New Issue – Book-Entry Only

This Official Statement has been prepared 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 Appendices C, D, and E.

$69,205,000
STATE OF FLORIDA
Florida Department of Transportation Financing Corporation
Revenue Bonds
Series 2025A

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

Bond Ratings	AA+ (stable outlook) | Fitch Ratings Aa1 (stable outlook) | Moody's Investors Service AA+ (stable outlook) | S&P Global Ratings
Tax Status	In the opinion of Bond Counsel, interest on the 2025A Bonds is excluded from gross income for federal income tax purposes and interest on the 2025A Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the 2025A Bonds is not excluded from the determination of adjusted financial statement income. The 2025A Bonds and the income therefrom are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits or debt obligations owned by Corporations. See "TAX MATTERS" and "Appendix G – Form of Approving Opinion of Bond Counsel" herein.
Redemption	The 2025A Bonds maturing on and after July 1, 2036, are subject to optional redemption as provided herein. See "REDEMPTION PROVISIONS" herein.
Security	The 2025A Bonds will be secured by and payable from the Pledged Revenues, which are payments made to the Corporation by the Department of Transportation under the Service Contract. Payments under the Service Contract will be made from specific revenues deposited into the State Transportation Trust Fund, consisting primarily of revenues derived from fuel taxes, federal-aid, and motor vehicle fees, and net of funds used to make required payments on Department Bond Programs, as more specifically described herein. The 2025A Bonds are additionally secured by Pledged Funds held in the funds and accounts by the Trustee and the Custodian under the Resolution. **The availability of Pledged Revenues will depend on annual appropriations by the Legislature to the Department for payments due under the Service Contract. The 2025A Bonds are not a general obligation or indebtedness of the State of Florida, and the full faith and credit of the State of Florida is not pledged to payment of the 2025A Bonds.** See "SECURITY FOR THE BONDS" and "TRANSPORTATION FUNDING" herein.
Lien Priority	The lien of the 2025A Bonds on the Pledged Revenues is a first lien on such revenues and will be on parity with the Outstanding Bonds and any subsequently issued Additional Bonds. The aggregate principal amount of Bonds that will be outstanding subsequent to the issuance of the 2025A Bonds is $370,840,000.
Additional Bonds	Additional Bonds payable on parity with the 2025A Bonds may be issued if, in any Fiscal Year, the sum of the Debt Service on all outstanding Corporation obligations and the Additional Bonds proposed to be issued, and the payments for Outstanding Public-Private Partnership Obligations do not exceed 20% of the State Transportation Trust Fund revenues available for Service Contract payments in the Fiscal Year immediately preceding the issuance of the Additional Bonds. This description of the requirements for the issuance of Additional Bonds is only a summary of the complete requirements. See "ADDITIONAL BONDS" herein.
Purpose	Proceeds of the 2025A Bonds will be used to finance the cost of construction of the 2025A Project and to pay costs of issuance as more fully described in "PURPOSE OF THE ISSUE" herein.
Interest Payment Dates	January 1 and July 1, commencing January 1, 2026.
Record Dates	December 15 and June 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 in denominations of $1,000 and integral multiples thereof. Purchasers of the 2025A Bonds will not receive physical delivery of the 2025A Bonds.
Closing/ Settlement	The 2025A Bonds will be available for delivery through the facilities of DTC in New York, New York on October 7, 2025.
Bond Registrar/ Paying Agent	U.S. Bank Trust Company, National Association, Orlando, Florida.
Bond Counsel	Greenberg Traurig, P.A., Miami, Florida.
Issuer Contact/Website	Division of Bond Finance, (850) 488-4782, bond@sbafla.com, website: 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.

September 16, 2025

MATURITY STRUCTURE

Initial CUSIP©	Due Date	Principal Amount	Interest Rate	Price or Yield*	First Optional Redemption Date and Price
34160KBX7	July 1, 2026	$1,575,000	5.00%	2.26%	-
34160KBY5	July 1, 2027	2,225,000	5.00	2.15	-
34160KBZ2	July 1, 2028	2,335,000	5.00	2.16	-
34160KCA6	July 1, 2029	2,450,000	5.00	2.19	-
34160KCB4	July 1, 2030	2,575,000	5.00	2.22	-
34160KCC2	July 1, 2031	2,705,000	5.00	2.40	-
34160KCD0	July 1, 2032	2,840,000	5.00	2.55	-
34160KCE8	July 1, 2033	2,980,000	5.00	2.65	-
34160KCF5	July 1, 2034	3,130,000	5.00	2.83	-
34160KCG3	July 1, 2035	3,285,000	5.00	3.00	-
34160KCH1	July 1, 2036**	3,450,000	5.00	3.20	July 1, 2035 @ 100%
34160KCJ7	July 1, 2037**	3,620,000	5.00	3.30	July 1, 2035 @ 100
34160KCK4	July 1, 2038**	3,805,000	5.00	3.43	July 1, 2035 @ 100
34160KCL2	July 1, 2039**	3,995,000	5.00	3.53	July 1, 2035 @ 100
34160KCM0	July 1, 2040**	4,195,000	5.00	3.65	July 1, 2035 @ 100
34160KCN8	July 1, 2041**	4,405,000	5.00	3.77	July 1, 2035 @ 100
34160KCP3	July 1, 2042	4,625,000	4.00	4.08	July 1, 2035 @ 100
34160KCQ1	July 1, 2043	4,810,000	4.00	4.19	July 1, 2035 @ 100
34160KCR9	July 1, 2044	5,000,000	4.00	@97	July 1, 2035 @ 100
34160KCS7	July 1, 2045	5,200,000	4.125	4.30	July 1, 2035 @ 100

* Price and yield information provided by the Underwriter.
** The yields on these maturities are calculated to a 100% call on the first optional redemption date of July 1, 2035

The Corporation 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 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 Corporation or 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.

FLORIDA DEPARTMENT OF TRANSPORTATION
FINANCING CORPORATION
BOARD OF DIRECTORS

LEDA KELLY
Director of Policy and Budget
Executive Office of the Governor

JARED W. PERDUE, P.E.
Secretary
Department of Transportation

J. BEN WATKINS, III
Director of the Division of Bond Finance
President and Chief Executive Officer of the Corporation

BOND COUNSEL
GREENBERG TRAURIG, P.A.
Miami, FL

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OFFICIAL STATEMENT
Relating to
$69,205,000
STATE OF FLORIDA
Florida Department of Transportation Financing Corporation
Revenue Bonds, Series 2025A

For definitions of capitalized terms not defined in the text hereof, see Appendices C, D, and E.

INTRODUCTION

This Official Statement sets forth information relating to the sale and issuance of the $69,205,000 State of Florida, Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2025A (the "2025A Bonds"), dated the date of delivery thereof, by the Florida Department of Transportation Financing Corporation (the "Corporation").

The proceeds of the 2025A Bonds will be used to finance the construction of the 2025A Project, as described herein, and to pay costs of issuance, as detailed in "PURPOSE OF THE ISSUE" herein.

The 2025A Bonds will be secured by and payable from a first lien pledge of the Pledged Revenues, which are payments to the Corporation by the Department of Transportation under the Service Contract. Service Contract payments will be made from specific revenues deposited into the State Transportation Trust Fund, as described herein. **Service Contract payments from moneys in the State Transportation Trust Fund are subject to annual appropriation by the Legislature. No requirement exists to make such annual appropriation in the future, nor may any Registered Owner legally compel the Legislature to make such appropriation.** The lien of the 2025A Bonds on the Pledged Revenues is on a parity with the lien of the Outstanding Bonds and any subsequently issued Additional Bonds, as described in "DESCRIPTION OF THE BONDS" herein. The 2025A Bonds are also secured by the Pledged Funds, held in the funds and accounts by the Trustee and the Custodian under the Resolution. The 2025A Bonds are payable, as to principal and interest, solely from the Pledged Revenues and Pledged Funds. The aggregate principal amount of Bonds which will be outstanding subsequent to the issuance of the 2025A Bonds is $370,840,000. **The 2025A Bonds are not a debt or obligation of the State of Florida or any instrumentality or political subdivision thereof and are not secured by the full faith and credit of the State of Florida or any instrumentality or political subdivision thereof. The 2025A Bonds are not general obligations of the Corporation.** See "SECURITY FOR THE 2025A BONDS" herein.

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 of Bond Finance. Any addresses of or links to websites which are contained herein are not incorporated into this Official Statement and are given for convenience only. Requests for additional information may be made to:

Division of Bond Finance
Phone: (850) 488-4782
Fax: (850) 413-1315
Email: bond@sbafla.com
Mail: P. O. Box 13300
Tallahassee, Florida 32317-3300
Website: bondfinance.sbafla.com

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 2025A Bonds are being issued pursuant to the authority granted by the laws of the State of Florida and resolutions of the Corporation, all as more specifically described herein. Section 339.0809, Florida Statutes, authorizes the issuance of revenue bonds by the Corporation for the purpose of financing or refinancing projects approved in the Department's Work Program.

Florida Department of Transportation Financing Corporation

The Corporation, created by and existing under the provisions of Section 339.0809, Florida Statutes, is a nonprofit corporation created for the purpose of financing and refinancing projects approved in the Department's Work Program. The Corporation is governed by a board of directors consisting of the Director of Policy and Budget within the Executive Office of the Governor, the Secretary of Transportation, and the Director of the Division of Bond Finance. The Director of the Division of Bond Finance serves as the Chief Executive Officer and President of the Corporation.

The Corporation has the power to issue bonds or other obligations or evidences of indebtedness payable from and secured by amounts payable to the Corporation from moneys in the State Transportation Trust Fund under a Service Contract with the Department.

Administrative Approval

The Corporation authorized the issuance of various Series of Florida Department of Transportation Financing Corporation Revenue Bonds (the "Bonds") by a resolution duly adopted on April 11, 2018 (the "Master Resolution"), a copy of which is attached hereto as Appendix C, as amended by a resolution adopted on July 11, 2018 (the "2018 Series Resolution"), a copy of which is attached hereto as Appendix D. The Corporation authorized the issuance and sale of the 2025A Bonds by a resolution duly adopted on August 20, 2025 (the "2025 Series Resolution"), a copy of which is attached hereto as Appendix E (together with the Master Resolution and the 2018 Series Resolution, the "Resolution").

Validation of the Bonds

The validity of the Bonds, the Master Resolution, and the payments to be made under the Service Contract was determined by a Final Judgment of the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, rendered on May 17, 2018. Under applicable State law and the Florida Appellate Rules of Procedure, if no appeal is taken from such judgment within 30 days of the entry of the judgment, or if such judgment is affirmed on appeal, the judgment of validation is forever conclusive as to all matters adjudicated thereby. The judgment became final on June 16, 2018, when the time for filing appeals expired and no appeal was filed.

DESCRIPTION OF THE 2025A BONDS

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 and are additionally secured by the Pledged Funds. The 2025A Bonds will be dated the date of delivery thereof and will mature as set forth on the inside front cover. Interest is payable on January 1, 2026, for the period from the date of delivery thereof to January 1, 2026, and semiannually thereafter on July 1 and January 1 of each year until maturity or redemption. 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 I, "Provisions for Book-Entry Only System or Registered Bonds" for a description of DTC, certain responsibilities of DTC, the Corporation, 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

Optional Redemption

The 2025A Bonds maturing in the years 2026 through 2035, both inclusive, are not subject to optional redemption prior to their stated dates of maturity. The 2025A Bonds maturing in 2036 and thereafter are redeemable prior to their stated dates of maturity, without premium, at the option of the Corporation (i) in part, by maturities to be selected by the Corporation, and by lot within a maturity if less than an entire maturity is to be redeemed, or (ii) as a whole, on July 1, 2035, or on any date thereafter, at the principal amount of the 2025A Bonds so redeemed, together with interest accrued to the date of redemption.

Notice of Redemption

Notices of redemption of the 2025A Bonds or portions thereof shall be mailed to each Registered Owner of record as of the Record Date at least 30 days prior to the date of redemption. Such notice of redemption shall specify any conditions to such redemption, the CUSIP number and the serial or other distinctive numbers or letters of the Bonds to be redeemed, if less than all, the date fixed for redemption, the redemption price thereof, and, in the case of Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure 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 in the Resolution will be conclusively presumed to have been given, whether or not the Registered Owner receives such notice.

PURPOSE OF THE ISSUE

The 2025A Project

The proceeds of the 2025A Bonds will be used to finance the construction of the 2025A Project and to pay costs of issuance. The 2025A Project includes improvements to arterial roads, and specifically includes the following: widening and adding lanes and intersection improvements on U.S. 98 from Richard Jackson Boulevard to the Hathaway Bridge in Bay County, Florida; adding lanes and new alignment to provide an alternative traffic route and roundabout on S.R. 29 from C.R. 846 East to New Market Road and widening lanes and adding paved shoulders, shared use path, and roundabout on S.R. 29 from New Market Road to S.R. 82 in Collier County, Florida; widening and adding lanes, intersection and drainage system improvements, and constructing a new bridge on S.R. 263 from S.R. 61 to C.R. 2203 in Leon County, Florida; widening and adding lanes, roundabouts, shared use paths, and paved shoulders on S.R. 70 from Bourneside Boulevard to Waterbury Road in Manatee County, Florida; widening and adding lanes, bicycle and pedestrian path, and a partial interchange on West Midway Road from Glades Cut Off Road to Jenkins Road in St. Lucie County, Florida; and reconstructing roadway, adding shared use path, realignment, and traffic signals on U.S. 301 from C.R. 470 to Florida's Turnpike in Sumter County, Florida. Each of these projects are included in the Department's $6.8 billion Moving Florida Forward Infrastructure Initiative.

