,575	26,744
Domestic bonds and notes	8,986,547	—	8,942,562	43,985
International bonds and notes	2,871,905	—	2,245,873	626,032
Total debt securities	34,772,925	—	34,076,164	696,761
Equity securities				
Domestic	54,961,305	54,961,181	—	124
International	33,780,786	33,705,078	—	75,708
Total equity securities	88,742,091	88,666,259	—	75,832
Commingled international equity funds	113,586	—	113,586	—
Alternative Investments				
Private equity fund	152,000	—	—	152,000
Real Estate direct investments	13,726,007	—	—	13,726,007
Derivative Instruments, net				
Forward currency contracts	(1,764)	—	(1,764)	—
Futures contracts	(22,636)	(22,636)	—	—
Swap contracts	(6,178)	—	(6,178)	—
Total Investment derivative instruments	(30,578)	(22,636)	(7,942)	—
Securities lending collateral investments				
Domestic bonds and notes	7,919	—	7,919	—
Total investments by fair value level	137,483,950	$ 88,643,623	$ 34,189,727	$ 14,650,600
Investments Measured at the Net Asset Value (NAV)				
Commingled international equity funds	3,540,368			
Commingled real estate investment funds	2,411.405			
Activist equity funds	1,414,237			
Hedge funds	4,771,298			
Insurance funds	955,564			
Private debt/credit opportunities funds	5,892,485			
Private equity funds	20,813,551			
Private real asset funds	8,147,989			
Total investments measured at the NAV	47,946,897			
Total investments measured at fair value	185,430,847			
Other investments carried at amortized cost				
Money market funds	27,250			
Money market funds - security lending collateral	436,720			
Repurchase agreements	1,400,000			
Total investments carried at amortized cost	1,863,970			
Total investments	**$ 187,294,817**			
Investments sold short (Liabilities) measured at fair value				
Federal agencies	$ (147,560)	—	(147,560)	—
Total investments sold short	$ (147,560)	$ —	$ (147,560)	$ —

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2023, is presented in the footnotes to the table below (in thousands):

FRS Pension Trust Fund
Additional GASB 72 Required Disclosures

		Fair Value 6/30/2023		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:						
Commingled international equity funds[1]	$	3,540,368	$	—	Daily, Monthly	2 - 120 days
Commingled real estate investment funds[2]		2,411,405		—	Quarterly	15 - 90 days
Activist equity funds[3]		1,414,237		—	Monthly, Annually	65 - 90 days
Hedge funds						
Diversifying strategies (managed futures)[4]		1,749,680		—	Daily, Monthly	10 - 35 days
Equity long/short[5]		454,845		—	Monthly, Quarterly	30 - 60 days
Event driven[6]		142,381		10,000	None currently eligible	
Global macro[7]		402,561		—	Monthly	5 - 30 days
Multi-strategy[8]		1,187,237		—	Quarterly, Biennially	30 - 90 days
Opportunistic debt[9]		382,909		—	Quarterly	60 - 65 days
Relative value[10]		451,685		—	Quarterly	60 days
Insurance funds[11]		955,564		204,376	Monthly, Quarterly, Biannually	30 - 90 days
Private debt/credit opportunity funds[12]		5,892,485		3,600,210		
Private equity funds[13]		20,813,551		8,194,285		
Private real asset funds[14]		8,147,989		4,448,210		
Total Investments Measured at the NAV	$	47,946,897	$	16,457,081		
Investments Measured at Level 3:						
Private equity funds[13]	$	152,000	$	—		
Real estate direct investments[15]	$	13,726,007	$	766,784		

[1] *Commingled International Equity Funds.* The five funds in this group are primarily invested in publicly traded international equity securities, and two of these funds also 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. Two funds within this strategy are redeemable daily, two funds are redeemable monthly, and the remaining fund is currently in the liquidation process with a residual balance remaining.

[2] *Commingled Real Estate Investment Funds*. The nine 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. Eight funds within this strategy are eligible for redemption quarterly, and the remaining fund is subject to contractual lock-up restrictions and not currently eligible for redemption.

[3] *Activist Equity Funds.* The four funds in this group invest in public companies with the intent to effect positive change through influencing management. The funds may be structured with a focus on specific domestic or foreign geographic regions. These investments are valued at the NAV per share. One fund (approximately 34% of this strategy) is currently eligible for redemption monthly. Another fund (approximately 29% of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining two funds (approximately 37% of this strategy) are subject to contractual lock-up restrictions and are not currently eligible for redemption.

[4] *Diversifying Strategies (Managed Futures) Hedge Funds.* The three funds that make up this group primarily trade equity and commodity futures, but can also participate in indexes, rates and currencies across global markets. These funds use a systematic approach and focus on trends in price and other market signals. These investments are valued at the NAV per share. The funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within one month or less.

[5] *Equity Long/Short Hedge Funds.* Consisting of three funds, this strategy invests both long and short, primarily in U.S. and global stocks that are mispriced by the markets. These managers vary in their use of short selling, leverage and definitions of growth or value. These funds are valued at the NAV per share. The funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within three months or less.

[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. Both funds within this strategy are subject to contractual lock-up restrictions and not currently eligible for redemption.

[7] *Global Macro Hedge Funds*. Consisting of two 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. Both funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within one month.

[8] *Multi-Strategy Hedge Funds.* The five funds in this group aim to diversify risks and reduce volatility by combining other strategies. These strategies are typically a mix of Equity Long/Short, Event-Driven, Opportunistic Debt and Relative Value. These funds are valued at the NAV per share. Four funds (approximately 78% of this strategy) are currently eligible for redemption within three months due to quarterly redemption restrictions. One fund (approximately 22% of this strategy) is eligible for redemption biennially (for each commitment) with the next redemption in five months.

[9] *Opportunistic Debt Hedge Funds.* Consisting of three funds that pursue various strategies and asset classes, with an emphasis on mispriced debt or equity of companies in distress. These managers vary in their focus on early versus late stage situations, senior versus subordinated levels on the capital structure and non-traditional areas including high yield bonds and Emerging Markets debt, and may also pursue relative value and arbitrage strategies with various debt instruments. These funds are valued at the NAV per share. Two funds in this strategy are eligible for redemption within three months due to quarterly redemption restrictions, and the remaining fund is currently in the redemption process.

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[10] *Relative Value Hedge Funds.* Consisting of one fund, this strategy focuses on benefiting from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing (long) or selling (short) these instruments. These investments are valued at the NAV per share. The one fund in this strategy is no longer subject to contractual lock-up restrictions and eligible for redemption within three months.

[11] *Insurance funds*. The seven funds in this group invest primarily in reinsurance contracts and insurance-linked securities. These investments are the valued at NAV per share. One fund (approximately 27%) has varying restrictions due to underlying investment funds and redeemable within one to three months. Three funds (approximately 56%) are eligible for redemption within seven months or less due to biannual redemptions restrictions. The remaining three funds (approximately 17%) are not eligible for redemption due to contractual lock-up restrictions.

[12] *Private Debt/Credit Opportunity Funds.* There are 75 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, 2023 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 257 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 256 funds has been determined using the NAV at June 30, 2023, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining 1 fund (approximately 1% of the value of these investments) is based on external appraisals at June 30, 2023, 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 107 real asset funds, 72 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 35 funds invest in infrastructure, timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2023, 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 86 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, 2023, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
As of June 30, 2023

		Fair Value Measurement Using		
Investments by fair value level	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Debt securities				
Certificates of deposit	$ 389,590	$ —	$ 389,590	$ —
Commercial paper	1,434,733	—	1,434,733	—
U.S. guaranteed obligations	14,724,254	—	14,724,254	—
Federal agencies	1,275,085	—	1,275,085	—
Domestic bonds and notes	5,157,548	—	5,155,938	1,610
International bonds and notes	2,098,211	—	2,098,211	—
Total debt securities	25,079,421	—	25,077,811	1,610
Equity securities				
Domestic	1,026,288	1,026,288	—	—
International	722,808	722,808	—	—
Total equity securities	1,749,096	1,749,096	—	—
Investment derivative instruments				
Forward currency contracts	(11)	—	(11)	—
Futures contracts	(105)	(105)	—	—
Swap contracts (debt)	19	—	19	
Total Investment derivative instruments	(97)	(105)	8	—
Other investments				
Domestic bonds and notes mutual funds	524,160	524,160	—	—
International bonds and notes mutual funds	23,102	23,102	—	—
Domestic equity mutual funds	2,558,153	2,558,153	—	—
International equity mutual funds	1,013,402	1,013,402	—	—
Self-directed brokerage account	1,186,229	—	1,186,229	—
Total other investments	5,305,046	4,118,817	1,186,229	—
Securities lending collateral investments				
Certificates of deposit	380,891	—	380,891	—
Commercial paper	203,947	—	203,947	—
Total securities lending collateral investments	584,838	—	584,838	—
Total investments by fair value level	32,718,304	$ 5,867,808	$ 26,848,886	$ 1,610
Investments Measured at the Net Asset Value (NAV)				
Commingled domestic bonds and notes funds	3,239,745			
Commingled domestic equity funds	4,847,005			
Commingled international equity fund	2,129,626			
Commingled real asset fund	1,088,750			
Total investments measured at the NAV	11,305,126			
Total investments measured at fair value	44,023,430			
Other investments carried at cost or amortized cost				
Money market funds	1,287,311			
Certificates of deposit	4,935,008			
Commercial paper	10,536,040			
Repurchase agreements	774,000			
Repurchase agreements - security lending collateral	282,000			
U.S. guaranteed obligations	47,518			
Domestic bonds and notes	653,901			
Total investments carried at cost or amortized cost	18,515,778			
Total investments	$ 62,539,208			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2023, is presented in the footnotes to the table below (in thousands):

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

	6/30/2023	**Unfunded Commitments**	**Redemption Frequency (If Currently Eligible)**	**Redemption Notice Period**
Investments Measured at the NAV				
Commingled domestic bonds and notes funds[1]	$ 3,239,745	$ —	Daily	2 - 365 Days
Commingled domestic equity funds[2]	4,847,005	—	Daily	2 - 4 Days
Commingled international equity fund[3]	2,129,626	—	Daily	2 Days
Commingled real asset funds[4]	1,088,750	—	Daily	2 - 3 Days
Total investments measured at the NAV	$ 11,305,126			

[1]*Commingled Domestic Bonds and Notes Funds:* One Treasury Inflation-Protected Securities (TIPS) fund, six domestic bonds and notes funds and two stable value funds are considered to be commingled in nature. The TIPS fund seeks 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. The two stable value funds consist of fixed income securities and wrap contracts, and focus on the preservation of capital by retaining the value of investment with limited volatility. 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.
[2]*Commingled Domestic Equity Funds:* Five 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.
[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.
[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. 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.

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, 2023, (in thousands):

Major Component Units
As of June 30, 2023

Investment by fair value level	Total Fair Value	Level 1	Level 2	Level 3
		Fair Value Measurement Using		
Florida Housing Finance Corporation (FHFC)				
Debt securities				
Commercial paper	$ 1,481,540	$ —	$ 1,481,540	$ —
U.S. guaranteed obligations	19,519	—	19,519	—
Federal agencies	476,963	—	476,963	—
Domestic bonds and notes	—	—	—	—
Total debt securities	1,978,022	—	1,978,022	—
Other investments	—	—	—	—
Total FHFC investments by fair value level	$ 1,978,022	$ —	$ 1,978,022	$ —
Citizens Property Insurance Corporation (CPIC)				
Debt securities				
U.S. guaranteed obligations	$ 1,757,895	$ 1,755,887	$ 2,008	$ —
Federal agencies	514,096	—	514,096	—
Domestic bonds and notes	4,818,981	9,714	4,809,267	—
International bonds and notes	780,326	—	780,326	—
Total CPIC investments by fair value level	$ 7,871,298	$ 1,765,601	$ 6,105,697	$ —
University of Florida (UF)				
Debt securities				
Certificates of deposit	$ 447	$ 447	$ —	$ —
Commercial paper	15,922	—	15,922	—
U.S. guaranteed obligations	9,199	8,872	327	—
Federal agencies	8,975	719	8,256	—
Domestic bonds and notes	50,276	29,113	21,163	—
International bonds and notes	20	—	20	—
Total debt securities	84,839	39,151	45,688	—
Equity securities				
Domestic	6,175	6,136	39	—
International	444	444	—	—
Total equity securities	6,619	6,580	39	—
Swap contracts (debt)	4,274	—	2,922	1,352
Mutual funds	358,673	236,132	117,373	5,168
Real estate investments	36	36	—	—
Other investments	26,981	8,840	15,849	2,292
Total UF investments by fair value level	$ 481,422	$ 290,739	$ 181,870	$ 8,812

Investments Measured at the Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
University of Florida				
International equity[1]	$ 456	$ —	Illiquid	N/A
Real estate investments[2]	5,198	—	Illiquid	N/A
Private equity funds[4]	4,952,880	—	Monthly	30 - 45 days
Total investments measured at the NAV	4,958,534			
Total investments measured at fair value	$ 5,439,956			

[1]*International equity:* This category included an investment in a foreign-based publicly-traded company focused on providing law enforcement with new tools and technology.
[2]*Real estate investments:* This category includes an investment in the form of real estate with donor restrictions.The real estate is held at fair value less estimated costs to sell.
[3]*Hedge Funds:* This category includes an investment in a hedge fund in which the fund manager is authorized to invest in a broad spectrum of securities that include, but are not limited to the following: equity and debt securities, currency, commodities, foreign debt, options, futures and swaps.
[4]*Private Equity Funds:* This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies.

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NOTE 4 - 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	$ 134,100	$ 8,180	$ 236	$ 1,152,591	$ 7,667
Contracts & grants receivable	—	—	—	—	—
Due from Federal government	9,511	12,698	121,762	595,558	36,927
Due from other governmental units	713	4,875	—	52	17,486
Interest & dividends receivable	132,955	4,158	2,975	729	22,519
Loans & notes receivable	86,619	161,378	—	—	—
Fees receivable	168,941	4	—	—	—
Taxes receivable	4,568,109	24,809	—	—	289,645
Allowance for uncollectibles	(2,503,383)	(5,468)	(156)	(62,166)	(16,325)
Receivables, net	**$ 2,597,565**	**$ 210,634**	**$ 124,817**	**$ 1,686,764**	**$ 357,919**
Due from other governments	$ —	$ 1,911,208	$ —	$ 211	$ 325,988
Other loans & notes receivable	527	—	4,001	332,768	57,396
Allowance for uncollectibles	(15)	—	(3,215)	(294,411)	(253)
Other loans & notes receivable, net	**$ 512**	**$ 1,911,208**	**$ 786**	**$ 38,568**	**$ 383,131**
Lease receivable - current	$ 3,193	$ —	$ —	$ 5	$ —
Lease receivable - noncurrent	9,786	4	—	10	—
Lease receivable, net	**$ 12,979**	**$ 4**	**$ —**	**$ 15**	**$ —**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts receivable	$ 338,723	**$ 1,641,497**	$ 47,603	$ 76,046	**$ 1,765,146**
Contracts & grants receivable	17,036	**17,036**	—	—	**17,036**
Due from Federal government	261,265	**1,037,721**	—	—	**1,037,721**
Due from other governmental units	45,793	**68,919**	3,875	—	**72,794**
Interest & dividends receivable	6,984	**170,320**	830	—	**171,150**
Loans & notes receivable	99,348	**347,345**	—	—	**347,345**
Fees receivable	76	**169,021**	—	—	**169,021**
Taxes receivable	20,983	**4,903,546**	—	—	**4,903,546**
Allowance for uncollectibles	(189,322)	**(2,776,820)**	(10,163)	—	**(2,786,983)**
Receivables, net	**$ 600,886**	**$ 5,578,585**	**$ 42,145**	**$ 76,046**	**$ 5,696,776**
Due from other governments	$ 581,037	**$ 2,818,444**	$ —	$ —	**$ 2,818,444**
Other loans & notes receivable	1,437,284	**1,831,976**	—	—	**1,831,976**
Allowance for uncollectibles	(16,491)	**(314,385)**	—	—	**(314,385)**
Other loans & notes receivable, net	**$ 2,001,830**	**$ 4,336,034**	**$ —**	**$ —**	**$ 4,336,034**
Lease receivable - current	$ —	**$ 3,198**	$ 143	$ —	**$ 3,341**
Lease receivable - noncurrent	6	**9,806**	$ 750	—	**10,556**
Lease receivable, net	**$ 6**	**$ 13,004**	**$ 893**	**$ —**	**$ 13,897**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	$ 7,423	$ 57,555	$ 209,065	$ 143,157	$ 3,372,460
Due from Federal government	—	—	—	—	2,097
Due from other governmental units	219	—	—	—	1,648
Interest & dividends receivable	2,679	1,149	55,988	47,826	—
Loans & notes receivable	—	—	—	313,477	—
Fees receivable	37,247	—	—	—	1,635
Taxes receivable	—	—	—	—	117,175
Allowance for uncollectibles	—	(5,462)	(1,142)	—	(3,101,554)
Receivables, net	**$ 47,568**	**$ 53,242**	**$ 263,911**	**$ 504,460**	**$ 393,461**
Loans & notes receivable	$ 71,917	$ —	$ —	$ 1,794,147	$ —
Advances to CU	—	—	—	—	—
Other loans & notes receivable, net	**$ 71,917**	**$ —**	**$ —**	**$ 1,794,147**	**$ —**
Lease receivable - current	—	—	—	—	—
Lease receivable - noncurrent	—	—	—	—	—
Lease receivable, net	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

(Continued below)

	Nonmajor Enterprise Funds	**Total Enterprise Funds**	Government-wide Reconciling Balances	**Total Business-type Activities**
Accounts receivable	$ 25,192	**$ 3,814,852**	$ 187,550	**$ 4,002,402**
Due from Federal government	—	**2,097**	—	**2,097**
Due from other governmental units	3,803	**5,670**	—	**5,670**
Interest & dividends receivable	881	**108,523**	—	**108,523**
Loans & notes receivable	1,153	**314,630**	—	**314,630**
Fees receivable	140	**39,022**	—	**39,022**
Taxes receivable	—	**117,175**	—	**117,175**
Allowance for uncollectibles	(24,009)	**(3,132,167)**	—	**(3,132,167)**
Receivables, net	**$ 7,160**	**$ 1,269,802**	**$ 187,550**	**$ 1,457,352**
Loans & notes receivable	$ —	**$ 1,866,064**	—	**$ 1,866,064**
Advances to CU	141	**141**	—	**141**
Other loans & notes receivable, net	**$ 141**	**$ 1,866,205**	**$ —**	**$ 1,866,205**
Lease receivable - current	1,374	1,374	—	1,374
Lease receivable - noncurrent	17,288	17,288	—	17,288
Lease receivable, net	**$ 18,662**	**$ 18,662**	**$ —**	**$ 18,662**

COMPONENT UNITS

Accounts receivable	$ 2,238,216
Contracts & grants receivable	360,341
Due from Federal government	12,089
Due from other governmental units	792,715
Interest & dividends receivable	89,253
Loans & notes receivable	98,000
Allowance for uncollectibles	(542,836)
Receivables, net	**$ 3,047,778**
Other loans & notes receivable	$ 1,908,298
Allowance for uncollectibles	(242,004)
Other loans & notes receivable, net	**$ 1,666,294**
Lease receivable - current	$ 49,407
Lease receivable - noncurrent	427,298
Lease receivable, net	**$ 476,705**

"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	$ 729,706	$ 50,413	$ 14,903	$ 696,493	$ 440,119
Accrued salaries & wages	83,713	6,872	42	30,295	10,151
Accrued interest payable	285	7	—	166	3
Claims payable	—	—	—	—	—
Construction contracts	180,202	—	—	—	335,345
Deposits payable	10	554	31	8	10,743
Due to Federal government	4	—	—	151,421	—
Due to other governmental units	60,389	8,999	107,870	7,939	48,927
Other payables	—	—	—	—	—
Accounts payable and accrued liabilities	**$ 1,054,309**	**$ 66,845**	**$ 122,846**	**$ 886,322**	**$ 845,288**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts payable	$ 359,457	**$ 2,291,091**	$ 11,225	$ 323,186	**$ 2,625,502**
Accrued salaries & wages	5,970	**137,043**	284	—	**137,327**
Accrued interest payable	93	**554**	81	—	**635**
Claims payable	—	—	275,502	—	**275,502**
Construction contracts	181	**515,728**	—	—	**515,728**
Deposits payable	1,235	**12,581**	—	—	**12,581**
Due to Federal government	36,182	**187,607**	—	—	**187,607**
Due to other governmental units	59,623	**293,747**	—	—	**293,747**
Other payables	—	—	4,643	—	**4,643**
Accounts payable and accrued liabilities	**$ 462,741**	**$ 3,438,351**	**$ 291,735**	**$ 323,186**	**$ 4,053,272**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	$ 1,357	$ 7,133	$ 194	$ 764,100	$ 24,843
Accrued interest payable	—	—	29,850	—	—
Accrued salaries & wages	—	33	—	—	—
Claims Payable	—	—	—	—	—
Construction contracts	85,533	—	—	—	—
Deposits payable	248	3,101	—	—	—
Due to Federal government	—	—	—	—	266,512
Accounts payable and accrued liabilities	**$ 87,138**	**$ 10,267**	**$ 30,044**	**$ 764,100**	**$ 291,355**
Short-term lease liabilities	—	4,438	—	—	—
Long-term lease liabilities	—	19,836	—	—	—
Lease liabilities, net	**$ —**	**$ 24,274**	**$ —**	**$ —**	**$ —**
Short-term subscription liabilities	—	—	—	—	—
Long-term subscription liabilities	—	—	—	—	—
Subscription liabilities, net	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

(Continued below)

	Nonmajor Enterprise Funds	**Total Enterprise Funds**	Government-wide Reconciling Balances	**Total Business-type Activities**
Accounts payable	$ 40,320	**$ 837,947**	$ 85,653	**$ 923,600**
Accrued interest payable	697	**30,547**	—	**30,547**
Accrued salaries & wages	3,061	**3,094**	—	**3,094**
Claims Payable	355	**355**	—	**355**
Construction contracts	—	**85,533**	—	**85,533**
Deposits payable	188	**3,537**	—	**3,537**
Due to Federal government	—	**266,512**	—	**266,512**
Accounts payable and accrued liabilities	**$ 44,621**	**$ 1,227,525**	**$ 85,653**	**$ 1,313,178**
Short-term lease liabilities	$ 4,619	**$ 9,057**	$ —	**$ 9,057**
Long-term lease liabilities	48,810	**68,646**	—	**68,646**
Lease liabilities, net	**$ 53,429**	**$ 77,703**	**$ —**	**$ 77,703**
Short-term subscription liabilities	$ 910	**$ 910**	$ —	**$ 910**
Long-term subscription liabilities	1,568	**1,568**	—	**1,568**
Subscription liabilities, net	**$ 2,478**	**$ 2,478**	**$ —**	**$ 2,478**

COMPONENT UNITS

Accounts payable	$	1,156,962
Accrued interest payable		28,049
Accrued salaries & wages		369,622
Claims payable		2,806,153
Construction contracts		93,061
Deposits payable		240,064
Due to other governmental units		8,305
Vouchers payable		17,103
Accounts payable and accrued liabilities	**$**	**4,719,319**
Short-term lease liabilities	$	85,037
Long-term lease liabilities		702,415
Lease liabilities, net	**$**	**787,452**
Short-term subscription liabilities	$	27,637
Long-term subscription liabilities		120,481
Subscription liabilities, net	**$**	**148,118**

NOTE 5 – 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	$ 40,589,893	$ —	$ —	$ —	$ —	$ —	$ 40,589,893
Fuel taxes:							
Motor fuel tax	—	—	—	—	3,094,117	—	3,094,117
Pollutant tax	—	285,122	—	—	—	—	285,122
Aviation fuel tax	—	—	—	—	34,095	—	34,095
Solid minerals severance tax	—	22,943	—	—	—	—	22,943
Oil and gas production tax	2,379	—	—	—	—	—	2,379
Total fuel taxes:	2,379	308,065	—	—	3,128,212	—	3,438,656
Corporate income tax	5,458,515	—	—	—	—	—	5,458,515
Documentary stamp tax	3,880,253	—	—	—	—	—	3,880,253
Intangible personal property tax	527,978	—	—	—	—	—	527,978
Communications service tax	559,508	—	343,595	—	—	—	903,103
Gross receipts utilities tax	—	6,065	1,032,803	—	—	—	1,038,868
Beverage and tobacco taxes:							
Alcoholic beverage tax	301,917	—	—	—	—	15,480	317,397
Cigarette tax	961,913	—	—	—	—	—	961,913
Smokeless tobacco tax	41,329	—	—	—	—	—	41,329
Total beverage and tobacco taxes	1,305,159	—	—	—	—	15,480	1,320,639
Other taxes:							
Insurance premium tax	1,925,067	—	—	—	—	68,365	1,993,432
Hospital public assistance tax	—	—	—	847,413	—	—	847,413
Citrus excise tax	—	—	—	—	—	5,445	5,445
Pari-mutuel wagering tax	10,775	—	—	—	—	257,539	268,314
Total other taxes	1,935,842	—	—	847,413	—	331,349	3,114,604
Total	$ 54,259,527	$ 314,130	$1,376,398	$847,413	$ 3,128,212	$ 346,829	$ 60,272,509

	Sales and Use Tax
Governmental fund statements	$ 40,589,893
Government-wide accruals	50,707
Government-wide statements	$ 40,640,600

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, 2023, tax abatement programs are as follows:

Program Name	Entertainment Industry Sales Tax Exemption Program	Community Contribution Tax Credit Program
Program Purpose	The purpose of this program is to encourage the use of this state as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production.	Encourage donations and local private support of projects that provide housing opportunities for persons with special needs or home ownership opportunities for low-income or very low income families.
Taxes being abated	Sales and Use Tax	Corporate Income Tax; Insurance Premium Tax; Sales and Use Tax Refund
Authority under which abatements are entered	s. 288.1258, F.S.	s. 212.08(5)(p); s. 220.183; and s. 624.5105, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must be a production company producing specified types of content in Florida. For the purposes of this section, "qualified production company" means any production company that has submitted a properly completed application to the Department of Revenue and that is subsequently qualified by the Office of Film and Entertainment.	A taxpayer must apply for approval and be issued an approval letter by the State. A community contribution by a person must be in the following form: (a) Cash or other liquid assets; (b) Real property, including 100 percent ownership of a real property holding company; (c) Goods or inventory; or (d) Other physical resources identified by the State.
How taxes are reduced	Tax Exemption	Tax credit against corporate income or insurance premium tax; sales tax refund
How amount of abatement is determined	Point of sale exemption on items used as an integral part of the production process in Florida, including production equipment, set design and construction, props, wardrobe, and real estate rental.	The credit is equal to 50 percent of the value of the donation, with a limit of $200,000 per year. For the credits under this authorized program maximum amount limitation is totaling $14,000,000.
Provisions for recapturing abated taxes	Revocation of certificate and any taxes exempted are due with interest and penalty.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$37,658	$14,000

Tax abatement programs, continued:

Program Name	Florida Scholarship Funding Organizations Program	Hope Scholarship Credit
Program Purpose	Allows taxpayers to make private, voluntary contributions to nonprofit scholarship-funding organizations and receive dollar for dollar tax credit against specific Florida taxes.	The Hope Scholarship Program provides a public-school student who was subjected to an incident of violence or bullying at school the opportunity to apply for a scholarship to attend an eligible private school rather than remain in an unsafe school environment.
Taxes being abated	Sales and Use Tax, Corporate Income Tax, Severance Taxes, Insurance Premium Tax	Sales and Use Tax
Authority under which abatements are entered	s. 1002.395, F.S.	s. 212.1832 and s. 1002.40, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Qualifying business entity shall apply to the department for approval of an allocation of statewide cap to ensure credits do not exceed the cap. The Department will approve applications and issue an approval letter. Taxpayer must make the contribution to the Scholarship Funding Organization by the end of the tax year to earn the credit on the return.	Applicants must purchase or register a motor vehicle qualifying for the Hope Scholarship Program in Florida and may designate $105 of the state sales tax due at the time of purchase or registration to an eligible nonprofit scholarship-funding organization (SFO) participating in the Program. If the state sales tax due is less than $105, the designated amount would be the state sales tax due. Motor vehicle dealers, private tag agencies, and county tax collectors receiving contributions must remit the contributions directly to the designated nonprofit scholarship-funding organization and tax a credit on their sales and use tax return for the amount of the contributions.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Contribution is made to qualifying Scholarship Funding Organization	Contribution is paid to a qualifying scholarship-funding organization for use in the Hope Scholarship Program.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$348,442	$74,935

Tax abatement programs, continued:

Program Name	Capital Investment Tax Credit	Contaminated Site Credit
Program Purpose	Attract and grow capital-intensive industries in the state.	To promote voluntarily rehabilitation of brownfield sites or sites contaminated with dry-cleaning solvent.
Taxes being abated	Corporate Income Tax; Premium Tax arising from the project	Corporate Income Tax
Authority under which abatements are entered	s. 220.191, F.S.	s. 220.1845 and s. 376.30781, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must establish a qualified project certified by the State and meet minimum capital investment, job creation and wage requirements. (1) The business has to be a high-impact sector business; (2) The business has to build or expand a facility within Florida; (3) The business has to incur construction or expansion costs of at least $25 million; (4) The business has to create and maintain at least 100 new jobs within Florida; and (5) The business has to be approved by the Department of Economic Opportunity.	Participants must meet applicable eligibility criteria and enter either a Voluntary Cleanup Agreement or a Brownfield Site Rehabilitation Agreement.
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.	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.
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)	$75,335	$18,835

Tax abatement programs, continued:

Program Name	Research and Development Tax Credit	Qualified Target Industry Tax Refund Program
Program Purpose	To encourage target industry business in the State.	To encourage the growth of higher-wage jobs and a diverse economic base by providing state tax refunds to qualified target industry businesses that originate or expand in the state or that relocate to the state.
Taxes being abated	Corporate Income Tax	Sales and Use Tax, Corporate Income Tax, Intangible Personal Property Tax, Excise Tax, Ad Valorem Tax, Insurance premium tax, Communication services tax.
Authority under which abatements are entered	s. 220.196, F.S.	s. 288.106, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	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.	Applicants must be a new or expanding business in Florida, create a minimum number of new full-time jobs within one or more of Florida's designated targeted industries and meet minimum wage requirements.
How taxes are reduced	Tax Credit	Tax Credit or Refund
How amount of abatement is determined	The Florida 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)	Demonstrate minimum Florida job creation, maintenance and wages paid.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	Revocation of certification and interest, penalties, attorneys' fees and expenses. A qualified target industry business that fraudulently claims a refund under this section commits a felony of the third degree and is liable for repayment of the amount of the refund plus a mandatory penalty.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$10,354	$11,209

Tax abatement programs, continued:

Program Name	Professional Sports Franchises	Major League Baseball Spring Training Baseball Franchises
Program Purpose	To attract and retain professional sports franchises by assisting with facility construction and or renovation.	To attract and retain major league baseball franchises and spring training programs.
Taxes being abated	Sales and Use Tax	Sales and Use Tax
Authority under which abatements are entered	s. 220.181, F.S.	s. 288.11621, F.S. and s. 288.11631, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must meet minimum statutory requirements to be certified and receive funding. Eight governmental entities have been certified and are currently receiving funding. Complete renovations and/or construction of the sports facility as described in the original application.	Applicants must meet minimum statutory requirements to be certified and receive funding. A total of eleven governmental entities have been certified and are currently receiving funding. (Originally, the spring training program was included in s. 288.1162, F.S. A total of ten governmental entities were certified in 2001 and 2006, respectively.)
How taxes are reduced	Tax Refund	Tax Refund
How amount of abatement is determined	The Florida Department of Economic Opportunity shall serve as the state agency for screening applicants for state funding under s. 212.20, F.S. and for certifying an applicant as a facility for the new or retained professional sports franchise.	The Florida Department of Economic Opportunity is responsible for certifying eligible applicants and determining allowable refund amounts.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$16,000	$10,667

Tax abatement programs, continued:

Program Name	Salary Tax Credit	New Worlds Reading Program
Program Purpose	Provides a credit against insurance premium taxes and fees for up to 15% of the salary of employees of the insurer meeting certain conditions.	To instill a love of reading by providing high-quality, free books to students in kindergarten through grade 5 who are reading below grade level and to improve the literacy skills of students in kindergarten through grade 12.
Taxes being abated	Insurance Premium Tax	Sales and Use Tax, Corporate Income Tax, Severance Taxes, Insurance Premium Tax
Authority under which abatements are entered	s. 624.509(5), F.S. and s. 624.509(6), F.S.	s.1003.485, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Eligibility of credits claimed for employee's salary is determined by 1) employees must perform insurance related activities, 2) Employees are located within Florida and 3) are covered by Chapter 443, F.S, Reemployment Assistance.	Qualifying business entity shall apply to the department for approval of an allocation of statewide cap to ensure credits do not exceed the cap. The Department will approve applications and issue an approval letter. Taxpayer must make the contribution to the Scholarship Funding Organization by the end of the tax year to earn the credit on the return.
How taxes are reduced	Tax Credit applied for on Tax return	Tax Credit applied for on Tax return
How amount of abatement is determined	Any taxpayer who has received prior approval from the Governor's Office of Tourism, Trade, and Economic Development for its community contribution to any revitalization project undertaken by an eligible sponsor, shall be allowed a credit of 50 percent of the contribution. The total annual credit under this section applied against the tax due under Section 624.509 or 624.510, F.S., for a calendar year, may not exceed $200,000. The valuation of the contribution determined by the Governor's Office of Tourism, Trade and Economic Development shall be used in the computation of the credit.	Monetary contribution is made to qualifying Organization.
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)	$535,506	$11,057

Tax abatement programs, continued:

Program Name	Rural Area of Opportunity Building Materials Sales Tax Refund
Program Purpose	Provides refund of sales tax on building materials used in a rural area of opportunity.
Taxes being abated	Sales and Use Tax
Authority under which abatements are entered	s. 212.08(5)(b), F.S. and s. 212.08(5)(q), F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Property owners, lessees of lessors shall be eligible to apply for a sales tax refund on the purchase of building materials or pest control services or the rental of tangible personal property on new construction projects located within a Rural Area of Opportunity. Refund applicant must show building materials purchased have been used for the rehabilitation of real property located in a rural area of opportunity. The application must be filed with the Department of Economic Opportunity.
How taxes are reduced	Refund of sales and use tax.
How amount of abatement is determined	Building materials are used to rehabilitate real property located in a rural area of opportunity.
Provisions for recapturing abated taxes	If erroneous refunds are discovered during an audit of the taxpayer's books and records the amount of tax refunded will be assessed.
Type of commitments other than taxes	N/A
Total tax revenues reduced during fiscal year (in thousands)	$5,713

The state had additional tax abatement programs, each amounting to less than $5 million in revenue and estimated to be reduced in fiscal year 2022-23. In total, these programs resulted in $20.3 million in estimated tax abatements and include the New Markets Tax Credit, Redevelopment Products, Enterprise Zone Property Credit, New and Expanding Business, Florida AMT Credit, Professional Golf Hall of Fame Facility, Rural Job Tax Credit Program, Hazardous Waste Facility Credit, Emergency Excise Tax Credit, Brownfield Redevelopment Bonus Tax Refund, Rural Jobs Credit, Urban High-Crime Area Job Tax Credit Program, and Enterprise Zone Jobs Credit, Entertainment Industry Financial Incentive Program, Florida Renew Prod Credit, Strong Family, and Florida Renew Tech Credit.