Sources and Uses of Funds

Sources of Funds:	
Par Amount of 2025A Bonds	$69,205,000
Net Original Premium	5,704,252
Total Sources	$74,909,252
Uses of Funds:	
Deposit to 2025A Sale Proceeds Fund	$74,600,000
Underwriter's Discount	125,748
Cost of Issuance	183,504
Total Uses	$74,909,252

Application of the 2025A Bond Proceeds

The proceeds of the 2025A Bonds will be used to finance the cost of construction of the 2025A Project. The 2025 Series Resolution provides for the creation of the 2025A Sale Proceeds Fund, a trust fund to be used only for the payment of costs of the 2025A Project. The Registered Owners of the 2025A Bonds shall have a lien on all proceeds of the 2025A Bonds deposited in the 2025A Sale Proceeds Fund until such moneys are applied as provided in the Resolution. See "MISCELLANEOUS – Investment of Funds" below for policies governing the investment of the 2025A Sale Proceeds Fund. Withdrawals are made by the Department for payment of the costs of the 2025A Project. Funds remaining in the 2025A Sale

Proceeds Fund after completion of the 2025A Project shall be used to retire or redeem 2025A Bonds. It is not anticipated that there will be any unspent sale proceeds of the 2025A Bonds available to redeem 2025A Bonds.

SECURITY FOR THE BONDS

Pledged Revenues

The 2025A Bonds will be secured by a first lien pledge of the Pledged Revenues, which consist of the revenues paid to the Corporation by the Department under the Service Contract. The 2025A Bonds are additionally secured by the Pledged Funds held in the funds and accounts by the Trustee and the Custodian under the Resolution. The lien of the 2025A Bonds on the Pledged Revenues will be on a parity with the lien of the Outstanding Bonds and any Additional Bonds hereafter issued.

Payments due under the Service Contract are required to be made from moneys deposited into the State Transportation Trust Fund ("STTF"), consisting primarily of revenues derived from fuel taxes, federal-aid, and motor vehicle fees, subject to certain required payments more specifically described herein. See "TRANSPORTATION FUNDING – "Prior Liens on STTF Revenues." In 2024, the Legislature amended Section 339.0809, Florida Statutes, to prioritize Service Contract payments from the STTF over statutorily required distributions. Accordingly, the only payments from the STTF that take priority over Service Contract payments are payments on Department Bond Programs which have specific liens on certain revenues deposited in the STTF. Additionally, there is an annual statutory limit that Service Contract payments may not exceed 7% of the funds deposited into the STTF each Fiscal Year. Such limit may be increased by the Legislature from time to time. **Payments under the Service Contract are subject to annual appropriation by the Legislature. No requirement exists to make such annual appropriation in the future, nor may any Registered Owner legally compel the Legislature to make such appropriation.**

The Service Contract requires that the Department make monthly payments equal to one-sixth of the interest payable on the next Interest Payment Date and one-twelfth of the principal payable on the next Principal Payment Date. Under State law, the Department must make the payments required under the Service Contract, to the extent appropriated, from amounts on deposit in the STTF.

The 2025A Bonds are not a debt or obligation of the State or any instrumentality or political subdivision thereof, nor a pledge of the full faith and credit or taxing power of the State or any instrumentality or political subdivision thereof. The 2025A Bonds are not general obligations of the Corporation.

Outstanding Obligations

The Corporation has previously issued Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2018, Series 2020, and Series 2022 (collectively, the "Outstanding Bonds"). The 2025A Bonds will be on parity with the Outstanding Bonds and any Additional Bonds subsequently issued by the Corporation as to the lien on the Pledged Revenues. The aggregate principal amount of Bonds which will be outstanding subsequent to the issuance of the 2025A Bonds is $370,840,000.

The Service Contract

The Corporation is authorized to enter into service contracts with the Department which establish the operating relationship between the Department and the Corporation and, subject to annual appropriation by the Legislature, provide for the payment by the Department to the Corporation relating to the Bonds issued by the Corporation. The Corporation and the Department entered into a service contract dated as of September 20, 2018, as amended, and prior to the issuance of the 2025A Bonds the Corporation and the Department will execute the Second Amended and Restated Service Contract to provide for payments by the Department to the Corporation relating to all Bonds of any Series. The Second Amended and Restated Service Contract (the "Service Contract") expresses the parties' intention that it shall apply to and cover each and every Series of Bonds previously issued or to be issued by the Corporation, including, without limitation, the 2025A Bonds, so as to avoid a proliferation of service contracts that would result if the parties executed and delivered a separate service contract for each Series of Bonds when issued. A copy of the form of the Service Contract is attached hereto as Appendix F. Payments under the Service Contract will be made only from specific revenues deposited into the STTF, consisting primarily of revenues derived from fuel taxes, federal-aid, and motor vehicle fees, and subject to certain required payments more particularly described in "TRANSPORTATION FUNDING – Prior Liens on STTF Revenues." Payments under the Service Contract are subject to annual appropriation by the Legislature.

Funds appropriated for payments under the Service Contract shall be made available from the STTF net of funds used to make required payments on Department Bond Programs, which include any State bond programs secured by a lien on specific revenues of the STTF senior to payments under the Service Contract. Under the Service Contract, the Department may not make any payments from the STTF that would render it unable to make Service Contract payments in a timely manner. The Service Contract also requires that the Department include in its annual budget request to the Governor and Legislature amounts sufficient to enable the Corporation to pay debt service and other deposits and payments required by the Master Resolution and any Series Resolutions. The Department is also required to continually monitor available funds in the STTF and to defer payments on other contractual obligations to the extent necessary to ensure the availability of funds for Service Contract payments. **The obligations of the Department under the Service Contract are not a general obligation of the State or a pledge of the full faith and credit or taxing power of the State; such obligations are payable solely from amounts available in the STTF, subject to annual appropriation by the Legislature. Any indebtedness of the Corporation is not a debt or obligation of the State or a pledge of the full faith and credit or taxing power of the State; any such indebtedness is payable from and secured by payments made by the Department under the Service Contract.**

The Service Contract provides that the obligations of the Department to make payments and to observe all other covenants contained in such contract are absolute and unconditional, subject to appropriation by the Legislature, irrespective of any defense, or any rights of set-off, recoupment or counterclaim that the Department may have against the Corporation. Until all payments under the Service Contract have been made to the Corporation, the Department is not permitted to suspend or discontinue payments and is required to perform all agreements contained in such contract. Additionally, the Department may not terminate the Service Contract for any cause, except as specifically permitted in such contract. The Service Contract provides that the Department will not take any action which would impair its obligations or the rights inuring to the benefit of the Registered Owners of the Bonds under such contract. No dispute or litigation between the Corporation and the Department with respect to the Service Contract may affect either party's duty to perform its obligations while the dispute or litigation is pending. The obligation of the Department to make payments under the Service Contract may be enforced by the Corporation or by a receiver appointed pursuant to the Resolution or applicable law.

Future Bonding

The Florida Legislature authorized issuance of up to $168.6 million of Additional Bonds, including the 2025A Bonds, to fund projects in Fiscal Year 2025-26 and the Legislature may further authorize the issuance of Additional Bonds in future legislative sessions. According to the current Work Program, the Department anticipates additional bonding by the Corporation of approximately $1.5 billion, including the 2025A Bonds, in Fiscal Years 2025-26 through 2031-32, to fund capital projects of the Department. This planned bonding will fund the Moving Florida Forward Infrastructure Initiative, which is included in the Department's Work Program and consists of congestion relief projects, including arterial road projects around the State and improvements to I-4 in Polk and Osceola Counties. The total funding of the $6.8 billion Moving Florida Forward Infrastructure Initiative consists of $1.5 billion in planned Additional Bonds and $5.3 billion to be funded with State general revenue and interest earnings. The breakdown of planned bonding between arterial road projects and the interstate improvements is set forth in the table below. The planned issuances of Additional Bonds in Fiscal Year 2026-27 and later are subject to future authorization by the Legislature. Future bonding is also subject to a limit on service contract payments of 7% of the funds deposited into the STTF.

Planned Future Bonding[1]

(in millions of dollars)

Fiscal Year	2025-26[2]	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total
Arterial Road Projects	$77.77	$250.76	$179.32	-	-	-	-	$507.84
Interstate Projects	87.42	198.55	166.56	$162.62	$158.10	$109.88	$109.88	993.02
Total Bonding	$165.19	$449.31	$345.88	$162.62	$158.10	$109.88	$109.88	$1,500.86

1 Amounts represent estimated bond proceeds required in each Fiscal Year in the Work Program.

2 Subsequent to the development of the bond sale plan in the current Work Program, the Department has determined that the actual required amount of bond proceeds for arterial road projects in Fiscal Year 2025-26 is $74.6 million, all of which will be generated by the issuance of the 2025A Bonds.

The actual timing and amounts of these future bond issues will be determined by the Department based upon the need for proceeds. The need for proceeds is based upon various factors including availability of revenues, current economic conditions, and prevailing interest rates, all of which are continuously monitored by the Department to evaluate the need for revisions to the work program. It is estimated that the issuance of $1.5 billion in Additional Bonds, including the 2025A Bonds, during the current and next six Fiscal Years will generate maximum annual debt service of approximately $153.6 million in Fiscal Year 2031-32, which is below the current allowable maximum annual debt service of approximately $388.0 million, equal to 7% of STTF State revenues in Fiscal Year 2024-25. **These projections are based on the best information available when the estimates are made, which is believed to be accurate**. **Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.**

Flow of Funds

Payments under the Service Contract

Amounts on deposit in the STTF in each Fiscal Year must be applied or allocated by the Department for the payment of amounts payable by the Department under the Service Contract to the extent appropriated by the Legislature for such purpose.

The Service Contract requires that on or before the fifth day of each calendar month there shall be paid an amount equal to the sum of one-sixth of the interest payable on the next Interest Payment Date, plus one-twelfth of the principal payable on the next Principal Payment Date. The Department is also required to pay moneys at such times and in the amounts necessary to ensure that adequate moneys are available to the Corporation for timely payment of the Corporation's obligations.

The Department may prepay amounts due for payment of the principal of or interest on the Bonds. Any such prepayment shall be applied first to the amounts due in the then current Fiscal Year and then shall be used by the Corporation to retire or defease outstanding Bonds in accordance with the Resolution.

Application of Revenues

All Pledged Revenues, immediately upon receipt by the Corporation, are deposited by the Corporation into the Revenue Fund. Any moneys at any time on deposit in the Revenue Fund are paid out of the Revenue Fund not less often than monthly (or more frequently if required to make timely payment of amounts payable under the Resolution or any Credit Agreement), in the Funds and Accounts in the manner and order of priority described below.

(1) First, moneys in the Revenue Fund are transferred to the Interest Account and the Principal Account of the Bond Fund until the amount therein is sufficient to pay all Debt Service to become due on the Bonds during the balance of the then current Bond Year. Moneys in the Bond Fund are used only for the purpose of paying the principal of, and interest on Bonds as the same mature, become due, or are redeemed, or to pay Payment Obligations due any Credit Facility Provider to reimburse it for funds advanced to pay such Debt Service due on such date and for no other purpose.

(2) Next, moneys in the Revenue Fund are used to make deposits to the Reserve Fund, if necessary, in an amount needed to cause the balance therein to equal the Reserve Requirement; provided that moneys need not be deposited therein to the extent that a Reserve Fund Credit Facility is then satisfying all or a portion of such Reserve Requirement. The Corporation may substitute a Reserve Account Credit Facility for cash and investments in the Reserve Fund at any time. Moneys (including moneys derived from any Reserve Fund Credit Facility) in the Reserve Fund are used to pay principal of, or interest on the Bonds when the moneys in the Bond Fund are insufficient for such purposes.

(3) Next, moneys in the Revenue Fund are used to pay Fiduciary Charges which have become due and payable.

(4) Next, moneys in the Revenue Fund are used to pay any Rebate Amount required by Section 148(f) of the Code which has become due and payable or to make deposits to the Rebate Fund to fund the Corporation's estimated accrued liability therefor.

(5) Next, amounts in the Revenue Fund are used to pay the following amounts in the following order of priority:

    (a) amounts needed to pay Payment Obligations and Recurring Credit Facility Charges to Providers of Credit Facilities which have become due and, if the amount available is not sufficient to pay all such amounts, payments shall be made to such Providers ratably to the respective amounts due each such Provider; and

    (b) next to pay Payment Obligations and Recurring Credit Facility Charges to Providers of Reserve Fund Credit Facilities which have become due and, if the amount available is not sufficient to pay all such amounts, payments shall be made to such Providers ratably to the respective amounts due each such Provider.

2025A Bonds Not Secured by Reserve Fund

No deposit will be made to any Reserve Fund subaccount from the proceeds of the 2025A Bonds nor will a Credit Facility be purchased to secure the 2025A Bonds. **The 2025A Bonds will not be secured by the Reserve Fund or any subaccount therein.**

ADDITIONAL BONDS

The Corporation may issue Additional Bonds payable from the Pledged Revenues on a parity with the Outstanding Bonds and the 2025A Bonds, but only upon the following terms, restrictions and conditions:

(a) in any Fiscal Year, the sum of (i) the debt service on all outstanding Corporation obligations; (ii) the debt service on the Additional Bonds then proposed to be issued; and (iii) the payments for Outstanding Public-Private Partnership Obligations, shall not exceed 20% of the revenues of the STTF available for Service Contract payments (funds available after reduction for statutorily–designated uses and by the maximum legally permissible debt service on Department Bond Programs) in the Fiscal Year immediately preceding the issuance of the Additional Bonds;

(b) the Legislature shall have adopted an appropriations act or substantive legislation specifically approving the financing of the project or projects to be financed in whole or in part from proceeds of such Additional Bonds and shall have appropriated sufficient moneys to pay the first year's debt service on the Additional Bonds;

(c) the issuance of the Additional Bonds shall not violate any statutory limits on the issuance of Bonds;

(d) the Department's project or projects to be financed in whole or in part from the proceeds of such Additional Bonds shall have been approved by the Legislature and such approval shall specifically provide that the Department may enter into a Service Contract for the project pursuant to Section 339.0809, Florida Statutes, as amended; and

(e) the Department and the Corporation shall have entered into a Service Contract with respect to such Additional Bonds.