NOTE 6 - LEASES AND SUBSCRIPTION OBLIGATIONS

A. Right to Use Leased Assets

The state enters into leases for land, buildings, copiers, and equipment. Certain leases can be short-term or renewable at the option of the state, and are accounted for appropriately per GASB Statement No. 87, Leases. As of June 30, 2023, there were no leases with variable payments not included in the measurement of the lease liability, and none of the leases contained residual value guarantees. Leased assets are amortized on a straight-line basis over the life of the lease. Amortization expense charged for the fiscal year ended June 30, 2023 for the state's governmental, business-type activities, and component units were $133.7 million, $5.3 million, and $3.5 million, respectively.

For details on Right to Use Lease Assets, refer to Note 7 - Capital Assets.

Amortization for the remaining lease term as of June 30, 2023, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2024	$ 119,418	$ 7,188	$ 90,270
2025	98,613	6,509	90,270
2026	83,343	6,245	90,270
2027	67,790	5,973	90,270
2028	52,172	5,874	90,270
2029-2033	163,367	17,226	267,236
2034-2038	62,035	7,820	—
2039-2043	33,506	6,698	—
2044-2048	33,446	6,178	—
2049-2053	33,367	4,841	—
Total Amortization	$ 747,057	$ 74,552	$ 718,586

B. Subscription Assets

Subscription assets are amortized on a straight-line basis over the life of the subscription. Amortization expense charged for the fiscal year ended June 30, 2023 for the state's governmental, business-type activities, and component units were $52.9 million, $899 thousand, and $5.8 million, respectively.

Amortization for the remaining subscription term as of June 30, 2023, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2024	$ 88,897	$ 1,248	$ 32,911
2025	86,505	999	32,911
2026	81,292	112	32,911
2027	57,797	32	32,911
2028	—	—	13,757
2029-2032	—	—	55,030
Total Amortization	$ 314,491	$ 2,391	$ 200,431

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C. Lease Receivables

The state leases land, buildings and equipment to third parties with various terms and interest rates. As of June 30, 2023, the state's governmental activities, business-type activities, and component unit receivables for lease payments totaled $13.9 million, $18.7 million, and $151.4 million, respectively.

The following are schedules of future minimum payments to be received by year by the state as of June 30, 2023 (in thousands):

	Governmental Activities		Business-type Activities		Component Units	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 3,341	$ 384	$ 1,374	$ 384	$ 49,407	$ 590
2025	2,062	337	3,377	337	14,736	585
2026	2,068	289	3,388	289	14,736	579
2027	2,076	239	3,399	239	14,732	573
2028	355	206	582	206	14,736	568
2029-2033	1,943	410	3,182	785	73,672	2,755
2034-2038	2,052	140	3,360	268	73,672	2,614
2039-2043	—	—	—	—	73,672	2,473
2044-2048	—	—	—	—	73,671	2,330
2049-2053	—	—	—	—	73,671	2,198
Total Lease Receivable	$ 13,897	$ 2,005	$ 18,662	$ 2,508	$ 476,705	$ 15,265

For the fiscal year ended June 30, 2023, the state's governmental activities and component units recognized $3.2 million and $22.3 million in lease revenue, respectfully. For the fiscal year ended June 30, 2023, the component units recognized $3 million in interest income, respectfully.

D. Deferred Inflows

The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the governmental activities, business-type activities, and component units deferred inflow of resources was $13.8 million, 183.5 million, and $534.9 million, respectively.

Deferred inflows of resources for the remaining lease term as of June 30, 2023, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2024	$ 3,613	$ 12,236	$ 58,844
2025	3,612	12,236	58,844
2026	3,605	12,236	58,844
2027	374	12,236	58,844
2028	374	12,236	58,844
2029-2033	1,874	61,181	240,731
2034-2038	369	61,181	—
Total Deferred inflows	$ 13,821	$ 183,542	$ 534,951

E. Principal and Interest Requirements for Lease Liability

The state routinely leases land, buildings and equipment in lieu of purchasing assets. As of June 30, 2023, the state's governmental activities, business-type activities, and component units for lease liabilities totaled approximately $692.9 million, $77.7 million, $788.5 million, respectively.

The following is a schedule by fiscal year of principal and interest payments due for lease payments as of June 30, 2023 (in thousands):

	Governmental Activities		Business-type Activities		Component Units	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 119,755	$ 8,580	$ 9,057	$ 703	$ 85,037	$ 71
2025	101,113	5,172	9,585	503	24,222	63
2026	83,630	4,000	8,850	311	24,221	66
2027	64,290	3,100	8,457	124	24,221	63
2028	49,789	2,545	9,248	871	24,221	61
2029-2033	142,128	5,408	15,450	175	121,106	270
2034-2038	54,526	1,776	5,214	279	121,106	208
2039-2043	25,995	1,286	1,834	18	121,106	147
2044-2048	25,924	1,278	10,008	919	121,106	86
2049-2053	25,838	1,273	—	—	121,106	37
Total lease liabilities	$ 692,988	$ 34,418	$ 77,703	$ 3,903	$ 787,452	$ 1,072

F. Principal and Interest Requirements for Subscription Liability

As of June 30, 2023, the state's governmental activities, business-type activities, and component units for subscription liabilities totaled approximately $314.6 million, $2.4 million, $105.8 million, respectively.

The following is a schedule by fiscal year of principal and interest payments due for lease payments as of June 30, 2023 (in thousands):

	Governmental Activities		Business-type Activities		Component Units	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 50,436	$ 8,809	$ 910	$ 56	$ 27,637	$ 12
2025	105,212	5,391	729	34	30,120	10
2026	88,663	4,209	529	23	30,120	8
2027	68,631	3,298	310	11	30,120	6
2028	1,615	57	—	—	30,121	4
Total subscription liabilities	$ 314,557	$ 21,764	$ 2,478	$ 124	$ 148,118	$ 40

G. Deferred Outflows

The total deferred outflow of resources associated with these leases will be recognized as expense over the lease term. As of June 30, 2023, the balance of the component unit deferred outflow of resources was $202 thousand.

Deferred outflows of resources for the remaining lease term as of June 30, 2023, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2024	$ —	$ —	$ 20
2025	—	—	20
2026	—	—	20
2027	—	—	20
2028	—	—	20
2029-2033	—	—	102
2034-2038	—	—	—
Total Deferred outflows	$ —	$ —	$ 202

NOTE 7 - CAPITAL ASSETS

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

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

Capital Asset Category	Financial Statement Capitalizing Threshold	Estimated Useful Life (in Years)
Right to use subscriptions	$1,500,000	Shorter of subscription term or useful life*
Right to use leased assets	$1,500,000	Shorter of lease term or useful life*
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
Furniture and equipment	$5,000 and $250 for non-circulated books	2 - 25
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Library resources	$25	5 - 50
Other capital assets	$5,000	3 - 20

** Useful life for right to use lease and subscription assets are the same amount of time as the tangible asset categories.*

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 and amortization expense charged to functions of governmental activities for the year ended June 30, 2023, is as follows (in thousands):

	Depreciation Expense	Amortization Expense	Depreciation and Amortization Expense
General Government	$ 84,304	$ 79,367	$ 163,671
Education	9,097	569	9,666
Human Services	36,546	38,143	74,689
Criminal Justice & Corrections	91,243	57,130	148,373
Natural Resources & Environment	57,099	10,968	68,067
Transportation	39,757	439	40,196
Judicial Branch	4,473	—	4,473
Total depreciation expense (governmental activities)	**$ 322,519**	**$ 186,616**	**$ 509,135**

Primary government capital asset activities for the fiscal year ended June 30, 2023, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated:				
Land and other nondepreciable assets	$ 22,059,576	$ 932,211	$ 11,285	$ 22,980,502
Infrastructure and infrastructure improvements - nondepreciable	58,376,788	1,664,712	128,626	59,912,874
Construction work in progress	2,354,008	48,085	113,567	2,288,526
Total capital assets, not being depreciated	**82,790,372**	**2,645,008**	**253,478**	**85,181,902**
Capital assets, being depreciated:				
Buildings and building improvements	5,760,534	306,952	51,140	6,016,346
Infrastructure and infrastructure improvements	896,016	86,591	26,895	955,712
Leasehold improvements	8,758	71	1	8,828
Furniture and equipment	1,907,397	276,537	213,965	1,969,969
Works of art and historical treasures	1,904	—	—	1,904
Library resources	25,354	280	681	24,953
Other	111,860	9,620	1,093	120,387
Total capital assets, being depreciated	**8,711,823**	**680,051**	**293,775**	**9,098,099**
Intangible right to use assets, being amortized:				
Buildings	1,454,793	—	600,760	854,033
Furniture and equipment	42,732	—	18,920	23,812
Other	8,646	—	3,827	4,819
Subscriptions	—	367,399	—	367,399
Total intangible right to use assets, being amortized	**1,506,171**	**367,399**	**623,507**	**1,250,063**
Total capital assets, being depreciated, and intangible right to use assets, being amortized	**10,217,994**	**1,047,450**	**917,282**	**10,348,162**
Less accumulated depreciation for:				
Buildings and building improvements	3,507,249	230,772	91,596	3,646,425
Infrastructure and infrastructure improvements	613,291	34,922	6,777	641,436
Leasehold improvements	5,241	648	121	5,768
Furniture and equipment	1,445,453	53,006	68,082	1,430,377
Works of art and historical treasures	1,385	123	57	1,451
Library resources	19,190	249	328	19,111
Other	74,285	2,799	568	76,516
Total accumulated depreciation	**5,666,094**	**322,519**	**167,529**	**5,821,084**
Less accumulated amortization for:				
Buildings	158,051	133,708	159,299	132,460
Furniture and equipment	4,643	—	2,026	2,617
Other	940	—	410	530
Subscriptions	—	52,908	—	52,908
Total accumulated amortization	**163,634**	**186,616**	**161,735**	**188,515**
Total accumulated depreciation and amortization	**5,829,728**	**509,135**	**329,264**	**6,009,599**
Total capital assets, being depreciated and amortized, net	**4,388,266**	**538,315**	**588,018**	**4,338,563**
Governmental activities capital assets, net	**$ 87,178,638**	**$ 3,183,323**	**$ 841,496**	**$ 89,520,465**

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BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated:				
Land and other nondepreciable assets	$ 1,416,175	$ 92,164	$ 24,286	$ 1,484,053
Infrastructure and infrastructure improvements - nondepreciable	13,124,918	1,098,635	861,533	13,362,020
Construction work in progress	1,401,025	631,381	41,475	1,990,931
Total capital assets, not being depreciated	**15,942,118**	**1,822,180**	**927,294**	**16,837,004**
Capital assets, being depreciated:				
Buildings and building improvements	758,997	24,038	57,802	725,233
Infrastructure and infrastructure improvements	648,222	—	—	648,222
Leasehold improvements	59	—	—	59
Furniture and equipment	416,454	41,670	49,331	408,793
Library resources	25	4	—	29
Other	172,447	—	—	172,447
Total capital assets, being depreciated	**1,996,204**	**65,712**	**107,133**	**1,954,783**
Intangible right to use assets, being amortized:				
Buildings	52,519	34,780	—	87,299
Furniture and equipment	2,688	1,826	—	4,514
Other	586	398	—	984
Subscriptions	—	3,290	—	3,290
Total intangible right to use assets, being amortized	**55,793**	**40,294**	**—**	**96,087**
Total capital assets, being depreciated, and intangible right to use assets, being amortized	**2,051,997**	**106,006**	**107,133**	**2,050,870**
Less accumulated depreciation for:				
Buildings and building improvements	247,508	27,901	7,819	267,590
Infrastructure and infrastructure improvements	126,708	34,913	1,252	160,369
Furniture and equipment	319,117	31,873	23,422	327,568
Library resources	10	1	—	11
Other	124,941	4,130	39	129,032
Total accumulated depreciation	**818,284**	**98,818**	**32,532**	**884,570**
Less accumulated amortization for:				
Buildings	12,101	5,920	899	17,122
Furniture and equipment	619	303	—	922
Other	135	66	—	201
Subscriptions	—	899	—	899
Total accumulated amortization	**12,855**	**7,188**	**899**	**19,144**
Total accumulated depreciation and amortization	**831,139**	**106,006**	**33,431**	**903,714**
Total capital assets, being depreciated and amortized, net	**1,220,858**	**—**	**73,702**	**1,147,156**
Business-type activities capital assets, net	**$ 17,162,976**	**$ 1,822,180**	**$ 1,000,996**	**$ 17,984,160**

Component units' capital asset activities for the fiscal year ended June 30, 2023, are as follows (in thousands):

COMPONENT UNITS

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated:				
Land and other non-depreciable assets	$ 7,162,809	$ 6,110,012	$ 5,984,364	$ 7,288,457
Construction work in progress	2,965,385	2,571,451	1,987,118	3,549,718
Total capital assets, not being depreciated	**10,128,194**	**8,681,463**	**7,971,482**	**10,838,175**
Capital assets, being depreciated:				
Buildings and building improvements	23,728,921	3,016,213	2,102,542	24,642,592
Infrastructure and infrastructure improvements	4,328,109	2,716,417	2,458,334	4,586,192
Leasehold improvements	582,256	226,382	65,044	743,594
Furniture and equipment	4,890,709	658,003	464,405	5,084,307
Works of art and historical treasures	4,255	1,831	1,706	4,380
Library resources	1,099,300	119,297	98,510	1,120,087
Other	495,428	158,285	132,783	520,930
Total capital assets, being depreciated	**35,128,978**	**6,896,428**	**5,323,324**	**36,702,082**
Intangible right to use assets, being amortized:				
Leases	$ 789,208	$ 113,495	$ —	$ 902,703
Subscriptions	$ —	$ 230,379		$ 230,379
Total intangible right to use assets, being amortized	**$ 789,208**	**$ 343,874**	**$ —**	**$ 1,133,082**
Total capital assets, being depreciated, and intangible right to use assets, being amortized	**$ 35,918,186**	**$ 7,240,302**	**$ 5,323,324**	**$ 37,835,164**
Less accumulated depreciation for:				
Buildings and building improvements	10,149,444	1,132,910	161,088	11,121,266
Infrastructure and infrastructure improvements	1,769,762	744,385	615,839	1,898,308
Leasehold improvements	215,332	73,920	12,794	276,458
Furniture and equipment	3,801,080	404,173	570,162	3,635,091
Works of art and historical treasures	2,696	82	—	2,778
Library resources	948,210	33,038	5,046	976,202
Other	408,617	68,980	39,814	437,783
Total accumulated depreciation	**17,295,141**	**2,457,488**	**1,404,743**	**18,347,886**
Less accumulated amortization for:				
Leases	150,457	274,807	241,147	184,117
Subscriptions	—	29,948	—	29,948
Total accumulated amortization	**150,457**	**304,755**	**241,147**	**214,065**
Total accumulated depreciation and amortization	**17,445,598**	**2,762,243**	**1,645,890**	**18,561,951**
Total capital assets, being depreciated and amortized, net	**18,472,588**	**4,478,059**	**3,677,434**	**19,273,213**
Component units capital assets, net	**$ 28,600,782**	**$ 13,159,522**	**$ 11,648,916**	**$ 30,111,388**

NOTE 8 - 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, 2023, 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 issues a publicly-available, audited annual comprehensive financial report (ACFR) that includes financial statements, notes and required supplementary information for each of the pension plans which it administers. Detailed information about the plans is provided in the FRS ACFR which is available online or by contacting the Department.

Copies of this report, as well as the plans' actuarial valuations, can be obtained from the Department of Management Services, Division of Retirement (Division), Bureau of Outreach and Audit, 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.fl.gov; or at the Division's website **(www.frs.myflorida.com).**

1. Defined Benefit Plans

The Florida Retirement System

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans – the FRS defined benefit pension plan (Pension Plan) and the FRS Investment Plan. The FRS Pension Plan was created in Chapter 121, Florida Statutes (F.S.), effective December 1, 1970, by consolidating and closing these existing plans to new members: the Teachers' Retirement System (Chapter 238, F.S.), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Chapter 123, F.S.) was closed and consolidated into the FRS. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide the Investment Plan as a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. The FRS Investment Plan is an integrated defined contribution plan administered by the State Board of Administration (SBA). Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, established under Section 121.40, F.S., was consolidated under the FRS Pension Plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, F.S., also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the state, state elected officials who chose SMSC membership in lieu of Elected Officers' Class membership (EOC), and faculty and other specified positions in the State University System and Florida College System institutions. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Membership

FRS membership is compulsory for eligible employees filling a regularly established position in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, F.S., or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who are required to 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 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. 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 (SMSOAP) 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.

FRS Pension Plan retirees remain ineligible for renewed membership

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 who fill compulsory and designated positions participate in the Senior Management Service Class (SMSC). Members of the EOC may also elect to 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.

Vesting

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. Members must terminate employment and apply for retirement 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 s. 121.091(13), F.S. The DROP allows FRS Pension Plan members who reach eligibility for normal retirement to retire while continuing employment with an FRS employer while deferring receipt of monthly benefit payments. As of June 5, 2023, when Senate Bill 7024 was signed into law, all eligible members may elect to participate in the DROP for a maximum of 96 calendar months (up from 60 calendar months) and authorized instructional personnel may extend his or her DROP participation for up to 24 additional calendar months beyond their initial 96-month participation period but their authorized extended DROP participation must conclude at the end of a school year.

During DROP participation, monthly retirement benefits remain in the FRS Trust Fund and accrue interest until the member terminates FRS employment to finalize retirement. As of June 30, 2023, the FRS Trust Fund held in trust $2,745,616,982 in accumulated benefits for 30,093 DROP participants. Of these 30,093 DROP participants, 28,480 were active in the DROP with balances totaling $2,491,783,327. The remaining participants were no longer active in the DROP and had balances totaling $253,833,655 to be processed after June 30, 2023.

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 s. 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; however, all UAL bases are being amortized within 20 years. Pursuant to s. 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, 2023, was $186,357,365,968. 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 Fiscal Year 2022-2023, 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, 2022 for Fiscal Year 2022-2023	July 1, 2022 Statutory Rates (Ch. 121, F.S.)
Regular	11.25%	10.19%
Senior Management Service	38.62%	29.85%
Special Risk	27.74%	26.11%
Special Risk Administrative Support	48.36%	36.93%
Elected Officers - Judges	47.72%	42.05%
Elected Officers - Legislators/Attorneys/Cabinet	89.39%	66.07%
Elected Officers - County	74.39%	55.28%
DROP - applicable to members from all of the above classes or plans	16.94%	16.94%

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

Retiree Health Insurance Subsidy (HIS) 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 premium costs and is administered by the Division. For the fiscal year ended June 30, 2023, 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 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, 2023, the contribution rate was 1.66% of payroll pursuant to Section 112.363, F.S. The state contributed 100% of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

The Florida National Guard Supplemental Retirement Benefit Plan

The Florida National Guard Supplemental Retirement Benefit Plan (National Guard Benefit) is a single-employer, non-qualified defined benefit pension plan established under Section 250.22, F.S., and is administered by the Division. The Florida Legislature establishes and amends the plan. Florida National Guard retirees must have at least 30 years of Florida National Guard service. Normal retirement is at age 62 with early retirement available beginning at age 60. The monthly benefit is equal to 50% of the federal military pay table for the highest rank held while in the Florida National Guard less the benefit received from the Federal Government for military service. The benefit amount is recalculated whenever the federal military pay table is increased or the federal benefit is increased by a cost-of-living adjustment. The benefit is payable for the lifetime of the retiree without a survivor benefit option. The table below shows the number of employees covered by the benefit terms as of June 30, 2023.

Active Members	12,317
Retirees	726
Terminated Vested Members	505
Total	13,548

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, 2023, the State reported a total liability of $7,795,207,941 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, 2022, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2023:

	FRS Pension Plan	HIS	National Guard Benefit	Total
Plan total pension liability (A)	$ 217,434,441,000	$ 11,126,965,688	$ 609,412,914	
Plan fiduciary net position (B)	(180,226,404,807)	(535,368,479)	—	
Plan net pension liability (A-B)	37,208,036,193	10,591,597,209	609,412,914	
State's proportion	15.548909091 %	13.221342140 %	100.00 %	
State's proportionate share	$ 5,785,443,722	$ 1,400,351,305	$ 609,412,914	$ 7,795,207,941

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, 2021	16.203571589%	13.711565539%
State's proportion at measurement date, June 30, 2022	15.548909091%	13.221342140%
Increase / (decrease) in proportion	-0.654662498%	-0.490223399%

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2023:

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, 2022	$ 601,400,987	$ —	$ 601,400,987
Changes for the year:			
Service Cost	14,546,315	—	14,546,315
Interest on total pension liability	21,533,911	—	21,533,911
Effect of economic/demographic gains or losses	—	—	—
Effect of assumptions changes or inputs	(12,644,705)	—	(12,644,705)
Benefit payments	(15,423,594)	(15,423,594)	—
Employer contributions	—	15,471,794	(15,471,794)
Administrative expenses	—	(48,200)	48,200
Balances as of June 30, 2023	$ 609,412,914	$ —	$ 609,412,914

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of the measurement date of July 1, 2021, using the Individual Entry Age Normal actuarial cost method. Inflation increases for the FRS Pension Plan and the HIS is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. 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 3.54% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

There were no changes in benefit terms for FRS that affected the total pension liability since the prior measurement date. There were no changes in benefit terms for HIS that affected the total pension liability since the prior measurement date. There were no changes between the measurement date and the reporting date which significantly impact the State's proportionate share of the net pension liability, deferred outflows, deferred inflows and pension expense for either FRS Pension Plan or HIS.

The following changes in actuarial assumptions occurred in 2022:

- FRS Pension Plan: The long-term expected rate of return decreased from 6.80% to 6.70%.
- HIS: The municipal rate used to determine total pension liability increased from 2.16% to 3.54%.

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%	2.6%
Fixed income	19.8%	4.4%
Global equity	54.0%	8.8%
Real estate (property)	10.3%	7.4%
Private equity	11.1%	12.0%
Strategic investments	3.8%	6.2%
	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, 2022, using the Individual Entry Age Normal actuarial cost method. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB measurement date using standard actuarial roll forward procedures. The annual increase for the net Florida National Guard benefit reflects the projected effect on the benefit of a 2.4% inflation increase assumption for the total Florida plus federal benefit and a 2.0% increase assumption for the federal portion of the benefit[1].

[1]Varied by service; separate tables for officer and enlisted can be obtained from the Division, Bureau of Outreach and Audit.

Because the National Guard Benefit uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. Mortality assumptions for the plan were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

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

The following change in actuarial assumptions occurred in 2023 for the National Guard Benefit:

- The municipal bond rate used to determine total pension liability increased from 3.54% to 3.65%.

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.

FRS Pension Plan

1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
$10,005,527,114	$5,785,443,722	$2,256,951,862

HIS

1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
$1,602,116,869	$1,400,351,305	$1,233,394,461

National Guard Benefit

1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
$740,440,960	$609,412,914	$510,451,756

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, 2022, was 5.5 years for FRS Pension Plan and 6.4 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, 2022, are presented below for each plan.

FRS Pension Plan

	Recognized in Expense Reporting Period Ending June 30, 2023	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 409,818,319	Current	$ —	$ —
Interest cost	2,178,734,152	Current	—	—
Effect of plan changes	15,437,734	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	119,844,252	5.5 years	274,775,162	—
Effect of assumptions changes or inputs	470,205,156	5.5 years	712,501,601	—
Member contributions	(119,606,527)	Current	—	—
Projected investment earnings	(2,097,068,352)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(113,278,281)	5.5 years	162,050,978	(550,603,224)
Net difference between projected and actual investment earnings	(168,437,790)	5 years	382,012,083	—
Contributions subsequent to the measurement date	—	1 year	786,813,116	—
Administrative expenses	3,497,660	Current	—	—
Total	$ 699,146,323		$ 2,318,152,940	$ (550,603,224)

Health Insurance Subsidy

	Recognized in Expense Reporting Period Ending June 30, 2023	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 38,450,925	Current	$ —	$ —
Interest cost	36,409,701	Current	—	—
Effect of plan changes	689,542	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	10,079,285	6.4 years	42,503,970	(6,161,667)
Effect of assumptions changes or inputs	(12,626,368)	6.4 years	80,269,038	(216,633,450)
Member contributions	(6,402)	Current	—	—
Projected investment earnings	(1,407,546)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(29,814,049)	6.4 years	50,307,495	(155,998,135)
Net difference between projected and actual investment earnings	831,251	5 years	2,027,409	—
Contributions subsequent to the measurement date	—	1 year	90,916,807	—
Administrative expenses	25,040	Current	—	—
Total	$ 42,631,379		$ 266,024,719	$ (378,793,252)

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2023, was 17.6 years. The State's pension expense and deferred outflows and deferred inflows of resources reported for the fiscal year ended June 30, 2023, are presented below for the plan.

National Guard Benefit Plan

	Recognized in Expense Reporting Period Ending June 30, 2023	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 14,546,315	Current	$ —	$ —
Interest cost	21,533,911	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	5,710,249	17.6 years	43,686,530	(33,227,163)
Effect of assumptions changes or inputs	11,148,045	17.6 years	320,064,727	(570,834,744)
Administrative expenses	48,200	Current	—	—
Total	$ 52,986,720		$ 363,751,257	$ (604,061,907)

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, 2024. 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
2024	$ 224,322,802	$ (50,151,014)	$ 16,858,294
2025	21,172,622	(34,186,985)	16,384,965
2026	(210,903,780)	(28,118,162)	13,706,390
2027	910,448,436	(33,024,790)	4,228,820
2028	35,696,520	(41,166,256)	2,048,139
Thereafter	—	(17,038,134)	(293,537,258)
Total	$ 980,736,600	$ (203,685,341)	$ (240,310,650)

Payables to the Pension Plans

The State reported payables of 100.0 million to the FRS Pension Plan, and 3.5 million to the HIS Program as of June 30, 2023, 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 full-time student.

State University System Optional Retirement Program (SUSORP)

Section 121.35, F.S., created the SUSORP for eligible State University System faculty, administrators, and administrative and professional staff. The Florida Legislature establishes and amends the 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 2022, through June 2023. In accordance with Section 121.35, F.S., 0.01% of the employer contribution rate was used for the administration of the SUSORP program and 5.14% was distributed to the provider companies designated by the participant. SUSORP members are not eligible to receive HIS Payments from the HIS Trust Fund. There is a HIS component included in the employer's contribution deposited in the members' accounts. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. A participant may contribute by salary reduction an additional 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 2022-23 was 4.23%.

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 FRS. 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 2022 through June 2023. The employers' contributions were paid to the provider companies designated by the participant. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. A participant may contribute by salary reduction or deduction an additional 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 2022-23 was 22.15%.

Pension Amounts for Defined Contribution Plans

As of June 30, 2023, the State reported the following pension amounts related to the defined contribution plans:

Reporting Period Ended June 30, 2023	FRS Investment Plan	Optional Retirement Plan	Optional Annuity Program
Pension Expense[1,2]	$ 107,317,523	$ 3,184,000	$ 53,915
Forfeitures	5,798,120	—	—
Pension Liability	9,322,004	14,493	—

[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 another 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, 2022, there were 183,991 employees covered by the OPEB Plan, as shown in the following table:

Active members	127,265
No coverage active members	22,773
Retired and inactive members	33,953
Total employees	183,991

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, 2023, the State reported a total OPEB liability of $7,843,255,855 of which the State (primary government) and its component units reported $5,455,077,227 and $2,388,178,628, respectively, for its proportionate share of the total OPEB liability measured as of June 30, 2022. The table below presents the State and its component units proportion change since the prior measurement date:

	State	Component Units
Proportion at prior measurement date, June 30, 2021	69.275951409651 %	30.724048590349 %
Proportion at measurement date, June 30, 2022	69.551182925169 %	30.448817074831 %
Increase / (Decrease) in proportion	0.275231515518 %	(0.275231515518)%

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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, 2022
Measurement date	June 30, 2022
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	4.09%
Healthcare cost trend rates	10.31% for PPO and 7.53% for HMO for 2022, decreasing to 8.10% and decreasing to 6.44%, respectively, by 2024, then decreasing to 4.04% for PPO and HMO by 2075 and holding going forward.
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees
Medical aging factors	4% per year prior to age 65 3% per year between ages 65 and 75 2% per year between ages 75 and 85 0% per year thereafter
Marital status	80% assumed married, with male spouses 3 years older than female spouses
Health care participation (HMO)	43% 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)	43% 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 4.09% was based on a 20-year S&P Municipal Bond Index as of the measurement date. The discount rate changed from 2.18% for the opening balance as of June 30, 2021 to 4.09% as of June 30, 2022 actually resulting in an overall increase in total OPEB liability.

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

All demographic assumptions remain consistent with those used for the Florida Retirement System July 1, 2021 Actuarial Valuation with adjustments for demographic differences. The demographic assumptions were based on the 2019 Experience Study prepared by Milliman. These assumptions are reasonable for valuing the retiree health costs of the Program.

The healthcare trends used in this valuation are based on long term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. Medical trend rates consistent with the August 2022 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment were used in the June 30, 2022 Actuarial Valuation. The trend rates for the HMO self-insured and fully insured option were blended to create a single trend assumption for retirees electing HMO coverage. The first five trend rates were developed using the claims and administrative cost information from the August 2022 Report on the Financial Outlook of the Plan.

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

Changes in Total OPEB Liability (in thousands)

See chart below for details.

Changes in Total OPEB Liability	State	Component Units	Total
Reporting period ending June 30, 2022	$ 7,302,127	$ 3,238,509	$ 10,540,636
Changes for the year:			
Service cost	374,937	164,144	539,081
Interest	166,602	72,937	239,539
Changes of benefit terms	—	—	—
Differences between expected and actual experience	(363,244)	(159,025)	(522,269)
Changes of assumptions or other inputs	(1,926,088)	(843,222)	(2,769,310)
Benefit payments	(127,759)	(56,662)	(184,421)
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	28,503	(28,503)	—
Other changes	—	—	—
Net changes	(1,847,049)	(850,331)	(2,697,380)
Reporting period ending June 30, 2023	$ 5,455,078	$ 2,388,178	$ 7,843,256

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 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
State	$ 6,479,659	$ 5,455,078	$ 4,645,475
Component Units	2,877,111	2,388,178	2,006,753
Total	$ 9,356,770	$ 7,843,256	$ 6,652,228

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	$ 4,566,557	$ 5,455,078	$ 6,613,066
Component Units	1,965,994	2,388,178	2,947,575
Total	$ 6,532,551	$ 7,843,256	$ 9,560,641

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

For the fiscal year ended June 30, 2023, the State of Florida recognized OPEB expense of $203,152,000 and $88,938,000 for primary governments and the component units respectively. At June 30, 2023, the State of Florida reported deferred outflows of resources and deferred inflows of resources related to OPEB for state primary governments and component units from the following sources (expressed in thousands):

	State		Component Units	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ —	$ (596,609)	$ —	$ (261,189)
Changes of assumptions or other inputs	630,773	(3,564,217)	276,146	(1,560,379)
Changes of proportionate shares and difference between the actual benefit payments and expected benefit payments	39,199	(402,713)	402,713	(39,199)
Transactions subsequent to the measurement date	140,471	—	61,483	—
Total	$ 810,443	$ (4,563,539)	$ 740,342	$ (1,860,767)

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, 2024. 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
2024	$ (840,398)	$ (233,997)	$ (1,074,395)
2025	(840,394)	(234,001)	(1,074,395)
2026	(685,837)	(170,263)	(856,100)
2027	(605,499)	(134,177)	(739,676)
2028	(320,298)	(139,433)	(459,731)
Thereafter	(601,139)	(270,040)	(871,179)
Total	$ (3,893,565)	$ (1,181,911)	$ (5,075,476)

NOTE 9 - COMMITMENTS AND CONDUIT DEBT OBLIGATIONS

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, 2023, the Department had available approximately $17.4 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, 2023, totaled $1.5 billion. Refer to Note 7 for additional disclosures relating to construction in progress. Construction commitments for component units totaled $6.1 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 $891,349,509 for the fiscal year ended June 30, 2023. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2023:

Series	Amount
2021	$ 50,980,000
2021 (Intermodal)	66,890,000
Total	$ 117,870,000

C. Conduit Debt Obligations

In December 2014, Space Florida entered into a multi-phase agreement with a company, facilitating financing for the sale and leaseback of personal and real property, with a maximum value of $250,000,000. As of September 30, 2022, the outstanding balance for Space Florida-assisted financing stood at $196,737,722. The repayment mechanism involves the utilization of proceeds generated from the lease of the personal property, and the loan is secured by the lease. Similarly, in September 2020, Space Florida entered into an agreement with an Orlando company to provide financing for the leasing of personal property, with a cap of $75,000,000. As of September 30, 2022, the remaining payments under the lease agreement amounted to $77,333,770. The debt will be repaid through fees charged by the lessee for equipment usage and is secured by the personal property involved. In March 2022, Space Florida entered into agreements with a company, referred to as the "Guarantor", to provide conduit debt for up to $70,000,000 related to the construction and leaseback of property to the Guarantor. The repayment plan involves the assignment of fees charged to the Guarantor for equipment usage, and the debt is secured by the personal property of the Guarantor. The conduit debt proceeds are earmarked for the construction of the property, with Space Florida managing the construction project. As of September 30, 2022, Space Florida held $4,209,720 in cash from the conduit debt to cover construction costs. The conduit debt transactions discussed above are limited obligation debts of Space Florida and are payable solely from the pledged revenues described in the respective debt agreements. Neither the faith nor credit, nor the taxing power of Space Florida, the State of Florida nor any subdivision thereof is pledged for the payment of the debts.

Florida Housing Finance Corporation (FHFC), a discretely presented component unit, issues bonds that provide financing for the acquisition, construction and rehabilitation for multifamily housing for low-income renters as conduit debt and, as such, both principal and interest are payable solely from the assets and income of the various programs which are pledged under the bond resolutions authorizing the specific issues. These issues do not constitute an obligation, either general or special, of FHFC, the State of Florida or any local government therein. Neither the faith, credit and revenues nor the taxing power of the State of Florida or any local government therein may be pledged to the payment of the principal or interest on the obligations. Properties financed from the bond issues are pledged as collateral, and the bonds are payable solely from payments on the underlying mortgage or promissory notes. Conduit debt and related assets reported for FHFC include $1.3 and $1.9 billion, respectively.

Florida Department of Transportation (FDOT) entered into an agreement with the U.S. Department of Transportation, which issued two loans pertaining to the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA). The initial loan, amounting to $170 million, was formalized on April 1, 2005, while the second loan, involving an amendment to the

original agreement and totaling $100 million, was finalized on August 1, 2007. The purpose of the loans was to assist Miami-Dade County with the Miami Intermodal Center. This project included land acquisition, environmental remediation, a rental car facility, a people mover system connecting buildings at the Miami International Airport, and other costs. FDOT has limited commitment for the debt service. The TIFIA loan agreement stipulates that the loan is secured by customer facility charges imposed by Miami-Dade County on rental car customers of participating rental car companies and by contingent rent, which takes the form of an annual assessment imposed by the County in accordance with the Security Agreement. The aggregate amount of such no-commitment debt obligation outstanding at June 30, 2023, is $147,338,236.

The Department of Children and Families (DCF) possesses two certificates of participation, with the total outstanding debt obligation reaching $31,400,000 as of June 30, 2023.

D. Encumbrances

As of June 30, 2023, 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:	$ 459,255	$ 53,092	$ 684,064	$ 103,044	$ 57,240	$ 500,252	$ 1,856,947

NOTE 10 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

A. Bonds Payable

1. Outstanding Bonds

Bonds payable at June 30, 2023, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	$ 2,181,355	$ 1,768,915	2.000-5.000%	2050
DOT Financing Corporation Bonds	418,560	348,790	3.000-5.000%	2037
Federal Highway Reimbursement Bonds	242,110	191,395	5.000-5.000%	2032
SBE Capital Outlay Bonds	89,450	42,240	3.000-5.000%	2030
Lottery Education Bonds	999,855	416,530	3.000-5.000%	2032
Public Education Bonds	6,660,615	4,801,225	0.390-5.000%	2048
State University System Bonds	119,845	55,105	3.000-5.000%	2033
University Auxiliary Bonds	1,038,445	863,437	1.540-7.000%	2053
Inland Protection Bonds	24,820	5,795	5.000-5.000%	2024
Florida Forever Bonds	648,435	285,975	2.000-5.000%	2029
Water Pollution Control Bonds	214,220	137,140	2.100-2.600%	2030
Florida Facilities Pool Bonds	190,835	118,130	3.000-5.000%	2038
Seaport Investment Bonds	98,980	98,980	4.000-5.000%	2043
Everglades Restoration Bonds	176,600	105,300	3.000-5.000%	2035
	13,104,125	9,238,957		
Unamortized premiums (discounts) on bonds payable	—	750,561		
Total Bonds Payable	$ 13,104,125	$ 9,989,518		
Business-type Activities:				
Toll Facilities Bonds	$ 5,573,985	$ 3,207,295	1.750-5.500%	2052
Florida Hurricane Catastrophe Fund Bonds	3,500,000	3,500,000	1.258-2.154%	2031
	9,073,985	6,707,295		
Unamortized premiums (discounts) on bonds payable	—	211,808		
Total Bonds Payable	$ 9,073,985	$ 6,919,103		

2. Types of Bonds

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

Public Education Capital Outlay Bonds are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools, and state universities. The bonds, serial and term, are secured by a pledge of the state's gross receipts tax revenues and by a pledge of the full faith and credit of the state.

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

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

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

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

Everglades Restoration Bonds are revenue bonds issued to finance the costs of acquisition and improvement of lands, water areas, and related property interests and resources for the purpose of implementing the Comprehensive Everglades Restoration Plan and to fund the Florida Keys Area of Critical State Concern protection program. The bonds mature serially and are secured by a pledge of documentary stamp tax revenues.

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

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

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

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

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

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

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

Florida Water Pollution Control Bonds are issued by the Florida Water Pollution Control Financing Corporation (a blended component unit) to fund loans to local governments to finance or refinance the cost of wastewater treatment and storm water management projects. The bonds, serial and term, are secured by a pledge of the loan payments from local governments.

Florida Hurricane Catastrophe Fund Bonds are issued by the State Board of Administration Finance Corporation. Post-event bonds are issued to maximize the Florida Hurricane Catastrophe Fund's (FHCF) ability to make payments to participating insurers for losses resulting from covered events (hurricanes) if the FHCF's cash balance is insufficient. The bonds mature serially and are primarily secured by emergency assessments. Pre-event bonds are also issued to provide the FHCF with a source of liquidity in order to timely reimburse participating insurers for losses relating to future covered events and are secured primarily by reimbursement premiums and investment earnings on any unspent proceeds.

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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.

				Debt Service						
Bond Type	Revenue[2]	Less Operating Expenses	Net Available for Debt Service	Principal	Interest	Total Debt Service	Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio[3]
Florida Turnpike (Toll Facility)	$ 1,179,419	$ 262,164	$ 917,255	$ 143,840	$ 129,704	$ 273,544	3.35	2052	$ 4,541,850	77.77 %
Florida Forever/Everglades[1]	3,864,772	—	3,864,772	100,930	23,048	123,978	31.17	2035	450,487	100.00 %
Lottery Education[1]	2,454,000	—	2,454,000	108,190	26,006	134,196	18.29	2032	478,586	100.00 %
Alligator Alley (Toll Facility)	37,038	13,882	23,156	2,190	605	2,795	8.29	2027	11,173	62.52 %
Sunshine Skyway (Toll Facility)	27,987	10,462	17,525	3,335	3,538	6,873	2.55	2038	103,077	62.62 %
Florida Hurricane Catastrophe[4]	1,420,306	22,227	1,398,079	—	—	—	N/A	2030	3,788,125	98.44 %
State University System Bonds[1]	58,766	—	58,766	9,435	2,604	12,039	4.88	2033	65,122	100.00 %
University Auxiliary Bonds										
Parking System Revenue Bonds										
Florida International University	14,162	6,245	7,917	1,535	2,058	3,593	2.20	2043	62,031	55.90 %
University of South Florida	13,119	8,240	4,879	2,780	155	2,935	1.66	2026	4,414	37.19 %
University of Florida	14,653	6,879	7,774	2,100	1,469	3,569	2.18	2039	41,455	53.05 %
University of Central Florida[5]	23,240	5,556	17,684	1,855	479	2,334	7.58	2032	10,961	76.09 %
Florida State University	12,762	3,608	9,154	3,000	658	3,658	2.50	2031	12,027	71.73 %
Housing System Revenue Bonds										
Florida International University	33,510	16,439	17,071	5,610	4,844	10,454	1.63	2050	179,722	50.94 %
University of Florida[6]	56,547	38,777	17,770	4,750	1,830	6,580	2.70	2051	361,775	31.43 %
Florida Atlantic University	17,606	7,684	9,922	2,580	1,731	4,311	2.30	2036	43,550	56.36 %
University of Central Florida	29,948	18,733	11,215	3,980	2,425	6,405	1.75	2042	69,047	37.45 %
Florida State University	53,394	22,926	30,468	9,075	5,564	14,639	2.08	2040	148,369	57.06 %
Florida Polytechnic University[7]	—	—	—	—	—	—	N/A	2052	141,584	N/A
Student Health and Wellness Center Revenue Bonds										
Florida State University[1]	15,080	—	15,080	1,180	563	1,743	8.65	2030	12,195	100.00 %
University of North Florida[1]	4,388	—	4,388	590	407	997	4.40	2033	9,955	100.00 %
Student Services Center Revenue Bonds									—	
University of Florida[1]	30,646	—	30,646	1,985	1,235	3,220	9.52	2033	28,868	100.00 %
Facility Fee Revenue Bonds									—	
Florida State University[1]	4,037	—	4,037	1,360	1,584	2,944	1.37	2042	65,411	100.00 %
DOT Financing Corporation[1]	5,005,300	—	5,005,300	24,060	14,941	39,001	128.34	2037	455,621	100.00 %
GARVEE[1]	2,171,966	—	2,171,966	17,760	10,458	28,218	76.97	2032	239,737	100.00 %
Water Pollution Control Bonds[1,8]	73,930	—	73,930	25,450	3,703	29,153	2.54	2030	148,763	100.00 %
Inland Protection Bonds[1]	256,803	—	256,803	5,520	566	6,086	42.20	2024	6,085	100.00 %
Seaport Investment Program[1]	200,000	—	200,000	3,170	5,243	8,413	23.77	2,043	154,685	100.00 %

[1]Operating Expenses are not listed for various programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

[2]Refer to Note 10.A.2. for information on the sources of pledged revenues. University Auxiliary Bond revenues exclude CARES funds received by universities.

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

[4]Florida Hurricane Catastrophe Bonds debt service is reduced by interest earnings on bond proceeds and bond proceeds used to repay principal. Interest earnings were greater than debt service in FY 2023, resulting in no debt service.

[5]All outstanding University of Central Florida Parking Bonds were defeased as of July 7, 2023, when sufficient funds were deposited with the escrow agent, in trust, and invested in allowable defeasance obligations for the purpose of paying all payments due on such bonds through their maturity or redemption dates.

[6]Interest payment excludes $7.1 million of interest paid from proceeds of the 2021A Bonds.

[7]Florida Polytechnic Housing System had no revenues but did incur startup expenses in Fiscal Year 2022-23 because Residence Hall II was acquired in June 2023. The interest payment on the 2023A Bonds made on July 1, 2023, was paid from proceeds of the 2023A Bonds.

[8]All outstanding Water Pollution Control Bonds were defeased as of July 17, 2023, when sufficient funds were deposted with the escrow agent, in trust, and invested in allowable defeasance obligations for the purpose of paying all payments due on such bonds through their maturity dates.

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 2022-23, the ratio remained below 6%.

5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2023, are as follows (in thousands):

Year Ending June 30	Primary Government[1] Governmental Activities General Principal	General Interest	Direct Borrowings and Direct Placements Principal	Direct Borrowings and Direct Placements Interest	Total
2024	$ 935,715	$ 381,714	$ 2,591	$ 257	$ 1,320,277
2025	886,270	342,657	2,659	201	1,231,787
2026	752,235	305,042	1,905	144	1,059,326
2027	708,725	269,138	1,938	114	979,915
2028	647,390	235,792	1,968	85	885,235
2029-2033	2,620,510	784,071	4,021	78	3,408,680
2034-2038	1,636,525	325,643	—	—	1,962,168
2039-2043	563,830	128,453	—	—	692,283
2044-2048	383,565	51,214	—	—	434,779
2049-2053	89,110	6,174	—	—	95,284
Bonds payable and interest	9,223,875	2,829,898	15,082	879	12,069,734
Unamortized premiums (discounts)	750,561	—	—	—	750,561
Total bonds payable and interest	$ 9,974,436	$2,829,898	$ 15,082	$ 879	$ 12,820,295

Year Ending June 30	Primary Government[1] Business-type Activities Bonds Principal	Bonds Interest	Total
2024	$ 152,970	$ 189,576	$ 342,546
2025	160,120	181,927	342,047
2026	1,399,310	166,059	1,565,369
2027	157,055	151,228	308,283
2028	1,135,265	135,619	1,270,884
2029-2033	1,971,675	470,529	2,442,204
2034-2038	687,580	248,639	936,219
2039-2043	488,920	141,553	630,473
2044-2048	378,130	68,072	446,202
2049-2053	176,270	13,579	189,849
Bonds payable and interest	6,707,295	1,766,781	8,474,076
Unamortized premiums (discounts)	211,808	—	211,808
Total bonds payable and interest	$ 6,919,103	$1,766,781	$ 8,685,884

[1] See Note 10.A.1. for a breakdown of outstanding Primary Government debt by program.

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Year Ending June 30	Component Units[1] General Principal	General Interest	Direct Borrowings and Direct Placements Principal	Direct Borrowings and Direct Placements Interest	Total
2024	$ 126,413	$ 111,596	$ 34,689	$ 33,274	$ 305,972
2025	361,730	110,625	34,288	32,090	538,733
2026	88,507	107,337	37,056	30,928	263,828
2027	137,274	102,638	38,306	29,643	307,861
2028	84,697	98,323	40,417	28,300	251,737
2029-2033	461,414	441,781	278,543	116,921	1,298,659
2034-2038	546,552	344,042	153,675	73,692	1,117,961
2039-2043	610,660	246,753	87,336	43,200	987,949
2044-2048	524,723	120,235	83,635	28,687	757,280
2049-2053	358,449	27,827	83,138	7,835	477,249
2054-2058	19,670	244	—	—	19,914
Bonds payable and interest	3,320,089	1,711,401	871,083	424,570	6,327,143
Unamortized premiums (discounts)	177,406	—	—	—	177,406
Total bonds payable and interest	$ 3,497,495	$ 1,711,401	$ 871,083	$ 424,570	$ 6,504,549

[1] Includes Citizens Property Insurance Corporation, Florida Housing Financing Corporation, Water Management Districts, Florida College System Institutions, and certain Non-major Component Unit annual debt service requirements. See Note 1.A for more information regarding component units.

State University annual debt service requirements to amortize university capital improvement debt payable to the State at June 30, 2023 are presented discretely in the following table. University capital improvement debt payable to the State represents the component unit liability to the State for University Auxiliary Bonds listed in Note 10.A.1.

Annual debt service requirements for university capital improvement debt payable at June 30, 2023, are as follows (in thousands):

Year Ending June 30	Universities General Principal	General Interest	Direct Borrowings and Direct Placements Principal	Direct Borrowings and Direct Placements Interest	Total
2024	$ 36,943	$ 19,531	$ 9,716	$ 11,539	$ 77,729
2025	36,803	17,882	14,819	11,070	80,574
2026	35,829	16,252	15,490	10,391	77,962
2027	47,380	17,721	16,208	9,679	90,988
2028	41,190	13,182	16,923	8,964	80,259
2029-2033	143,646	41,980	69,116	34,716	289,458
2034-2038	84,112	19,328	46,985	22,671	173,096
2039-2043	58,151	8,084	45,965	15,094	127,294
2044-2048	18,382	2,684	49,800	9,111	79,977
2049-2053	8,084	340	33,325	2,019	43,768
Total capital improvement debt payable and interest	510,520	156,984	318,347	135,254	1,121,105
Unamortized premiums (discounts)	14,352	—	37,655	—	52,007
Total capital improvement debt payable and interest	$ 524,872	$ 156,984	$ 356,002	$ 135,254	$ 1,173,112

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2023, the state took advantage of favorable conditions and issued bonds for the purpose of refunding previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings were used to immediately call the refunded bonds or were deposited into irrevocable trusts and invested in direct obligations of the Federal government or in Special Purpose Investment Accounts with the State Treasury and used to call the refunded bonds within 90 days of the issuance date of the refunding bonds. The proceeds of the advance refundings are deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due.

Bonds legally defeased through the consummation of refunding transactions are not included in Florida's outstanding debt. Irrevocable escrow accounts held by the State Board of Administration to service the refunded bonds are reported as agency funds. The following refundings occurred during the fiscal year.

Advance Refundings

Governmental Activities

None.

Business-type Activities

None.

Current Refundings

Governmental Activities

State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series 2022A in the amount of $25,605,000 were used to refund $28,925,000 of the State of Florida, Department of Environmental Protection Everglades Restoration Revenue Bonds, Series 2013A maturing in the years 2023 through 2032. The refunding resulted in debt savings of $1,859,025, an economic gain of $1,615,312, and a deferred gain on refunding of $275,837.

State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series 2023A in the amount of $24,395,000, along with additional funds of $314,673, were used to refund $27,885,000 of the State of Florida, Board of Governors, Florida State University Dormitory Revenue Bonds, Series 2013A maturing in the years 2024 through 2033. The refunding resulted in debt savings of $3,619,286 an economic gain of $3,154,685, and a deferred gain on refunding of $135,176.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2023 Series A in the amount of $168,330,000, along with additional funds of $2,081,388, were used to refund $196,935,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2013 Series C maturing in the years 2024 through 2034. The refunding resulted in debt savings of $25,452,821, an economic gain of $22,167,110, and a deferred gain on refunding of $6,463,331.

State of Florida, Department of Transportation Seaport Investment Program Revenue Refunding Bonds, Series 2023 in the amount of $98,980,000, along with additional funds of $1,313,388, were used to refund $108,295,000 of the State of Florida, Department of Transportation Seaport Investment Program Revenue Bonds, Series 2013 maturing in the years 2024 through 2038, 2041, and 2043. The refunding resulted in debt savings of $17,133,853, an economic gain of $11,918,007, and a deferred gain on refunding of $4,006,970.

State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2023A in the amount of $24,835,000, along with additional funds of $378,775, were used to refund $26,885,000 of the State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2013A maturing in the years 2024 through 2031, 2033, 2035, 2038, and 2043. The refunding resulted in debt savings of $4,711,130 an economic gain of $3,299,505, and a deferred loss on refunding of $285,929.

State of Florida, Board of Governors, University of Florida Student Activity Revenue Refunding Bonds, Series 2023A in the amount of $22,290,000, along with additional funds of $383,615, were used to refund $25,690,000 of the State of Florida, Board of Governors, University of Florida Student Activity Revenue Bonds, Series 2013 maturing in the years 2024 through 2033. The refunding resulted in debt savings of $3,470,020 an economic gain of $3,063,763, and a deferred gain on refunding of $61,906.

State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series 2023A in the amount of $10,555,000, along with additional funds of $224,131, were used to refund $11,975,000 of the State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2013A maturing in the years 2024 through 2031 and 2033. The refunding resulted in debt savings of $985,565 an economic gain of $849,022, and a deferred gain on refunding of $5,986.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2023A in the amount of $174,685,000, along with additional funds of $18,347,941, were used to refund $38,445,000 of the State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2013A maturing in the years 2024 and 2025 and $167,225,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2013C maturing in the years 2024 through 2043. The refunding resulted in debt savings of $24,568,678 an economic gain of $15,018,522, and a deferred loss on refunding of $1,749,318.

Cash In-substance Defeasance

Governmental Activities

The State of Florida, Department of Environmental Protection Florida Forever Revenue Refunding Bonds, Series 2012A in the amount of $19,205,000 maturing in the year 2023 were in-substance defeased on July 11, 2022, when a cash deposit of $19,314,362 was made to the Sinking Fund. These funds were subsequently held uninvested in cash until used to redeem the Series 2012A Bonds on August 12, 2022.

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. The state did not have debt considered defeased at June 30, 2023.

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, 2023, in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

Governmental Activities	Interest
Education:	
SBE Capital Outlay Bonds	$ 1,132
Lottery Education Bonds	11,395
Public Education Bonds	123,560
State University System Bonds	1,885
University Auxiliary Bonds	24,300
Total Education	162,272
Natural Resources and Environment:	
Inland Protection Bonds	155
Everglades Restoration Bonds	3,393
Water Pollution Control Bonds	3,327
Florida Forever Bonds	8,489
Total Natural Resources and Environment	15,364
Transportation:	
Road and Bridge Bonds (Right of Way)	46,646
Seaport Investment Bonds	4,865
FDOT Financing Corporation Bonds	7,190
DOT Federal Highway Reimbursement Bonds	2,455
Total Transportation	61,156
Total Direct Interest	$ 238,792

B. Certificates of Participation

1. Primary Government

The state has issued certificates of participation in an original amount of $527,180,000. The certificates of participation were issued by the Florida Correctional Finance Corporation, the South Florida Evaluation Treatment Center Financing Corporation, and the Florida Civil Commitment Center Financing Corporation. The certificates of participation's interest rates range from 2.000% - 5.000% and the last maturity date is November 1, 2040. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2023 (in thousands):

Year Ending June 30	General Principal	General Interest	Total
2024	$ 42,315	$ 15,470	$ 57,785
2025	44,430	13,302	57,732
2026	46,665	11,024	57,689
2027	34,710	8,990	43,700
2028	36,420	7,212	43,632
2029-2033	86,630	16,571	103,201
2034-2038	40,175	5,975	46,150
2039-2043	26,880	814	27,694
Total	358,225	79,358	437,583
Unamortized premiums (discounts)	42,012	—	42,012
Total certificates of participation payable	$ 400,237	$ 79,358	$ 479,595

2. Component Units

Component units (South Florida Water Management District Leasing Corporation, USF Financing Corporation, The FAU Financing Corporation, and New College of Florida Development Corporation) have issued certificates of participation (original amount of $695,005,000) primarily to finance academic and student facilities, and construction projects for Everglades restoration. The certificates of participation's interest rates range from 2 to 5.25% and the last maturity date is October 31, 2052. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2023 (in thousands):

Year Ending	General		Direct Borrowings and Direct Placements		
June 30	Principal	Interest	Principal	Interest	Total
2023	$ 25,162	$ 21,029	$ 6,065	$ 4,542	$ 56,798
2025	21,996	19,975	6,255	4,276	52,502
2026	23,581	20,326	6,470	4,001	54,378
2027	24,754	19,131	6,700	3,717	54,302
2028	26,006	17,876	6,945	3,422	54,249
2029-2033	171,529	74,590	38,420	12,458	296,997
2034-2038	140,398	23,769	41,300	4,027	209,494
2039-2043	14,825	7,580	—	—	22,405
2044-2048	14,660	4,311	—	—	18,971
2049-2053	10,255	1,188	—	—	11,443
Total	473,166	209,775	112,155	36,443	831,539
Unamortized premiums (discounts)	35,779	—	—	—	35,779
Total certificates of participation payable	$ 508,945	$ 209,775	$ 112,155	$ 36,443	$ 867,318

NOTE 11 - INSTALLMENT PURCHASES

Installment Purchases

The state has a number of installment purchase contracts primarily providing for the acquisition of buildings, furniture, and equipment. As of June 30, 2023, 100% of the state's installment purchase contracts for primary governmental activities were 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 as of June 30, 2023 (in thousands):

	Primary Government			
	Governmental Activities		Business-type Activities	
Year Ending June 30	General	Direct Borrowings and Placements	General	Totals
2024	$ 13,173	$ 1,860	$ 1,149	$ 16,182
2025	632,968	1,860	322	635,150
2026	2,869	1,860	—	4,729
2027	2,150	643	—	2,793
2028	2,321	—	—	2,321
2029-2033	6,438	—	—	6,438
2034-2038	2,575	—	—	2,575
Total	662,494	6,223	1,471	670,188
Less: Interest	(3,391)	(1,548)	(27)	(4,966)
Present value of future minimum payments	$ 659,103	$ 4,675	$ 1,444	$ 665,222

	Component Units		
Year Ending June 30	General	Direct Borrowings and Placements	Totals
2024	$ 4,351	$ 1,934	$ 6,285
2025	4,716	2,343	7,059
2026	4,282	2,260	6,542
2027	4,254	2,156	6,410
2028	6,987	2,105	9,092
2029-2033	12,853	10,523	23,376
2034-2038	2,164	10,523	12,687
2039-2043	—	7,369	7,369
Total	39,607	39,213	78,820
Less: Interest	(4,881)	(9,453)	(14,334)
Present value of future minimum payments	$ 34,726	$ 29,760	$ 64,486

NOTE 12 - PUBLIC-PRIVATE PARTNERSHIPS AND AVAILABILITY PAYMENT ARRANGEMENTS

A. Availability Payment Arrangements

Pursuant to Section 334.30, Florida Statutes, the Department of Transportation (Department) executed two 35-year, agreements in March and October of 2009 for the design, build, finance, operation and maintenance of the Interstate 595 Corridor and the PortMiami Tunnel, respectively. PortMiami payments consist of milestone payments during construction, a lump-sum final acceptance milestone payment after construction, and performance-based availability payments to be made during the 30-year operations and maintenance period. Interstate 595 payments involve final acceptance payments after construction and performance-based availability payments to be made during the 30-year operations and maintenance period. The Department executed a 40-year agreement in September 2014 for the design, build, finance, operation, and maintenance of 21 miles of the Interstate 4 Corridor in Seminole and Orange Counties. I-4 payments consist of a combination of periodic payments, final acceptance payment, and performance-based availability payments to be made during the operations and maintenance period. The payment schedule below includes the amounts for payments for the Interstate 595 Corridor, the PortMiami Tunnel, and the Interstate 4 Corridor. The annual availability payments for Interstate 595 Corridor and the PortMiami Tunnel are performance-based and are subject to change based on a fixed percentage as defined in their respective contracts and on the Consumer Price Index, which could impact the payment schedule. In October 2015, the Department executed a supplemental agreement with the I-595 concessionaire reflecting overall cost reductions for this project as a result of the concessionaire's debt refinancing. The annual availability payments for the Interstate 4 Corridor are performance-based with a portion of the payment that is level and another portion that is indexed based on the Consumer Price Index, which could impact the payment schedule. The lanes were open to traffic on Interstate 595 and PortMiami Tunnel in March and August 2014, respectively. On I-4, the general use lanes were open to traffic in December 2020, and the express lanes were open to traffic in February 2022.

The following is a schedule of future maximum payments for the primary government as of June 30, 2023 (in thousands):

	Primary Government		
Year Ending June 30	Governmental Activities	Business-type Activities	Totals
2024	$ 142,058	$ 25,947	$ 168,005
2025	142,323	25,991	168,314
2026	144,495	26,200	170,695
2027	146,664	26,747	173,411
2028	149,060	27,227	176,287
2029-2033	786,268	144,702	930,970
2034-2038	849,390	160,923	1,010,313
2039-2043	933,939	179,055	1,112,994
2044-2048	352,394	49,995	402,389
2049-2053	236,072	34,684	270,756
2054-2058	71,621	10,523	82,144
Total	3,954,284	711,994	4,666,278
Less: Interest	(1,741,744)	(358,202)	(2,099,946)
Present value of future maximum payments	$ 2,212,540	$ 353,792	$ 2,566,332

The Florida Department of Management Services (FDMS) entered an availability payment arrangement during the 2016 – 2017 fiscal year for servicing Healthcare Flexible Spending Accounts (HFSAs) and Health Savings Accounts (HSAs). The contract is a fixed fee contract with additional fees incurred based upon the total number of HFSAs and HSAs above an established threshold. The contract was renewed in August of 2021, and at the beginning of the 2022 - 2023 fiscal year had an estimated total payout of $137 million remaining over five years.

B. Service Concession Agreements

The University of South Florida (University) entered into a service concession agreement for a total $138 million during the 2016-2017 fiscal year, to construct, operate, and collect payments for student housing and retail facilities. The Tenant is entitled to all revenues and other income received from the lease of the housing facilities. The University is paid base rent annually as a distribution of the net operating surplus. Additionally, the University pays the Tenant a fee of $300,000 per year for use of the dining facility. Service concession arrangement deferred inflows remaining as of June 30, 2023, were $106 million. The dining facility fee liability remaining at year-end is $4.6 million, of which $27,922 is the current portion. The liability was determined using an annual discount of 6 percent.

C. Public-Private Partnerships

The State of Florida does not have any Public-Private Partnerships to report for the 2022 – 2023 fiscal year.

NOTE 13 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2023, are as follows (in thousands):

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Governmental Activities						
Bonds payable:						
Road and Bridge Bonds	$ 1,871,575	$ —	$ 102,660	$ 1,768,915	$ 104,885	$ 1,664,030
FL DOT Financing Corporation	273,895	98,955	24,060	348,790	23,005	325,785
Federal Reimbursements Bonds	209,155	—	17,760	191,395	18,645	172,750
SBE Capital Outlay Bonds	54,650	—	12,410	42,240	9,230	33,010
Lottery Education Bonds	524,720	—	108,190	416,530	98,995	317,535
Public Education Bonds	5,401,630	168,330	768,735	4,801,225	498,965	4,302,260
State University System Bonds	64,540	—	9,435	55,105	6,850	48,255
University Auxiliary Bonds	781,040	202,770	135,455	848,355	40,855	807,500
Inland Protection Bonds	11,315	—	5,520	5,795	5,795	—
Florida Forever Bonds	370,090	—	84,115	285,975	68,140	217,835
Water Pollution Control Bonds	162,590	—	25,450	137,140	24,710	112,430
Florida Facilities Pool Bonds	132,390	—	14,260	118,130	15,005	103,125
Seaport Investment Bonds	111,465	98,980	111,465	98,980	3,000	95,980
Everglades Restoration Bonds	125,435	25,605	45,740	105,300	17,635	87,665
Bonds from direct borrowings and direct placements[1]	17,607	—	2,525	15,082	2,591	12,491
	10,112,097	594,640	1,467,780	9,238,957	938,306	8,300,651
Unamortized bond premiums (discounts)	870,602	71,192	191,233	750,561	—	750,561
Total bonds payable	10,982,699	665,832	1,659,013	9,989,518	938,306	9,051,212
Certificates of participation payable	447,338	—	47,101	400,237	42,315	357,922
Deposits	305,043	3,002,776	638,821	2,668,998	2,668,884	114
Compensated absences	784,894	496,757	378,210	903,441	222,526	680,915
Claims payable	3,661,207	1,657,190	830,836	4,487,561	3,340,517	1,147,044
Installment purchases	23,003	642,353	6,253	659,103	12,536	646,567
Availability Payment arrangement agreements	2,313,535	—	100,995	2,212,540	37,928	2,174,612
Advances - Due to Unclaimed Prop. TF	1,155,877	241,470	—	1,397,347	—	1,397,347
Due to other governments	339,984	7,503	25,005	322,482	—	322,482
Subscription liabilities	—	314,557	—	314,557	50,436	264,121
Lease liabilities	1,287,792	131,782	726,586	692,988	119,755	573,233
Other postemployment benefits	7,085,962	9,236	1,802,846	5,292,352	133,021	5,159,331
Pension liability	3,433,450	4,497,059	293,558	7,636,951	19,399	7,617,552
Other liabilities	22,257	1,245	794	22,708	421	22,287
Notes from Direct Borrowings and Direct Placements - Excludes Bonds[2]	5,502	228	1,055	4,675	1,415	3,260
Total Governmental Activities	**$ 31,848,543**	**$ 11,667,988**	**$ 6,511,073**	**$ 37,005,458**	**$ 7,587,459**	**$ 29,417,999**

[1]Direct 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 include bond issuances from University Auxiliary Bonds.
[2]Direct borrowings and direct placements includes installment purchase contracts.