The Department shall certify compliance with sections (a), (b), (c), (d), and (e) of the parity test described above. The Outstanding Bonds and the Additional Bonds, regardless of the time or times of their issuance, will rank equally with respect to their lien on the Pledged Revenues and their source of and security for payment therefrom without preference of any Bond or Additional Bond over any other thereof. All of the above terms, conditions, and restrictions having been complied with, the 2025A Bonds will be issued on a parity with the Outstanding Bonds.

Bonds may be refunded without the application of the Additional Bonds parity test described in (a), (b), (c), and (d) if the Debt Service Requirement with respect to such Additional Bonds in each Fiscal Year following the issuance thereof shall be equal to or less than the Debt Service Requirement for such Fiscal Year with respect to the Bonds which would have been Outstanding in such Fiscal Year had the same not been refunded.

TRANSPORTATION FUNDING

Department of Transportation

The Department is a decentralized agency with a central office, seven district offices, the Turnpike Enterprise (the "Turnpike"), and the Rail Enterprise. The head of the Department is the Secretary of Transportation, nominated by the Florida Transportation Commission, appointed by the Governor and confirmed by the State Senate.

Work Program

The Department develops a work program (the "Work Program") to provide for the planned construction and financing of transportation projects. The Work Program is a five-year listing of all planned transportation projects and a complete spending plan for the STTF and other funds managed by the Department. The Legislature annually approves the Work Program and authorizes the first year's commitment of funds. Projects financed by the Corporation must be included in the Department's Work Program.

The current Work Program became effective on July 1, 2025, and will run through Fiscal Year 2029-30, authorizing approximately $18.7 billion in commitments in Fiscal Year 2025-26 for transportation projects throughout the State. The 2025A Project is included in the Work Program, which has been approved by the Legislature.

State Transportation Trust Fund

Funds to be used for transportation purposes are held in the STTF under the direction of the Department. The funds in the STTF are the source of Service Contract payments which are pledged to repayment of the 2025A Bonds, the Outstanding Bonds, and any Additional Bonds that may be subsequently issued by the Corporation. Section 339.139, Florida Statutes, imposes a limitation on the debt payable from the STTF. The total of all debt service payments for bonds issued by the Department, payments related to public-private partnerships, and other financial commitments and contractual obligations of the Department may not exceed 20% of the total projected State and federal revenues of the STTF in each Fiscal Year. The Department annually generates a debt load report to ensure compliance with the debt limitation. State law permits the Department to request an exception to this debt limitation for critical projects, which must be approved by the Governor, without objection from the Speaker of the House of Representatives, President of the Senate, and the chairs of the legislative appropriation committees. No such exception has ever been requested. Obligations of the Corporation are not statutorily required to be included within the 20% limitation, however, in determining whether Additional Bonds may be issued, the sum of the annual debt service on all outstanding Corporation obligations, the annual debt service on the proposed Additional Bonds, and the annual payments for Outstanding Public-Private Partnership Obligations may not exceed 20% of STTF revenues available for Service Contract payments in any Fiscal Year . See "ADDITIONAL BONDS" herein.

All State tax, fee, and miscellaneous revenues that are deposited into the STTF are available for appropriation to make payments under a Service Contract between the Department and the Corporation, unless subject to a prior lien from a Department Bond Program. The Florida Constitution requires a two-thirds vote of each house of the Legislature to adopt legislation to increase the rate at which the taxes and fees deposited into the STTF are levied, or to reduce an exemption on such taxes. Federal-aid reimbursement funds are also available to make payments under a Service Contract, subject to prior liens. See "Prior Liens on STTF Revenues" herein.

Revenues from the following sources are deposited into the STTF:

Fuel Taxes

Fuel Taxes provide a large portion of the revenues deposited into the STTF. Fuel Taxes include revenues transferred to the STTF from the Highway Fuel Sales Tax, State Comprehensive Enhanced Transportation System ("SCETS") Tax, Off-Highway Fuel Sales Tax, Aviation Fuel Tax, Fuel Use Tax and Fees, and Natural Gas Fuel Tax. However, effective January 1, 2026, the Aviation Fuel Tax (approximately $28.1 million collected in Fiscal Year 2024-25) is repealed. Additionally, Fuel Taxes include a portion of a service charge levied by the State and deposited in the STTF related to the collection of Local Option Fuel Taxes, which are collected by the State before being distributed to local governments.

Fuel Taxes are assessed at various rates on a per gallon basis. Fuel Taxes are deposited into the STTF and available for payments under a Service Contract. Historical gasoline and diesel fuel consumption is published by the State of Florida Department of Revenue. Fuel Tax projections are produced by the Office of Economic and Demographic Research at least twice annually. Annual changes in Fuel Tax collections are affected by changing consumption patterns, changes to tax rates, and technological advancements in fuel efficiency.

Historically, the two largest components of Fuel Taxes transferred to the STTF are the Highway Fuel Sales Tax and the SCETS Tax, which together have averaged more than 96% of STTF Fuel Tax revenues over the past ten Fiscal Years. Of the total Fuel Taxes deposited in the STTF in Fiscal Year 2024-25 of approximately $3.2 billion, Highway Fuel Sales Tax revenues totaled $1.9 billion and SCETS Tax revenues totaled $1.1 billion. The Highway Fuel Sales Tax is currently levied at 17.5 cents per gallon and the SCETS Tax is currently levied at 9.7 cents, with both tax rates indexed annually based on changes in the Consumer Price Index ("CPI").

In the past ten Fiscal Years, the STTF's revenues from Fuel Taxes have increased by a total of $943.6 million, or 42.7%, and reached $3.2 billion in Fiscal Year 2024-25. The increased revenues have been primarily a result of increased consumption of motor and diesel fuels along with increases in the tax rates of the Highway Fuel Sales Tax and SCETS Tax that are both indexed to CPI. From Fiscal Year 2015-16 to Fiscal Year 2018-19, total consumption of motor and diesel fuel saw annual increases of approximately 2.8%, with total annual consumption increasing by 685 million gallons, or 6.5%, from 10.6 billion gallons to 11.3 billion gallons in Fiscal Year 2018-19. Over the same period, STTF Fuel tax revenues also saw year-over-year growth, but revenue growth outpaced the increase in consumption, with revenues increasing by 11.1%, or $244.5 million.

As a result of the economic effects of the COVID-19 pandemic, combined motor and diesel fuel consumption declined by a total of 5.5% in Fiscal Years 2019-20 and 2020-21 before consumption growth returned in Fiscal Year 2021-22 (increase of 777 million gallons, or 7.3%). STTF Fuel Tax revenues also saw declines in Fiscal Years 2019-20 and 2020-21, with annual decreases of $53.1 million, or 2.2%, and $67.0 million, or 2.8%, respectively, before rebounding in Fiscal Year 2021-22 when revenues increased by $292.8 million, or 12.5%. Annual growth in motor and diesel fuel consumption has averaged 0.9% in Fiscal Years 2022-23 through 2024-25, and total consumption reached 11.7 billion gallons in Fiscal Year 2024-25. Revenues declined in Fiscal Year 2022-23 due to the impact of the Florida Motor Fuel Tax Relief Act of 2022, which exempted from taxation certain state motor fuel taxes from October 1, 2022, through October 31, 2022. The Legislature appropriated $183.8 million of State general revenue to the STTF in Fiscal Year 2022-23 to offset the fiscal impact of the one-month suspension of the collection of certain state motor fuel taxes pursuant to the Florida Motor Fuel Tax Relief Act of 2022. This transfer to the STTF was made from federal Coronavirus State Fiscal Recovery Funds under the American Rescue Plan Act, and these funds could not be used for debt service per Department of Treasury final rule and therefore were not available to pay debt service on the Bonds. STTF Fuel Tax revenues saw growth of $381.6 million or 14.6% in Fiscal Year 2023-24 and $152.4 million, or 5.1%, in Fiscal Year 2024-25.

Based on the August 2025 Transportation Revenue Estimating Conference, total motor and diesel fuel consumption is estimated to increase each year through Fiscal Year 2034-35, with annual growth rates ranging from 0.16% to 0.51%. The Highway Fuel Sales Tax rate is projected to increase from the current 17.5 cents per gallon to 22.0 cents per gallon by Fiscal Year 2034-35, while the SCETS Tax rate is projected to increase from 9.5 cents per gallon today to 12.0 cents per gallon by Fiscal Year 2034-35. As a result of the projected increases in the Highway Fuel Sales Tax and SCETS Tax, growth in the Fuel Tax revenues transferred to the STTF are projected to outpace the increases in consumption, with annual revenues estimated to grow from 2.2% to 3.0% annually from Fiscal Year 2025-26 to Fiscal Year 2034-35.

Motor Vehicle Fees

Motor Vehicle Fees are assessed on the ownership and operation of private and commercial vehicles in the State of Florida and are deposited into the STTF, and include the Motor Vehicle License Fee, the Motor Vehicle License Surcharge, the Initial Registration Fee, Motor Vehicle Title Fees and Motor Vehicle Compliance Penalties. Any change in the number of individuals licensed to operate a motor vehicle or the number of private and commercial vehicles registered in the State will have an impact on motor vehicle fee collections. Motor Vehicle Fee projections are published by the Office of Economic and Demographic Research at least twice annually.

Motor Vehicle Fee revenue transferred to the STTF increased approximately $441.2 million, or 39.6%, from approximately $1.1 billion in Fiscal Year 2015-16 to approximately $1.6 billion in Fiscal Year 2024-25. Based on the August 2025 Transportation Revenue Estimating Conference, revenues from Motor Vehicle Fees transferred to the STTF are projected to decrease by approximately 1.0%, or $15.9 million in Fiscal Year 2025-26 before seeing annual increases ranging from 0.3% to 0.6% annually through Fiscal Year 2034-35.

Rental Car Surcharge

The Rental Car Surcharge is another revenue stream deposited into the STTF. The Rental Car Surcharge is imposed at a rate of $2.00 per day on for-hire vehicles, and 80% of the proceeds of the surcharge are deposited into the STTF. A decrease in tourism in the State or use of alternatives to rental cars like ride sharing services, among other possibilities, could result in diminished Rental Car Surcharge collections. The Rental Car Surcharge revenues transferred to the STTF totaled $134.1 million in Fiscal Year 2024-25, representing a $6.7 million, or 4.8%, decrease from the amount transferred to the STTF in Fiscal Year 2015-16. Rental Car Surcharge revenues transferred to the STTF were relatively consistent from Fiscal Year 2015-16 to Fiscal Year 2018-19 before seeing annual declines of 9.9%, or $14.0 million and 31.5%, or $40.5 million, in Fiscal Years 2019-20 and 2020-21, respectively, as a result of the impacts of COVID-19 on travel in the State. Revenues increased by 35.5%, or $31.1 million, in Fiscal Year 2021-22 and grew by a total of $14.6 million, or 12.7%, in Fiscal Year 2022-23 through 2024-25. Based on the August 2025 Transportation Revenue Estimating Conference, revenues from the Rental Car Surcharge transferred to the STTF are projected to grow by an average of 0.7%, or approximately $1.0 million, from Fiscal Year 2025-26 through Fiscal Year 2034-35. The current projections take into account softening in domestic and international travel, increased use of alternatives to rental cars such as ride sharing services, and widespread use of substitutes for traditional business-related travel.

Documentary Stamp Taxes

Documentary Stamp Taxes are levied on deeds and other documents related to real property or interests in real property. Most documents subject to the Documentary Stamp Tax reflect business activities and transactions, the frequency and size of which may be greatly influenced by State economic conditions. As a result, a slowdown in the building construction industry and a decline in the number of new residential or commercial buildings sold, among other possibilities, could result in diminished Documentary Stamp Tax revenues. Documentary Stamp Tax projections are published by the Office of Economic and Demographic Research at least twice annually.

Since 2005, a portion of Documentary Stamp Tax revenues has been transferred into the STTF each year. The amount of Documentary Stamp Taxes that flow into the STTF is controlled by a statutory distribution framework, which first requires certain distributions and service charges be made, and then the lesser of a percentage of the remainder or a dollar amount is deposited into the STTF. Currently, the lesser of 20.5453% of the remainder, or $360.08 million, of Documentary Stamp Taxes are deposited into the STTF and used to fund specific transportation programs, from which payments under a Service Contract may be made.

From Fiscal Year 2015-16 through Fiscal Year 2019-20, the distribution rate of Documentary Stamp Tax revenue to the STTF was the lesser of 24.18442% of the remainder after certain distributions and service charges or $541.75 million, and the annual amount transferred to the STTF grew by $81.7 million, or 30.5%, as the State's total Documentary Stamp Tax revenues grew by $598 million, or 26.3%. Starting in Fiscal Year 2020-21, the Legislature lowered the distribution framework to the lesser of 20.5453% of the remainder or $466.75 million. From Fiscal Years 2020-21 through 2024-25, the maximum possible $466.75 million was transferred to the STTF in each year except Fiscal Year 2023-24 ($444.4 million) as total Documentary Stamp Tax revenues saw significant growth in Fiscal Years 2020-21 and 2021-22 as the low-interest rate environment and positive in-migration to the State resulted in significant real estate activity.

Based on the August 2025 Documentary Stamp Tax Revenue Estimating Conference, revenue distributions to the STTF are projected to decrease to $360.08 million in Fiscal Year 2025-26 as a result of the change to the distribution formula and are expected to remain at that level in each year through Fiscal Year 2034-35. While home sales in the State have decreased from the recent peak in 2021 in part due to increased interest rates, home prices remain elevated, new home construction remains below the State's long-term average, and the State sees a higher than historical level of cash sales (which result in a deed subject to the tax but not a note), total Documentary Stamp Taxes collections are projected to see steady annual growth at rates ranging from 1.5% to 3.0% through Fiscal Year 2034-35.