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, and installment purchase contracts. 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 availability payment arrangement agreements and due to other governments liabilities from annual appropriations. Refer to Note 12 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 8 for additional information on the pension liability and OPEB.

The Department of Management Services' outstanding $118.1 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 Department of Management Services' outstanding $326.8 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 $31.4 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 $95,695,059 as of June 30, 2023.

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Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2023, are as follows (in thousands):

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Business-type Activities						
Bonds payable:						
Toll Facility Bonds	$ 3,195,785	$ 366,545	$ 355,035	$ 3,207,295	$ 152,970	$ 3,054,325
Florida Hurricane Catastrophe Fund Bonds	3,500,000	—	—	3,500,000	—	3,500,000
	6,695,785	366,545	355,035	6,707,295	152,970	6,554,325
Unamortized bond premiums (discounts)	227,274	24,628	40,094	211,808	—	211,808
Total bonds payable	6,923,059	391,173	395,129	6,919,103	152,970	6,766,133
Accrued prize liability	491,674	85,263	11,848	565,089	356,212	208,877
Deposits	359,246	192,860	354,591	197,515	153,971	43,544
Compensated absences	27,065	4,060	202	30,923	7,420	23,503
Tuition and housing benefits payable	9,800,974	—	604,436	9,196,538	521,727	8,674,811
Installment purchases	4,435	95	3,086	1,444	1,122	322
Claims payable	1,512,861	10,000,000	2,543,261	8,969,600	8,969,600	—
Availability payment arrangement agreements[1]	368,151	—	14,359	353,792	5,126	348,666
Subscription liabilities	—	2,478	—	2,478	910	1,568
Lease liabilities	44,420	33,283	—	77,703	9,057	68,646
Other postemployment benefits	197,388	2,108	50,783	148,713	3,738	144,975
Pension liability	73,528	112,100	26,417	159,211	12	159,199
Other liabilities	10,362	—	10,362	—	—	—
Total Business-type Activities	**$ 19,813,163**	**$ 10,823,420**	**$ 4,014,474**	**$ 26,622,109**	**$ 10,181,865**	**$ 16,440,244**

[1]Availbility payment arrangements are included in the Installment purchases line of the Proprietary Funds Statements of Net Position.

As of June 30, 2023, Florida Hurricane Catastrophe Fund assets having a value of $3.48 billion were pledged as collateral for the Series 2020A Bonds. The market value of the pledged assets is less than par due to market volatility; however, this does not create an event of default. This debt contains a provision 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, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Component Units						
Bonds payable	$ 4,333,758	$ 107,127	$ 943,390	$ 3,497,495	$ 126,413	$ 3,371,082
Bonds from direct borrowings and direct placements[1]	1,121,761	816	251,494	871,083	34,688	836,395
Deposits	2,024,518	1,414,913	410,085	3,029,346	2,710,145	319,201
Compensated absences	816,724	54,896	7,110	864,510	110,843	753,667
Installment purchases	13,197	38,653	17,124	34,726	3,529	31,197
Subscription liabilities	—	148,118	—	148,118	27,637	120,481
Leases liabilities	610,020	177,432	—	787,452	85,037	702,415
Claims payable	1,628,974	101,260	14,351	1,715,883	43,839	1,672,044
Certificates of participation payable	500,406	340,982	332,443	508,945	25,162	483,783
Due to other governments/primary	885,266	93,603	95,998	882,871	46,660	836,211
Other postemployment benefits	3,404,226	802,066	1,662,338	2,543,954	61,525	2,482,429
Pension liability	1,794,758	2,980,706	463,260	4,312,204	18,085	4,294,119
Asset retirement obligations	10,203	494	—	10,697	—	10,697
Other liabilities	687,635	264,911	5,170	947,376	698,341	249,035
Notes from direct borrowings and direct placements - Excludes Bonds[1]	394,989	25,721	16,857	403,853	22,319	381,534
Total Component Units	**$ 18,226,435**	**$ 6,551,698**	**$ 4,219,620**	**$ 20,558,513**	**$ 4,014,223**	**$ 16,544,290**

[1]Direct borrowings and direct placements have been separately identified due to the implementation of GASB Statement No. 88.
[2]Leases are recorded separately in the Government-wide Statement of Net Position.

The University of Florida Shands Teaching Hospital and Clinic's outstanding $119.6 million direct placement bonds provide that the principal of all outstanding direct placement bonds may be accelerated upon an event of default.

The University of South Florida Finance Corporation's $247.6 million certificates of participation, including $92 million of direct placements, provide that the outstanding principal may be accelerated upon an event of default.

The University of Central Florida Foundation, Inc.'s outstanding $59.8 million long-term debt from direct placements are secured with collateral of capital assets used in operations and provide that in the event of default, all outstanding amounts may be accelerated.

The State's colleges and universities also have unused lines of credit of $73.9 million as of June 30, 2023.

NOTE 14 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2023, 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, 2023, consist of the following (in thousands):

	Due from Other Funds (in thousands)				
	Governmental Activities				
Due to Other Funds (in thousands)	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	$ —	$ 57,326	$ 393	$ 95,379	$ 12,489
Natural Resources, Environment, and Growth Management	11,553	—	—	253	15,204
Public Education	157	—	—	3,183	—
Health and Family Services	16,383	156	—	—	—
Transportation	10,349	2,052	—	68	—
Nonmajor Governmental Funds	82,070	5,802	19,678	5,553	168,051
Internal Service Funds	730	—	—	1	—
Business-type Activities					
Transportation	130	—		—	159,640
Lottery	67	—	119,410	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	131	—	—	—	—
Nonmajor Enterprise Funds	5,171	—	9	206	—
Fiduciary Funds					
Private-purpose Trust Funds	407	—	—	—	—
Pension and Other Employee Benefits Trust Funds	603	—	—	—	—
Custodial Funds	50,093	15	4,765	1,743	13,843
Investment Trust Funds	—	—	—	—	—
Total	**$ 177,844**	**$ 65,351**	**$ 144,255**	**$ 106,386**	**$ 369,227**

(Continued Below)

	Due from Other Funds (in thousands)	
	Governmental Activities	
Due to Other Funds (in thousands)	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	$ 161,013	$ 5,260
Natural Resources, Environment, and Growth Management	22	58,084
Public Education	661	133
Health and Family Services	31,500	5,259
Transportation	26,247	624
Nonmajor Governmental Funds	14,684	2,301
Internal Service Funds	4	205
Business-type Activities		
Transportation	—	—
Lottery	8	56
Hurricane Catastrophe Fund	—	—
Prepaid College Program	—	—
Reemployment Assistance	1,635	—
Nonmajor Enterprise Funds	642	440
Fiduciary Funds		
Private-purpose Trust Funds	—	2
Pension and Other Employee Benefits Trust Funds	—	2,844
Custodial Funds	1,731	—
Investment Trust Funds	—	—
Total	**$ 238,147**	**$ 75,208**

Due to Other Funds (in thousands)	Due from Other Funds (in thousands) Business-type Activities				
	Transportation	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities					
General Fund	$ —	$ —	$ —	$ 246	$ 1,565
Natural Resources, Environment, and Growth Management	—	—	—	3	—
Public Education	—	—	—	3	—
Health and Family Services	—	—	—	215	9
Transportation	118,715	—	—	13	—
Nonmajor Governmental Funds	—	46	—	52	22
Internal Service Funds	—	—	—	2	—
Business-type Activities					
Transportation	—	—	—	—	—
Lottery	—	—	—	3	4
Hurricane Catastrophe Fund	—	—	—	—	403
Prepaid College Program	—	—	—	—	70
Reemployment Assistance	—	—	—	—	—
Nonmajor Enterprise Funds	—	—	—	24	—
Fiduciary Funds					
Private-purpose Trust Funds	—	—	59	—	5
Pension and Other Employee Benefits Trust Funds	—	—	—	—	12,410
Custodial Funds	174,932	—	—	—	—
Investment Trust Funds	—	—	—	—	144
Total	**$ 293,647**	**$ 46**	**$ 59**	**$ 561**	**$ 14,632**

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands) Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Custodial Funds	**Total**
Governmental Activities				
General Fund	$ 443	$ 392	$ 259,779	**$ 594,285**
Natural Resources, Environment, and Growth Management	—	2	—	**85,121**
Public Education	22,485	—	—	**26,622**
Health and Family Services	—	—	230	**53,752**
Transportation	—	—	10,442	**168,510**
Nonmajor Governmental Funds	—	4	48	**298,311**
Internal Service Funds	—	—	29,031	**29,973**
Business-type Activities				
Transportation	—	—	18,435	**178,205**
Lottery	—	—	—	**119,548**
Hurricane Catastrophe Fund	—	—	—	**403**
Prepaid College Program	67,143	—	—	**67,213**
Reemployment Assistance	—	—	75	**1,841**
Nonmajor Enterprise Funds	—	—	—	**6,492**
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	**473**
Pension and Other Employee Benefits Trust Funds	—	124,782	—	**140,639**
Custodial Funds	—	—	—	**247,122**
Investment Trust Funds	—	—	—	**144**
Total	**$ 90,071**	**$ 125,180**	**$ 318,040**	**$ 2,018,654**

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands) Governmental Activities	
	General Fund	Transportation
Governmental Activities		
Public Education	$ —	$ —
Nonmajor Governmental Funds	925	584
Internal Service Funds	500	—
Business-type Activities		
Transportation	—	111,270
Total	**$ 1,425**	**$ 111,854**

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands) Business-type Activities
	Transportation
Governmental Activities	
Public Education	$ —
Transportation	25,000
Nonmajor Governmental Funds	—
Internal Service Funds	—
Business-type Activities	
Transportation	—
Total	**$ 25,000**

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands) Fiduciary Funds	
	Private-purpose Trust Funds	**Total**
Governmental Activities		
Public Education	$ 1,397,347	**$ 1,397,347**
Transportation	—	**25,000**
Nonmajor Governmental Funds	—	**1,509**
Internal Service Funds	—	**500**
Business-type Activities		
Transportation	—	**111,270**
Total	**$ 1,397,347**	**$ 1,535,626**

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 from Other Funds (in thousands)				
	Governmental Activities				
Transfers to Other Funds (in thousands)	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	$ —	$ 1,565,014	$ —	$ 1,751,973	$ 1,532,490
Natural Resources, Environment, and Growth Management	71,853	—	—	3,844	—
Public Education	817	—	—	13,778	—
Health and Family Services	78,038	2,012	208,768	—	—
Transportation	101,353	21,117	—	487	—
Nonmajor Governmental Funds	479,116	70,033	373,977	59,428	1,639,250
Internal Service Funds	9,458	113	—	121	627
Business-type Activities					
Transportation	—	—	—	—	35,637
Lottery	13	—	2,453,410	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	—	—	—	258	—
Nonmajor Enterprise Funds	69,228	—	—	7,673	—
Fiduciary Funds					
Private-purpose Trust Funds	18	—	—	184	—
Pension and Other Employee Benefits Trust Funds	4,632	—	—	—	—
Custodial Funds	2,719	—	1,124	—	—
Total	**$ 817,245**	**$ 1,658,289**	**$ 3,037,279**	**$ 1,837,746**	**$ 3,208,004**

(Continued below)

	Transfers from Other Funds (in thousands)	
	Governmental Activities	
Transfers to Other Funds (in thousands)	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	$ 3,772,480	$ 200,779
Natural Resources, Environment, and Growth Management	136,223	57,605
Public Education	1,033,033	—
Health and Family Services	177,207	—
Transportation	546,387	—
Nonmajor Governmental Funds	312,859	2,109
Internal Service Funds	9,263	—
Business-type Activities		
Transportation	—	—
Lottery	145	—
Hurricane Catastrophe Fund	10,000	—
Prepaid College Program	—	—
Reemployment Assistance	13,880	—
Nonmajor Enterprise Funds	21,875	—
Fiduciary Funds		
Private-purpose Trust Funds	1,863	—
Pension and Other Employee Benefits Trust Funds	92	27,839
Custodial Funds	322	—
Total	**$ 6,035,629**	**$ 288,332**

	Transfers from Other Funds (in thousands)			
	Business-type Activities			
Transfers to Other Funds (in thousands)	Transportation	Lottery	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	$ 1	$ 16	$ 1,080,920	$ 2,907
Natural Resources, Environment, and Growth Management	—	—	39	—
Public Education	—	—	10	—
Health and Family Services	—	—	970	69
Transportation	116,573	—	68	—
Nonmajor Governmental Funds	—	—	287	3,352
Internal Service Funds	—	83	17	—
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	6	—
Hurricane Catastrophe Fund	—	—	—	—
Prepaid College Program	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	67	—
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	—
Pension and Other Employee Benefits Trust Funds	—	—	10	22,079
Custodial Funds	16	—	—	—
Total	**$ 116,590**	**$ 99**	**$ 1,082,394**	**$ 28,407**

(Continued below)

	Transfers from Other Funds (in thousands)			
	Fiduciary Funds			
Transfers to Other Funds (in thousands)	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Custodial Funds	**Total**
Governmental Activities				
General Fund	$ 1,770	$ 15,472	$ 1,242	**$ 9,925,064**
Natural Resources, Environment, and Growth Management	—	—	—	**269,564**
Public Education	303	—	—	**1,047,941**
Health and Family Services	—	—	—	**467,064**
Transportation	—	—	—	**785,985**
Nonmajor Governmental Funds	—	—	—	**2,940,411**
Internal Service Funds	—	—	—	**19,682**
Business-type Activities				
Transportation	—	—	—	**35,637**
Lottery	—	—	—	**2,453,574**
Hurricane Catastrophe Fund	—	—	—	**10,000**
Prepaid College Program	9,753	—	—	**9,753**
Reemployment Assistance	—	—	—	**14,138**
Nonmajor Enterprise Funds	—	—	—	**98,843**
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	**2,065**
Pension and Other Employee Benefits Trust Funds	—	658,797	—	**713,449**
Custodial Funds	—	—	—	**4,181**
Total	**$ 11,826**	**$ 674,269**	**$ 1,242**	**$ 18,797,351**

NOTE 15 - 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 $38.6 million per occurrence for named windstorm and $40.2 million for flood losses through February 15, 2024, and $255 million per occurrence for covered perils other than named windstorm 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, 2022, and June 30, 2023, 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, 2022	$	1,312	$	3,349	$	(2,744)	$	1,917
June 30, 2023	$	1,917	$	4,494	$	(2,311)	$	4,100

The estimated liability for unpaid property insurance claims for the fiscal year ended June 30, 2023, does not include outstanding property claim loss payments resulting from Hurricane Ian that made landfall in the Fort Myers area on September 27, 2022, or from Hurricane Idalia that made landfall on Keaton Beach on August 31, 2023. Estimated unpaid losses for Hurricane Ian total $23.7 million. Preliminary estimates of Hurricane Idalia losses total $11.3 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 as of June 30, 2023, was $1.12 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 $222.4 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is $326.4 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2022, and June 30, 2023, 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, 2022	$	1,165,147	$	107,078	$	(138,054)	$	1,134,171
June 30, 2023	$	1,134,171	$	116,686	$	(133,699)	$	1,117,158

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2023, increased by $9.6 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, 2022, and June 30, 2023, 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, 2022	$	239,586	$	2,617,811	$	(2,574,408)	$	282,989
June 30, 2023	$	282,989	$	2,676,958	$	(2,654,556)	$	305,391

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 8, Section B regarding OPEB for additional information. Asset and liability balances related to retiree participation in the program as of June 30, 2023, 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 16 - 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, 2023, is as follows (in millions):

Actuarial present value of future contract benefits, expenses payable, and near-term payables	$9,434
Net position available (net of outstanding refund payments and unrealized gain/loss on security lending portfolio)	$12,205
Net position as a percentage of future contract benefits and expenses obligation	129.4%

NOTE 17 - 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, 2023, the industry retention for determining each insurer's retention was $8.698 billion per hurricane for the two hurricanes with the largest losses and $2.899 billion for each additional hurricane in the contract year. The aggregate coverage capacity for the contract year (in excess of retention) was $17.0 billion. The statute requires that an actuarially indicated formula developed by an independent actuary be used to calculate the reimbursement premiums collected for the coverage.

The SBA is required to contract with each insurer writing covered policies in the state to reimburse the insurer for a specified percentage of losses from covered events in excess of the insurer's retention. The total obligation of the SBA with respect to all contracts covering a particular contract year is statutorily capped at the "actual claims-paying capacity" of the FHCF, defined by law as the sum of the balance of the fund as of December 31, of the contract year, plus any reinsurance purchased by the fund, plus the amount the SBA is able to raise through the issuance of revenue bonds. The FHCF estimates its claims-paying capacity twice a year in May and October based on reports of its financial advisor and bond underwriters, and these amounts are reviewed by the FHCF Advisory Council. The FHCF has a fiscal year end of June 30, and its reimbursement contracts expire on May 31. As of June 30, 2023, the FHCF had a net position of $2.749 billion, including the net position of the State Board of Administration Finance Corporation (Corporation).

If available resources and pre-catastrophe debenture financing are not adequate to satisfy reimbursement claims, the Corporation may issue revenue bonds secured by emergency assessments. The SBA has the sole authority to direct the Florida Office of Insurance Regulation to levy assessments on most property and casualty insurance policy premiums on behalf of the FHCF. Aggregate assessments may not exceed 10% and assessments in relation to losses in one contract year may not exceed 6%. This assessment authority is not restricted by the assessments levied by either Citizens Property Insurance Corporation (Citizens), or the Florida Insurance Guaranty Association, Inc. (FIGA). As of June 30, 2023, 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 2022 hurricane season, Hurricane Ian made landfall on September 28, 2022, in southwest Florida as a Category 4 hurricane. The estimated ultimate loss to the FHCF for this hurricane was $10.0 billion as of June 30, 2023. During the 2018 hurricane season, the State of Florida experienced Hurricane Michael, which made landfall as a major Category 5 storm on October 10, 2018. As of June 30, 2023, the estimated ultimate loss to the FHCF for this hurricane was $1.45 billion. Hurricane Irma, which occurred during the 2017 hurricane season, had an estimated ultimate loss as of June 30, 2023, of $7.6 billion, which is a $200 million decrease from prior year due to the mandatory commutation of Hurricane Irma losses that began on June 1, 2023. The estimated ultimate losses from these events are reflected in the FHCF's net position as of June 30, 2023, and no additional loss development for these storms was recognized during fiscal year ended 2023.

On September 16, 2020, the Corporation issued $3.5 billion of pre-event Series 2020A Revenue Bonds to maximize the ability of the Fund to meet future obligations. The proceeds from these bonds may be used to pay for losses incurred from future covered events. Investment earnings on these funds, as well as reimbursement premiums, if necessary, are used to pay the debt service requirements of these bonds. The Series 2020A Revenue Bonds have maturities of $1.25 billion on July 1, 2025, $1.0 billion on July 1, 2027, and $1.25 billion on July 1, 2030, bearing interest rates of 1.258%, 1.705%, and 2.154%, respectively.

In addition to the issuance of bonds, the FHCF has the authority to procure reinsurance for the purpose of maximizing the capacity of the fund. No reinsurance products were purchased for the contract year beginning June 1, 2022, or June 1, 2023.

B. REINSURANCE TO ASSIST POLICYHOLDERS PROGRAM

The Reinsurance to Assist Policyholders program (RAP) was created by the Florida Legislature under s. 215.5551, F.S., and became effective on May 26, 2022. The RAP program, which is for hurricane seasons 2022 & 2023, is administered by the SBA and provides a non-recurring total of $2.0 billion in reinsurance coverage for most insurers participating in the FHCF. RAP insurers are reimbursed 90 percent of their covered losses from the two largest covered events in excess of their RAP retention, plus a 10 percent loss adjustment allowance. RAP insurers must participate in contract year 2022, unless the insurer has duplicative reinsurance coverage which requires the insurer to defer coverage to contract year 2023. $466 million has been paid in FY 2023 to insurers participating in the program for the 2022 hurricane season for losses resulting from Hurricane Ian. Estimated ultimate losses to the RAP program for Hurricane Ian are projected to be $886 million as of June 30, 2023.

C. FLORIDA OPTIONAL REINSURANCE ASSISTANCE PROGRAM

The Florida Optional Reinsurance Assistance program (FORA) was created by the Florida Legislature under s. 215.5552, F.S., and became effective on December 16, 2022. The FORA program, which is administered by the SBA, provides up to $1.0 billion in non-recurring optional reinsurance coverage for the 2023 hurricane season to FHCF participants that select coverage and pay the required premiums. FORA insurers are reimbursed 100 percent of their covered losses from the two largest covered events in excess of their selected FORA retention. FORA insurers were required to pay premiums by July 1, 2023, to secure coverage for contract year 2023. Five insurers selected coverage and paid premiums for the FORA program. No FORA payments were made in FY 2023, as no covered hurricane events occurred between the program's effective date and June 30, 2023.

D. CITIZENS PROPERTY INSURANCE CORPORATION

Citizens Property Insurance Corporation (Citizens) was established on August 1, 2002, pursuant to s. 627.351(6), F.S., to provide certain residential and non-residential property insurance coverage to qualified risks in the State of Florida under circumstances specified in s. 627.351(6), F.S. 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. 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 s. 627.351(6), F.S., 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 s 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 under Citizens.

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- *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 s. 627.351(2), F.S. 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.

The three separate accounts must be maintained as long as financing obligations entered into by the Florida Windstorm Underwriting Association or Residential Property and Casualty Joint Underwriting Association are outstanding, in accordance with the terms of the corresponding financing documents. If no such financing obligations remain outstanding or if the financing documents allow for combining of accounts, Citizen may consolidate the three separate accounts into a new account, to be known as the Citizens account, for all revenues, assets, liabilities, losses, and expenses of Citizens. The Citizens account, if established by Citizens, is authorized to provide coverage to the same extent as provided under each of the three separate accounts.

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

Citizens has determined that it has no component units that should be included in its separately reported financial statements. However, the Florida Market Assistance Plan (FMAP) is a financially related entity. FMAP is a 501(c)(6) entity created by s. 627.3515, F.S. FMAP was created for the purpose of assisting in the placement of applicants who are unable to procure property or casualty insurance coverage from authorized insurers when such insurance is otherwise generally available. As provided in FMAP's enabling legislation, each person serving on the Board of Citizens also serves on the Board of FMAP. In addition, Citizens is required to fund any deficit incurred by FMAP in performing its statutory purpose. No such funding has taken place from FMAP inception through December 31, 2022.

E. FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

The Florida Insurance Guaranty Association, Inc. (FIGA), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Association Act of 1970 (the Act). FIGA was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurers' insolvencies. FIGA operates under the supervision and approval of a board of directors, comprised of five to nine persons, pursuant to s. 631.56, F.S. Seven persons are recommended by member insurers, unless Citizens Insurance Corporation represents one of the top ten writers of the residential property insurance market, in which case, six are recommended by member insurers. Two additional Board members, one recommended by Florida domestic members and the other by the Department of Financial Services (the Department). Recommendations to the Board are reviewed and subsequently appointed by the Department.

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

The funding of FIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and as considered necessary, levied against member insurers on the basis of direct written premiums in the State of Florida in the classes protected by the Act. FIGA obtains the amount of the direct written premiums, by company and by class of protection, to use as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, FIGA has the authority to levy an emergency assessment up to an additional 4% of direct written premiums for the account specified in s. 631.55(2)(b), F.S., to pay covered claims of insurers rendered insolvent by the effects of a hurricane. FIGA also has the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, F.S., to issue tax-exempt bonds should the funding need arise for the account specified in s. 631.55(2)(b), F.S. FIGA's Board of Directors met on March 31, 2023, and adopted a resolution calling on the Florida Insurance Assistance Interlocal Agency (FIAIA) to issue tax-exempt revenue bonds in order to fund a claims payment assistance program for insurance companies declared insolvent as a result of hurricane damage. In June 2023, FIAIA issued $608 million in Insurance Assessment Revenue Bonds, Series 2023A, for FIGA's assistance program. As secured collateral, FIGA has pledged and levied a 1% emergency assessment on direct written premiums that fall under the "All Other Account" and will remain in effect until all Series 2023A bonds have been paid.

FIGA's Board of Directors certified in 2021 and 2022 the need to assess each member insurer on the following:

Regular Assessments:

- .70% assessment was levied on all new or renewal policies with effective dates beginning January 1, 2022, through December 31, 2022.
- 1.30% assessment was levied on all new or renewal policies with effective dates beginning July 1, 2022, through June 30, 2023, and
- .70% assessment was levied on all new or renewal policies with effective dates beginning January 1, 2023, through December 31, 2023.

Emergency Assessments:

- 1.0% assessment was levied on all new or renewal policies with effective dates beginning October 1, 2023, and remains in effect until the bonds issued are no longer outstanding.

F. 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 s. 631.912, F.S., and subsequently appointed by the Florida Department of Financial Services. The remaining three directors are the Florida Insurance Consumer Advocate, designee of the state's Chief Financial Officer and one person with commercial insurance experience appointed by the Governor.

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

The funding of FWCIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and as considered necessary, levied against member insurers on the basis of workers' compensation direct written premiums in the State of Florida prior to reductions for discounts or credits for deductibles in a policy or by any premium adjustment to a retrospectively rated policy. FWCIGA obtains the amount of the direct written premiums, by company, to use as the basis for assessment calculations. The maximum assessment rate is 2% for insurance companies and self-insurance funds. In addition to the regular assessment, the Florida Legislature granted FWCIGA the authority to levy up to an additional 1.5% of direct written premiums if the 2% assessment is insufficient to make payments for the calendar year.

NOTE 18 - 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 manages the 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 (an agent for the federal government) and therefore is custodial in nature and is the property of USDOE. On June 30, 2023, approximately $982.4 million of program loans were still outstanding from loans that had been made prior to the Program ending on June 30, 2010. The Net Guaranty Amount for FY22 & FY21 were $1,181.8 million and $1,350.5 million, respectively. In FY23, USDOE substituted the Net Guaranty Amount for the Original Principal Outstanding. The Net Guaranty Amount methodology includes the capitalized interest, as of the date claims were paid, in the outstanding balance of OSFA's loan portfolio. The amount of potential liability to the Federal Fund is indeterminable, due to FFELP being a 100% reinsurance program.

However, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided temporary relief of USDOE owned federal student loans, as part of the COVID-19 emergency relief measures through suspension of loan payments, stopped collections on defaulted loans, and a 0% interest rate. On March 30, 2021, the COVID-19 emergency relief measures were expanded to include federal student loans made through the FFELP loans in default, with a retroactive start date of March 13, 2020. The USDOE announced the final extension to the student loan pause as of August 31, 2023, with the first payment due in October 2023. The impact of these conditions on the financial and operational functions of FFELP and the potential liability to the Federal Fund is indeterminable.

B. Federally Assisted Grant Programs

Medicaid Program - On July 29, 2016, AHCA posted amended outpatient Medicaid rates for state fiscal year 2016-2017 to its website. Those Medicaid reimbursement rate change forms were dated July 29, 2016 ("July 29 Rate Letters"). The Public Health Trust of Miami-Dade County, Florida filed its Petition for Formal Administrative Determination of Invalidity of Agency Statements and Existing Rule 59G-6.030 on October 31, 2016. The petition was then consolidated with other petitions that challenged the same issue. Petitioners alleged the July 29 Rate Letters and the methodology by which AHCA used to calculate the outpatient Medicaid rates are statements that constitute an unadopted rule. On February 13, 2017, the Division of Administrative Hearings (DOAH) issued an Order Extending Stay of Unadopted Rule Challenge and Rescheduling Final Hearing in Existing Rule Challenge. On February 23, 2017, the final hearing was held at DOAH. The Petitioners were unsuccessful, and the Agency prevailed. The hospitals filed an appeal. The appeal concluded and the Court entered an Order in favor of the Hospitals. At this time the Agency is attempting to calculate the impact of this challenge which could result in a net fiscal impact in excess of $25 million.

Medicaid Program – On January 6, 2022, CMS issued a demand letter requesting repayment in the amount of $270,896,313 for unallowable payments to Jackson Memorial Hospital under its LIP program for the State fiscal years 2010, through 2014. If AHCA is ultimately unsuccessful in its challenges, it may be required to return $270,896,313 to the Federal Government. AHCA responded to the demand letter on January 21, 2022. On June 10, 2022, CMS issued a disallowance letter asserting the $270,896,331 overpayment. Thereafter, on August 9, 2022, AHCA responded that it was requesting reconsideration of the disallowance. In September 2023, AHCA entered into a Global Settlement Agreement with HHS, its component CMS, and Jackson Health System to resolve the outstanding disallowances. AHCA agreed to pay $159,828,825 by negative adjustment on line 10A of the Quarterly Expenditure Report for the quarter ending September 30, 2023. HHS and CMS agreed to discharge any and all claims and release and discharge AHCA and Jackson Health System from any and all claims arising out of this disallowance. Jackson Health agreed to pay AHCA $122,840,368, plus interest in five equal annual installments with the first installment no later than September 30, 2023, towards the total amount AHCA paid in the Global Settlement Agreement.

Medicaid Program – On June 10, 2022, CMS issued a disallowance letter asserting an overpayment of $150,325,421 FFP for alleged unallowable payment to hospital and non-hospital federal qualified health center and county health department providers under its LIP program for June 30, 2014, through June 30, 2018 (DY 8-12). Thereafter, on August 9, 2022, AHCA responded that it was requesting reconsideration of the disallowance. On October 7, 2022, AHCA received notice that the reconsideration request was denied. On November 28, 2022, the Agency filed an appeal to the DAB. The matter was currently abated to allow for settlement discussions to begin. In September 2023, AHCA entered into a Global Settlement Agreement with HHS, its component CMS, and Jackson Health System to resolve the outstanding disallowances. AHCA agreed to pay $150,325,421 in 5 installments by negative adjustment on Line 10B of AHCA's Quarterly Expenditure Report beginning with the fourth quarter of Federal fiscal year 2023 and ending with the fourth quarter of Federal fiscal year 2027. HHS and CMS agreed to discharge any and all claims and release and discharge AHCA and Jackson Health System from any and all claims arising out of this disallowance. Jackson Health agreed to pay AHCA $122,840,368, plus interest in five equal annual installments with the first installment no later than September 30, 2023, towards the total amount AHCA paid in the Global Settlement Agreement.

Medicaid Program - Two Plaintiffs, W.B. and A.W., both Medicaid recipients under the age of 21, by and through their parents and next friends, filed a putative class action lawsuit in the U.S. District Court for the Middle District of Florida. Plaintiffs contend that AHCA's definition of "medical necessity" conflicts with requirements under the federal Medicaid Act for the provision of Medicaid services to recipients under the age of 21 (under the early and periodic screening, diagnostic, and testing, or "EPSDT", provisions of the Medicaid Act). Plaintiffs seek to certify a class that would include all Medicaid recipients under the age of 21 in Florida, approximately 2.6 million individuals. Plaintiffs attack two aspects of AHCA's process for determining whether requested services are appropriate: (1) AHCA's reliance on its "medical necessity" definition which Plaintiffs contend is more restrictive than federal requirements; and (2) AHCA's failure to defer in all matters to recommendations of treating professionals. AHCA is seeking dismissal and opposes class certification. On January 19, 2023, the parties filed a joint motion to stay proceedings for 90 days while AHCA engages in rulemaking that affects the case. On January 20, 2023, the Court granted the motion, and the case was stayed until April 20, 2023. The parties were ordered to participate in mediation while the case is stayed. The stay has been subsequently extended while the parties engage in settlement negotiations and the Agency engages in rulemaking. The parties' next status report is due on January 10, 2024. At this time, the Agency has not determined the fiscal impact; however, it could likely exceed $25 million.

Medicaid Program - This civil action was filed in the Southern District of Florida in 2013. The United States Department of Justice (USDOJ) alleges that AHCA, Department of Health, Department of Children and Families, and Agency for Persons with Disabilities violate Title II of the Americans with Disabilities Act by improperly placing Medicaid eligible medically complex persons under the age of 21 in nursing facilities or by serving that population in the community in a manner that places them allegedly at (imminent) risk of unnecessary institutionalization. The USDOJ filed an Amended Complaint on June 15, 2022, seeking declaratory and injunctive relief. The State filed its Motion to Dismiss on July 20, 2022. The Court denied the motion on March 2, 2023. A bench trial was held from May 8, 2023, to May 19, 2023. On July 14, 2023, Judge Middlebrooks issued a Memorandum Opinion and Order finding the State of Florida liable for violating Title II of the ADA and entering final judgment in favor of the United States and against the State of Florida. On the same day, the Court issued an Order of Injunction requiring the State to implement significant changes to its Medicaid Program. The State filed a notice of appeal to the Eleventh Circuit, where briefing is underway and oral argument has been scheduled for January 24, 2024. It is possible that the overall impact could exceed $25 million annually in additional Medicaid payments if the State is not successful in its appeal.

C. Other

Skanska-Granite-Lane Joint Venture - The Florida Department of Transportation (Department) entered into a Concession Agreement with I-4 Mobility Partners OpCO LLC to serve as Concessionaire for the I-4 Ultimate Project, Contract No. E5W13. Concessionaire's construction contractor for the project, Skanska-Granite-Lane Joint Venture ("SGL") submitted a certified claim amount of $378,717,175 on July 21, 2020 to the Department for increased labor and support costs; increased subcontract costs; increased material costs; and cumulative impacts, interference, and markup associated with this project. Damages in the range of $25 to $50 million are reasonably possible. The Department denied the claim. This matter was heard by the Dispute Resolution Board (DRB) with the Board's recommendation being substantially favorable to the Department. SGL promptly rejected this finding. The Department also rejected this finding because it disagreed with the portion of the DRB recommendation favorable to SGL. It is expected that SGL will file suit in circuit court once Final Acceptance is granted. Final acceptance is now estimated to occur December 2023.

Skanska USA Civil Southeast, Inc. -The Florida Department of Transportation (Department) signed a design-build contract (State Contract No. E3N5 l) with Skanska USA Civil Southeast, Inc ("Skanska") to replace the Pensacola Bay Bridge on SR 30 (US 98). On July 8, 2021, Skanska submitted a non-certified claim to the Department for $50.1 million in damages related to Hurricane Sally. The Department is evaluating the claim. On July 10, 2023, the parties entered into a

Memorandum of Agreement providing for Skanska to forego core repair costs and Department agreeing to pay reasonable premium costs that Skanska incurred expediting the repairs. The Department and Skanska also agreed to participate in a Dispute Resolution Board hearing for confirmation as to the reasonableness of the methodology to determine premium costs. Once concluded, the parties will negotiate the amount of the premium costs.

NOTE 19 - 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. C&S Wholesale Grocers, Inc. v. Florida Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco, Case No. 2020-CA-565 (2nd Cir., Leon County); Case No. 1D22-3040 (Fla. 1st DCA)

C&S Wholesale Grocers, Inc., a wholesale dealer of cigarette and tobacco products, challenged the Department of Business and Professional Regulation's (DBPR) denial of a refund request for certain excise taxes and surcharges the Plaintiff paid on cigarettes for the period November 2016 through November 2019. Plaintiff alleged that these excise taxes and surcharges violate the Commerce Clause and the Equal Protection Clause of the U.S. Constitution by taxing different kinds of tobacco products disparately, without taxing or levying surcharges on cigars. Plaintiff sought declaratory and monetary relief totaling $34,482,204. In September 2022, the circuit court entered a final judgement in favor of DBPR. In August 2023, the First District Court of Appeal *per curiam* affirmed the circuit court's decision and Plaintiff's motion for a written opinion is pending.

B. Christopher Alianiello, et. al, v. State of Florida, Department of Education, et. al, Case No. 2019-CA-1674 (2nd Cir. Leon County); Case No. 1D22-2807 (Fla. 1st DCA)

Plaintiffs, including current and former individual teachers, seek to maintain a class action suit against the Department of Education (DOE) and certain school districts. Plaintiffs allege DOE improperly authorized districts to withhold payroll taxes from awards under the Best and Brightest Teacher Scholarship Program. Plaintiffs raise several contract and tort claims, request declaratory relief, and seek damages of the difference between what they received and the full statutory scholarship amount. Estimated damages against DOE could exceed $30 to $35 million. In August 2022, the circuit court granted DOE's Motion to Dismiss Second Amended Complaint. An appeal is pending before the First District Court of Appeal.

NOTE 20 - DEFICIT FUND BALANCE AND NET POSITION

A. Governmental Funds

The *Public Education Fund* has a deficit unassigned fund balance of approximately $1,004.4 million. The deficit is primarily the result of establishing an advance (long-term liability) on potential future claims by the Department of Financial Services' *Unclaimed Property Trust Fund*. The Department of Financial Services pays claims as they are due from current remittances. If sufficient funds are not available to pay claims, requests are made by the Department of Financial Services to the Department of Education to return the amount of funds necessary to pay claims or funds are borrowed from the Department of Financial Services' *Trust Funds Control Fund* and repaid prior to year-end.

B. Proprietary Funds

The Lottery has a deficit unrestricted net position of approximately $77.6 million. This deficit is the result of certain liabilities being recorded for reporting purposes only and being excluded from the calculation of transfers to the *Educational Enhancement Trust Fund* as well as undistributed depreciation on investments in excess of the available restricted for undistributed appreciation on restricted investment fund balance. This deficit does not affect the Lottery's ability to pay prizes or provide services.

The Enterprise Fund, *Space Florida,* has a deficit unrestricted net position of approximately $140.1 million. This deficit is the result of the blended component unit's implementation of GASB No. 87, *Leases*. Prepaid expenses related to donated assets accounted for under previous guidance were removed with the implementation of GASB No. 87.

The Internal Service Fund, *Data Centers*, has a deficit net position of approximately $14.4 million. This deficit is primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and other post-employment benefit (OPEB) liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

The Internal Service Fund, *Other*, has a deficit net position of approximately $78.4 million. This deficit is primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and OPEB liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

The Internal Service Fund, *Employee Health and Disability,* has a deficit in net investment in capital assets as a result of the implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. Liabilities for the SBITA exceeded the associated SBITA assets.

NOTE 21 - SUBSEQUENT EVENTS

A. Bonds

The following bonds for governmental activities and business-type activities of the primary government were either issued, sold, or defeased subsequent to June 30, 2023:

ISSUANCE OR SALE OF DEBT:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Board of Governors, University of Florida Research Revenue Bonds (Taxable)	2023A	$ 10,680,000	07/01/2025-07/01/2034	5.000% - 5.000%
Board of Governors, University of Florida Research Revenue Bonds	2023B	$ 39,150,000	07/01/2035-07/01/2053	4.000% - 5.000%
Board of Governors, University of North Florida Dormitory Revenue Bonds	2023A	$ 80,925,000	11/01/2025-11/01/2053	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2024 Series A	$ 231,610,000	06/01/2025-06/01/2035	5.000% - 5.000%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2024A	$ 190,010,000	07/01/2024-07/01/2053	4.000% - 5.000%

CASH DEFEASANCE OF DEBT:

Agency/Bond/Series	Defeasance Date	Amount	Matures	Interest Rate
Governmental Activities:				
Board of Governors, University of Central Florida Parking Revenue Bonds, Series 2012A	7/7/2023	$ 4,340,000	07/01/2024-07/01/2032	3.000% - 4.000%
Board of Governors, University of Central Florida Parking Revenue Refunding Bonds, Series 2018A	7/7/2023	$ 900,000	7/1/2024	5.000% - 5.000%
Board of Governors, University of Central Florida Parking Revenue Refunding Bonds, Series 2019A	7/7/2023	$ 4,225,000	7/1/2024-7/1/2029	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2020 Series D	7/12/2023	$ 262,390,000	06/01/2024-06/01/2025	0.390%-0.550%
Water Pollution Control Reveune Refunding Bonds, Series 2019A	7/17/2023	$ 137,140,000	1/15/2024-1/15/2030	2.100%-2.600%

B. Hurricanes

On August 30, 2023, Hurricane Idalia made landfall near Keaton Beach, Florida, as a Category 3 hurricane. As of December 31, 2023, the actuarial total loss estimate for the Florida Hurricane Catastrophe Fund (FHCF) was determined to be $30 million for Hurricane Idalia.

Additionally, as of December 31, 2023, Hurricane Irma losses were commuted and no longer included in the actuarial total loss estimate of the fund. As of June 30, 2023, the unpaid loss reserve remains unchanged from what was reported in the financial statements of the FHCF fund.

C. Reinsurance to Assist Policyholders Program

The Reinsurance to Assist Policyholders program (RAP) requested and received $15 million from the Executive Office of the Governor in November 2023 for RAP related to Hurricane Idalia losses. As of December 21, 2023, RAP insurers have been reimbursed $2,821,355 for Hurricane Idalia under the RAP program.

D. Optional Reinsurance to Assist Policyholders Program

If claims exceed available monies, transfers from the General Revenue authorized by Executive Office of the Governor may not exceed $1 billion. This included areas still recovering from Hurricane Ian and Hurricane Nicole. More than half of the counties impacted by Hurricane Idalia are fiscally constrained. Given the size, strength, and track of the hurricane, the preliminary cost of damages is estimated over $1 billion. A portion of these costs will be covered by insurance and federal grant programs.

E. Other

On February 7, 2024, the First District Court of Appeal denied the motion for written opinion and issued the Mandate on February 26, 2024, related to the C&S Wholesale Grocers, Inc. v. Florida Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco, Case No. ID22-3040. This case is final.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(in thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2022	$ 28,677,755	$ 28,677,755	$ 28,677,755	$ —
Reversions	570,348	570,348	570,348	—
Fund Balances, July 1, 2022, restated	29,248,103	29,248,103	29,248,103	—
REVENUES				
Fees and charges	1,521,240	1,552,740	1,476,220	(76,520)
Licenses	889,471	412,971	243,785	(169,186)
Taxes	45,555,157	53,023,857	54,647,243	1,623,386
Miscellaneous	39	39	399	360
Interest	216,278	352,078	361,272	9,194
Grants	19,807	19,807	29,811	10,004
Refunds	12,796	12,796	435,360	422,564
Transfers and distributions	3,869,461	4,674,361	4,631,526	(42,835)
Other	319,718	388,617	476,802	88,185
Total Revenues	52,403,967	60,437,266	62,302,418	1,865,152
Total Available Resources	81,652,070	89,685,369	91,550,521	1,865,152
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,415,964	4,870,088	4,730,857	139,231
Other personal services	79,858	93,870	76,277	17,593
Expenses	428,617	476,572	460,911	15,661
Grants and aids	17,370,316	17,406,394	17,324,474	81,920
Operating capital outlay	20,144	17,419	16,123	1,296
Food products	92,811	93,856	93,639	217
Fixed capital outlay	452,206	452,206	452,206	—
Lump sum	1,072,171	3,298	3,298	—
Special categories	16,903,647	17,175,839	15,672,639	1,503,200
Financial assistance payments	321,942	332,446	330,057	2,389
Continuing Appropriations	—	790,856	790,856	—
Grants/aids to local governments	242,899	242,899	242,899	—
Data processing services	55,202	65,163	56,329	8,834
Pensions and benefits	2,622	2,622	1,076	1,546
Claim bills and relief acts	—	3,042	3,042	—
Total Operating Expenditures	41,458,399	42,026,570	40,254,683	1,771,887
Nonoperating expenditures:				
Transfers	14,406,110	14,406,110	14,406,110	—
Refunds	576,422	576,422	576,422	—
Other	3,171,956	3,171,956	3,171,956	—
Total Nonoperating Expenditures	18,154,488	18,154,488	18,154,488	—
Total Expenditures	59,612,887	60,181,058	58,409,171	1,771,887
Fund Balances, June 30, 2023	$ 22,039,183	$ 29,504,311	$ 33,141,350	$ 3,637,039

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, 2023
(in thousands)

	Natural Resources, Environment, and Growth Management			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2022	$ 3,983,144	$ 3,983,144	$ 3,983,144	$ —
Reversions	20,938	20,938	20,938	—
Fund Balances, July 1, 2022, restated	4,004,082	4,004,082	4,004,082	—
REVENUES				
Fees and charges	146,980	239,218	241,593	2,375
Licenses	60,460	63,064	61,516	(1,548)
Taxes	—	314,303	321,661	7,358
Miscellaneous	456	540	471	(69)
Interest	15,326	57,959	—	(57,959)
Grants	929,700	206,486	291,331	84,845
Refunds	788	5,939	7,563	1,624
Transfers and distributions	2,696,049	2,318,362	2,371,136	52,774
Other	189,085	20,597	157,927	137,330
Total Revenues	4,038,844	3,226,468	3,453,198	226,730
Total Available Resources	8,042,926	7,230,550	7,457,280	226,730
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	396,238	432,811	399,786	33,025
Other personal services	30,926	32,484	28,220	4,264
Expenses	64,389	64,367	60,051	4,316
Grants and aids	28,797	28,797	18,254	10,543
Operating capital outlay	1,775	1,906	1,824	82
Fixed capital outlay	416,508	416,508	416,508	—
Lump sum	500	—	—	—
Special categories	373,485	402,441	318,758	83,683
Grants/aids to local governments	659,173	659,173	659,173	—
Data processing services	982	982	982	—
Total Operating Expenditures	1,972,773	2,039,469	1,903,556	135,913
Nonoperating expenditures:				
Transfers	395,952	395,952	395,952	—
Refunds	25,072	25,072	25,072	—
Other	362,121	362,121	362,121	—
Total Nonoperating Expenditures	783,145	783,145	783,145	—
Total Expenditures	2,755,918	2,822,614	2,686,701	135,913
Fund Balances, June 30, 2023	$ 5,287,008	$ 4,407,936	$ 4,770,579	$ 362,643

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, 2023
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2022	$ 1,745,759	$ 1,745,759	$ 1,745,759	$ —
Reversions	351,585	351,585	351,585	—
Fund Balances, July 1, 2022, restated	2,097,344	2,097,344	2,097,344	—
REVENUES				
Fees and charges	69,567	60,579	60,435	(144)
Licenses	1,322	1,600	1,591	(9)
Taxes	904,412	830,409	830,450	41
Miscellaneous	10	7	7	—
Interest	24,776	33,795	715,741	681,946
Grants	13,432,635	7,810,632	7,693,723	(116,909)
Refunds	88	17,933	17,935	2
Transfers and distributions	3,286,573	3,696,599	3,649,965	(46,634)
Other	247,871	199,655	463,100	263,445
Total Revenues	17,967,254	12,651,209	13,432,947	781,738
Total Available Resources	20,064,598	14,748,553	15,530,291	781,738
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	39,889	41,365	28,775	12,590
Other personal services	997	723	380	343
Expenses	6,848	6,400	3,145	3,255
Grants and aids	4,705,708	4,758,175	4,758,175	—
Operating capital outlay	489	489	1	488
Fixed capital outlay	1,502,063	1,502,063	1,502,063	—
Special categories	1,810,635	6,502,592	6,502,592	—
Financial assistance payments	103,832	103,918	103,913	5
Payments to U.S. Treasury	6,990	5	5	—
Data processing services	9,501	10,749	9,294	1,455
Total Operating Expenditures	8,186,952	12,926,479	12,908,343	18,136
Nonoperating expenditures:				
Transfers	155,160	155,160	155,160	—
Refunds	227	227	227	—
Other	5,306	5,306	5,306	—
Total Nonoperating Expenditures	160,693	160,693	160,693	—
Total Expenditures	8,347,645	13,087,172	13,069,036	18,136
Fund Balances, June 30, 2023	$ 11,716,953	$ 1,661,381	$ 2,461,255	$ 799,874

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, 2023
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2022	$ 871,533	$ 871,533	$ 871,533	$ —
Reversions	1,816,505	1,816,505	1,816,505	—
Fund Balances, July 1, 2022, restated	2,688,038	2,688,038	2,688,038	—
REVENUES				
Fees and charges	2,161,523	2,610,291	2,566,267	(44,024)
Licenses	23,404	24,411	22,651	(1,760)
Taxes	756,827	756,827	885,477	128,650
Interest	1,825	2,360	—	(2,360)
Grants	28,345,727	29,974,229	29,974,229	—
Refunds	2,820,816	2,662,606	3,168,611	506,005
Employee/employer contributions	30,863	—	—	—
Transfers and distributions	3,290,286	3,419,587	3,829,483	409,896
Other	45,305	55,628	35,935	(19,693)
Total Revenues	37,476,576	39,505,939	40,482,653	976,714
Total Available Resources	40,164,614	42,193,977	43,170,691	976,714
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,403,690	1,480,265	1,272,907	207,358
Other personal services	126,732	140,062	90,732	49,330
Expenses	289,235	293,252	266,882	26,370
Grants and aids	122,192	210,104	199,818	10,286
Operating capital outlay	14,006	14,619	6,796	7,823
Food products	1,593	1,843	1,726	117
Fixed capital outlay	2,596	2,596	2,596	—
Lump sum	23,306	—	—	—
Special categories	31,759,743	36,358,597	36,358,597	—
Financial assistance payments	63,659	236,371	196,348	40,023
Data processing services	19,832	20,383	20,057	326
Total Operating Expenditures	33,826,584	38,758,092	38,416,459	341,633
Nonoperating expenditures:				
Continuing Appropriations	45,776	45,776	45,776	—
Transfers	2,436,739	2,436,739	2,436,739	—
Refunds	51,485	51,485	51,485	—
Other	430,503	430,503	430,503	—
Total Nonoperating Expenditures	2,964,503	2,964,503	2,964,503	—
Total Expenditures	36,791,087	41,722,595	41,380,962	341,633
Fund Balances, June 30, 2023	$ 3,373,527	$ 471,382	$ 1,789,729	$ 1,318,347

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, 2023
(in thousands)

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2022	$ 412,597	$ 412,597	$ 412,597	$ —
Reversions	6,755	6,755	6,755	—
Fund Balances, July 1, 2022, restated	419,352	419,352	419,352	—
REVENUES				
Fees and charges	149,338	164,503	149,338	(15,165)
Taxes	3,137,836	3,116,756	3,137,836	21,080
Interest	1,564	1,564	51,797	50,233
Refunds	—	1,591	16,184	14,593
Transfers and distributions	1,677,985	473,399	466,564	(6,835)
Other	18,000	38,141	38,147	6
Total Revenues	4,984,723	3,795,954	3,859,866	63,912
Total Available Resources	5,404,075	4,215,306	4,279,218	63,912
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	—	4,821	4,590	231
Other personal services	—	85	56	29
Expenses	—	771	712	59
Operating capital outlay	—	5	—	5
Fixed capital outlay	358,526	358,526	358,526	—
Special categories	61,692	61,692	61,692	—
Total Operating Expenditures	420,218	425,900	425,576	324
Nonoperating expenditures:				
Transfers	18,311	18,311	18,311	—
Refunds	63,358	63,358	63,358	—
Other	3,313,400	3,313,400	3,313,400	—
Total Nonoperating Expenditures	3,395,069	3,395,069	3,395,069	—
Total Expenditures	3,815,287	3,820,969	3,820,645	324
Fund Balances, June 30, 2023	$ 1,588,788	$ 394,337	$ 458,573	$ 64,236

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, 2023
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	$ 33,141,350	$ 4,770,579	$ 2,461,255	$ 1,789,729	$ 458,573
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	1,323,395	60,481	46,678	4,786	105,014
Fair value adjustments to investments within the State Treasury	(1,578,357)	(78,460)	(60,554)	(6,208)	(136,232)
Special investments within the State Treasury	25,110	—	—	29,280	—
Non-State Treasury cash and investments	385,940	2,601	—	107,742	3,425,217
Adjustment for State Transportation Trust Fund elimination	—	—	—	—	628,808
Adjusted budgetary basis fund balances	33,297,438	4,755,201	2,447,379	1,925,329	4,481,380
Adjustments (basis differences):					
Net receivables/(payables) not carried forward	550,604	1,835,780	(1,700,807)	1,167,076	(2,203,408)
Net deferred outflows/(inflows) of resources	(303,252)	(1,476)	—	(717,651)	(231,466)
Inventories, prepaid items and deferred charges	10,543	897	—	35,203	12,673
Encumbrances	459,255	53,092	684,064	103,044	57,240
GAAP basis fund balances	$ 34,014,588	$ 6,643,494	$ 1,430,636	$ 2,513,001	$ 2,116,419

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, 2023, State Transportation Trust fund revenues and expenditures totaled $3.12 billion and $8.16 billion, respectively, with $5.28 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.

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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	2019	2020	2021	2022
Proportion of the net pension liability	17.802202632 %	17.961696240 %	18.150587866 %	17.591496280 %	17.733845390 %	17.524776601 %	16.981903225 %	16.203571589 %	15.548909091 %
Proportionate share of the net pension liability	$ 1,086,196	$ 2,319,994	$ 4,583,038	$ 5,203,447	$ 5,341,526	$ 6,035,289	$ 7,360,207	$ 1,223,995	$ 5,785,444
Covered payroll	$ 4,538,946	$ 4,591,628	$ 4,596,099	$ 4,621,442	$ 4,791,286	$ 4,829,858	$ 4,826,392	$ 4,867,575	$ 4,827,203
Proportionate share of the net pension liability as percentage of covered payroll	23.93 %	50.53 %	99.72 %	112.59 %	111.48 %	124.96 %	152.50 %	25.15 %	119.85 %
Plan fiduciary net position as a percentage of the total pension liability	96.09 %	92.00 %	84.88 %	83.89 %	84.26 %	82.61 %	78.85 %	96.40 %	82.89 %

Notes to Schedule:

Changes in actuarial assumptions: In 2022, the assumed investment rate of return was decreased from 6.80% to 6.70% for funding purposes.

* 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	2020	2021	2022	2023
Statutorily required contributions	$ 437,921	$ 442,631	$ 457,950	$ 505,400	$ 543,395	$ 564,233	$ 617,286	$ 663,500	$ 786,813
Contributions recognized by the plan	437,921	442,631	457,950	505,400	543,395	564,233	617,286	663,500	786,813
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 4,591,628	$ 4,596,099	$ 4,621,442	$ 4,791,286	$ 4,829,858	$ 4,826,392	$ 4,867,575	$ 4,827,203	$ 5,476,468
Contributions recognized by the plan as a percentage of covered payroll	9.54 %	9.63 %	9.91 %	10.55 %	11.25 %	11.69 %	12.68 %	13.75 %	14.37 %

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

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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	2019	2020	2021	2022
Proportion of the net pension liability	15.286183318%	15.144426318 %	14.878355474 %	14.470956524 %	14.641028104 %	14.416053158 %	13.868337484 %	13.711565539 %	13.221342140 %
Proportionate share of the net pension liability	$ 1,429,295	$ 1,544,493	$ 1,734,011	$ 1,547,301	$ 1,549,623	$ 1,613,012	$ 1,693,301	$ 1,681,929	$ 1,400,351
Covered payroll	$ 4,534,435	$ 4,588,003	$ 4,593,175	$ 4,619,123	$ 4,789,207	$ 4,828,290	$ 4,826,392	$ 4,866,392	$ 4,826,058
Proportionate share of the net pension liability as percentage of covered payroll	31.52 %	33.66 %	37.75 %	33.50 %	32.36 %	33.41 %	35.08 %	34.56 %	29.02 %
Plan fiduciary net position as a percentage of the total pension liability	0.99 %	0.50 %	0.97 %	1.64 %	2.15 %	2.63 %	3.00 %	3.56 %	4.81 %

Notes to Schedule:

Changes in actuarial assumptions: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

* 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	2020	2021	2022	2023
Statutorily required contributions	$ 57,891	$ 76,261	$ 76,584	$ 79,399	$ 80,051	$ 79,917	$ 80,597	$ 80,000	$ 90,917
Contributions recognized by the plan	57,891	76,261	76,584	79,399	80,051	79,917	80,597	80,000	90,917
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 4,588,003	$ 4,593,175	$ 4,619,123	$ 4,789,207	$ 4,828,290	$ 4,826,392	$ 4,866,392	$ 4,826,058	$ 5,476,468
Contributions recognized by the plan as a percentage of covered payroll	1.26 %	1.66 %	1.66 %	1.66 %	1.66 %	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.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension liability										
Service cost	$ 5,979	$ 7,161	$ 9,044	$ 12,904	$ 9,925	$ 11,581	$ 13,967	$ 24,859	$ 25,943	$ 14,547
Interest on total pension liability	18,852	19,164	19,259	19,100	21,080	28,506	28,874	25,620	26,114	21,534
Effect of plan changes	—	—	—	—	—	—	—	—	—	—
Effect of economic/demographic (gains) or losses	—	—	27,462	—	39,056	—	24,815	—	(37,487)	—
Effects of assumption changes or inputs	27,926	46,330	118,280	(95,586)	90,988	60,964	271,102	13,673	(588,365)	(12,645)
Benefit payments	(14,366)	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)	(15,505)	(15,581)	(15,424)
Net changes in total pension liability	38,391	58,232	159,632	(78,259)	146,152	86,052	323,637	48,647	(589,376)	8,012
Total pension liability, beginning	408,292	446,683	504,915	664,547	586,288	732,441	818,493	1,142,130	1,190,777	601,401
Total pension liability, ending	$446,683	$504,915	$664,547	$586,288	$732,440	$818,493	$1,142,130	$1,190,777	$ 601,401	$ 609,413
Fiduciary Net Position										
Employer contributions	$ 14,366	$ 14,495	$ 14,423	$ 14,720	$ 14,905	$ 15,044	$ 15,129	$ 15,551	$ 15,589	$ 15,472
Member contributions	—	—	—	—	—	—	—	—	—	—
Investment income net of investment expenses	—	—	—	—	—	—	—	—	—	—
Benefit payments	(14,366)	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)	(15,505)	(15,580)	(15,424)
Administrative expenses	—	(72)	(10)	(43)	(8)	(45)	(8)	(46)	(9)	(48)
Net change in fiduciary position	—	—	—	—	—	—	—	—	$ —	$ —
Fiduciary net position-beginning	—	—	—	—	—	—	—	—	$ —	$ —
Fiduciary net position-ending	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Net pension liability-ending	$446,683	$504,915	$664,547	$586,288	$732,440	$818,493	$1,142,130	$1,190,777	$ 601,401	$ 609,413
Fiduciary net position as a % of the total pension liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Covered payroll	$466,939	$476,278	$477,549	$487,100	$485,666	$495,379	$508,895	$ 519,073	$ 567,068	$ 578,409
Net pension liability as a % of covered-payroll	95.66 %	106.01 %	139.16 %	120.36 %	150.81 %	165.23 %	224.43 %	229.40 %	106.05 %	105.36 %

Notes to Schedule:

Changes in actuarial assumptions: The municipal bond rate used to determine total pension liability increased from 3.54% to 3.65%. Amounts shown in exhibit are rounded to the nearest thousand. As such, sums may differ from amounts displayed due to rounding.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorily required State contribution	$ 14,366	$ 14,495	$ 14,423	$ 14,720	$ 14,905	$ 15,044	$ 15,129	$ 15,551	$ 15,589	$ 15,472
Contributions recognized by the plan	14,366	14,495	14,423	14,720	14,905	15,044	15,129	15,551	15,589	15,472
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$466,939	$476,278	$477,549	$487,100	$485,666	$495,379	$508,895	$519,073	$567,068	$578,409
Contributions as a percentage of covered-employee payroll	3.08 %	3.04 %	3.02 %	3.02 %	3.07 %	3.04 %	2.97 %	3.00 %	2.75 %	2.67 %

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFITS LIABILITY
LAST 10 FISCAL YEARS*
(in thousands)

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	$ 558,284	$ 450,512	$ 451,019	$ 657,518	$ 518,518	$ 539,081
Interest	350,228	399,969	407,091	358,795	285,302	239,539
Changes of Benefit Terms	—	—	—	—	—	—
Difference between expected and actual experience	—	—	(372,451)	(375,527)	—	(522,269)
Changes of assumptions or other inputs	(1,746,361)	(931,395)	1,813,838	(2,845,296)	(386,271)	(2,769,310)
Benefit payments	(162,902)	(178,619)	(192,800)	(163,694)	(166,958)	(184,421)
Other changes	—	—	—	—	—	—
Net Changes in Total OPEB Liability	(1,000,751)	(259,533)	2,106,697	(2,368,204)	(250,591)	(2,697,380)
Total OPEB Liability - Beginning	11,811,836	10,811,085	10,551,552	12,658,249	10,290,045	10,540,636
Total OPEB Liability - Ending	$ 10,811,085	$ 10,551,552	$ 12,658,249	$ 10,290,045	$ 10,540,636	$ 7,843,256
Covered-employee payroll[1]	$ 7,312,085	$ 7,636,518	$ 7,644,191	$ 8,072,906	$ 8,125,929	$ 8,269,139
Total OPEB liability as a percentage of covered-employee payroll	147.85 %	138.17 %	165.59 %	127.46 %	129.72 %	94.85 %

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

[1] For fiscal years 2017, 2018 and 2019, errors noted in the selection criteria for covered-employee payroll data previously presented for compliance with GASB 75 were noted and corrected.

Note to Required Supplementary Information

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

Potential factors that may significantly decrease/increase State's total OPEB liability reported as of June 30, 2022, include discount rate, inflation rate, salary increases, payroll growth, healthcare inflation, retiree contribution increase rate, medical aging factors, healthcare participation, healthcare cost trends, mortality rates, and other demographic assumptions.

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

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 12,162 centerline miles of roads and 7,270 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 which has been determined through visual observation by experienced survey crews is transitioning to a mechanically measured system for pavement cracking like ride smoothness and wheel path rutting.

The condition rating scales were set by a statewide committee of pavement engineers, so that a pavement segment receiving a rating less than 6.5 in any of the three rating criteria is designated a deficient pavement segment. In low-speed areas, the ride rating must drop to less than 5.5 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.

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, which requires programming these structures for major repairs or replacement, per FDOT policy. 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 meet performance standards.

Routine Maintenance Program: 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

2023	2022	2021
81%	81%	84%

Percentage of bridges meeting FDOT standards

2023	2022	2021
94%	94%	94%

Maintenance Rating

2023	2022	2021
83	83	83

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

Resurfacing Program

	2023	2022	2021	2020	2019
Needed	$ 1,160.4	$ 884.0	$ 669.9	$ 535.0	$ 555.6
Actual	1,369.3	941.3	557.0	451.5	479.8

Bridge Repair/Replacement Program

	2023	2022	2021	2020	2019
Needed	$ 150.6	$ 447.4	$ 386.7	$ 980.8	$ 114.3
Actual	156.3	412.6	384.5	1,036.1	104.6

Routine Maintenance Program

	2023	2022	2021	2020	2019
Needed	$ 789.8	$ 734.3	$ 712.6	$ 694.6	$ 690.1
Actual	947.2	896.4	821.0	805.5	817.7

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.

STATE OF FLORIDA

FULL FAITH AND CREDIT

STATE BOARD OF EDUCATION

PUBLIC EDUCATION

CAPITAL OUTLAY BONDS

MASTER RESOLUTION

JULY 21, 1992

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A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION, PUBLIC EDUCATION CAPITAL OUTLAY BONDS, FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL OUTLAY PROJECTS FOR THE STATE SYSTEM OF PUBLIC EDUCATION IN FLORIDA, PURSUANT TO SUBSECTION (a)(2) OF SECTION 9 OF ARTICLE XII OF THE CONSTITUTION OF FLORIDA, AS AMENDED; PROVIDING THE TERMS AND CONDITIONS UPON WHICH SUCH BONDS MAY BE ISSUED; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE STATE BOARD OF EDUCATION OF FLORIDA:

ARTICLE I

AUTHORITY, FINDINGS, AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Master Resolution is adopted pursuant to the provisions of Article XII, Subsection 9(a)(2), of the Constitution of the State of Florida, as amended, Sections 215.57-215.83, Florida Statutes, and other applicable provisions of law.

SECTION 1.02. DEFINITIONS. Whenever used in this Master Resolution the following terms shall have the following meanings unless the context otherwise requires:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to (a) the principal amount of such Capital Appreciation Bond at its initial offering plus the accrued interest on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at a rate per annum determined pursuant to the applicable Supplemental Authorizing Resolution (not to exceed the maximum rate permitted by law), compounded periodically, plus, (b) with respect to matters related to the payment upon redemption of the Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, the ratable portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of delivery of the Bonds to the original purchasers thereof if the date of computation is prior to the first Interest Payment Date succeeding the date of delivery) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the amount of the Debt Service Requirements and of Bonds held by the Registered Owner of a Capital Appreciation Bond in giving any notice, consent, request or demand pursuant to this Master Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

"Act" shall mean the laws referred to in Section 1.01 hereto.

"Additional Bonds" shall mean any obligations hereafter issued pursuant to the terms and conditions of this Master Resolution and payable from the Gross Receipts Taxes on a parity with the Bonds originally issued hereunder.