Miscellaneous Revenues

The Department derives revenue from a variety of smaller sources. These sources include, but are not limited to, various leases, administrative fees, permits, project contributions, sale of surplus property, overweight/over-dimensional fees, and interest earnings. Such revenues are available for appropriation for Service Contract payments. Projections of Miscellaneous Revenues are provided by the Department.

Federal-Aid Reimbursements

The federal government provides Federal-Aid Reimbursements to the State for construction and improvement of highways and bridges and other transportation projects through its Federal-Aid Highway Program ("FAHP"). These Federal-Aid Reimbursements are paid to the State primarily from certain federal taxes on gasoline and diesel fuel and other federal taxes on truck users deposited into the Federal Highway Trust Fund, subject to Congressional authorization. The FAHP is a reimbursement program and must be periodically reauthorized by Congress. The program has historically been authorized under multi-year authorizing legislation, and was most recently authorized through September 30, 2026, in the Infrastructure Investment and Jobs Act (Public Law 117-58, also known as the "Bipartisan Infrastructure Law"). FAHP funds are available for reimbursement of expenditures incurred by the State for costs of eligible transportation projects. Upon receipt by the Department, Federal-Aid Reimbursements are deposited into the STTF and can be used for payments under a Service Contract. The terms and conditions of participation in the FAHP are subject to change at the discretion of Congress, and there can be no assurance that the laws and regulations now governing the FAHP will not be changed in the future in a manner that could adversely affect the funds available to the State. Projections for future Federal-Aid Reimbursements are provided by the Department and assume federal transportation funding levels provided in the final year of the Bipartisan Infrastructure Law remain constant in future years.

Historical and Projected STTF Revenues

The following tables show the historical and projected revenues by source in the STTF. **The projections are based on the best information available when the estimates are made, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections. No representation is made that the amounts of STTF revenues projected will be collected or will not be revised in any projected Fiscal Year.**

Historical STTF Revenues
(in millions of dollars)

Fiscal Year	Fuel Taxes	Motor Vehicle Fees	Rental Car Surcharge, Doc. Stamp Tax, & Misc. Revenues	Total State STTF Revenues	Federal-Aid	Total STTF Revenues	Percentage Change from Prior Year
2015-16	$2,209.2	$1,114.5	$577.1	$3,900.8	$2,447.3	$6,348.0	9.7%
2016-17	2,272.6	1,163.1	609.4	4,045.1	2,216.5	6,261.6	(1.4)
2017-18	2,336.1	1,190.0	591.0	4,117.1	2,506.4	6,623.5	5.8
2018-19	2,453.7	1,212.0	659.9	4,325.6	2,330.6	6,656.2	0.5
2019-20	2,400.6	1,228.9	665.1	4,294.6	2,175.3	6,469.9	(2.8)
2020-21	2,333.6	1,410.0	702.9	4,446.5	2,156.0	6,602.5	2.0
2021-22[1]	2,626.4	1,513.6	783.0	4,923.0	1,980.5	6,903.5	4.6
2022-23[1]	2,618.8	1,561.1	776.0	4,955.9	2,396.1	7,352.0	6.5
2023-24[2]	3,000.4	1,524.1	864.5	5,389.0	3,212.2	8,601.3	17.0
2024-25	3,152.8	1,555.7	834.1	5,542.6	2,964.4	8,507.0	(1.1)

Source: Florida Department of Transportation.

1 Fiscal Year 2021-22 excludes approximately $1.6 billion of federal Coronavirus State Fiscal Recovery Funds transferred to the STTF. Fiscal Year 2022-23 excludes approximately $183.8 million of federal Coronavirus State Fiscal Recovery Funds transferred to the STTF to offset the impact of the Florida Motor Fuel Tax Relief Act of 2022. These funds could not be used for debt service per Department of the Treasury final rule.

2 Increase in revenues primarily due to more Federal-Aid Reimbursements resulting from a higher amount billed and more advance construction receipts for the year.

Projected STTF Revenues
(in millions of dollars)

Fiscal Year	Fuel Taxes	Motor Vehicle Fees	Rental Car Surcharge, Doc. Stamp Tax, & Misc. Revenues	Total State STTF Revenues	Federal-Aid	Total STTF Revenues	Percentage Change from Prior Year
2025-26	$3,221.4	$1,539.8	$654.9	$5,416.1	$3,554.8	$8,970.9	5.5%
2026-27	3,319.0	1,549.4	657.2	5,525.6	3,968.9	9,494.5	5.8
2027-28	3,418.7	1,558.2	658.6	5,635.5	4,075.7	9,711.2	2.3
2028-29	3,504.7	1,566.4	656.6	5,727.7	3,408.9	9,136.6	(5.9)
2029-30	3,590.8	1,571.9	661.0	5,823.7	3,070.9	8,894.6	(2.6)
2030-31	3,668.9	1,576.1	669.4	5,914.4	2,932.1	8,846.5	(0.5)
2031-32	3,754.0	1,580.3	672.7	6,007.0	2,844.4	8,851.4	0.1
2032-33	3,850.4	1,584.3	681.4	6,116.1	3,003.1	9,119.2	3.0
2033-34	3,943.3	1,588.3	689.0	6,220.6	3,013.9	9,234.5	1.3
2034-35	4,040.8	1,592.5	690.1	6,323.4	3,013.9	9,337.3	1.1

Source: August 2025 Transportation Revenue Estimating Conference and Florida Department of Transportation.

Designated Uses of STTF Revenues

State law designates the use of certain STTF revenues. A minimum of 15% of all State revenues deposited into the STTF that are not otherwise exempt under applicable law (non-exempt revenues), are required to be used for public transportation projects (aviation, seaports, transit or rail). Certain STTF revenues are subject to deductions for service charges, administrative costs, and refunds. Portions of Fuel Taxes, Motor Vehicle Title Fees, and Documentary Stamp Taxes, for example, may be directed to specific transportation projects or transferred to the State General Revenue Fund. Previously, these statutorily designated uses of STTF revenues were applied first and only remaining revenues were available for Service Contract payments.

The table below shows historical available STTF revenues after deducting statutorily required distributions. However, in 2024, the Legislature amended Section 339.0809, Florida Statutes, to prioritize Service Contract payments from the STTF over statutorily required distributions. Accordingly, this table is being provided to show the impact of the change in revenues now available for Service Contract payments as a result of the statutory change. As a result of the change to Section 339.0809, Florida Statutes, there were no reductions for statutorily required distributions in Fiscal Year 2024-25 and there will be no reductions in future years.

Historical Net Revenues Available from STTF
after Reductions for Statutorily Designated Uses
(in millions of dollars)

Fiscal Year	Total STTF Revenues	Total Reductions for Statutorily Designated Uses	Net STTF Revenues	Percentage Change from Prior Year
2015-16	$6,348.0	$(1,312.9)	$5,035.1	11.3%
2016-17	6,261.6	(1,356.5)	4,905.1	(2.6)
2017-18	6,623.5	(1,388.4)	5,235.0	6.7
2018-19	6,656.2	(1,442.8)	5,213.3	(0.4)
2019-20	6,469.9	(1,463.7)	5,006.2	(4.0)
2020-21	6,602.5	(1,496.7)	5,105.8	2.0
2021-22	6,903.5	(1,694.5)	5,209.0	2.0
2022-23	7,352.0	(1,682.3)	5,669.7	8.8
2023-24[1]	8,601.3	(1,842.7)	6,758.6	19.2
2024-25[2]	8,507.0	-	8,507.0	25.9

Source: Florida Department of Transportation.

[1] Increase in net STTF revenues primarily due to more Federal-Aid Reimbursements resulting from a higher amount billed and more advance construction receipts for the year.

[2] Increase in net STTF revenues primarily a result of the statutory change prioritizing Service Contract payments from the STTF over statutorily required distributions.

Prior Liens on STTF Revenues

Certain revenues deposited in the STTF are pledged to the payment of debt service on Department Bond Programs which have a lien on those revenues senior to payments under the Service Contract. The following bond programs have a lien on STTF revenues senior to the payment obligation under the Service Contract. **The Legislature is permitted to increase the portion of STTF revenues dedicated to these bond programs or to authorize new bond programs with liens on specific STTF revenues without violating any covenants or contractual commitments to holders of 2025A Bonds.**

Right-of-Way Acquisition and Bridge Construction Bonds

The Department is constitutionally authorized to issue Right-of-Way Acquisition and Bridge Construction ("ROW") bonds to finance the cost of acquiring real property or the rights to real property for right-of-way for State roads or the cost of State bridge construction. The ROW bonds have a prior lien on motor fuel taxes collected by the State and deposited into the STTF. There are currently $2.0 billion of ROW bonds outstanding. The ROW bond program's annual debt service is currently statutorily limited to the lesser of $425 million or 7% of STTF revenues. Maximum annual debt service on Outstanding ROW bonds is currently approximately $193.4 million and occurs in Fiscal Year 2025-26. Debt service declines annually thereafter through the final maturity on July 1, 2055.

Based on the current Work Program and long-term projections, the Department plans to issue $2.095 billion of additional ROW bonds in various series over the next nine years from Fiscal Year 2025-26 through 2033-34. The actual timing and amounts of these issues will depend on the Department's need for proceeds, which is based on various factors including availability of revenues and spending on the Work Program, which are monitored by the Department to evaluate the need for revisions to the Work Program. It is estimated that issuance of the $2.095 billion in additional ROW bonds during the next nine years will generate maximum annual debt service of $287.9 million in Fiscal Year 2032-33, which is below the allowable maximum annual debt service of $425.0 million.

Grant Anticipation Revenue Vehicle Bonds

The Department is statutorily authorized to issue Grant Anticipation Revenue Vehicle ("GARVEE") bonds to finance transportation projects that are eligible to receive federal-aid highway funds. The debt service on GARVEE bonds is secured by a senior lien on Federal-Aid Reimbursements to the State but annual debt service is currently statutorily limited to 10% of annual federal-aid highway apportionments to the State. Federal-Aid Reimbursements remaining after the payment of debt service on GARVEE bonds are available to make payments under the Service Contract.

There are currently $153.2 million of GARVEE bonds outstanding, and the maximum annual debt service on Outstanding GARVEE bonds is approximately $28.2 million. Based on the current Work Program, the Department plans to issue $1.64 billion of GARVEE Bonds in various series over the next nine years from Fiscal Year 2025-26 through 2033-34. The actual timing and amounts of these issues will depend on the Department's need for proceeds, which is based on various factors, including availability of revenues and spending on the Work Program, which are monitored by the Department to evaluate the need for revisions to the Work Program. It is estimated that issuance of the $1.64 billion in GARVEE Bonds during the next nine Fiscal Years will generate maximum annual debt service of approximately $196.8 million in Fiscal Year 2033-34, which is below the projected limit of 10% of the State's annual federal-aid highway apportionments.

Seaport Bonds

A portion of the Motor Vehicle Title Fee revenues deposited into the STTF is dedicated to the Seaport Investment Program to finance improvements at various seaports within the State. The program receives a $10.0 million annual appropriation for the purposes of the program, which is pledged to and used to pay debt service on Seaport Investment Program ("Seaport") bonds issued to fund the program. Outstanding Seaport bonds currently total approximately $92.8 million. Seaport bond debt service remains level at approximately $7.7 million through the final maturity of outstanding Seaport bonds, which is July 1, 2043. The current Work Program does not include the planned issuance of any additional Seaport bonds.

State Infrastructure Bank Bonds

The Department is statutorily authorized to issue State Infrastructure Bank ("SIB") bonds for the purpose of providing loans to governmental units and private entities to construct and improve qualified transportation facilities. Loans made to district offices of the Department may be secured by a prior lien on revenues of the STTF. Annual repayments under loan agreements with district offices cannot exceed 0.75% of annual revenue deposits to the STTF. There are currently no outstanding SIB bonds, and the current Work Program does not include the planned issuance of any SIB bonds.

Historical Available Revenues of the STTF

The following tables show the amount of historical net revenues available from the STTF for Service Contract payments after having been reduced by the maximum legally permissible debt service on Department Bond Programs. Available STTF revenues have been decreased by the legally permissible maximum annual debt service (which exceeds actual debt service incurred) on existing Department Bond Programs, which have a prior lien on certain STTF revenues. The Legislature has the power to change the distribution of revenues to the STTF and to create additional liens on STTF revenues.

Historical State Transportation Trust Fund Revenues
Less Maximum Legally Permissible Prior Obligations
(in millions of dollars)

Fiscal Year	Net STTF Revenues[1]	Maximum Annual Debt Service on Prior Liens ROW[2]	GARVEE[3]	Seaport[4]	SIB[5]	Total	Net Total Available For Service Contract Payments[6]	Percentage Change from Prior Year
2015-16	$5,035.1	$(275.0)	$(192.2)	$(10.0)	$(29.3)	$(506.4)	$4,528.7	12.4%
2016-17	4,905.1	(275.0)	(194.9)	(10.0)	(30.3)	(510.2)	4,394.9	(3.0)
2017-18	5,235.0	(275.0)	(209.0)	(10.0)	(30.9)	(524.8)	4,710.2	7.2
2018-19	5,213.3	(275.0)	(217.8)	(10.0)	(32.4)	(535.2)	4,678.1	(0.7)
2019-20	5,006.2	(275.0)	(213.3)	(10.0)	(32.2)	(530.5)	4,475.7	(4.3)
2020-21	5,105.8	(275.0)	(261.3)	(10.0)	(33.3)	(579.6)	4,526.2	1.1
2021-22	5,209.0	(350.0)	(263.4)	(10.0)	(36.9)	(660.3)	4,548.7	0.5
2022-23	5,669.7	(350.0)	(265.5)	(10.0)	(37.2)	(662.7)	5,007.0	10.1
2023-24	6,758.6	(425.0)	(270.6)	(10.0)	(40.4)	(746.0)	6,012.6	20.1
2024-25	8,507.0	(425.0)	(275.9)	(10.0)	(41.6)	(752.4)	7,754.5	29.0

Source: Florida Department of Transportation.

1 STTF revenues are shown net of statutorily designated uses in Fiscal Years 2015-2016 through 2023-24. Legislative changes to prioritize Service Contract payments over statutorily designed uses became effective beginning in Fiscal Year 2024-25.

2 Beginning in Fiscal Year 2023-24, the ROW annual debt service statutory limitation is currently the lesser of 7% of STTF State revenues or $425.0 million. Each Fiscal Year has been reduced by the maximum statutory limit applicable in such Fiscal Year, notwithstanding that 7% of STTF State revenues may have been lower than the applicable nominal dollar limit.

3 GARVEE bond annual debt service statutory limitation is currently 10% of total annual federal-aid highway apportionments. The annual amount of apportionments, which are a formulaic allocation of federal transportation funding to the State, will differ from the annual Federal-Aid Reimbursements amounts, which represent actual reimbursements received by the State.

4 The Seaport bond annual debt service statutory limitation is currently $10.0 million.

5 The SIB bond debt annual service statutory limitation for Department loans is currently 0.75% of STTF State Revenues.

6 The first year in which Bonds were outstanding was Fiscal Year 2018-19. Fiscal Year 2015-16 through 2017-18 are shown for illustrative purposes; Fiscal Year 2018-19 through 2024-25 are actual.

Historical STTF Revenues Available for Service Contract Payments as Percentage of Gross STTF Revenues
(in millions of dollars)

Fiscal Year	Gross STTF Revenues[1]	Net Total Available For Service Contract Payments[2]	Net Available as Percentage of Gross[2]
2015-16	$6,348.0	$4,528.7	71.3%
2016-17	6,261.6	4,394.9	70.2
2017-18	6,623.5	4,710.2	71.1
2018-19	6,656.2	4,678.1	70.3
2019-20	6,469.9	4,475.7	69.2
2020-21	6,602.5	4,526.2	68.6
2021-22	6,903.5	4,548.7	65.9
2022-23	7,352.0	5,007.0	68.1
2023-24	8,601.3	6,012.6	69.9
2024-25[3]	8,507.0	7,754.5	91.2

Source: Florida Department of Transportation.

1 See "Historical and Projected STTF Revenues."

2 The first year in which Bonds were outstanding was Fiscal Year 2018-19. Fiscal Year 2015-16 through 2017-18 are shown for illustrative purposes; Fiscal Years 2018-19 through 2024-25 are actual.

3 The increase in net available as percentage of gross in Fiscal Year 2024-25 was primarily the result of statutorily-designated uses no longer being deducted from gross STTF revenues as a result of legislative changes.

Projected Available Revenues of the STTF

The following tables show the amount of net revenues available from the STTF for Service Contract payments after having been reduced by the maximum legally permissible debt service on Department Bond Programs. Available STTF revenues have been decreased by the legally permissible maximum annual debt service on existing Department Bond Programs, which have a senior lien on certain STTF revenues. The Legislature has the power to change the distribution of revenues to the STTF and to create additional liens on STTF revenues. **The projections are based on the best information available when the estimates are made, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections. No assurance or guarantee is given that actual revenues will meet projections.**

Projected STTF Revenues Less Maximum Legally Permissible Prior Lien Obligations
(in millions of dollars)

Fiscal Year	Gross STTF Revenues[2]	Maximum Annual Debt Service on Prior Liens[1]					Net Total Available For Service Contract Payments	Percentage Change from Prior Year
		ROW[3]	GARVEE[4]	Seaport[5]	SIB[6]	Total		
2025-26	$8,970.9	$(425.0)	$(281.2)	$(10.0)	$(40.6)	$(756.8)	$8,214.1	5.9%
2026-27	9,494.5	(425.0)	(281.2)	(10.0)	(41.4)	(757.6)	8,736.9	6.4
2027-28	9,711.2	(425.0)	(281.2)	(10.0)	(42.3)	(758.4)	8,952.8	2.5
2028-29	9,136.6	(425.0)	(281.2)	(10.0)	(43.0)	(759.1)	8,377.5	(6.4)
2029-30	8,894.6	(425.0)	(281.2)	(10.0)	(43.7)	(759.9)	8,134.7	(2.9)
2030-31	8,846.5	(425.0)	(281.2)	(10.0)	(44.4)	(760.5)	8,086.0	(0.6)
2031-32	8,851.4	(425.0)	(281.2)	(10.0)	(45.1)	(761.2)	8,090.2	0.1
2032-33	9,119.2	(425.0)	(281.2)	(10.0)	(45.9)	(762.1)	8,357.1	3.3
2033-34	9,234.5	(425.0)	(281.2)	(10.0)	(46.7)	(762.8)	8,471.7	1.4
2034-35	9,337.3	(425.0)	(281.2)	(10.0)	(47.4)	(763.6)	8,573.7	1.2

Source: August 2025 Transportation Revenue Estimating Conferences and the Florida Department of Transportation.

1 Actual projected annual debt service is less than the maximum legally permissible amounts shown.

2 Statutorily-designated uses are no longer being deducted from gross STTF revenues as a result of legislative changes in Fiscal Year 2024-25.

3 The ROW statutory annual debt service limitation is currently the lesser of 7% of STTF State Revenues or $425.0 million.

4 The GARVEE statutory annual debt service limitation is currently 10% of total annual federal-aid highway apportionments. The annual amount of apportionments, which are a formulaic allocation of federal transportation funding to the State, will differ from the annual Federal-Aid Reimbursements amounts, which represent actual reimbursements received by the State. The projected annual federal-aid highway apportionments for Fiscal Year 2025-26 are from the Bipartisan Infrastructure Law and the projection is held constant for future years.

5 The Seaport statutory annual debt service limitation is currently $10.0 million.

6 The SIB statutory annual debt service limitation is currently 0.75% of STTF State revenues. There are currently no outstanding SIB bonds and the Work Program does not include issuance of SIB bonds.

Projected STTF Revenues Available for Service Contract Payments as Percentage of Gross Revenues
(in millions of dollars)

Fiscal Year	Gross STTF Revenues[1]	Net Total Available For Service Contract Payments[2]	Net Available as Percentage of Gross[2]
2025-26	$8,970.9	$8,214.1	91.6%
2026-27	9,494.5	8,736.9	92.0
2027-28	9,711.2	8,952.8	92.2
2028-29	9,136.6	8,377.5	91.7
2029-30	8,894.6	8,134.7	91.5
2030-31	8,846.5	8,086.0	91.4
2031-32	8,851.4	8,090.2	91.4
2032-33	9,119.2	8,357.1	91.6
2033-34	9,234.5	8,471.7	91.7
2034-35	9,337.3	8,573.7	91.8

Source: Florida Department of Transportation.
1 See "Historical and Projected STTF Revenues."

Other STTF Obligations

The following programs represent significant existing or potential financial obligations of the STTF which do not have a lien senior to payments under the Service Contract.

Fixed Guideway Bonds

The Department is statutorily authorized to issue bonds to finance fixed guideway transportation systems. The payment of debt service on the bonds is subject to appropriation by the Legislature. Under current statute, the amount appropriated for such debt service may not exceed 2% of State revenues deposited into the STTF, or approximately $110.9 million based on Fiscal Year 2024-25 STTF State revenues. No bonds are planned or have been issued under the program. **There can be no assurance that future legislation will not change or amend current State law which may impact the amount of bonds that may be issued**.

Public-Private Partnerships

Section 334.30, Florida Statutes, authorizes the Department to enter into contractual agreements for public-private partnerships. Funds from the STTF may also be committed to payments under public-private partnerships. Currently, the Department has entered into four public-private partnerships with total outstanding commitments of $2.5 billion, extending through Fiscal Year 2054-55. Pursuant to State law, no more than 15% of total federal and State revenues in any Fiscal Year for the STTF may be obligated for Department payments on all public-private partnership arrangements. The current maximum annual payment on all public-private partnership arrangements is $245.6 million and occurs in Fiscal Year 2042-43, which represents 4.4% of Fiscal Year 2024-25 STTF State revenues. **There can be no assurance that future legislation will not change or amend current State law which may impact the amount of obligations that may be incurred.**

Other Commitments

Other uses of funds from the STTF include payments of certain costs of operations and maintenance for Department owned or operated toll facilities. The Department has entered into lease-purchase agreements with certain expressway and bridge authorities in which it covenanted to pay all or part of the costs of the operations and maintenance from funds in the STTF, which the authorities are then required to reimburse. All authorities are current on their reimbursement obligations, and the Department is not authorized to enter into new agreements. The Department has also covenanted to Turnpike bondholders to pay the Turnpike's operations and maintenance costs to the extent necessary. However, since the agreement was executed in 1997, the Turnpike has made all required deposits to the STTF to reimburse such costs. For Fiscal Year 2020-21, the Turnpike advanced $125 million to the STTF, which reduced its reimbursements to the STTF for payments made for costs of operation and maintenance by $25 million per year in each of the Fiscal Years from 2020-21 through 2024-25.

Cash Balance of the STTF

The Department is required to maintain an available cash balance of not less than $50.0 million as of the close of business of the 10th calendar day following the end of each quarter of the Fiscal Year. The Department currently targets a minimum cash balance of $200.0 million and has historically managed to maintain an available cash balance significantly higher than the $50.0 million minimum required by law, as demonstrated in the table below.

Historical STTF Average Monthly Cash Balance by Fiscal Year
(in millions of dollars)

Fiscal Year	Average Monthly Balance[1]
2015-16	$795.7
2016-17	377.8
2017-18	404.4
2018-19	442.2
2019-20	502.0
2020-21	465.3
2021-22	882.1
2022-23	927.1
2023-24	555.9
2024-25	504.9

Source: Florida Department of Transportation.
[1] Calculated by averaging the monthly ending cash balance of the STTF for each Fiscal Year.

Historical and Projected Debt Service Coverage

The following table shows the historical debt service coverage for all Outstanding Bonds for each of the past Fiscal Years in which Bonds were Outstanding.

Historical Debt Service Coverage
(in millions of dollars)

Fiscal Year	Net Total Available for Service Contract Payments[1]	Debt Service	Debt Service Coverage
2020-21	$4,526.2	$22.3	202.6x
2021-22	4,548.7	29.7	153.3x
2022-23	5,007.0	39.0	128.4x
2023-24	6,012.6	39.0	154.2x
2024-25	7,754.5	39.0	198.9x

[1] See "Historical STTF Revenues Available for Service Contract Payments." Net STTF revenues available are calculated as the gross STTF revenues less the prior lien obligations discussed in "Prior Liens on STTF Revenues" above.

The following table shows the projected debt service coverage for the Outstanding Bonds and the 2025A Bonds. The estimated debt service coverage presented below is calculated using projected STTF revenues, which are based in part on projected State taxes and fees; such projections are revised at least semiannually by the Florida Consensus Estimating Conference, and most recently in August 2025. See "STATE FINANCIAL OPERATIONS – Budgetary Process" in Appendix A for a description of the Florida Consensus Estimating Conference. **The projections are based on the best information available when the estimates are made, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections. No assurance or guarantee is given that actual revenues will meet projections.**

Projected Debt Service Coverage
(in millions of dollars)

Fiscal Year	Net Total Available for Service Contract Payments[1]	Debt Service	Projected Debt Service Coverage	Maximum Allowable Debt Service[2]	Coverage on Maximum Allowable Debt Service
2025-26	$8,214.1	$43.0	191.1x	$379.1	21.7x
2026-27	8,736.9	44.4	196.7x	386.8	22.6x
2027-28	8,952.8	44.4	201.6x	394.5	22.7x
2028-29	8,377.5	44.4	188.7x	400.9	20.9x
2029-30	8,134.7	44.4	183.2x	407.7	20.0x
2030-31	8,086.0	44.4	182.1x	414.0	19.5x
2031-32	8,090.2	44.4	182.1x	420.5	19.2x
2032-33	8,357.1	44.4	188.2x	428.1	19.5x
2033-34	8,471.7	28.9	292.9x	435.4	19.5x
2034-35	8,573.7	28.9	296.5x	442.6	19.4x

1 See "Projected STTF Revenues Available for Service Contract Payments." Net STTF revenues available are calculated as the gross STTF revenues less the prior lien obligations discussed in "Prior Liens on STTF Revenues" above.

2 Under current statutory provisions, Service Contract payments may not exceed 7% of STTF State revenues in each Fiscal Year. Maximum Allowable Debt Service for Fiscal Years 2025-26 through 2034-35 is based on the projected STTF revenues in each year. See " Historical and Projected STTF Revenues" herein.

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SCHEDULE OF DEBT SERVICE

The following table shows the debt service on the Outstanding Bonds, the debt service on the 2025A Bonds, and the total debt service. Payments due on July 1 are deemed to accrue in the preceding Fiscal Year.