"Administrative Expenses" shall mean, with respect to the Bonds or the administration of any funds under this Master Resolution, to the extent applicable: (i) fees and/or charges or both, of the State

Board of Administration and the Division of Bond Finance; and (ii) such other fees and/or charges or both as may be approved by the State Board of Administration or the Division of Bond Finance, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies, and providers of credit enhancement and the cost of acquisition of insurance or other instruments in lieu of cash with respect to any fund or account; all as may be determined from time to time as necessary.

"Amortization Installment" shall mean an amount so designated which is established for the redemption of Term Bonds; provided that each such Amortization Installment shall be deemed due in an amount and upon a date determined pursuant to the applicable Supplemental Authorizing Resolution and the aggregate of such Amortization Installments shall equal the aggregate principal of the Term Bonds.

"Board of Regents" shall mean the Board of Regents of the Division of Universities of the Department of Education, a public corporation of the State of Florida.

"Boards of Trustees" shall mean the Boards of Trustees of the Community College Districts or Junior College Districts, or their successors as the governing bodies of such Districts.

"Bond Fee Trust Fund" shall mean the Bond Fee Trust fund created by Section 215.65, Florida Statutes.

"Bond Registrar/Paying Agent" shall mean Citibank, N.A., New York, New York, or any successor thereto.

"Bonds" shall mean the Public Education Capital Outlay Bonds issued pursuant to this Master Resolution.

"Capital Appreciation Bonds" shall mean the Bonds issued under this Master Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and is payable in an amount equal to the then Accreted Value at the maturity, earlier redemption or other payment date thereof, all as determined pursuant to the applicable Supplemental Authorizing Resolution, and which may be either Serial Bonds or Term Bonds.

"Capital Outlay Projects" or "Projects" shall mean the Capital Outlay Project or Projects for the State System to be financed in whole or in part by the Bonds issued pursuant to this Master Resolution, as set forth in each Supplemental Authorizing Resolution.

"Code" means the Internal Revenue Code of 1986, the Treasury Regulations (whether proposed, temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, references to a Section of the Code means that Section of the Code, including such applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

"Community College Districts" or "Junior College Districts" shall mean the Community College Districts or Junior College Districts, created by law, which are to receive a portion of the proceeds of the Bonds.

"Current Interest Paying Bonds" shall mean Bonds, the interest on which shall be payable on a periodic basis.

"Debt Service Requirements" shall mean the amounts of principal (including Amortization Installments) and interest maturing and becoming due on the Bonds.

"Defeasance Obligations" shall mean, to the extent permitted by law, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or "stripped" interest payment obligations of debt obligations of the Resolution Funding Corporation and, with respect to any Series, such additional investments as shall be designated as Defeasance Obligations for such Series by the applicable Supplemental Authorizing Resolution.

"District School Boards" shall mean the Boards of the several School Districts or their successors as the governing bodies of the School Districts.

"Division of Bond Finance" or "Division" shall mean the Division of Bond Finance of the State Board of Administration.

"Fiscal Year" shall mean the period beginning with and including July 1st of each year and ending with and including the next June 30th.

"Gross Receipts Taxes" shall mean all the taxes collected from every person, including municipalities, receiving payments for electricity for light, heat or power, for natural or manufactured gas for light, heat or power, for telecommunication services and for sending of telegrams and telegraph messages, as provided and levied in Chapter 203, Florida Statutes as in existence as of the date of the adoption of this Master Resolution or as such Chapter is amended from time to time.

"Interest Payment Dates" shall mean for each Series of Bonds, such dates of each Fiscal Year on which interest on the Bonds of such Series is payable or, with respect to Capital Appreciation Bonds, is compounded.

"Issue", "Issued" or "Issuance", when used with reference to the Bonds, shall mean the authorization, sale and delivery of the Bonds authorized to be issued by this Master Resolution. The Bonds shall not be deemed to be issued until such Bonds have been sold and delivered to the purchasers and payment has been received therefor.

"Master Resolution" shall mean this resolution.

"Original 1985 Resolution" shall mean the resolution adopted on December 18, 1984, by the State Board of Education of Florida, entitled: "A Resolution authorizing the issuance of not exceeding

$100,000,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, Series 1985, for the purpose of financing the cost of capital outlay projects for the State System of Public Education in Florida, pursuant to Subsection (a)(2) of Section 9 of Article XII of the Constitution of Florida, as amended".

"Outstanding", when used with reference to the Bonds, shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except:

(i) Bonds theretofore cancelled by the Bond Registrar/Paying Agent or delivered to the Bond Registrar/Paying Agent for cancellation;

(ii) Bonds which are deemed paid and defeased and no longer Outstanding as provided herein;

(iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Registrar/Paying Agent has been received that any such Bond is held by a bona fide purchaser; and

(iv) For purposes of any consent or other action to be taken hereunder by the Registered Owners of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Division of Bond Finance or the State Board.

"Principal Payment Date" shall mean for each Series of Bonds, such dates of each Fiscal Year on which the principal (including

Amortization Installments) of Outstanding Bonds of each Series is payable.

"Prior Lien Obligations" shall mean the outstanding (i) State of Florida, Full Faith and Credit, State Board of Education, Public Education Bonds, Series A and Series B, issued pursuant to Section 9(a) of Article XII of the Florida Constitution of 1968, as amended, and (ii) State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, Series 1985, Series 1985-A, Series 1986-B, Series 1986-C, Series 1987-A, Series 1989-A, Series 1989-B, Series 1990, Series 1991-A, Series 1991-B, Series 1991-C and Series 1992-A.

"Public Education Bond Amendment" shall mean Subsection (a)(2) of Section 9 of Article XII of the Constitution of the State of Florida, as amended effective July 1, 1975, as further amended effective January 8, 1985, and as such Subsection is amended from time to time.

"Public Education Fund" shall mean the Public Education Capital Outlay and Debt Service Trust Fund created and established pursuant to the Public Education Bond Amendment.

"Rating Agency" shall mean a nationally recognized bond rating agency.

"Rebate Account" shall mean the applicable separate account established within the Rebate Fund for each Series issued under this Master Resolution.

"Rebate Amount" shall mean, with respect to each Series that are not taxable bonds, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on that series of Bonds, plus any income attributable to such excess, or shall have such other meaning as may be required by the Code.

"Rebate Fund" shall be the Rebate Fund created and established pursuant to Section 6.05 hereof.

"Record Date" shall mean the Regular Record Date or Special Record Date, as applicable.

"Registered Owner" shall mean the owner of any Bond or Bonds as shown on the registration book kept by the Bond Registrar/Paying Agent.

"Regular Record Date" shall mean, with respect to each Series of Bonds, the 15th day of the calendar month next preceding a Principal or Interest Payment Date or such other date specified for a Series by the applicable Supplemental Authorizing Resolution.

"School Districts" shall mean the several School Districts of the State of Florida, created by law, which are to receive a portion of the proceeds of the Bonds.

"Serial Bonds" shall mean the Bonds of a Series which shall be stated to mature in periodic installments.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance and pursuant to this Master Resolution or the Supplemental Authorizing Resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such

Bonds, pursuant to Article II hereof, regardless of variations in maturity, interest rate or other provisions.

"Sinking Fund" shall mean the trust fund, herein created, to be held and administered by the State Board of Administration, pursuant to Article IV of this Master Resolution.

"Special Interest Payment Date" means a date established pursuant to Section 3.06 hereof for the payment of interest which has become delinquent.

"Special Record Date" means a record date established pursuant to Section 3.06 hereof for the payment of interest on any Special Interest Payment Date.

"State" shall mean the State of Florida.

"State Board" shall mean the Board of Education of Florida, as constituted pursuant to Section 2 of Article IX of the Constitution of Florida.

"State Board of Administration" shall mean the Board of Administration of Florida as created by the Florida Constitution and shall also include any statutory body succeeding to the duties and powers given the State Board of Administration by law and particularly Section 403.1834, Florida Statutes.

"State Bond Act" shall mean Sections 215.57 through 215.83, Florida Statutes.

"State System" shall mean the State System of Public Education provided for by Section 1 of Article IX of the Florida Constitution of 1968, including but not limited to institutions of higher learning, community or junior colleges, vocational-technical schools, and public schools, as now defined or as may hereafter be defined by law.

"Supplemental Authorizing Resolution" means, as to any Series of Bonds, the resolution or resolutions of the State Board authorizing and providing for the sale and issuance of such Series of Bonds and includes any certificate of award, any trust indenture, the bond purchase agreement or other document or instrument that is approved by or required to be executed (prior to the issuance of such Series) by any such resolution.

"Term Bonds" shall mean the Bonds of a Series which shall be stated to mature on one date and for the amortization of which payments are required to be made into the Amortization Account in the Sinking Fund, hereinafter created, as set forth in the Supplemental Authorizing Resolution applicable thereto.

SECTION 1.03. CORRELATIVE WORDS. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural, and vice versa, and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

SECTION 1.04. FINDINGS. It is hereby found, determined and declared as follows:

(a) The State Board has previously issued the Prior Lien Obligations to finance or refinance the cost of Capital Outlay Projects for the institutions included in the State System pursuant to certain resolutions of the State Board, which resolutions permit the issuance of additional parity bonds only upon satisfaction of the limitations and conditions set forth therein, which limitations and conditions restrict the ability of the State Board to issue certain types of obligations, to effectively provide credit or liquidity support for obligations and to otherwise structure financing transactions so as to achieve the lowest overall borrowing costs.

(b) By closing the lien of the prior resolutions and hereafter issuing Bonds pursuant to this Master Resolution and, with respect to each Series, the applicable Supplemental Authorizing Resolution, the State Board will enhance its flexibility in structuring financing transactions to take advantage of both traditional and contemporary financing methods to reduce the overall borrowing costs.

(c) Each Series to be issued under this Master Resolution will be authorized by, and the details of such Series determined pursuant to, a Supplemental Authorizing Resolution to be adopted prior to the issuance of such Series.

SECTION 1.05. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds by the Registered Owners thereof, this Master Resolution shall be deemed to be and shall constitute a contract between the State Board and such Registered Owners. The covenants and agreements to be performed by the State Board shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction of any of such Bonds over any other thereof, except as expressly provided therein and herein. The Supplemental Authorizing Resolution for any Series of Bonds shall be deemed to be and shall constitute a contract between the State Board and the Registered Owners of Bonds of such Series and the covenants and agreements set forth in such Supplemental Authorizing Resolution to be performed by the State Board shall be for the equal benefit, protection and security of the Registered Owners of all Bonds of such Series.

ARTICLE II

AUTHORIZATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. (a) Subject and pursuant to the provisions of this Master Resolution, the Public Education Bond Amendment, the State Bond Act and other applicable provisions of law, there are hereby authorized to be issued from time to time, as hereinafter provided, State Board of Education, Public Education Capital Outlay Bonds. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Master Resolution is not limited except as may hereafter be provided in this Master Resolution or in any Supplemental Authorizing Resolution or as may be limited by law.

(b) The Bonds may, if and when authorized by one or more Supplemental Authorizing Resolutions, be issued in one or more Series. The designation of each Series shall include such further appropriate particular designation added to or incorporated in the title for the Bonds of such Series as the State Board may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

SECTION 2.02. SUPPLEMENTAL AUTHORIZING RESOLUTIONS. Each Series shall be authorized by the adoption of a Supplemental Authorizing Resolution, which shall specify such terms and conditions relative to the Bonds of such Series, and such other matters relative thereto, as the State Board shall determine. Such Supplemental Authorizing Resolution may specify with respect to the Series authorized therein:

(a) the form, denominations, maturities, amortization installments, interest rates or yields, and, if applicable, the method of determination of such interest rates or yields, which may be fixed or variable rates or yields, Principal and Interest Payment Dates, redemption provisions, including provisions for the selection of Bonds for redemption and the giving of notice thereof, registration and transfer provisions, the manner of sale, and such other terms as the State Board shall determine;

(b) the form of any documents or instruments relative to such Series, and the application of the proceeds thereof, including any escrow agreement, construction fund agreement, trust indenture, paying agent or registrar agreement, letter of representation or other agreement regarding book-entry or other registration systems, and such other documents or instruments as the State Board shall determine;

(c) any additional security, credit enhancement or liquidity facility for such Series, which may include a debt service reserve account, pledge of additional revenues or other collateral, municipal bond insurance, surety bond or other financial arrangement, a letter of credit, standby purchase agreement, tender, auction or remarketing agreement, or such other additional security, credit enhancement or liquidity facility as the State Board shall determine; and

(d) such other terms applicable solely to such Series as the State Board shall determine, which terms may include provisions for the amendment of such Supplemental Authorizing Resolution, the defeasance of Bonds of such Series and the termination of the lien and pledge in favor thereof, additional covenants and agreements of the State Board and such other provisions as the State Board shall determine.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01. GENERALLY. The form, denominations, maturities, amortization installments, interest rates or yields, principal and interest payment dates, manner and place of payment, redemption, registration and transfer provisions and other terms and details of each Series shall be provided for in the Supplemental Authorizing Resolution applicable thereto; provided, however, that any Series as to which any such terms and details (other than the principal amount, maturity and interest rates or yields) are not provided for in the applicable Supplemental Authorizing Resolution shall be governed by the general provisions of this Article III.

SECTION 3.02. DESCRIPTION OF BONDS. The Bonds shall be payable, with respect to interest, principal and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; shall be issued in the form of fully registered Bonds; shall be dated as of the first day of the month of the delivery thereof; shall bear interest from their date at a rate not exceeding the legal rate per annum, with interest payments to be mailed to the Registered Owner thereof by the Bond Registrar/Paying Agent at the address shown on the registration books for the Bonds held by the Bond Registrar/Paying Agent as of the Record Date, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted value, payable only upon redemption, or maturity thereof; and shall be in principal or

Accreted Value at maturity denominations of $5,000 or integral multiples thereof.

SECTION 3.03. PRIOR REDEMPTION OF THE BONDS. The Bonds of each Series may be made redeemable in such manner and upon such terms and conditions as are determined pursuant to the Supplemental Authorizing Resolution applicable thereto.

Unless waived by any Registered Owner of Bonds to be redeemed, a notice of the redemption prior to maturity of any of the Bonds shall be mailed by first class mail (postage prepaid) at least thirty days prior to the date fixed for redemption, to the Registered Owner of the Bonds to be redeemed of record on the books kept by the Bond Registrar/Paying Agent as of forty-five days prior to the date fixed for redemption. Such notice of redemption shall specify the serial or other distinctive numbers or letters of the Bonds to be redeemed, if less than all, the date fixed for redemption, and the redemption price thereof and, in the case of Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure so to give any such notice by mailing to any Registered Owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided above shall be conclusively presumed to have been given, whether or not the Registered Owner of such Bond receives such notice.

The Bond Registrar/Paying Agent shall not be required (a) to issue, transfer or exchange any Bonds during a period beginning at the opening of business on the 15th business day next preceding the date fixed for redemption and ending at the close of business on the date fixed for redemption; or (b) to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

Notice having been published and mailed in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been published and mailed and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the State Board, or the Bond Registrar/Paying Agent, in trust for the Registered Owners of the Bonds or portions thereof to be redeemed, all as provided in this Master Resolution or the applicable Supplemental Authorizing Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Master Resolution or the applicable Supplemental Authorizing Resolution, and the Registered Owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the final paragraph of this Section, to receive Bonds for any unredeemed portion of the Bonds. Any and all of the Bonds redeemed prior to maturity shall be duly cancelled by the Bond Registrar/Paying Agent, and shall not be reissued.

In addition to the foregoing notice, further notice shall be given as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; (v) the publication date of the official notice of redemption; (vi) the name and address of the Bond Registrar/Paying Agent; and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company, New York, New York, Midwest Securities Trust Company, Chicago, Illinois, Pacific Securities Depository Trust Company, San Francisco, California and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(c) Each further notice of redemption shall be published one time in The Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

In case part but not all of an Outstanding Bond shall be selected for redemption, the Registered Owner thereof shall present and surrender such Bond to the Bond Registrar/Paying Agent for payment of the principal amount thereof so called for redemption, and the Bond Registrar/Paying Agent shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds fully registered as to principal and interest.

SECTION 3.04. EXECUTION AND AUTHENTICATION OF BONDS. The Bonds shall be executed in the name of the State Board by the Chairman of the Governing Board of the State Board, and attested by the Secretary or an Assistant Secretary, or such other officers as may be designated by a resolution of the State Board, and the corporate seal of the State Board or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signatures of the Chairman, and the Secretary or Assistant Secretary, or such other officer, may be imprinted or reproduced on the Bonds, provided that, in accordance with the laws of Florida in effect on the date of the adoption of this Master Resolution, at least one signature, which may be that of the Bond Registrar/Paying Agent, required to be placed on the Bonds shall be manually subscribed. In the event that the laws of Florida relevant to the requirements for facsimile or manual signatures are changed prior to the delivery of a Series, then the signatures which are actually imprinted, reproduced, or manually subscribed on the Bonds of such Series shall be in compliance with the new laws. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the State Board before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the State Board by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

If the Bonds have been validated, a certification as to Circuit Court validation, in substantially the form hereinafter provided, shall be executed with the facsimile signature of any present or future Chairman.

SECTION 3.05. NEGOTIABILITY. The Bond shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities Law of the State of Florida, as provided in the Act.

SECTION 3.06. REGISTRATION. The Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be responsible for maintaining the books for the registration of and for the transfer of the Bonds in compliance with its agreement with the State of Florida.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar/Paying Agent shall deliver in the name of the transferee or transferees, a fully registered Bond or Bonds of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

All Bonds presented for transfer, exchange, redemption or payment (if so required by the State Board or the Bond Registrar/Paying Agent) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the State Board and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or by his duly authorized attorney.

Neither the State Board, the State Board of Administration, nor the Bond Registrar/Paying Agent may charge the Registered Owner of any Bonds or his transferee for any expenses incurred in making any exchange or transfer of the Bonds. However, the State Board, the State Board of Administration and the Bond Registrar/Paying Agent may require payment from the Registered Owner of any Bonds of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses shall be paid before any such new Bonds shall be delivered.

The principal amount of the Bonds shall be paid to the Registered Owner or registered assigns on the maturity date of the Bonds, unless redeemed prior thereto in accordance with the terms thereof, upon presentation and surrender of the Bonds at the principal corporate trust office of the Bond Registrar/Paying Agent.

Interest shall be paid on the Interest Payment Dates to the Registered Owner whose name appears on the books of the Bond Registrar/Paying Agent as of 5:00 p.m. (local time, New York, New York) on the Record Date, by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) from the Bond Registrar/Paying Agent to the Registered Owner, or in certain cases shall be paid by wire transfer as provided by the agreement between the Bond Registrar/Paying Agent and the State, except for Capital Appreciation Bonds which shall bear interest as described under the defined term Accreted Value, payable only upon redemption or maturity thereof. If and to the extent, however, that the State Board fails to make payment or provision for payment on any Interest Payment Date of interest on any Bond, that interest shall cease to be payable to the Person who was the Registered Owner of that Bond as of the applicable Regular Record Date. In that event, when moneys become available for payment of the delinquent interest, the Bond Registrar/Paying Agent shall establish a Special Interest Payment Date for the payment of that interest, and a Special Record

Date, which Special Record Date shall be not more than fifteen (15) nor fewer than ten (10) days prior to the Special Interest Payment Date; and the Paying Agent shall cause notice of the proposed payment, of the Special Interest Payment Date and of the Special Record Date to be mailed not fewer than ten (10) days preceding the Special Record Date to each Person who was a Registered Owner of such Bond at the close of business on the fifteenth (15th) day preceding said mailing to such Person's address as it appears on the Register on that fifteenth (15th) day preceding the mailing of such notice and, thereafter, the interest shall be payable to the Person who was the Registered Owner of such Bond as of the close of business on the Special Record Date.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the State Board, evidencing the same debt as the Bonds surrendered, shall be secured by this Master Resolution and the applicable Supplemental Authorizing Resolution, and shall be entitled to all of the security and benefits thereof to the same extent as the Bonds surrendered.

The State Board, the State Board of Administration and the Bond Registrar/Paying Agent may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any Bond is registered may be deemed the owner thereof by the State Board, the State Board of Administration and the Bond Registrar/Paying Agent, and any notice to the contrary shall not be binding upon the State Board, the State Board of Administration or the Bond Registrar/Paying Agent.

In addition, notwithstanding the foregoing, to the extent permitted by applicable law, the State Board may establish a system of registration with respect to any or all Series and may issue certificated public obligations (represented by instruments) or uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations, combinations thereof, or such other obligations as may then be permitted by law. The State Board or the State Board of Administration shall appoint such registrars, transfer agents, depositories and other agents as may be necessary to cause the registration, registration of transfer and reissuance of the Bonds within a commercially reasonable time according to the then current industry standards and to cause the timely payment of interest, principal and premium, if any, payable with respect to the Bonds. Any such system may be effective for any Series previously issued or to be subsequently issued, provided that if the State Board adopts a system for the issuance of uncertificated registered public obligations for a Series, it shall permit thereunder the conversion, at the option of a Registered Owner of any Bonds of such Series issued prior to the adoption of such system, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same.

SECTION 3.07. AUTHENTICATION. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Master Resolution or a Supplemental Authorizing Resolution unless and until a certificate of authentication on such Bond substantially in the form herein set forth shall have been duly executed by the manual signature of the Bond Registrar/Paying Agent, and such executed certificate of the Bond Registrar/Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Master Resolution. The Bond Registrar/Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar/Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereinafter.

SECTION 3.08. DISPOSITION OF BONDS PAID OR EXCHANGED. Whenever any Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such Bond shall either be retained by the Bond Registrar/Paying Agent for a period of time specified in writing by the State Board or the State Board of Administration or, at the option of the State Board or the State Board of Administration, shall be cancelled and destroyed by the Bond Registrar/Paying Agent and counterparts a copy of a certificate of destruction evidencing such destruction shall be furnished to the Division of Bond Finance or the State Board.

SECTION 3.09. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the State Board may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the State Board proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the State Board may prescribe and paying such expense as the State Board may incur. All Bonds so surrendered shall be disposed of as provided in Section 3.08 hereof. If any such Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the State Board may provide for the payment of the same upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional, contractual obligations on the part of the State Board, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Master Resolution, from the Gross Receipts Taxes, and the Full Faith and Credit of the State of Florida.

SECTION 3.10. FORM OF BONDS. The text of the Bonds, together with the validation certificate (if any) to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Master Resolution or as may be necessary to comply with applicable laws, rules, and regulations of the United States Government and the State of Florida in effect upon the issuance thereof.

REGISTERED NUMBER

R -___________________

UNITED STATES OF AMERICA STATE OF FLORIDA FULL FAITH AND CREDIT PUBLIC EDUCATION CAPITAL OUTLAY BOND [YEAR] SERIES [LETTER]

MATURITY DATE _______________

INTEREST RATE _______________%

DATED DATE _______________

REGISTERED OWNER _______________

____

PRINCIPAL AMOUNT _______________ DOLLARS

The State Board of Education of Florida (hereinafter referred to as the "State Board") by authority of Subsection (a)(2) of Section 9 of Article XII of the Constitution of the State of Florida, as amended (herein called the "Public Education Bond Amendment"), and applicable statutes, for value received, hereby promises to pay to the Registered Owner, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office of ____________________________, New York, New York, as Bond Registrar/Paying Agent, the Principal Amount set forth above, and to pay to the Registered Owner hereof, by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) to such Registered Owner at his address as it appears, at 5:00 p.m. (local time, New York, New York) on the Record Date, on the registration books kept by the Bond Registrar/Paying Agent under this Master Resolution, interest on such Principal

Amount from the dated date hereof or from the most recent interest payment date to which interest has been paid, whichever is applicable, at the Interest Rate set forth above until the payment of said Principal Amount, such interest being payable on the first day of _________________ and the first day of ____________________ in each year. The Record Date for the ____________________ payment is ___________________ and the Record Date for the ____________ _____ payment is _________________________.

If and to the extent, however, that the State Board fails to make payment or provision for payment on any Interest Payment Date of interest on any Bond, that interest shall cease to be payable to the Registered Owner of that Bond as of the applicable Regular Record Date. In that event, when moneys become available for payment of the delinquent interest, the Bond Registrar/Paying Agent shall establish a Special Interest Payment Date for the payment of that interest, and a Special Record Date, which Special Record Date shall be not more than fifteen (15) nor fewer than ten (10) days prior to the Special Interest Payment Date; and the Bond Registrar/Paying Agent shall cause notice of the proposed payment, of the Special Interest Payment Date and of the Special Record Date to be mailed not fewer than ten (10) days preceding the Special Record Date to each Registered Owner of such Bond at the close of business on the fifteenth (15th) day preceding said mailing to such Registered Owner's address as it appears on the Register on that fifteenth (15th) day preceding the mailing of such notice and, thereafter, the interest shall be payable to the Registered Owner of such Bond as of the close of business on the Special Record Date. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds in the aggregate principal amount of $________________ issued to finance all or a portion of the cost of [insert description], pursuant to the Public Education Bond Amendment and applicable statutes, and pursuant to a resolution adopted by the Sate Board of Education of Florida on __ __________________, as supplemented by a resolution adopted by said State Board on ____________________________, as supplemented (collectively the "Resolution"), and is subject to all the terms and conditions of said Resolution.

(Insert Redemption Provisions)

In the event any of the Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by mailing a copy of the redemption notice by first class mail (postage paid) at least 30 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed, of record on the books of the Bond Registrar/Paying Agent, as of forty-five days prior to the date of redemption. All Bonds so called for redemption will cease to bear interest after the specified redemption date if payment thereof has been duly provided for.

The Bond Registrar/Paying Agent shall not be required (a) to issue, transfer or exchange any bonds during a period beginning at the opening of business on the 15th business day next preceding the date fixed for redemption of Bonds and ending at the close of business on the date fixed for redemption, or (b) to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

The principal of and interest on this Bond are secured by a lien upon and are payable, on a parity and ranking equally with the outstanding State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, ____ Series ____, primarily from the Gross Receipts Taxes which are required to be deposited in the Public Education Capital Outlay and Debt Service Trust Fund administered by the State Board of Education of Florida, under the provisions of the Public Education Bond Amendment. The State Board has entered into certain further covenants and agreements with the Registered Owners of the Bonds of the issue of which this Bond is one, for the exact terms of which reference is made to said Resolution.

The Bonds of this issue are junior, inferior and subordinate to the outstanding State of Florida, Full Faith and Credit, State Board of Education, Public Education Bonds, Series A and Series B, and Public Education Capital Outlay Bonds, Series 1985, Series 1985-A, Series 1986-B, Series 1986-C, Series 1987-A, Series 1989-A, Series 1989-B, Series 1990, Series 1991-A, Series 1991-B, Series 1991-C and Series 1992-A (the "Prior Lien Obligations"), as to lien on and source and security for payment from the Gross Receipts Taxes which are required to be deposited in the Public Education Capital Outlay and Debt Service Trust Fund. The State Board has covenanted in the

Resolution that it will not hereafter issue any obligations ranking on a parity with the Prior Lien Obligations.

The payment of the principal of and interest on this Bond is additionally secured by a pledge of the Full Faith and Credit of the State of Florida, and the State of Florida is unconditionally and irrevocably obligated to pay the principal of and interest on this Bond as the same mature and become due to the full extent that such Gross Receipts Taxes are insufficient therefor, in the manner provided in said Resolution.

This Bond has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original Registered Owner and each successive Registered Owner of this Bond, shall be conclusively deemed, by his acceptance hereof, to have agreed that this Bond shall be and have all the qualities and incidents of negotiable instruments.

This Bond may be transferred only upon the books of the State Board kept by the Bond Registrar/Paying Agent, under the Resolution upon, surrender thereof at the principal office of the Bond Registrar/Paying Agent with an assignment duly executed by the Registered Owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution, and upon surrender and cancellation of this Bond. Upon any such transfer, there shall be executed in the name of the transferee, and the Bond Registrar/Paying Agent shall deliver, a new registered Bond or Bonds in the same aggregate principal amount and series, maturity, and interest rate of the authorized denominations as the surrendered Bonds.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

In like manner, tenor, subject to the limitations and upon payment of the charges referred to in the preceding paragraph, the Registered Owner of any Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to Bond Registrar/Paying Agent duly executed by the Registered Owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of fully registered Bonds of the same series and maturity of any other authorized denomination.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due from and time as required by the Constitution and laws of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Bonds of which this Bond is one, does not violate any Constitutional or Statutory limitation or indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been signed by the Bond Registrar/Paying Agent.

IN WITNESS WHEREOF, the State Board of Education of Florida has issued this Bond and has caused the same to be signed by the Governor, as Chairman of the State Board, or to be executed with his facsimile signature, and the corporate seal of the State Board of Education to be affixed hereto or imprinted hereon, attested by the Secretary or Assistant Secretary of the State Board, with his or her manual or facsimile signature.

STATE BOARD OF EDUCATION
OF FLORIDA

(SEAL)

By:________________________
Governor, as Chairman

ATTEST:

____
Commissioner of Education,
as Secretary

BOND REGISTRAR/PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

AS BOND REGISTRAR/PAYING AGENT

By______________________________
Authorized Signature

____
Date of Authentication

CERTIFICATE

The issuance of this Bond has been approved under the provisions of the State Bond Act by the Governing Board of the Division of Bond Finance of the State Board of Administration. This Certificate is made in compliance with 215.68(6), Florida Statutes.

____
Comptroller of the State of Florida, as Secretary of the Governing Board of the Division of Bond Finance of the State of Florida

STATE BOARD OF ADMINISTRATION CERTIFICATE

The issuance of these Bonds has been approved by the State Board of Administration as required by law. This Certificate is made in compliance with Section 215.73, Florida Statutes.

____
Governor of the State of Florida as Chairman of the State Board of Administration

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned, ______________________________ (the "Transferor") hereby sells, assigns and transfers to

PLEASE INSERT SOCIAL SECURITY OR OTHER FEDERAL EMPLOYER/TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

the within Bond and does hereby irrevocably constitute and appoint the Bond Registrar/Paying Agent as his agent to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated ____________________________________

Signature Guaranteed:

____
(Bank, Trust Company or Firm)

Notice: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

____
(Authorized Signature)

____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration, enlargement or any change whatever, and the Social Security Number or federal employer identification must be supplied.

(End of Bond Form)

ARTICLE IV

PLEDGE OF THE PLEDGED REVENUES; SINKING FUND

SECTION 4.01. FUNDS PLEDGED FOR BONDS. The Bonds shall be payable primarily from the Gross Receipts Taxes pledged for the payment thereof, and shall be additionally secured by a pledge of the Full Faith and Credit of the State of Florida, pursuant to the Public Education Bond Amendment and this Master Resolution. Any Series may be further secured as provided in the Supplemental Authorizing Resolution therefor. No Registered Owner of the Bonds shall ever be entitled to require the payment of the principal of or interest on the Bonds from any funds of the State of Florida, the State Board, or any other political subdivision or agency of said State, except from the Gross Receipts Taxes pledged for the payment thereof by the Public Education Bond Amendment and this Master Resolution, moneys received pursuant to the pledge of the Full Faith and Credit of the State in the manner provided by this Master Resolution and any additional security provided for a Series by such Supplemental Authorizing Resolution.

SECTION 4.02. BONDS SECURED BY PLEDGE OF GROSS RECEIPTS TAXES AND THE FULL FAITH AND CREDIT OF THE STATE OF FLORIDA. (a) The payment of the principal (including Amortization Installments, if any) of and interest on all of the Bonds issued hereunder, including any Additional Bonds hereafter issued pursuant to and in conformity with the terms, conditions and restrictions contained in this Master Resolution, shall be secured equally and ratably by a lien on the Gross Receipts Taxes deposited in the Public Education Fund pursuant to the Public Education Bond Amendment, subject only to the prior lien of the Prior Lien Obligations. All such Gross Receipts Taxes received pursuant to the Public Education Bond Amendment are hereby irrevocably pledged to the payment of the principal (including Amortization Installments, if any) of and interest on the Bonds herein authorized as the same become due, and for all the purposes provided in Section 4.03 of this Master Resolution.

The lien of the Registered Owners of the Bonds issued hereunder on the Gross Receipts Taxes deposited in the Public Education Fund is and shall be junior, inferior and subordinate to the prior lien thereon of the Registered Owners of the Prior Lien Obligations.

(b) The payment of the principal (including Amortization Installments, if any) of and interest on the Bonds is additionally secured by a pledge of the Full Faith and Credit of the State of Florida, and the State is unconditionally and irrevocably obligated to make all payments required for the payment of such principal (including Amortization Installments, if any) of and interest on the Bonds as the same mature and become due to the full extent that the moneys derived from said Gross Receipts Taxes then on deposit in the Sinking Fund, hereinafter described, are insufficient for the full payment of all such principal (including Amortization Installments, if any) of and interest on the Bonds as the same mature and become due. It shall be the mandatory duty of the State Board on or prior to each Principal or Interest Payment Date to immediately certify to the proper officials of the State of Florida any deficiencies in the amounts of moneys needed for the payment of the principal (including

Amortization Installments, if any) of and interest on the Bonds on such Principal and Interest Payment Dates. It shall further be the mandatory duty of the appropriate officials of the State of Florida to pay over to the State Board the amounts of such deficiencies in the manner provided herein and in the Public Education Bond Amendment and other applicable provisions of the law.