Fiscal Year	Outstanding Debt Service	Debt Service on 2025A Bonds Principal	Interest	Total	Total Debt Service
2025-26	$38,999,100	$1,575,000	$2,398,293	$3,973,293	$42,972,393
2026-27	39,000,850	2,225,000	3,191,650	5,416,650	44,417,500
2027-28	38,994,100	2,335,000	3,080,400	5,415,400	44,409,500
2028-29	38,991,100	2,450,000	2,963,650	5,413,650	44,404,750
2029-30	38,998,350	2,575,000	2,841,150	5,416,150	44,414,500
2030-31	38,996,850	2,705,000	2,712,400	5,417,400	44,414,250
2031-32	38,997,950	2,840,000	2,577,150	5,417,150	44,415,100
2032-33	38,992,700	2,980,000	2,435,150	5,415,150	44,407,850
2033-34	23,507,400	3,130,000	2,286,150	5,416,150	28,923,550
2034-35	23,502,700	3,285,000	2,129,650	5,414,650	28,917,350
2035-36	9,327,000	3,450,000	1,965,400	5,415,400	14,742,400
2036-37	9,324,000	3,620,000	1,792,900	5,412,900	14,736,900
2037-38	-	3,805,000	1,611,900	5,416,900	5,416,900
2038-39	-	3,995,000	1,421,650	5,416,650	5,416,650
2039-40	-	4,195,000	1,221,900	5,416,900	5,416,900
2040-41	-	4,405,000	1,012,150	5,417,150	5,417,150
2041-42	-	4,625,000	791,900	5,416,900	5,416,900
2042-43	-	4,810,000	606,900	5,416,900	5,416,900
2043-44	-	5,000,000	414,500	5,414,500	5,414,500
2044-45	-	5,200,000	214,500	5,414,500	5,414,500
Total	**$377,632,100**	**$69,205,000**	**$37,669,343**	**$106,874,343**	**$484,506,443**

PROVISIONS OF STATE LAW

Bonds Legal Investment for Fiduciaries

The 2025A Bonds 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

Opinion of Bond Counsel

In the opinion of Bond Counsel, assuming continuing compliance by the Corporation and the Department with the tax covenant referred to below and the accuracy of certain representations and certifications of the State as to current compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code)", under existing statutes, regulations, rulings and court decisions interest on the 2025A Bonds is excluded from gross income for federal income tax purposes, and interest on the 2025A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the 2025A Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the 2025A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein.

Except as described herein, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the 2025A Bonds. Prospective purchasers of 2025A Bonds should be aware that the ownership of 2025A Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2025A Bonds or, in the case of a financial institution, that portion of the owner's interest expense allocable to interest on a 2025A Bond, (ii) the reduction of loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including interest on the 2025A Bonds, (iii) the inclusion of interest on the 2025A Bonds in the effectively connected earnings and profits (with adjustments) of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on the 2025A Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the 2025A Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits.

Federal Tax Requirements

The Code includes requirements which the Corporation and the Department must continue to meet after the issuance of the 2025A Bonds in order that interest on the 2025A Bonds not be included in gross income for federal income tax purposes. The failure by the Corporation or the Department to meet these requirements may cause interest on the 2025A Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Corporation and the Department have covenanted in the Resolution and in the Service Contract, respectively, to comply with the requirements of the Code in order to maintain the exclusion of interest on the 2025A Bonds from gross income for federal income tax purposes.

From time to time, there are legislative proposals pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the 2025A Bonds, adversely affect the market price or marketability of the 2025A Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the 2025A Bonds.

Original Issue Premium and Discount

The 2025A Bonds maturing in the years 2026 through 2041 (the "Premium Bonds") were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a 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 Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues 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 Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

The 2025A Bonds maturing in the years 2042 through 2045 (the "Discount Bonds") were 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 Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a 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 Discount Bond (i) is interest excludable 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 Discount Bond.

Owners of Discount Bonds and Premium Bonds should consult with their tax advisors regarding the determination for U.S. federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to Discount Bonds or Premium Bonds, other U.S. federal tax consequences regarding OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2025A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2025A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the 2025A Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the 2025A Bonds and proceeds from the sale of the 2025A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the 2025A Bonds. This withholding generally applies if the owner of the 2025A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2025A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes

The 2025A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations, as defined therein. 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. The 2025A Bonds and the income thereon are subject to the tax imposed by Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations and other specified entities.

MISCELLANEOUS

Investment of Funds

All State funds are invested by either the State's Chief Financial Officer or the State Board of Administration, and pursuant to the Resolution, all funds of the Corporation, including proceeds of the 2025A Bonds, will be invested with the Chief Financial Officer or the State Board of Administration. Money in the STTF is invested with the Chief Financial Officer. All moneys on deposit in the Funds and Accounts may be invested and reinvested in Authorized Investments; provided, however, that such investments shall mature not later than the respective dates when such moneys will be required for the purposes of such Funds and Accounts. Income earned on the investments in the Revenue Fund is deposited upon receipt in the Revenue Fund. Income from investment of the sale proceeds of the Bonds of any Series shall be deposited and used as provided in the Series Resolution or in the Tax Compliance Certificate for such Series of Bonds.

Income from amounts on deposit in the Bond Fund and Reserve Fund, if any, shall be deposited or maintained in the Bond Fund except to the extent such deposit shall cause the balance therein to exceed the Debt Service coming due on the Bonds during the balance of the then current Bond Year. In such event, any excess shall be deposited in the Reserve Fund, except to the extent such deposit shall cause the balance therein to exceed the Reserve Requirement, then any excess shall be deposited in the Revenue Fund.

Investment by the Chief Financial Officer – Funds held in the State Treasury are invested by internal and external investment managers. As of June 30, 2025, the ratio was approximately 48% internally managed funds, 50% externally managed funds, and 2% in an externally managed Securities Lending program. The total portfolio market value on June 30, 2025, was approximately $65.6 billion.

Under State law, the Treasury is charged with investing funds of each State agency and the judicial branch. As of June 30, 2025, approximately $60.1 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 $4.3 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- 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 State Board of Administration – The State 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 State 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, 2025, the State Board of Administration directed the investment and administration of 30 funds.

As of June 30, 2025, the total market value of the FRS (Defined Benefit) Trust Fund was approximately $211.5 billion. The State 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 State 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 State Board of Administration invests assets in 29 designated funds other than the FRS (Defined Benefit) Trust Fund, including sinking funds for State bond issues. As of June 30, 2025, the total market value of these funds equaled approximately $65.2 billion. Each fund is independently managed by the State 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 State 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 AA+ (stable outlook), Aa1 (stable outlook), and AA+ (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 Corporation and the Department 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.

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 Protection ("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.

Information Technology Security

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 State 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 State Board of Administration protects its data and IT infrastructure, including data and information related to bond programs, through a multifaceted cybersecurity strategy. The State 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 State 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 State 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 State 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

State Board of Administration's data and IT systems. In the event a cybersecurity issue arises, the State 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.

Litigation

There is no litigation pending, or to the knowledge of the Corporation and the Department 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 Department from time to time engages 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 or payments under the Service Contract.

Legal Matters

The legal opinion of Greenberg Traurig, P.A., Miami, Florida, approving certain legal matters, will be provided on the date of delivery of the 2025A Bonds. Additionally, a certificate, executed by appropriate officials, will be provided on the date of delivery of the 2025A Bonds to the effect that to the best of their knowledge the 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 the 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. A proposed form of the legal opinion of Bond Counsel is attached hereto as Appendix G.

Continuing Disclosure

The Corporation, and the Department as an obligated person, 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. The form of the undertaking is set forth in Appendix H, "Form of Continuing Disclosure Agreement." This undertaking is being made in order to assist the underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. Additionally, the Division of Bond Finance has policies and procedures in place to assist the Corporation and the Department in complying with disclosure undertakings. Neither the Corporation nor the Department has failed, in the previous five years, to comply in all material respects with prior disclosure undertakings.

From time to time, the Corporation and the Department may voluntarily submit additional information that is not required by any continuing disclosure undertakings on EMMA or make such additional information available on the Division of Bond Finance's website at bondfinance.sbafla.com. Information specific to the Corporation and the Department may be found on various pages of the Division of Bond Finance's website, including bondfinance.sbafla.com/Bond-Programs/Department-of-Transportation-Financing-Corporation; however, such information is not incorporated by reference into this Official Statement and neither the Corporation nor the Department are obligated to provide or update such information at any time in the future. Additionally, the Division of Bond Finance may independently provide periodic information about the financial and operating performance of the State and its agencies, including the Department and/or the Corporation, on its website. In such instances, neither the Department, the Corporation, or the Division of Bond Finance will have any obligation to update such information or include it in any future submission.

Underwriting

BofA Securities, Inc. (the "Underwriter") has agreed to purchase the 2025A Bonds at an aggregate purchase price of $74,783,503.89 (which represents the par amount of the 2025A Bonds plus a net original issue premium of $5,704,252.35 and minus the Underwriter's discount of $125,748.46). 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. The offering prices or yields on the 2025A Bonds set forth on the inside front cover may be changed after the initial offering by the Underwriter.

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Execution of Official Statement

The execution and delivery of this Official Statement have been duly authorized by the Corporation.

FLORIDA DEPARTMENT OF
TRANSPORTATION FINANCING
CORPORATION

J. BEN WATKINS III
Chief Executive Officer/President

JARED W. PERDUE, P.E.
Secretary, State of Florida
Department of Transportation

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 2024 was estimated at $1.348 billion, which is approximately 24% higher than the 2019 GDP of $1.085 billion. Private industry accounted for 90.9% of Florida's GDP and government accounted for the remaining 9.1%. Real estate and rental/leasing was the largest single industry, accounting for 19.7% of Florida's 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 143 million people visited the State in 2024, a 1.7% increase from 2023.

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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]

	2019		2024	
Industry[2]	**GDP**	**% of Total**	**GDP**	**% of Total**
Agriculture, forestry, fishing, and hunting	$6,549	0.6%	$7,574	0.6%
Mining	1,086	0.1%	838	0.1%
Utilities	17,073	1.6%	20,771	1.5%
Construction	59,324	5.5%	64,263	4.8%
Manufacturing	53,128	4.9%	64,590	4.8%
Wholesale trade	73,397	6.8%	78,045	5.8%
Retail trade	83,170	7.7%	102,533	7.6%
Transportation and warehousing	37,085	3.4%	47,351	3.5%
Information	44,756	4.1%	61,598	4.6%
Finance and insurance	61,331	5.7%	74,334	5.5%
Real estate and rental and leasing	202,264	18.6%	265,452	19.7%
Professional, scientific, and technical services	81,477	7.5%	124,057	9.2%
Management of companies and enterprises	18,613	1.7%	28,573	2.1%
Administrative and waste management services	43,085	4.0%	56,320	4.2%
Educational services	10,987	1.0%	12,002	0.9%
Health care and social assistance	91,282	8.4%	114,241	8.5%
Arts, entertainment, and recreation	16,979	1.6%	20,853	1.5%
Accommodation and food services	47,917	4.4%	53,716	4.0%
Other services, except government	28,216	2.6%	27,250	2.0%
Government	107,621	9.9%	123,198	9.1%
Total	**$1,085,249**	**100.0%**	**$1,347,556**	**100.0%**

Source: U.S. Department of Commerce, Bureau of Economic Analysis (March 2025).
[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**
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
2024	121.3	78.6	37,295.0	19,721.5	50,111.6	107,128.0

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 2015 through 2024. During that time, Florida's total personal income grew by approximately 82% and its per capita income increased approximately 57%. Over the same time period, the U.S.'s total personal income increased by 59% and its per capital income grew 51%, while the southeast region's total personal income increased by 66% and its per capita income grew by 53%.

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
2015	$15,467,113	4.7%	$3,493,964	5.0%	$905,451	6.7%	$48,062	3.8%	$42,623	4.1%	$44,957	4.9%
2016	15,884,741	2.7	3,598,072	3.0	938,986	3.7	48,974	1.9	43,441	1.9	45,730	1.7
2017	16,658,962	4.9	3,786,490	5.2	1,011,002	7.7	51,006	4.1	45,303	4.3	48,447	5.9
2018	17,514,402	5.1	3,978,127	5.1	1,078,011	6.6	53,311	4.5	47,230	4.3	51,015	5.3
2019	18,349,584	4.8	4,190,038	5.3	1,145,939	6.3	55,567	4.2	49,386	4.6	53,666	5.2
2020	19,600,945	6.8	4,478,727	6.9	1,220,783	6.5	59,114	6.4	52,425	6.2	56,539	5.4
2021	21,403,979	9.2	4,951,225	10.5	1,358,786	11.3	64,450	9.0	57,605	9.9	62,238	10.1
2022	22,077,232	3.1	5,153,501	4.1	1,436,107	5.7	66,096	2.6	59,230	2.8	64,171	3.1
2023	23,380,269	5.9	5,491,964	6.6	1,553,426	8.2	69,418	5.0	62,295	5.2	67,821	5.7
2024	24,632,680	5.4	5,809,528	5.8	1,645,166	5.9	72,425	4.3	65,084	4.5	70,390	3.8

Source: U.S. Department of Commerce, Bureau of Economic Analysis (last updated March 28, 2025).

The following table shows Florida personal income and earnings by major source for calendar years 2019 and 2024. Total Income in Florida increased approximately 43.6% over the five-year period.