SECTION 4.03. PUBLIC EDUCATION FUND. Each year, after providing for the current requirements of the Prior Lien Obligations and any prior deficiencies, all of the Gross Receipts Taxes shall, as collected, continue to be deposited in the Public Education Fund in the State Treasury of Florida. The moneys in the Public Education Fund shall be held in trust, and shall be used and applied only in the following manner and order of priority:

(a) It shall be the duty of the State Board in each Fiscal Year on or prior to the tenth day preceding each Principal or Interest Payment Date to withdraw from the Public Education Fund and transmit to the State Board of Administration, in the following manner, for deposit in the Public Education Capital Outlay Bonds 1992 Principal and Interest Sinking Fund (hereinafter called "Sinking Fund"), which is hereby created, such sums as will be sufficient for the payment of principal (including Amortization Installments, if any) and interest, and handling charges thereon, becoming due and payable on such Principal or Interest Payment Date.

Each Supplemental Authorizing Resolution shall create such subaccounts in the Sinking Fund as shall be necessary or desirable to provide for the payment of such Series, including Amortization

Accounts for the Term Bonds of such Series. Deposits to any such subaccounts shall be made pro-rata from the amounts deposited in the Sinking Fund pursuant to this Section 4.03.

Upon the issuance of any Additional Bonds, as herein provided, the provisions of this Section 4.03(a) shall apply to such Additional Bonds equally with the Bonds theretofore issued. All payments provided under this Section 4.03(a) for the Bonds authorized by this Master Resolution and such Additional Bonds, hereafter issued, shall constitute a lien on all moneys in the Public Education Fund in the manner provided herein.

(b) Thereafter, in each Fiscal Year, but only after all payments required for such Fiscal Year by Section 4.03(a) hereof, including any deficiencies for prior payments, have been fully provided for, the remaining moneys on deposit in the Public Education Fund may be used by the State Board, as provided in the Public Education Bond Amendment:

(1) First, for the payment of any amounts required to be paid into funds or accounts, or to reimburse providers of credit or liquidity support, established pursuant to a Supplemental Authorizing Resolution, including funds and accounts from which encumbrances provided for pursuant to 235.42(1), Florida Statutes, are to be paid,

(2) Second, for payments to the State in amounts sufficient to reimburse the State for any moneys paid pursuant to Section 4.02(b); and, to the extent not required for such purpose,

(3) Third, for direct payment of the cost or any part of the cost of any Capital Outlay Project theretofore authorized by the Legislature; or, at the option of the State Board,

(4) Fourth, for purchase of any Bonds issued under the Public Education Bond Amendment or any Prior Lien Obligations then outstanding at the best prices obtainable, but in no event to exceed the price at which the Bonds or Prior Lien Obligations may be redeemable on their next ensuing redemption date, or for the redemption prior to maturity of such outstanding Bonds or Prior Lien Obligations.

SECTION 4.04. INVESTMENT OF SINKING FUND MONEYS. All moneys maintained at any time in the Sinking Fund under the provisions of Section 4.03(a) hereof, may be invested and reinvested by the State Board of Administration in direct obligations of the United States of America or in other investments authorized in Section 18.10, Florida Statutes, as such statute shall be amended from time to time; provided, however, that the investments of moneys needed to meet the requirements of Section 4.03(a) shall mature prior to the next ensuing Principal or Interest Payment Date for which such moneys are needed and set aside.

All such investments or reinvestments shall be liquidated whenever necessary for the purpose of such investments or reinvestments. Any earnings from such investments or reinvestments shall be credited to the account or fund from which such investments or reinvestments were made, and any losses upon the liquidation of such investments or reinvestments shall be fully restored from the first available moneys after all other required payments under Section 4.03(a) have been made to the date of such restoration.

All moneys maintained at any time in a fund or account (other than an account in the Sinking Fund) established by a Supplemental Authorizing Resolution may be invested and reinvested, and any earnings therefrom applied, as provided in such Supplemental Authorizing Resolution or as provided in the preceding sentence.

SECTION 4.05. INVESTMENT OF PUBLIC EDUCATION FUND MONEYS. All moneys maintained at any time in the Public Education Fund may be invested and reinvested by the State Board or by the State Board of Administration in direct obligations of the United States of America or in the other securities authorized in Section 18.20, Florida Statutes; provided, however, that the investment of moneys needed to meet the requirements of Section 4.03(a) shall mature prior to the next ensuing date for which such moneys are needed for transmittal to the State Board of Administration for deposit in the Sinking Fund.

SECTION 4.06. TRUST FUNDS. The Public Education Fund, the Sinking Fund, including the Amortization Accounts therein, and all moneys on deposit therein shall constitute trust funds for the purposes provided in Section 4.03 hereof, and the Registered Owners of the Bonds shall have a lien on such moneys until used or applied as provided in Section 4.03. The Public Education Fund and the Sinking Fund shall be maintained in a bank or banks or trust companies which are members of the Federal Reserve System, and such funds shall be fully and continuously secured in the manner provided by the laws of the State of Florida for the securing of deposits of State funds.

SECTION 4.07. ENFORCEABILITY BY REGISTERED OWNERS. The State Board hereby irrevocably agrees that the pledge of the Gross Receipts Taxes as provided herein shall be deemed to have been made for the benefit of, and shall be a contract with, the Registered Owners of the Bonds and that such pledge and all the provisions of this Master Resolution and the applicable Supplemental Authorizing Resolution shall be enforceable in any court of competent jurisdiction by any Registered Owner or Registered Owners of such Bonds, against either the State Board, the State Board of Administration, or any other agency of the State of Florida, or political subdivision or instrumentality having any duties concerning the collection, administration, and disposition of the Gross Receipts Taxes. The State Board does hereby consent to the bringing of any proceedings in any court of competent jurisdiction by any Registered Owner or Registered Owners of Bonds for the enforcement of all provisions of this Master Resolution and the applicable Supplemental Authorizing Resolution and do hereby waive, to the extent permitted by law, any privilege or immunity from suit which the State Board may now or hereafter have as an agency of the State of Florida. However, no covenant or agreement contained in this Master Resolution or any Supplemental Authorizing Resolution or any Bond issued pursuant thereto shall be deemed to be the covenant or agreement of any officer or employee of the State, in his or her or individual capacity and neither the officers nor employees of the

State nor any official executing any of the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 4.08. STATE BOARD OF ADMINISTRATION FISCAL AGENT FOR FUNDS. Pursuant to the provisions of Section 215.69, Florida Statutes, after the Division of Bond Finance receives the proceeds of the Bonds, pays its costs, and transfers the remainder of such proceeds as provided herein, the State Board of Administration shall succeed, in accordance with said Statutes, to all the powers, authority, duties, and discretions of the Division of Bond Finance with regard to said Bonds, and shall receive, manage, and disburse all moneys and administer and maintain all funds provided for by this Master Resolution and any Supplemental Authorizing Resolution.

ARTICLE V

ADDITIONAL PARITY BONDS AND REFUNDING BONDS

SECTION 5.01. ISSUANCE OF ADDITIONAL PARITY BONDS. (a) Additional Bonds may be issued by the State Board after the issuance of the Bonds originally issued pursuant to this Master Resolution, but only upon the terms, restrictions and conditions contained in the Public Education Bond Amendment and this Article V.

(b) No such Additional Bonds shall be created or issued at any time unless the State Board determines that the Debt Service Requirements in each Fiscal Year thereafter on:

(1) the Prior Lien Obligations then Outstanding,

(2) the Bonds then outstanding, and

(3) the Additional Bonds then proposed to be issued,

shall not exceed ninety percent (90%) of the amount of Gross Receipts Taxes to be available in each Fiscal Year thereafter.

(c) Additional Bonds shall be deemed to have been issued pursuant to this Master Resolution to the same extent as the Bonds originally authorized and issued pursuant to this Master Resolution, and all of the covenants and other provisions of this Master Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Registered Owners of all Bonds issued pursuant to this Master Resolution and the Registered Owners of any such Additional Bonds. All of the Bonds, regardless of the time or times of their issuances, shall rank equally with respect to their lien on the Gross Receipts Taxes and their source and security for payment therefrom without preference or priority of any Bonds or Additional Bonds, over any other thereof.

(d) (1) No such Additional Bonds shall be created or issued at any time unless all the payments required by the provisions of Subsection 4.03(a) and 4.03(b)(1) hereof, including any deficiencies for prior payments, have been made in full to the date of such issuance and the State Board shall have complied fully with all the covenants, agreements, and provisions of this Master Resolution and all Supplemental Authorizing Resolutions authorizing Bonds then outstanding.

(2) No such Additional Bonds shall be issued to finance the cost of any Capital Outlay Project pursuant to the Public Education Bond Amendment unless the construction or acquisition of such Capital Outlay Project has been theretofore authorized by the Legislature of Florida.

SECTION 5.02. REFUNDING BONDS. (a) Any part of the Bonds may be refunded and the lien of the refunded Bonds fully preserved for the refunding Bonds by the issuance of Additional Bonds in compliance with the requirements of Section 5.01.

(b) (1) Any Prior Lien Obligations may be refunded as a whole or in part by the issuance of Additional Bonds upon compliance with the terms, restrictions and conditions contained in Section 5.01 and this Section 5.02.

(2) Any refunding obligations hereafter issued which do not conform to and comply with the terms, restrictions, and conditions contained in this Section 5.02, shall be junior, inferior, and subordinate, as to lien on and source and security for payment from the Gross Receipts Taxes, to Outstanding Bonds which are not so refunded and any Additional Bonds thereafter issued.

SECTION 5.03. ISSUANCE OF OTHER OBLIGATIONS OR CREATION OF ENCUMBRANCES. The State Board covenants that it will not issue any other obligations, except Additional Bonds provided for in Section 5.01 hereof or refunding obligations provided for in Section 5.02 hereof, payable from the Gross Receipts Taxes, nor voluntarily create or cause to be created any other debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Registered Owners of the Bonds upon the Gross Receipts Taxes pledged as security for such Bonds in this Master Resolution. Any such other obligations hereafter issued by the State Board, in addition to the Bonds authorized by this Master Resolution and such Additional Bonds shall contain an express statement that such obligations are junior, inferior, and subordinate to the Bonds as to lien on and source and security for payment from such Gross Receipts Taxes.

The State Board specifically covenants that it will not hereafter issue any obligations (including refunding obligations) pursuant to the proceedings which authorized such Prior Lien Obligations which will rank on a parity with the Prior Lien Obligations.

SECTION 5.04. CANCELLATION OF UNISSUED PRIOR LIEN OBLIGATIONS. Any State Board of Education, Public Education Capital Outlay Bonds authorized prior to January 1, 1992, under the authority of Section 9(a) of Article XII of the Florida Constitution of 1968, as amended, which have not been issued as of the date of issuance of the Bonds authorized herein, are hereby cancelled.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. MODIFICATION OR AMENDMENT. (a) Except as otherwise provided in this Section, no material adverse modification or amendment of this Master Resolution, or any Supplemental Authorizing Resolution or any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of (i) the Registered Owners of more than fifty percent in principal amount of the Bonds then Outstanding or (ii) in case less than all Series of Bonds then Outstanding are affected by the modification or amendment, the Registered Owners of more than fifty percent in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or affecting the unconditional promise to pay the principal of and interest on the Bonds, as the same mature or become due, or reduce the percentage of Registered Owners of Bonds required above for such modification or amendments, without the consent of the Registered Owners of all the Bonds then Outstanding.

(b) This Master Resolution, or any Supplemental Authorizing Resolution or any resolution amendatory thereof or supplemental thereto, may be amended, changed, modified and altered without the consent of the Registered Owners of Bonds, (i) to cure any ambiguity or correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, (ii) to provide other changes including such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of various types of Bonds which will not materially adversely affect the interests of the Registered Owners, (iii) to provide for the issuance of Bonds in coupon form, (iv) to obtain credit enhancements or a higher rating in one of the three highest full rating categories of a Rating Agency, (v) to add to the covenants and agreements of the State Board, other covenants and agreements to be observed by the State Board which are not contrary to or inconsistent with this Master Resolution or any Supplemental Authorizing Resolution as theretofore in effect, (vi) to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar state or federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, (vii) to enable the State Board, the Division of Bond Finance and the State Board of Administration to comply with their covenants, agreements and obligations under Section 6.05 of this Master Resolution, or (viii) to make any amendment, change, modification or alteration that does not materially adversely affect the interests of the Registered Owners.

SECTION 6.02. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Master Resolution shall be held to be contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void, shall be deemed separable from the remaining covenants or provisions of this Master Resolution, and shall in no way affect the validity of the remaining covenants or provisions of this Master Resolution or of the Bonds.

SECTION 6.03. DEFEASANCE OF BONDS. The covenants, liens and pledges entered into, created or imposed pursuant to this Master Resolution (and the applicable Supplemental Authorizing Resolution) may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(a) By paying the principal of and interest on Bonds when the same shall become due and payable whether at maturity or redemption; or

(b) By depositing with the State Board of Administration, certain moneys which are irrevocably pledged to the payment of the Bonds and which, together with other moneys lawfully available therefor, shall be sufficient at the time of such deposit to pay when due the principal, redemption premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof; or

(c) By depositing with the State Board of Administration, moneys which are irrevocably pledged to the payment of the Bonds and which, together with other moneys lawfully available therefor when invested in Defeasance Obligations, will provide moneys (principal and interest thereof at maturity) which shall be sufficient to pay the principal, redemption premium, if any, and interest due and to become due on said Bonds on or prior to a date fixed for redemption or the maturity date thereof. Upon such payment or deposit in the amount and manner provided in this section, Bonds shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Master Resolution and all liability of the State Board with respect to said Bonds shall cease, terminate and be completely discharged and extinguished, and the Registered Owners thereof shall be entitled for payment solely out of the moneys or securities so deposited and investment earnings thereon.

(d) Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of any Series of Bonds, any maturity or maturities of any Series of Bonds, any portion of a maturity of any Series of Bonds or any combination thereof.

(e) If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the State Board or the State Board of Administration may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Master Resolution.

(f) Nothing herein shall be deemed to require the State Board or Division of Bond Finance to call any of the Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the State Board or

Division of Bond Finance in determining whether to exercise any such option for early redemption.

(g) Notwithstanding the foregoing, any provisions of this Master Resolution or the applicable Supplemental Authorizing Resolution which relate to the maturity of Bonds, interest provisions, credit against mandatory redemption requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, the calculation of Rebate Amount and the payment of the Rebate Amount to the United States, shall remain in effect and be binding upon the State Board, the Division of Bond Finance, each Trustee, each Registrar, Paying Agent and the Registered Owners notwithstanding the release and discharge of the lien and pledge of this Master Resolution or any such Supplemental Authorizing Resolution.

SECTION 6.04. NONPRESENTMENT OF BONDS. In the event any Bond shall not be presented to the Bond Registrar/Paying Agent for payment within seven years after the principal thereof becomes due, either at maturity, or otherwise, the funds for payment of said principal on deposit with the Bond Registrar/Paying Agent shall be remitted to the State Board of Administration for disposition in accordance with the laws of Florida. In the event the Bond Registrar/Paying Agent shall not have been able to pay the interest, either all or a portion thereof, on any Bond within seven years after the principal (or accreted value) thereof becomes due, either at maturity, or otherwise, the funds on deposit with the Bond Registrar/Paying Agent for the payment of said interest shall be remitted to the State Board of Administration for disposition in accordance with the laws of Florida. The earnings on the funds which were held to pay the principal and the interest on said Bond shall be governed by the agreement between the State Board of Administration and the Bond Registrar/Paying Agent Agreement.

SECTION 6.05. COMPLIANCE WITH TAX REQUIREMENTS; REBATE FUND. (a) Except as provided in a Supplemental Authorizing Resolution with respect to any specific Bonds, it is the intention of the State Board that the interest on the Bonds issued hereunder, be and remain excluded from gross income for federal income tax purposes. The State Board hereby covenants and agrees, for the benefit of the Registered Owners from time to time of the Bonds, that the State Board will comply with the applicable requirements contained in the Code, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the State Board covenants and agrees:

(1) to be responsible for making or causing to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount and to obtain verification of such determinations and calculations by the Division of Bond Finance;

(2) to set aside, or cause to be set aside, sufficient moneys in the Rebate Account with respect to such Series

from the amounts in the Public Education Fund, or from any other legally available funds, to permit a timely payment of the Rebate Amount to the United States of America;

(3) to pay, or cause to be paid, the Rebate Amount at the times required pursuant to the Code;

(4) to maintain and retain, or cause to be maintained and retained, all records pertaining to the Rebate Amount with respect to each Series and required payments of the Rebate Amount with respect to that Series of Bonds, for at least six (6) years after the retirement of that Series or such other period as shall be necessary to comply with the Code;

(5) to refrain from using proceeds from any Series in a manner that would cause the Bonds of such Series to be classified as private activity bonds under Section 141(a) of the Code; and

(6) to refrain from taking any action that would cause any Series to become arbitrage bonds under Section 148 of the Code or any action that would otherwise cause interest on any Bonds to become includable in gross income for federal income tax purposes.

The State Board understands that the foregoing covenants impose continuing obligations on it that will exist as long as the requirements of the Code are applicable to the Bonds.

Notwithstanding any other provision of this Master Resolution, the obligation to pay over the Rebate Amount to the United States and to comply with all other requirements of this Section 6.05 shall survive the defeasance or payment in full of the Bonds or any Series.

(b) The State Board may deposit or direct another to deposit into the appropriate Rebate Account in the Rebate Fund which is hereby created and established, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the State Board, an amount equal to the Rebate Amount. Such moneys deposited in a Rebate Account shall be used only for the payment of the Rebate Amount to the United States as required by subsection (A) of this Section 6.05, and as directed by the State Board and the Division of Bond Finance. Funds on deposit in any Rebate Account in excess of the applicable Rebate Amount may be withdrawn and paid over to the State Board for deposit into the Public Education Fund. In complying with the foregoing, the State Board and Division of Bond Finance may rely upon any instructions or opinions from nationally recognized bond counsel.

If any amount remains in a Rebate Account after payment in full of all Bonds of the Series for which such Rebate Account was established and after payment in full of any Rebate Amount to the United States on account of such Series of Bonds in accordance with the terms hereof, such amount may be used for any purpose authorized by the law.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the State Board and shall be subject to a lien in favor of the Registered Owners, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Fund shall be available for use only as herein provided.

The Division of Bond Finance and the State Board shall not be required to continue to comply with the requirements of this Section in the event that the Division of Bond Finance and State Board receive an opinion of nationally recognized bond counsel that such compliance is no longer required in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds or that compliance with some other requirement will comply with the provisions of the Code in respect of arbitrage rebate.

Notwithstanding any of the above, the State Board's responsibilities and duties pursuant to subsection 6.05(a)(1), (2), (3) or (4) of this Section may be assumed in whole or in part by the Division of Bond Finance or any entity as provided by law, administrative rule, or resolution of the Division of Bond Finance.

Section 6.06. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Master Resolution, to the extent that they are inconsistent with this Master Resolution, be and the same are hereby repealed, revoked and rescinded.

SECTION 6.07. EFFECTIVE DATE. This Master Resolution shall take effect immediately upon its adoption.

ADOPTED on July 21, 1992.

STATE OF FLORIDA)
:
COUNTY OF LEON)

IT IS HEREBY CERTIFIED that the above and foregoing constitutes a true and correct copy of a Master Resolution of the State Board of Education authorizing the issuance of State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, pursuant to Article XII, Section 9(a)(2) of the Florida Constitution, adopted at a duly convened meeting of said Board, held on the 21st day of July, 1992, as will appear from the minutes of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the corporate seal of said State Board of Education of Florida to be hereunto affixed this 25th day of Agust, A.D. 1992.

BETTY CASTOR
Commissioner of Education,
as Secretary

Betty Castor

(S E A L)

APPENDIX D

STATE OF FLORIDA

FULL FAITH AND CREDIT
STATE BOARD OF EDUCATION
PUBLIC EDUCATION CAPITAL OUTLAY BONDS

FIFTIETH SUPPLEMENTAL AUTHORIZING RESOLUTION

PROVIDING FOR THE

ISSUANCE OF

PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS

2011 SERIES (TO BE DETERMINED)

JANUARY 18, 2011

A RESOLUTION SUPPLEMENTING AND AMENDING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY BONDS, FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL OUTLAY PROJECTS FOR THE STATE SYSTEM OF PUBLIC EDUCATION IN FLORIDA, PURSUANT TO SUBSECTION (A)(2) OF SECTION 9 OF ARTICLE XII OF THE CONSTITUTION OF FLORIDA, AS AMENDED; PROVIDING THE TERMS AND CONDITIONS UPON WHICH SUCH BONDS MAY BE ISSUED; AND PROVIDING AN EFFECTIVE DATE", AND AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $700,000,000 PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2011 SERIES (TO BE DETERMINED) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE OUTSTANDING STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY BONDS AND REFUNDING BONDS, 2001 SERIES A, 2001 SERIES B, AND 2001 SERIES E; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE STATE BOARD OF EDUCATION OF FLORIDA:

ARTICLE I
AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. AUTHORITY FOR THIS RESOLUTION. This Fiftieth Supplemental Authorizing Resolution is adopted pursuant to the provisions of the Act.

Section 1.02. DEFINITIONS. (a) All of the definitions contained in Section 1.02 of the Master Resolution shall be deemed applicable to this Fiftieth Supplemental Authorizing Resolution, except to the extent that the same are inconsistent or in conflict with the definitions set forth below.

(b) The following terms shall have the following meanings in this Fiftieth Supplemental Authorizing Resolution:

"Escrow Deposit Agreement" shall mean the agreement provided for in Section 4.02(a) of this Resolution.

"Federal Obligations" shall mean direct obligations of the United States of America, Resolution Funding Corporation ("REFCORP") interest strips, or direct non-prepayable obligations the principal and interest on which are unconditionally guaranteed as to full and timely payment by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Obligations shall not mean unit investment trusts and mutual funds.

"Fiftieth Supplemental Authorizing Resolution" shall mean this Fiftieth Supplemental Authorizing Resolution.

"Master Resolution" shall mean the Master Resolution adopted by the State Board on July 21, 1992, authorizing the issuance of Public Education Capital Outlay Bonds.

"Parity Bonds" shall mean all Bonds which are currently Outstanding and any other Bonds which may be issued under the Master Resolution prior to the issuance of the Refunding Bonds.

"Refunded Bonds" shall mean all or a portion of the Outstanding State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2001 Series A, 2001 Series B, and 2001 Series E, which will be refunded by the Refunding Bonds.

"Refunding Bonds" shall mean the not exceeding $700,000,000 Public Education Capital Outlay Refunding Bonds, 2011 Series [to be determined], issued pursuant to this Fiftieth Supplemental Authorizing Resolution.

"Retirement Fund" shall mean the State of Florida, Full Faith and Credit, State Board of Education, 2011 Series [to be determined] Public Education Capital Outlay Refunding Bonds Retirement Fund created pursuant to Section 4.01(c) hereof.

"Retirement (or Refunding) of the Refunded Bonds" or words of similar import, shall mean the payment of the principal of the Refunded Bonds, redemption premiums, if any, the interest payable on the Refunded Bonds through the date of redemption thereof, and the fees and expenses in connection with retirement of the Refunded Bonds.

Section 1.03. FINDINGS. It is hereby found, determined and declared by the State Board as follows:

(a) That it is desirable and in the best interests of the citizens of Florida and of the State Board to refund the Refunded Bonds, thereby obtaining a lower net average interest cost rate.

(b) That the Refunded Bonds, or any portion thereof, may be refunded in accordance with Article XII, Section 9(a)(2) of the State Constitution and Section 215.61, Florida Statutes.

(c) That the amount of Refunding Bonds authorized to be issued by this Fiftieth Supplemental Authorizing Resolution, together with the Parity Bonds and the Prior Lien Obligations remaining Outstanding after the refunding contemplated hereby, does not exceed ninety per centum (90%) of the amount of such Refunding Bonds which the State Board has found and determined, and does by the adoption of this Fiftieth Supplemental Authorizing Resolution find and determine, can be serviced as to both principal and interest from the Gross Receipts Taxes accruing to the State System under the provisions of the Public Education Bond Amendment.

(d) That this State Board is legally authorized to issue the Refunding Bonds authorized by this Fiftieth Supplemental Authorizing Resolution pursuant to the terms, restrictions and conditions contained in the Master Resolution.

(e) That the Division of Bond Finance shall serve as the agent of the State Board with respect to the Refunding Bonds, pursuant to the provisions of Section 215.61(4), Florida Statutes.

(f) That this State Board has been advised it is necessary to make certain amendments to the Master Resolution in order to correct obsolete statutory references and to facilitate the issuance of additional types of Bonds that are eligible for federal payment subsidies including "Build America Bonds" issued under and pursuant to the authority provided for in the American Recovery and Reinvestment Act of 2009, enacted on February 17, 2009, and in accordance with the guidance included in the Internal Revenue Service's Notice 2009-26, published on April 3, 2009, as that act and implementing regulations may be extended and expanded from time to time.

(g) That these amendments are effective pursuant to Section 6.01(b) of the Master Resolution and do not materially or adversely affect the interests of the holders of the Outstanding Bonds.

ARTICLE II
AUTHORIZATION OF REFUNDING

There is hereby authorized the refunding of the Refunded Bonds to be accomplished in the manner hereinafter provided.

ARTICLE III
AUTHORIZATION AND TERMS OF REFUNDING BONDS

SECTION 3.01. AUTHORIZATION OF REFUNDING BONDS. Subject and pursuant to the provisions of this Fiftieth Supplemental Authorizing Resolution, bonds of the State Board are hereby authorized to be issued in the aggregate principal amount of not exceeding $700,000,000. Such bonds shall each be designated "State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series [to be determined]" (such series designation to be determined by the Director of the Division), provided, however, that such bonds may be sold and issued in one or more series, and may be sold in conjunction with new money Public Education Capital Outlay Bonds; if sold and issued in more than one series, the designation of each series of such bonds shall be determined by the Director of the Division. The Refunding Bonds shall be issued under and secured by the Master Resolution, as supplemented by this Fiftieth Supplemental Authorizing Resolution, and all the terms and provisions contained in the Master Resolution shall be applicable to the Refunding Bonds, except as expressly set forth herein, including the pledge of the Gross Receipts Taxes and the pledge of the Full Faith and Credit of the State of Florida to the payment of the principal, premium if any, and interest on the Refunding Bonds.

Section 3.02. DESCRIPTION OF REFUNDING BONDS. Except as provided by subsequent resolution adopted prior to the sale of any Series thereof, the Refunding Bonds shall be issued only as fully registered bonds without coupons in the denominations of $1,000 or any integral multiple thereof; shall be dated and mature as determined pursuant to a subsequent resolution adopted by the State Board on or prior to the sale of the Refunding Bonds; shall bear interest at not exceeding the maximum lawful rate of interest authorized on the date of sale of the Refunding Bonds, payable semi-annually on June 1 and December 1 of each year; and shall be payable as to both principal and interest, shall be subject to registration, exchange, and transfer, shall be executed and authenticated, shall be subject to prior redemption in the manner, shall be in the form, and shall have such other terms as set forth in Article III of the Master Resolution.

The Refunding Bonds may be made redeemable at the option of the State Board upon such terms and conditions as determined pursuant to a subsequent resolution adopted by the State Board prior to the issuance of the Refunding Bonds.

Section 3.03 DELEGATION OF SALE OF THE REFUNDING BONDS. The Refunding Bonds shall be sold at competitive sale and may be sold at one time or in multiple Series from time to time as hereinafter provided.

In order to take advantage of opportunities as and when they arise in the municipal market, the State Board hereby authorizes the Division of Bond Finance, as agent for the State Board, to determine the financing structure and method of sale of the Refunding Bonds. The Division of Bond Finance, as agent for the State Board, is hereby authorized and directed to determine when, if, where and in what principal amount (if less than the full authorized amount) the Refunding Bonds shall be offered for sale, to determine the method(s) by which bids will be accepted, and to determine the specific fiscal details of the Refunding Bonds (or Series thereof) to be sold.

ARTICLE IV
APPLICATION OF BOND PROCEEDS

SECTION 4.01. APPLICATION OF REFUNDING BOND PROCEEDS. Upon receipt of the proceeds of the Refunding Bonds, the State Board shall transfer and apply such proceeds as follows:

(a) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, sale and issuance of the Refunding Bonds, including a reasonable charge for the services of the Division of Bond Finance, shall be transferred to the Division of Bond Finance to be deposited in the Bond Proceeds Trust Fund, subject to disbursement of the funds to the Bond Fee Trust Fund and the Arbitrage Compliance Trust Fund pursuant to written instructions at the delivery of the Refunding Bonds unless such amount shall be provided from another legally available source.

(b) The accrued interest on the Refunding Bonds, plus an amount determined in the sole discretion of the State Board and the Division of Bond Finance as being necessary, together with such accrued interest, to provide for the payment of interest on the Refunding Bonds for a period not to exceed 12 months from the date of issuance of the Refunding Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund created by the Master Resolution.

(c) All remaining proceeds shall be transferred to the Board of Administration for deposit into a trust fund, hereby created, to be known as the "State of Florida, Full Faith and Credit, State Board of Education, 2011 Series [to be determined] Public Education Capital Outlay Refunding Bonds Retirement Fund" (hereinafter referred to as the "Retirement Fund"). Such amount, together with the income on the investment thereof and other available monies(if necessary), shall be sufficient to pay when due the entire principal of the Refunded Bonds, together with interest accrued and to accrue thereon to their respective maturity dates or, if called for redemption prior to maturity, such prior redemption dates and redemption premiums, if any, and the expenses and fees listed in the Escrow Deposit Agreement as hereinafter provided in Section 4.02(a) below. The Director of the Division of Bond Finance is authorized to determine the redemption date of the Refunded Bonds, provide for the publication of any notice of redemption and take any other actions necessary or desirable to refund and redeem the Refunded Bonds.

SECTION 4.02. RETIREMENT FUND. The moneys deposited by the Board of Administration in the Retirement Fund shall be administered and applied as follows:

(a) The Retirement Fund shall be held in irrevocable trust by the Board of Administration and, except as provided in subsection (b) of this Section 4.02, shall be applied solely to refund the Refunded Bonds and to the payment of the fees and expenses incurred in connection with such refunding. The application of the moneys in the Retirement Fund shall be made for said purposes pursuant to an Escrow Deposit Agreement to be entered into between the State Board and the Board of Administration, in the form normally utilized by the State Board.

(b) Moneys on deposit in the Retirement Fund shall be used to purchase Federal Obligations in accordance with the schedules given in the Escrow Deposit Agreement. The maturing Federal Obligations, the earnings thereon, and the cash on deposit in the Retirement Fund shall be sufficient to accomplish the refunding described above in Section 4.01(c). In the alternative, in the discretion of the Director of the Division of Bond Finance, moneys on deposit in the retirement fund shall be invested in the State Treasury, or in such other legally authorized investments, until such time as such funds are needed to effect the redemption of the Refunded Bonds.

Section 4.03. REGISTERED OWNERS NOT AFFECTED BY APPLICATION OF REFUNDING BOND PROCEEDS. The proceeds derived from the sale of the Refunding Bonds shall be applied and disbursed pursuant to the provisions of the Act and this Fiftieth Supplemental Authorizing Resolution. The Registered Owners of Refunding Bonds shall not have any responsibility whatsoever for the application or use of any of the proceeds derived from the sale of the Refunding Bonds, and the rights and remedies of the Registered Owners of Refunding Bonds and their right to payment, pursuant to the Public Education Bond Amendment and this Fiftieth

Supplemental Authorizing Resolution, shall not be affected or impaired by the application or use of such proceeds. Upon the issuance of the Refunding Bonds authorized by this Fiftieth Supplemental Authorizing Resolution, all the covenants and agreements between the State Board and the Registered Owners of Refunding Bonds contained in this Fiftieth Supplemental Authorizing Resolution shall be valid and binding covenants and agreements between the State Board and the Registered Owners of Refunding Bonds without regard to the application of the proceeds of the Refunding Bonds.

ARTICLE V
APPLICATION OF PROVISIONS OF MASTER RESOLUTION AND SECURITY FOR THE REFUNDING BONDS

The Refunding Bonds herein authorized shall for all purposes (except as herein expressly changed) be considered to be Additional Parity Bonds issued under the authority of the Master Resolution and shall be entitled to all the protection and security provided therein for the Parity Bonds.

The covenants and pledges contained in the Master Resolution (to the extent the same are not inconsistent with the provisions hereof) shall be applicable to the Refunding Bonds herein authorized in like manner as applicable to the Parity Bonds, and the Funds and Accounts established in the Master Resolution shall be continued and maintained as long as any of the Refunding Bonds and interest thereon issued hereunder are outstanding and unpaid. The principal of and interest on the Refunding Bonds herein authorized shall be payable from the Sinking Fund heretofore established by the Master Resolution on a parity with the Parity Bonds, and payment shall be made into such Sinking Fund from the Public Education Fund in amounts fully sufficient to pay the principal of and interest on the Refunding Bonds herein authorized as such principal and interest become due.