Florida Personal Income and Earnings by Major Source: 2019 vs. 2024
(thousands of current dollars)

Non-Farm Earnings by Industry*	**2019**	**% Total**	**2024**	**% Total**
Private:				
Forestry, fishing and other	$1,941,062	0.2%	$2,503,065	0.2%
Mining	435,413	0.0	675,929	0.0
Utilities	4,919,140	0.4	7,377,309	0.4
Construction	47,812,539	4.2	47,010,551	2.9
Manufacturing	32,367,022	2.8	47,010,551	2.9
Wholesale Trade	36,944,450	3.2	54,238,319	3.3
Retail Trade	48,403,332	4.2	66,247,305	4.0
Transportation & Warehousing	26,704,427	2.3	43,195,906	2.6
Information	17,837,636	1.6	22,775,640	1.4
Finance and insurance	48,788,618	4.3	74,431,281	4.5
Real estate and rental and leasing	17,083,455	1.5	20,296,276	1.2
Professional and technical services	68,423,978	6.0	113,783,623	6.9
Management of companies and enterprises	16,637,977	1.5	24,336,286	1.5
Administrative and waste services	38,390,123	3.4	56,872,307	3.5
Educational services	9,711,639	0.8	13,499,024	0.8
Health care and social assistance	83,278,917	7.3	119,167,830	7.2
Arts, entertainment, and recreation	12,775,837	1.1	19,787,520	1.2
Accommodation and food services	33,208,165	2.9	49,157,384	3.0
Other services, except public administration	28,746,877	2.5	38,908,642	2.4
Total Private	$574,410,607	50.1%	$821,274,748	49.9%
Government & government enterprises	93,819,698	8.2	121,147,710	7.4
Total Non-Farm Earnings	**$668,230,305**	**58.3%**	**$942,422,458**	**57.3%**
Farm Earnings*	2,677,055	0.2	2,819,589	0.2
Total Earnings*	**$670,907,360**	**58.5%**	**$945,242,047**	**57.5%**
Other Income:				
plus: Dividends, Interest & Rent	333,334,275	29.1	462,205,777	28.1
plus: Personal current transfer receipts	217,043,917	18.9	326,646,114	19.9
plus: Adjustment for residence	3,598,706	0.3	4,257,055	0.3
less: Contributions for social insurance	(78,945,471)	(6.9)	(113,915,244)	(6.9)
Total Other Income	**$475,031,427**	**41.5%**	**$679,193,702**	**41.3%**
Total Personal Income and Earnings	**$1,145,938,787**	**100.0%**	**$1,645,165,689**	**100.0%**

Source: U.S. Department of Commerce, Bureau of Economic Analysis (March 2025).
* 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 $197 billion in 2024, which was an increase of 3.1% over 2023. The state's total merchandise trade has grown by 28.4% since 2019. The state's top five merchandise exports in 2024 were civilian aircraft and parts, telephones, automobiles, computers, and pharmaceuticals. The top merchandise imports in that year were automobiles, telephones, gold, refined copper, and nucleic acids. Florida's top trading partners in 2024 were Brazil, Chile, China, Colombia, and Mexico. In 2024, Florida also ranked sixth in the nation in state-origin exports.

Florida's International Trade
(in billions)

Year	Exports	% Change	Imports	% Change
2014	81.77	(4.3)%	71.23	(2.5)%
2015	73.31	(10.4)	73.86	3.7
2016	67.95	(7.3)	74.72	1.2
2017	70.22	3.3	77.43	3.6
2018	73.48	4.6	80.13	3.5
2019	72.12	(1.9)	81.26	1.4
2020	59.45	(17.6)	75.57	(7.0)
2021	75.04	26.2	88.93	17.7
2022	87.07	16.0	102.96	15.8
2023	86.41	(0.8)	104.68	1.7
2024	89.11	3.1	107.84	3.0

Source: SelectFlorida, Florida International Trade Summary 2024.

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 four years prior.

Florida Taxable Sales and Sales Tax Liability by Category
Fiscal Years Ended June 30
(in millions)

	Consumer Non-durables				Consumer Durables				Building		Business	
Fiscal	Recreation/Tourism		Other		Autos & Accessories		Other		Investment		Investment	
Year	Sales	Taxes	Sales	Taxes	Sales	Taxes	Sales	Taxes	Sales	Taxes	Sales	Taxes
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	92,550	5,534	121,005	7,311	73,918	4,420	26,684	1,596	25,498	1,525	80,972	4,744
2017-18	98,417	5,885	125,729	7,597	76,540	4,577	27,803	1,663	27,353	1,636	87,651	5,108
2018-19	103,670	6,199	131,465	7,943	78,952	4,721	27,911	1,669	29,395	1,758	96,797	5,590
2019-20*	92,823	5,550	127,553	7,707	79,078	4,729	26,801	1,603	29,720	1,777	98,373	5,663
2020-21	90,086	5,387	145,245	8,776	96,094	5,746	31,828	1,903	33,150	1,982	104,128	5,994
2021-22	131,222	7,847	187,786	11,346	113,418	6,782	35,879	2,145	42,261	2,527	122,176	7,033
2022-23	141,869	8,483	201,779	12,191	120,344	7,196	35,300	2,111	44,710	2,673	135,759	7,815
2023-24	143,246	8,566	203,788	12,313	117,869	7,048	33,451	2,000	41,648	2,490	138,783	7,989
2024-25	144,942	8,681	215,445	13,043	121,249	7,261	33,004	1,979	42,457	2,537	151,517	6,972

Source: Office of Economic and Demographic Research (July 2025).
* 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%), amusement machine receipts (4%), and retail sales of new mobile homes (3%).

In 2025, the Legislature permanently eliminated the business rent tax, a sales tax on commercial property rent payments. The Legislature also permanently eliminated the sales tax for various hurricane preparedness and health and safety items, including fuel tanks, portable generators, tarps, ground anchors, sunscreen, life jackets, fire extinguishers, smoke detectors, and certain batteries. Additionally, the Legislature created a permanent back-to-school sales tax holiday during the month of August for clothing, shoes, backpacks, personal computers, and other school supplies, subject to a price limit for each kind of item.

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 $360.08 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 provides for the state to receive, in perpetuity, annual payments from the tobacco industry defendants. Each year, the total amount of the payments is adjusted upward or downward from a baseline of $440 million to account for inflation and the financial performance of the 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.

Indian Gaming

In April 2021, the state and the Seminole Tribe of Florida entered into a 30-year agreement sometimes referred to as the “Seminole Gaming Compact” or the “2021 Compact”. According to the terms of the Compact, the state granted the Tribe exclusive rights to offer certain kinds of gambling in Florida, including mobile sports betting. In exchange, the Tribe is obligated to make periodic revenue sharing payments to the state. For the first 5 years of the Compact, the sum of the Tribe’s payments to the state are contractually guaranteed to total at least $2.5 billion.

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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 2024-25 through FY 2030-31

Including Results of August 15, 2025 Revenue Estimating Conference, and Other Adjustments as of August 13, 2025

(in millions of dollars)

	RECURRING	NON-RECURRING	TOTAL
FUNDS AVAILABLE 2024-25			
Balance Forward from 2023-24	$0.0	$16,405.3	$16,405.3
Estimated Revenues	49,907.6	(231.6)	49,676.0
Trust Fund Transfers	0.0	118.4	118.4
BP Settlement Agreement Payment State Share (C)	26.7	0.0	26.7
FEMA Reimbursements (Michael, Irma, Ian)	0.0	29.9	29.9
FEMA Reimbursement (COVID-19)	0.0	16.7	16.7
Florida Optional Reinsurance Assistance Program Closeout (G)	0.0	164.3	164.3
Fixed Capital Outlay Reversions	0.0	30.5	30.5
SB 2500 (2025) – Revert FCO Carry Forward (ss. 174, 175, 256)	0.0	405.1	405.1
Prior Year Reversion Adjustment	0.0	53.0	53.0
2023 Medicaid Managed Care Achieved Savings Rebates State Share	0.0	35.5	35.5
Opioid Lawsuit Settlement Payment (I)	0.0	1.7	1.7
Total 2024-25 Funds Available (A) (B) (D)	49,934.3	17,028.9	66,963.1
EFFECTIVE APPROPRIATIONS 2024-25			
State Operations	24,453.3	2,322.0	26,775.3
Aid to Local Government	20,468.6	775.8	21,244.4
Fixed Capital Outlay	152.4	746.1	898.5
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 (ss. 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
HB 5001 (2024) Transfer to Budget Stabilization Fund (s. 291) (A)	0.0	300.0	300.0
HB 5001 (2024) Interest-Related Transfers for Hillsborough County Transportation Discretionary Sales Surtax Settlement (s. 283)	0.0	41.3	41.3
Transfer to DOH for Revolving Loan Program (H)	0.0	50.0	50.0
Transfer to FHFC for Hometown Hero Program €	0.0	100.0	100.0
Reappropriations (E)	0.0	3,200.5	3,200.5
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	0.6	0.6
Budget Amendment – Transfer to Emergency Preparedness and Response Fund	0.0	850.0	850.0
SB 2500 (2025) Supplemental Appropriations (ss. 19,48,79,84,85,116,117,164,165,172,176,216,235)	0.0	616.9	616.9
SB 2500 (2025) Reversions (ss. 33,45,46,66,67,175)	0.0	(379.4)	(379.4)
SB 2500 (2025) Reversions with Reappropriations (ss. 20,21,23,24,34-43,50-56,58,59, 61,62,64,69-72,75,78,79,81-83,88-,89,92-94,96,98,99,103,104,108,111,114,115,118-120,126,127,131-133,135,136,138,140,142,145-151,154,161,162,167,170,174,176-178,189,201,208,210-213,219,221,222,232-234,239-241,243,245,246,249-251,258-268,270)	0.0	(2,412.8)	(2,412.8)
Bill Reversions with Reappropriations (Ch. 2025-1 & 2025-199, L.O.F.)	0.0	(294.9)	(294.9)
Indian Gaming Local Distribution	0.0	12.5	12.5
Federal Funds Interest Earnings Rebate	10.5	0.0	10.5
Total 2024-25 Effective Appropriations	45,104.8	8,085.3	53,190.0
Ending Balance (A) (B) (G)	4,829.5	8,943.6	13,773.1
FUNDS AVAILABLE 2025-26			
Balance Forward from 2024-25	0.0	13,773.1	13,773.1
Estimated Revenues	50,585.2	(100.2)	50,485.0
SB 2500 (2025) Trust Fund Transfers (Line Item 609; s. 259) (Net of Vetoes)	0.0	148.9	148.9
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
SB 2500 (2025) - Revert FCO Carry Forward (ss. 128, 234)	0.0	3.4	3.4
Total 2025-26 Funds Available (A) (B)	50,611.9	13,963.8	64,575.7
EFFECTIVE APPROPRIATIONS 2025-26	26,089.1	1,212.4	27,301.5

	RECURRING	NON-RECURRING	TOTAL
State Operations	20,846.0	574.6	21,420.6
Aid to Local Government	96.0	598.0	694.0
Fixed Capital Outlay	10.0	914.7	924.7
Fixed Capital Outlay/Aid to Local Government	0.0	50.0	50.0
Transfer to DOH for Revolving Loan Program (H)	250.0	0.0	250.0
Transfer to SBA for Debt Reduction Program (J)	0.0	580.0	580.0
SB 2500 (2025) Transfer to State Board of Administration for Debt Reduction (s. 271)	0.0	275.0	275.0
SB 2500 (2025) Transfers to State Employees' Health Insurance Trust Fund (ss. 269, 272)	0.0	500.0	500.0
SB 2500 (2025) Transfer to Emergency Preparedness & Response Fund (s. 273)	0.0	429.6	429.6
SB 2500 (2025) Transfer to Budget Stabilization Fund (s. 275) (A)	0.0	31.6	31.6
SB 2500 (2025) Transfer to Tobacco Settlement Trust Fund (s. 274)	0.0	1.0	1.0
Interest-Related Transfer for Hillsborough County Transportation Discretionary Sales	0.0	2,716.1	2,716.1
Surtax Settlement	0.0	0.5	0.5
Reappropriations (E)	0.0	28.8	28.8
Budget Amendment - Service Member Death Benefits	11.9	0.0	11.9
Indian Gaming Local Distribution	0.0	86.1	86.1
Federal Funds Interest Earnings Rebate	47,303.0	7,998.4	55,301.4
Contingency Reserve for Reinsurance Assistance to Policyholders Program (F)	3,308.9	5,965.4	9,274.3
Total 2025-26 Effective Appropriations	26,089.1	1,212.4	27,301.5
Ending Balance (B)	20,846.0	574.6	21,420.6
FUNDS AVAILABLE 2026-27			
Balance Forward from 2025-26	0.0	9,274.3	9,274.3
Estimated Revenues	51,892.4	138.6	52,031.0
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
Total 2026-27 Funds Available (A) (B)	51,919.1	9,551.5	61,470.6
PREVIOUSLY AUTHORIZED APPROPRIATIONS 2026-27			
Transfer to Budget Stabilization Fund (A)	0.0	0.0	0.0
Indian Gaming Local Distribution	0.0	27.2	27.2
Transfer to DOH for Revolving Loan Program (H)	0.0	50.0	50.0
Transfer to SBA for Debt Reduction Program (J)	250.0	0.0	250.0
Federal Funds Interest Earnings Rebate	7.3	0.0	7.3
Total 2026-27 Effective Appropriations	257.3	77.2	334.5
Adjusted Funds Available (B)	51,661.8	9,474.3	61,136.1
FUNDS AVAILABLE 2027-28			
Estimated Revenues	52,934.8	22.4	52,957.2
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
Total 2027-28 Funds Available (A) (B)	52,961.5	161.0	53,122.5
PREVIOUSLY AUTHORIZED APPROPRIATIONS 2027-28			
Transfer To Budget Stabilization Fund (A)	0.0	0.0	0.0
Indian Gaming Local Distribution	0.0	28.6	28.6
Transfer to DOH for Revolving Loan Program (H)	0.0	50.0	50.0
Transfer to SBA for Debt Reduction Program (J)	250.0	0.0	250.0
Federal Funds Interest Earnings Rebate	9.2	0.0	9.2
Total 2027-28 Effective Appropriations	259.2	78.6	337.8
Adjusted Funds Available (B)	52,702.3	82.4	52,784.7

	RECURRING	NON-RECURRING	TOTAL
FUNDS AVAILABLE 2028-29			
Estimated Revenues	54,371.9	24.3	54,369.5
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
Total 2028-29 Funds Available (A) (B)	54,371.9	162.9	54,534.8
PREVIOUSLY AUTHORIZED APPRIORIATIONS 2028-29			
Transfer to Budget Stabilization Fund (A)	0.0	0.0	0.0
Indian Gaming Local Distribution	0.0	30.1	30.1
Transfer to DOH for Revolving Loan Program (H)	0.0	50.0	50.0
Transfer to SBA for Debt Reduction Program (J)	250.0	0.0	250.0
Federal Funds Interest Earnings Rebate	9.5	0.0	9.5
Total 2028-29 Effective Appropriations	259.5	80.1	339.6
Adjusted Funds Available (B)	54,112.4	82.8	54,195.2
FUNDS AVAILABLE 2029-30			
Estimated Revenues	55,777.4	(0.1)	55,777.3
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
Total 2029-30 Funds Available (A) (B)	55,804.1	138.5	55,942.6
PREVIOUSLY AUTHORIZED APPROPRIATIONS 2029-30			
Transfer to Budget Stabilization Fund (A)	0.0	0.0	0.0
Indian Gaming Local Distribution	0.0	31.6	31.6
Transfer to DOH for Revolving Loan Program (H)	0.0	50.0	50.0
Transfer to SBA for Debt Reduction Program (J)	250.0	0.0	250.0
Federal Funds Interest Earnings Rebate	8.9	0.0	8.9
Total 2029-30 Effective Appropriations	258.9	81.6	340.5
Adjusted Funds Available (B)	55,545.2	56.9	55,602.1
FUNDS AVAILABLE 2030-31			
Estimated Revenues	57,228.5	0.0	57,228.5
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
Total 2030-31 Funds Available (A) (B)	57,255.2	138.6	57,393.8
PREVIOUSLY AUTHORIZED APPROPRIATIONS 2030-31			
Transfer to Budget Stabilization Fund (A)	0.0	0.0	0.0
Indian Gaming Local Distribution	0.0	33.2	33.2
Transfer to DOH for Revolving Loan Program (H)	0.0	50.0	50.0
Transfer to SBA for Debt Reduction Program (J)	250.0	0.0	250.0
Federal Funds Interest Earnings Rebate	9.2	0.0	9.2
Total 2029-30 Effective Appropriations	259.2	83.2	342.4
Adjusted Funds Available (B)	56,996.0	55.4	57,051.4

Source: Office of Economic and Demographic Research as of August 15, 2025.