ARTICLE VI
AMENDMENT OF MASTER RESOLUTION AND MISCELLANEOUS

Section 6.01. AMENDMENT OF THE MASTER RESOLUTION. The Master Resolution is hereby amended as follows. Language to be added is indicated by underlining and language to be deleted is indicated by ~~strike-throughs~~.

(A) Section 4.04 of the Master Resolution is hereby amended as follows:

SECTION 4.04. INVESTMENT OF SINKING FUND MONEYS. All moneys maintained at any time in the Sinking Fund under the provisions of Section 4.03(a) hereof, may be invested and reinvested by the State Board of Administration in direct obligations of the United States of America or in other investments authorized in Section 17.57 ~~18.10~~, Florida Statutes, as such statute shall be amended from time to time;...

(B) Section 4.05 of the Master Resolution is hereby amended as follows:

SECTION 4.05. INVESTMENT OF PUBLIC EDUCATION FUND MONEYS. All moneys maintained at any time in the Public Education Fund may be invested and reinvested by the State Board of by the State Board of Administration in direct obligations of the United States of America or in other securities authorized in Section 17.57 ~~18.20~~, Florida Statutes;...

(C) Section 5.01 of the Master Resolution is hereby amended by adding thereto a new paragraph (e) to read in its entirety as follows:

SECTION 5.01. ISSUANCE OF ADDITIONAL PARITY BONDS.

(e) to the extent that the State Board has issued or is then issuing Bonds under this Master Resolution that qualify for federal subsidy payments with respect to all or a portion of the interest or other payments due or to become due with respect to such Bonds, including “Build America Bonds” issued under and pursuant to the authority provided for in the American Recovery and Reinvestment Act of 2009, enacted on February 17, 2009, and in accordance with the guidance included in the Internal Revenue Service’s Notice 2009-26, published on April 3, 2009, as that act and implementing regulations may be extended and expanded from time to time, then the State Board may take into account the amount of such federal subsidy payments in determining the amount of Debt Service Requirements on Bonds hereunder by crediting the amount of federal subsidy payments reasonably expected to be received in each Fiscal Year against the Debt Service Requirements on the Bonds in such Fiscal Year. The State Board may also provide for the direct deposit of such federal subsidy payments into the Sinking Fund for the Bonds and the use of such federal subsidy payments to pay debt service on the Bonds. The foregoing credit provisions shall have no effect on and shall not be construed to reduce or diminish the security for any Outstanding Bonds, it being the express and stated intent of the State Board that all Bonds issued hereunder shall be secured as provided herein without regard to eligibility for subsidy payments under any federal program.

Section 6.02. CONTINUING DISCLOSURE. (a) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the State Board hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(b) The Commissioner or Deputy Commissioner of Education, in conjunction with the appropriate officer of the Division, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

Section 6.03. SEVERABILITY OF PROVISIONS. If any one or more of the covenants, agreements or provisions of this Fiftieth Supplemental Authorizing Resolution shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other covenants, agreements or provisions of this Fiftieth Supplemental Authorizing Resolution or of the Refunding Bonds.

Section 6.04. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Fiftieth Supplemental Authorizing Resolution, to the extent that they are inconsistent with this Fiftieth Supplemental Authorizing Resolution, are hereby repealed, revoked, and rescinded.

Section 6.05. TIME OF TAKING EFFECT. This Fiftieth Supplemental Authorizing Resolution shall take effect immediately upon its adoption.

ADOPTED ON January 18, 2011.

STATE OF FLORIDA

**FULL FAITH AND CREDIT
STATE BOARD OF EDUCATION
PUBLIC EDUCATION CAPITAL OUTLAY BONDS**

SEVENTY-THIRD SUPPLEMENTAL AUTHORIZING RESOLUTION

**PROVIDING FOR THE DEFEASANCE OF ANY
OUSTANDING PUBLIC EDUCATION CAPITAL OUTLAY BONDS**

AND

**PROVIDING FOR THE ISSUANCE AND SALE OF
PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS
SERIES (TO BE DETERMINED)**

MAY 29, 2024

A RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY BONDS, FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL OUTLAY PROJECTS FOR THE STATE SYSTEM OF PUBLIC EDUCATION IN FLORIDA, AS AMENDED; PROVIDING THE TERMS AND CONDITIONS UPON WHICH SUCH BONDS MAY BE ISSUED; AND PROVIDING AN EFFECTIVE DATE"; AUTHORIZING THE ISSUANCE AND SALE OF PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, SERIES (TO BE DETERMINED), FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF OUTSTANDING PUBLIC EDUCATION CAPITAL OUTLAY BONDS, AND THE DEFEASANCE OR REDEMPTION OF ANY OUTSTANDING PUBLIC EDUCATION CAPITAL OUTLAY BONDS; AUTHORIZING THE EXECUTION OF ESCROW DEPOSIT AGREEMENTS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE STATE BOARD OF EDUCATION OF FLORIDA:

ARTICLE I
AUTHORITY, DEFINITIONS, AND FINDINGS

Section 1.01. AUTHORITY FOR THIS RESOLUTION. This Seventy-third Supplemental Authorizing Resolution is adopted pursuant to the provisions of the Act.

Section 1.02. DEFINITIONS. (a) All of the definitions contained in Section 1.02 of the Master Resolution shall be deemed applicable to this Seventy-third Supplemental Authorizing Resolution, except to the extent that the same are inconsistent or in conflict with the definitions set forth below.

(b) The following terms shall have the following meanings in this Seventy-third Supplemental Authorizing Resolution:

"Escrow Deposit Agreement" shall mean the agreement provided for in Section 4.02(a) of this Resolution.

"Federal Obligations" shall mean direct obligations of the United States of America, Resolution Funding Corporation ("REFCORP") interest strips, or direct non-prepayable obligations the principal and interest on which are unconditionally guaranteed as to full and timely payment by the United States of America, none of which permit redemption prior to maturity at the option of the obligor. Federal Obligations shall not mean unit investment trusts and mutual funds.

"Master Resolution" shall mean the Master Resolution adopted by the State Board of Education (the "State Board") on July 21, 1992, authorizing the issuance of Public Education Capital Outlay Bonds, as amended by the Fiftieth Supplemental Authorizing Resolution adopted by the State Board on January 18, 2011.

"Parity Bonds" shall mean all Bonds which are currently outstanding and any other Bonds which may be issued under the Master Resolution prior to the issuance of the Refunding Bonds.

"Refunded Bonds" shall mean any outstanding Public Education Capital Outlay Bonds that are refunded, either in whole or in part, by the Division pursuant to this Seventy-third Supplemental Authorizing Resolution.

"Refunding Bonds" shall mean the Public Education Capital Outlay Refunding Bonds, Series (to be determined), issued pursuant to this Seventy-third Supplemental Authorizing Resolution.

"Resolution" means the Master Resolution, as particularly supplemented by this Seventy-third Supplemental Authorizing Resolution.

"Retirement Fund" shall mean the State of Florida, Full Faith and Credit, State Board of Education, Series (to be determined) Public Education Capital Outlay Refunding Bonds Retirement Fund created pursuant to Section 4.01(c) hereof.

"Seventy-third Supplemental Authorizing Resolution" shall mean this Seventy-third Supplemental Authorizing Resolution.

Section 1.03. FINDINGS. It is hereby found, determined, and declared by the State Board as follows:

(a) That it is desirable and in the best interests of the citizens of Florida and of the State Board to authorize the refunding of outstanding Public Education Capital Outlay Bonds, thereby obtaining a lower net average interest cost rate, and/or to authorize the defeasance or redemption of outstanding Public Education Capital Outlay Bonds, conditioned on a determination of the Director of the Division of Bond Finance (the "Division") that such refunding, redemption, or defeasance is financially advantageous to the State and subject to the parameters stated herein.

(b) That any outstanding Public Education Capital Outlay Bonds may be defeased or redeemed, and that any outstanding Public Education Capital Outlay Bonds may be refunded in accordance with Article XII, Section 9(a)(2) of the State Constitution and Section 215.61, Florida Statutes.

(c) That the amount of Refunding Bonds issued pursuant to this Seventy-third Supplemental Authorizing Resolution, together with the Parity Bonds remaining outstanding after the refunding contemplated hereby, shall not exceed ninety per centum (90%) of the amount of such bonds which can be serviced as to both principal and interest from the Gross Receipts Taxes accruing to the State System under the provisions of the Public Education Bond Amendment as determined by the State Board at the time of issuance of such Refunding Bonds.

(d) That this State Board is legally authorized to defease or redeem outstanding Public Education Capital Outlay Bonds and to issue the Refunding Bonds authorized by this Seventy-third Supplemental Authorizing Resolution pursuant to the terms, restrictions, and conditions contained in the Master Resolution.

(e) That the Division shall serve as the agent of the State Board with respect to the Refunding Bonds and to the defeasance or redemption of outstanding Public Education Capital Outlay Bonds, pursuant to the provisions of Section 215.61(4), Florida Statutes.

ARTICLE II
AUTHORIZATION OF DEFEASANCE, REDEMPTION, AND REFUNDING

Section 2.01. AUTHORIZATION OF DEFEASANCE AND REDEMPTION. Subject and pursuant to the provisions of this Seventy-third Supplemental Authorizing Resolution, the Division is hereby authorized to effectuate the defeasance and/or redemption, in whole or in part, of any of the outstanding Public Education Capital Outlay Bonds listed in Exhibit A (attached hereto), and, with respect to a defeasance, subject to appropriation made for such purpose by the Florida legislature.

Section 2.02. AUTHORIZATION OF REFUNDING BONDS. (a) Subject and pursuant to the provisions of this Seventy-third Supplemental Authorizing Resolution, bonds of the State Board are hereby authorized to be issued and to be sold by competitive sale to refund all or a portion of any of the outstanding Public Education Capital Outlay Bonds listed in Exhibit A (attached hereto); provided, however, that any such refunding must be effectuated for the purpose of achieving a lower net average interest cost rate with respect to the bonds being refunded, as to be set out in the report of the Division delivered to the State Board with respect to such Refunding Bonds.

(b) The Refunding Bonds shall be issued under and secured by the Master Resolution, as supplemented by this Seventy-third Supplemental Authorizing Resolution, and all the terms and provisions contained in the Master Resolution shall be applicable to the Refunding Bonds, except as expressly set forth herein, including the pledge of the Gross Receipts Taxes and the pledge of the Full Faith and Credit of the State of Florida to the payment of the principal, premium if any, and interest on the Refunding Bonds.

Section 2.03. AUTHORIZATION OF ACTS IN FURTHERANCE OF DEFEASANCE, REDEMPTION, AND/OR REFUNDING. In addition to the specific authorizations set forth below, the appropriate officers and employees of the State Board and of the Division are otherwise authorized and empowered, collectively and individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the State Board and the Division, in each case as they may deem necessary or desirable, to facilitate the defeasance or redemption of any outstanding Public Education Capital Outlay Bonds and/or to facilitate the execution and delivery of the Refunding Bonds.

ARTICLE III
TERMS OF ISSUANCE AND SALE OF REFUNDING BONDS

Section 3.01. ISSUANCE AND SALE OF THE REFUNDING BONDS. (a) Subject and pursuant to the provisions of this Seventy-third Supplemental Authorizing Resolution, the Refunding Bonds shall each be designated "State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, Series (to be determined)", provided, however, that such bonds may be issued and sold by competitive sale in one or more series, and may be sold in conjunction with new money Public Education Capital Outlay Bonds. The actual designation of each series of such bonds, whether sold in one or more than one series, and whether such bonds or any portion thereof are to be taxable or tax-exempt, shall be determined by the Director of the Division.

(b) The Division, as the agent of the State Board, is authorized to sell the Refunding Bonds by competitive sale and to provide notice pursuant to applicable law of such sale at a time and in such manner as determined by the Director of the Division to be appropriate to provide adequate notice to potential bidders. The Notice of Bond Sale shall be in such form as shall be determined by the Director of the Division, with the advice of bond counsel, and shall contain such information as required by applicable law. Proposals for purchase of the Refunding Bonds shall be received at the office of the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida, or at another location designated in the Notice of Bond Sale, until the time and date of sale determined by the Director. If no bids are received, or if all bids received are rejected, such Refunding Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director of the Division. Any prior publication of a Notice of Bond Sale, or short form thereof, is hereby ratified.

(c) The Director of the Division is hereby authorized to have as many copies of the Preliminary Official Statement and the Final Official Statement relating to the public offering of the Refunding Bonds as the Director determines to be necessary to be prepared, printed, and distributed; to contract with national rating services to rate the Refunding Bonds; to conduct information meetings; and, to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the Refunding Bonds. Any prior printing and distribution of a Preliminary Official Statement is hereby ratified.

(d) The Commissioner or Deputy Commissioner of Education and an Assistant Secretary of the Governing Board of the Division are hereby authorized and empowered to award said Refunding Bonds, when offered, on their determination of the best proposal submitted in accordance with the terms of the Notice of Bond Sale provided for herein. Such award shall be final. The Secretary or other appropriate officer shall report such award to the State Board. In the event of the absence of the Commissioner or Deputy Commissioner at the time bids are received, an Assistant Secretary of the Governing Board of the Division is authorized to act on behalf of the State Board in awarding the Refunding Bonds, with the concurrence of a duly designated representative of the State Board.

(e) The proper officials of the State Board are hereby authorized to execute the Refunding Bonds in the manner provided by the resolution authorizing the issuance of the Refunding Bonds, and the Division is hereby authorized to deliver such Refunding Bonds to the purchasers thereof upon payment of the purchase price, together with accrued interest to the date of delivery, and to distribute the proceeds of the Refunding Bonds as provided by the proceedings authorizing the issuance of the Refunding Bonds.

(f) The Refunding Bonds shall be dated, shall mature in such years and amounts, shall be payable, and shall be subject to redemption as provided by the Notice of Bond Sale and the Official Statement. The interest paid on the Refunding Bonds shall either be exempt from federal income taxation or shall be subject to such taxation, as provided by the Notice of Bond Sale and the Official Statement.

(g) The Division, as the agent for the State Board, is hereby authorized to determine the principal amount of Refunding Bonds to be offered for sale and issued; provided that the principal amount shall be greater than the amount necessary to accomplish the refunding authorized herein and to pay the necessary and reasonable expenses associated therewith.

Section 3.02. DESCRIPTION OF REFUNDING BONDS. (a) Except as provided by subsequent resolution adopted prior to the sale of any Series thereof, the Refunding Bonds shall be issued only as fully registered bonds without coupons in the denominations of $1,000 or any integral multiple thereof; shall be dated and mature as determined pursuant to a subsequent resolution adopted by the State Board on or prior to the sale of the Refunding Bonds; shall bear interest at not exceeding the maximum lawful rate of interest authorized on the date of sale of the Refunding Bonds, payable semi-annually on June 1 and December 1 of each year; and shall be payable as to both principal and interest, shall be subject to registration, exchange, and transfer, shall be executed and authenticated, shall be subject to prior redemption in the manner, shall be in the form, and shall have such other terms as set forth in Article III of the Master Resolution.

(b) The Refunding Bonds may be made redeemable at the option of the State Board upon such terms and conditions as determined by the Director of the Division prior to the issuance of the Refunding Bonds.

Section 3.03. DELEGATION OF SALE OF THE REFUNDING BONDS. (a) The Refunding Bonds shall be sold at competitive sale and may be sold at one time or in multiple Series from time to time as hereinafter provided.

(b) In order to take advantage of opportunities as and when they arise in the municipal market, the State Board hereby authorizes the Division of Bond Finance, as agent for the State Board, to determine the financing structure and method of sale of the Refunding Bonds. The Division of Bond Finance, as agent for the State Board, is hereby authorized and directed to determine when, if, where and in what principal amount the Refunding Bonds shall be offered for sale, to determine the method(s) by which bids will be accepted, and to determine the specific fiscal details of the Refunding Bonds (or Series thereof) to be sold.

(c) Additionally, pursuant to Section 6.05(a) of the Master Resolution, and as determined by the Director of the Division prior to the issuance of the Refunding Bonds, the Refunding Bonds may be issued as tax-exempt bonds or as taxable bonds, the interest on which would not be excluded from gross income for federal income tax purposes.

(d) Upon the sale of any Refunding Bonds or the defeasance of any Bonds under the authority of this Seventy-third Supplemental Authorizing Resolution, the Division shall provide written notice of such sale and/or defeasance, including pricing information and debt service savings for Refunding Bonds, to the State Board.

ARTICLE IV
APPLICATION OF BOND PROCEEDS

Section 4.01. APPLICATION OF REFUNDING BOND PROCEEDS. Upon receipt of the proceeds of the Refunding Bonds, the State Board shall transfer and apply such proceeds as follows:

(a) The amount necessary to pay all costs and expenses of the Division in connection with the preparation, sale and issuance of the Refunding Bonds, including a reasonable charge for the services of the Division, shall be transferred to the Division to be deposited in the Bond Proceeds Trust Fund, subject to disbursement of the funds to the Bond Fee Trust Fund and the Arbitrage Compliance Trust Fund pursuant to written instructions at the delivery of the Refunding Bonds unless such amount shall be provided from another legally available source.

(b) The accrued interest on the Refunding Bonds, plus an amount determined in the sole discretion of the State Board and the Division as being necessary, together with such accrued interest, to provide for the payment of interest on the Refunding Bonds for a period not to exceed 12 months from the date of issuance of the Refunding Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund created by the Master Resolution.

(c) All remaining proceeds shall be transferred to the Board of Administration for deposit into a trust fund, hereby created, to be known as the "State of Florida, Full Faith and Credit, State Board of Education, Series (to be determined) Public Education Capital Outlay Refunding Bonds Retirement Fund" (hereinafter referred to as the "Retirement Fund") or deposited with the Bond Registrar/Paying Agent. Such amount, together with the income on the investment thereof and other available monies (if necessary), shall be sufficient to pay when due the entire principal of the Refunded Bonds, together with interest accrued and to accrue thereon to their respective maturity dates or, if called for redemption prior to maturity, such prior redemption dates and redemption premiums, if any, and the expenses and fees listed in the Escrow Deposit Agreement as hereinafter provided in Section 4.02(a) below. The Director of the Division is authorized to determine the redemption date of the Refunded Bonds, provide for the publication of any notice of redemption, and take any other actions necessary or desirable to refund and redeem the Refunded Bonds.

Section 4.02. RETIREMENT FUND. The moneys deposited by the Board of Administration in the Retirement Fund shall be administered and applied as follows:

(a) The Retirement Fund shall be held in irrevocable trust by the Board of Administration and, except as provided in subsection (b) of this Section 4.02, shall be applied solely to refund the Refunded Bonds and to the payment of the fees and expenses incurred in connection with such refunding. The application of the moneys in the Retirement Fund shall be made for said purposes pursuant to an Escrow Deposit Agreement to be entered into between the State Board and the Board of Administration, in the form normally utilized by the State Board.

(b) Moneys on deposit in the Retirement Fund shall be used to purchase Federal Obligations in accordance with the schedules given in the Escrow Deposit Agreement. The maturing Federal Obligations, the earnings thereon, and the cash on deposit in the Retirement Fund shall be sufficient to accomplish the refunding described above in Section 4.01(c). In the alternative, in the discretion of the Director of the Division of Bond Finance, moneys on deposit in the retirement fund shall be invested in the State Treasury, or in such other legally authorized investments, or held uninvested, until such time as such funds are needed to effect the redemption of the Refunded Bonds.

Section 4.03. REGISTERED OWNERS NOT AFFECTED BY APPLICATION OF REFUNDING BOND PROCEEDS. The proceeds derived from the sale of the Refunding Bonds shall be applied and disbursed pursuant to the provisions of the Act and this Seventy-third Supplemental Authorizing Resolution. The Registered Owners of Refunding Bonds shall not have any responsibility whatsoever for the application or use of any of the proceeds derived from the sale of the Refunding Bonds, and the rights and remedies of the Registered Owners of Refunding Bonds and their right to payment, pursuant to the Public Education Bond Amendment and this Seventy-third Supplemental Authorizing Resolution, shall not be affected or impaired by the application or use of such proceeds. Upon the issuance of the Refunding Bonds authorized by this Seventy-third Supplemental Authorizing Resolution, all the covenants and agreements between the State Board and the Registered Owners of Refunding Bonds contained in this Seventy-third Supplemental Authorizing Resolution shall be valid and binding covenants and agreements between the State Board and the Registered Owners of Refunding Bonds without regard to the application of the proceeds of the Refunding Bonds.

ARTICLE V
APPLICATION OF PROVISIONS OF MASTER RESOLUTION AND SECURITY FOR THE REFUNDING BONDS.

Section 5.01. The Refunding Bonds herein authorized shall for all purposes (except as herein expressly changed) be considered to be Additional Parity Bonds issued under the authority of the Master Resolution and shall be entitled to all the protection and security provided therein for the Parity Bonds.

(b) The covenants and pledges contained in the Master Resolution (to the extent the same are not inconsistent with the provisions hereof) shall be applicable to the Refunding Bonds herein authorized in like manner as applicable to the Parity Bonds, and the Funds and Accounts established in the Master Resolution shall be continued and maintained as long as any of the Refunding Bonds and interest thereon issued hereunder are outstanding and unpaid. The principal of and interest on the Refunding Bonds herein authorized shall be payable from the Sinking Fund heretofore established by the Master Resolution on a parity with the Parity Bonds, and payment shall be made into such Sinking Fund from the Public Education Fund in amounts fully sufficient to pay the principal of and interest on the Refunding Bonds herein authorized as such principal and interest become due.

ARTICLE VI
MISCELLANEOUS

Section 6.01. SEVERABILITY OF PROVISIONS. If any one or more of the covenants, agreements, or provisions of this Seventy-third Supplemental Authorizing Resolution shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other covenants, agreements, or provisions of this Seventy-third Supplemental Authorizing Resolution or of the Refunding Bonds.

Section 6.02. CONTINUING DISCOSURE. (a) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the State Board hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(b) The Commissioner or Deputy Commissioner of Education, in conjunction with the appropriate officer of the Division, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

Section 6.03. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Seventy-third Supplemental Authorizing Resolution, to the extent that they are inconsistent with this Seventy-third Supplemental Authorizing Resolution, are hereby repealed, revoked, and rescinded.

Section 6.04. TIME OF TAKING EFFECT. This Seventy-third Supplemental Authorizing Resolution shall take effect immediately upon its adoption.

ADOPTED ON MAY 29, 2024.

EXHIBIT A

STATE OF FLORIDA
STATE BOARD OF EDUCATION
PUBLIC EDUCATION CAPITAL OUTLAY BONDS

2014 SERIES A	2018 SERIES B
2014 SERIES B	2018 SERIES C
2015 SERIES A	2019 SERIES A
2015 SERIES E	2019 SERIES B
2015 SERIES F	2019 SERIES C
2016 SERIES A	2019 SERIES D
2016 SERIES B	2020 SERIES A
2016 SERIES C	2020 SERIES B
2016 SERIES D	2021 SERIES A
2016 SERIES E	2021 SERIES B
2016 SERIES F	2022 SERIES A
2016 SERIES G	2022 SERIES B
2017 SERIES A	2022 SERIES C
2017 SERIES B	2023 SERIES A
2017 SERIES C	2024 SERIES A
2018 SERIES A	2024 SERIES B

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the State Board of Education of Florida (the “Board of Education”) and the Division of Bond Finance of the State Board of Administration of Florida (the “Division”) in connection with the issuance of $241,035,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2025 Series A (the “Bonds”). This Disclosure Agreement is being executed and delivered pursuant to Section 6.02 of the resolution adopted by the Board of Education on May 29, 2024 (the “Resolution”), providing for the issuance of the Bonds. The Board of Education and the Division covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Board of Education and the Division for the benefit of the Registered Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”). It shall inure solely to the benefit of the Board of Education, the Division, the Registered Owners, the Beneficial Owners and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution and the Master Resolution adopted by the Board of Education on July 21, 1992, as amended and supplemented, which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term financial obligation does not include municipal securities as to which a final official statement has been otherwise provided to the Municipal Securities Rulemaking Board (the “MSRB”) under the Rule.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. CONTINUING DISCLOSURE. (A) Information To Be Provided. The Board of Education assumes all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, the Board of Education hereby agrees to provide or cause to be provided the information set forth below, or such information as may be required to be provided, from time to time, under the Rule.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2025, and thereafter, annual financial information and operating data shall be provided within nine months after the end of the State's fiscal year. Such information shall include:

(a) Gross Receipts Tax Collections;
(b) Investment of Funds;
(c) Debt Service Coverage;
(d) Periodic Gross Receipts Tax Collections;
(e) Five Year History of Trust Fund and General Revenues;
(f) Operating and Fixed Capital Outlay Budget by Program Area;
(g) Statement of Assets and Liabilities;
(h) Debt Outstanding by Type and Program and Total State Debt Outstanding; and
(i) Litigation.

(2) Audited Financial Statements. If not submitted as part of the annual financial information, a copy of the State’s audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Bonds will be provided in a timely manner not in excess of ten business days after the occurrence of the event:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt service reserve reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(g) modifications to rights of security holders, if material;
(h) bond calls, if material, and tender offers;
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the securities, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the obligated person;
(m) the consummation of merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(o) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(4) Failure to Provide Annual Financial Information; Remedies.

(a) Notice of the failure of the Board of Education to provide the information required by paragraphs (A)(1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Board of Education acknowledges that its undertaking pursuant to the Rule set forth in this Section is for the benefit of the Beneficial Owners and Registered Owners of the Bonds and shall be enforceable only by such Beneficial Owners and Registered Owners; provided that the right to enforce the provisions of such undertaking shall be conditioned upon the same enforcement restrictions as are applicable to the information undertakings in the Resolution and shall be limited to a right to obtain specific enforcement of the Board of Education's obligations hereunder.

(B) Methods of Providing Information.

(1) (a) Annual financial information and operating data described in Section 3(A)(1) and the audited financial statements described in Section 3(A)(2) shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Material event notices described in Section 3(A)(3) and notices described in Section 3(A)(4) shall also be transmitted to the MSRB using EMMA or by such other method as may be subsequently determined by the MSRB.

(2) (a) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated agent.

(b) All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Board of Education's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Board of Education shall otherwise no longer remain obligated on the Bonds.

(E) This Disclosure Agreement may be amended or modified so long as:

(1) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body;

(2) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted;

(3) this Disclosure Agreement, as amended, would have complied with the requirements of Rule 15c2-12 of the SEC at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(4) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the issuer or obligated person (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Board of Education chooses to include additional information not specifically required by this Disclosure Agreement, the Board of Education shall have no obligation under this Disclosure Agreement to update such information or include it in any such future submission.

Dated this 4th day of March, 2025.

GOVERNING BOARD OF DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA	STATE BOARD OF EDUCATION OF FLORIDA
By______________________________ Assistant Secretary	By ______________________________ Deputy Commissioner Finance and Operations

APPENDIX G

FORM OF BOND COUNSEL OPINION

Upon delivery of the 2025 Series A Bonds, Squire Patton Boggs (US) LLP, Bond Counsel, proposes to render its final opinion with respect to the 2025 Series A Bonds in substantially the following form:

State Board of Education
Tallahassee, Florida

State of Florida
State Board of Administration
Division of Bond Finance
Tallahassee, Florida

We have served as bond counsel to our client the State Board of Education of the State of Florida (the "Board of Education") and not as counsel to any other person in connection with the issuance by the Board of Education of its $241,035,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2025 Series A (the "2025 Series A Bonds"), dated the date of delivery thereof. The 2025 Series A Bonds are issued pursuant to Article XII, Section 9(a)(2) of the Constitution of the State of Florida, as amended (the "Public Education Bond Amendment"), and a resolution adopted by the Board of Education on July 21, 1992, as amended and supplemented (collectively, the "Resolution"), for the purpose of refunding all or a portion of the Outstanding State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series E, 2015 Series F, and 2016 Series A, which bonds were issued for the purpose of financing or refinancing the cost of Capital Outlay Projects for the State System of Public Education. Capitalized terms used and not otherwise defined herein shall have the same meanings specified in the Resolution.

The Board of Education has issued, since August 1992, multiple series of State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds (collectively, the "Parity Bonds").

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the 2025 Series A Bonds, a conformed copy of the signed but unauthenticated Bond of the first maturity, the Resolution and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The 2025 Series A Bonds and the Resolution incorporated in the Transcript are valid, legal, binding and enforceable in accordance with their respective terms. The 2025 Series A Bonds are entitled to the benefits and security of the Resolution for the payment thereof in accordance with the terms of the Resolution.

2. The principal of, premium, if any, and interest on the 2025 Series A Bonds, together with the principal of, premium, if any, and interest on the Parity Bonds and additional bonds issuable under the Resolution on a parity with the 2025 Series A Bonds are payable primarily from the Gross Receipts Taxes levied and collected pursuant to Chapter 203, Florida Statutes, which are required to be deposited in the Public Education Capital Outlay and Debt Service Trust Fund administered by the Board of Education under the provisions of the Public Education Bond Amendment, and are additionally secured by the full faith and credit of the State of Florida.

3. Interest on the 2025 Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The 2025 Series A Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

We express no opinion as to any other tax consequences regarding the 2025 Series A Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Board of Education.

In rendering those opinions with respect to treatment of the interest on the 2025 Series A Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Board of Education. Failure to comply with certain of those covenants subsequent to issuance of the 2025 Series A Bonds may cause interest on the 2025 Series A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the 2025 Series A Bonds and the enforceability of the 2025 Series A Bonds and the Resolution are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the 2025 Series A Bonds is concluded upon delivery of this letter.

Respectfully submitted,

PROVISIONS FOR BOOK-ENTRY ONLY SYSTEM OR REGISTERED BONDS

The Depository Trust Company and Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DIVISION OF BOND FINANCE (THE "DIVISION") BELIEVES TO BE RELIABLE; HOWEVER, THE DIVISION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Division as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bond Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, (nor its nominee), the Bond Registrar/Paying Agent, the Division, or the Board of Education, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar/Paying Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the Division or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Division may decide to discontinue use of the system of book-entry transfers for the Bonds through DTC (or a successor securities depository). Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Bonds will be printed and delivered as provided in the documents authorizing the issuance and sale of the Bonds.

For every transfer and exchange of beneficial interests in the Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references herein to the Registered Owners or Holders of the Bonds shall mean Cede & Co. and not mean the Beneficial Owners of the Bonds unless the context requires otherwise.

The Division, the Board of Education and the Bond Registrar/Paying Agent will not have any responsibility or obligation with respect to:

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or any successor securities depository, participants thereof or nominee thereof with respect to any beneficial ownership interest in the Bonds;

(ii) the delivery to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any notice with respect to any Bond, including, without limitation, any notice of redemption;

(iii) the payment to any DTC Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any amount with respect to the principal of, premium, if any, or interest on the Bonds, or the purchase price of, any Bond;

(iv) any consent given by DTC or any successor securities depository as registered owner; or

(v) the selection by DTC or any DTC Participant or by any successor depository or its participants of the beneficial ownership interests in the Bonds for partial redemption.

So long as the Bonds are held in book-entry only form, the Division, the Board of Education and the Bond Registrar/Paying Agent may treat DTC and any successor Securities Depository as, and deem DTC and any successor Securities Depository to be, the absolute owner of the Bonds for all purposes whatsoever, including, without limitation:

(i) the payment of the principal of, premium, if any, and interest on the Bonds;

(ii) giving notices of redemption and other matters with respect to the Bonds;

(iii) registering transfers with respect to the Bonds; and

(iv) the selection of the beneficial ownership interests in the Bonds for partial redemption.

Payment, Registration, Transfer and Exchange

The following provisions shall only be applicable if the book-entry-only system of registration is discontinued; for provisions which are applicable while the book-entry only system of registration is in effect, see "Book-Entry Only System" above.

The Division, the Board of Education and the Bond Registrar/Paying Agent may treat the Registered Owner of any Bond as the absolute owner for all purposes, whether or not such Bond is overdue, and will not be bound by any notice to the contrary.

Principal of and premium, if any, on the Bonds will be payable upon presentation and surrender of the Bonds when due at the corporate trust office of U.S. Bank Trust Company, National Association, as Bond Registrar/Paying Agent.

Each Bond will be transferable or exchangeable only upon the registration books by the Registered Owner or an attorney duly authorized in writing, upon surrender of such Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Division and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or a duly authorized attorney. Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any Bond, duly endorsed for transfer or accompanied by an assignment in accordance with the Resolution, the Bond Registrar/Paying Agent will deliver in the name of the transferee(s) a fully registered Bond of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive.

Neither the Division nor the Bond Registrar/Paying Agent may charge the Registered Owner or transferee for any expenses incurred in making any exchange or transfer of the Bonds. However, the Division and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses must be paid before any such new Bond is delivered.

The Bond Registrar/Paying Agent will not be required to issue, transfer or exchange any Bonds on the Record Date.