[A] The cash balance (not shown here) in the Budget Stabilization Fund (BSF) at the time of this Outlook is $4,870.2 million, and includes the FY 2025-26 $429.6 million General Revenue transfer and the $1,056.4 million in transfers from FY 2021-22 through FY 2024-25 from the Lawton Chiles Endowment Fund. Based on the cash balance in the BSF and the August 15, 2025 forecast, transfers for FY 2026-27 through FY 2030-31 will not be required. The Legislature, however, passed HJR 5019 proposing an amendment to the Florida Constitution to increase the amount of funds that may be retained in the fund from 10 percent to 25 percent of net general revenue collections. The amendment also requires an annual transfer to the BSF equal to $750 million or the amount required to reach 25 percent maximum no later than June 30th of each fiscal year. The proposed amendment must be approved by at least 60 percent of the electors voting on the measure at the next general election. If approved, the amendment would take effect on January 12, 2027.

[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) continued 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. 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 Homeowner Assistance Fund ($676.1 million), and a distribution for Emergency Rental Assistance ($296.2 million).

[E] Beginning with the Fiscal Year 2021-22 General Appropriations Act (GAA) through the Fiscal Year 2024-25 GAA, the Legislature appropriated $8,816.6 million from the State Fiscal Recovery Fund, including $100 million in Chapter 2024-188, L.O.F., for the Hometown Hero Housing Program in Fiscal Year 2024-25, as well as $676.1 million for the Homeowner Assistance Fund. The Legislature also specified that any unexpended balances at the end of each fiscal year be reverted and reappropriated in the following fiscal year. The Local Fiscal Recovery Fund and the distribution to the Emergency Rental Assistance have been completed. The State Fiscal Recovery funds must be obligated by December 31, 2024, and spent by December 31, 2026. The Homeowner Assistance Fund must be expended by September 30, 2026.

[F] 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 are contingent on individual insurers' hurricane-related losses exceeding levels specified in the legislation. The appropriation was set to expire on July 1, 2029. All unencumbered funds were to return to the General Revenue Fund unallocated. To date, $818.9 million has been transferred to SBA for program expenditures. The Legislature in HB 5013 (Ch. 2025-206, L.O.F.) reduced the amount of cumulative transfers from $2 billion to $900 million, effective upon the legislation becoming a law, leaving a contingency reserve of $86.1 million.

[G] 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. 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 was set to expire on July 1, 2026; otherwise the appropriation expired on July 1, 2030. All unencumbered funds were to return to the General Revenue Fund unallocated. Insurers' losses during the 2023 hurricane season did not exceed levels specified under the program. As shown on the Outlook, the $164.3 million includes unencumbered funds, as well as premiums paid and earned interest. Moreover, the Legislature repealed the program in HB 5013 (Ch. 2025-206, L.O.F.), effective upon the legislation becoming a law.

[H] 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.

[I] 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 in Fiscal Year 2024-25 brings the total settlement to $40.8 million.

[J] The Legislature passed HB 5017 (Ch. 2025-207, L.O.F.), which creates a Debt Reduction Program within the State Board of Administration (SBA) for the purpose of reducing the state's debt by accelerating the retirement of bonds prior to maturity. The legislation provides a $250 million recurring transfer beginning Fiscal Year 2025-26 from the General Revenue Fund to the SBA to implement the program. Any unexpended funds at June 30 of each fiscal year will revert to the General Revenue Fund.

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Actual and Projected General Revenues

Net general revenue collections of $49.7 billion for Fiscal Year 2024-25 were approximately $1.3 billion, or 2.8%, higher than the collections in Fiscal Year 2023-24. General revenue projections for Fiscal Years 2025-26 through 2028-29, as adopted by the Revenue Estimating Conference ("Conference") on August 15, 2025, 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 2024-25 Actuals and
Projections for Fiscal Years 2025-26 through 2028-29
(in millions of dollars)

	Actual	**Estimated**							
	FY 2024-25	**FY 2025-26**	**% Change**	**FY 2026-27**	**% Change**	**FY 2027-28**	**% Change**	**FY 2028-29**	**% Change**
Sales Tax	$36,907.0	$36,822.4	(0.2)%	$37,577.6	2.1%	$38,555.5	2.6%	$39,739.8	3.1%
Beverage Tax & License	274.7	232.0	(15.5)	223.9	(3.5)	229.1	2.3	235.2	2.7
Corporate Income Tax	5,808.9	5,736.1	(1.3)	5,765.7	0.5	5,851.3	1.5	5,943.5	1.6
Documentary Stamp Tax[1]	1,309.6	1,395.5	6.6	1,466.3	5.1	1,526.7	4.1	1,580.0	3.5
Tobacco Taxes	113.9	101.2	(11.2)	95.0	(6.1)	90.0	(5.3)	85.4	(5.1)
Insurance Premium Tax	1,831.2	1,558.9	(14.9)	2,336.0	49.8	2,175.2	(6.9)	2,281.6	4.9
Pari-Mutuels Tax	11.2	9.2	(17.9)	9.3	1.1	9.5	2.2	9.6	1.1
Intangibles Tax	502.9	515.7	2.5	529.5	2.7	544.0	2.7	558.6	2.7
Indian Gaming Revenues[2]	32.7	903.3	2662.4	941.1	4.2	989.7	5.2	1,040.7	5.2
Earnings on Investments	1,537.7	1,427.6	(7.2)	1,256.3	(12.0)	1,105.5	(12.0)	972.9	(12.0)
Highway Safety Licenses & Fees	399.7	429.8	7.5	433.2	0.8	439.1	1.4	441.2	0.5
Counties' Medicaid Share	368.7	426.7	15.7	411.6	(3.5)	438.4	6.5	456.9	4.2
Severance Tax	7.4	6.6	(10.8)	6.6	0.0	6.8	3.0	7.0	2.9
Service Charges	380.4	571.2	50.2	578.4	1.3	584.1	1.0	591.2	1.2
Corporate Filing Fees	588.8	605.9	2.9	626.9	3.5	648.8	3.5	672.0	3.6
Other Taxes, Licenses & Fees	334.3	276.9	(17.2)	243.6	(12.0)	238.4	(2.1)	234.9	(1.5)
Total Revenue	$50,409.1	$51,019.0	1.2%	$52,501.0	2.9%	$53,432.1	1.8%	$54,850.5	2.7%
Less: Refunds	(733.2)	(534.0)	(27.2)%	(470.0)	(12.0)%	(474.9)	1.0%	(481.0)	1.3%
Net General Revenue	**$49,675.9**	**$50,485.0**	**1.6%**	**$52,031.0**	**3.1%**	**$52,957.2**	**1.8%**	**$54,369.5**	**2.7%**

Source: Office of Economic and Demographic Research, August 15, 2025, 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. Legislation passed during the 2025 session revised the distribution of receipts, resulting in a significant increase in the amounts deposited to the General Revenue Fund. Instead of 96% of distributions going to trust funds that provide funding for environmental resource management, revenue sharing will entirely benefit the General Revenue Fund.

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Operating and Fixed Capital Outlay Budget by Program Area 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

Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 2025A	$138,695,000
Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 2025B	238,215,000
Public Education Capital Outlay Refunding Bonds, 2025 Series A	241,035,000
Less: Public Education Capital Outlay Bonds Refunded	(270,025,000)
Tender and Buyback of Public Education Capital Outlay Bonds (various series)	(88,593,000)
Defeasance of Public Education Capital Outlay Bonds (various series)	(179,662,000)
Tender of Right-of-Way Acquisition and Bridge Construction Bonds (various series)	(61,506,000)
Defeasance Right-of-Way Acquisition and Bridge Construction Bonds (various series)	(39,740,000)
	$(21,581,000)

Self-Supporting Bonds Issued Since July 1, 2024

Department of Transportation, Turnpike Revenue Bonds, Series 2024C	$220,170,000
Department of Transportation, Turnpike Revenue Bonds, Series 2024D	117,030,000
Department of Transportation, Turnpike Revenue Refunding Bonds, Series 2025A	205,650,000
Less: Turnpike Revenue Bonds Refunded	(247,660,000)
Department of Transportation, Turnpike Revenue Bonds, Series 2025B	118,015,000
Department of Transportation, Turnpike Revenue Bonds, Series 2025C	149,285,000
Florida Agricultural and Mechanical University Dormitory Revenue Bonds, Series A 2024-1[1]	74,329,705
Tender of Department of Transportation, Turnpike Revenue Bonds (various series)	(195,811,000)
	$441,008,705

[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.

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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 (established 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))
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, 2024, 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, 2024

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, 2024

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STATISTICAL SECTION

INTRODUCTORY SECTION

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

February 28, 2025

Citizens of the State of Florida
The Honorable Ron DeSantis, Governor
The Honorable Ben Albritton, President of the Senate
The Honorable Daniel Perez, Speaker of the House of Representatives

To the Citizens of Florida, Governor DeSantis, President Albritton, and Speaker Perez:

I am pleased to submit the State of Florida's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, 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, 2024. 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 growth in General Revenue Fund collections that was only slightly below normal when the state's fiscal year ended on June 30, 2024. Following multiple years of atypical growth in revenues—both upwards and downwards—growth patterns generally had a welcome return to customary patterns in the 2023-24 fiscal year, signaling an economy that had placed the worst of the pandemic's disruption behind it. Florida's near-term economic outlook is now closely aligned with the future health of the national economy. From here, improving conditions are expected over the near-term forecast horizon.

This alignment means that the focus necessarily falls more on the national economic projections. Key variables from the new state and national economic forecasts adopted in July 2024 were very similar to those adopted in December 2023, with some deceleration over the

DEPARTMENT OF FINANCIAL SERVICES
THE CAPITOL, TALLAHASSEE, FLORIDA 32399-0301 • (850) 413-2850 • FAX (850) 413-2950

past year (fiscal year 2023-24) relative to the prior year. This was an anticipated result finally materializing after several years of persistent inflation and tight financial conditions. Even though some economic disturbance is still evident with downward pressure on household savings, the elevated use of credit, and continuing inflationary pressure, the forecasting environment has greatly stabilized. That said, considerable uncertainly still exists regarding the impact on Florida's outlook for consumer spending—and therefore sales tax collections—from the continued price pressure caused by inflation.

While the state's Economic Estimating Conference expects inflation to continue cooling, widespread deflation is not a part of the baseline forecast. In November 2024, a survey conducted by the National Association for Business Economics (NABE) showed participants had differing views regarding the future path of inflation, with "...a wide dispersion among the inflation projections for 2025." When asked what the greatest downside risk to the U.S. economy over the next 12 months would be, a plurality of the panelists (32 percent) believed the broadening of geopolitical conflicts was the largest risk, considering both probability of occurrence and potential impact. How these economic challenges ultimately unfold will be pivotal to the actual performance of Florida's economy over the next few years.

As this report is put to bed, inflation pressures are proving to be more stubborn than originally thought, with restrained downward movement over the past year despite Federal Reserve changes in policy. After first taking action in September, the Federal Open Market Committee (FOMC) lowered rates another 25 basis points in November to a targeted range between 4.50 percent to 4.75 percent, roughly 75 basis points lower than this time last year. In its statement, the FOMC indicated that the "...economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate." Further, Chairman Jerome Powell stressed that the FOMC is still trying to find the middle path to a neutral stance: "You know that we're, we're trying to steer between the risk of moving too quickly and perhaps undermining our progress on inflation or moving too slowly and allowing the labor market to weaken too much." According to the Federal Reserve's Financial Stability Report released in late November 2024: "...there were declines relative to spring in the share of respondents [economists] citing persistent inflation pressures and monetary tightening or generalized policy uncertainty as among the most notable risks to financial stability. At the same time, there were sizable increases in the share of respondents who noted among their top risks to financial stability fiscal debt sustainability, Middle East tensions, or a U.S. recession."

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. 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 and 4.5 percent in fiscal year 2023-24, but the state's Economic Estimating Conference expects growth to decelerate to 2.1 percent and 1.9 percent over the current and next fiscal years as businesses and consumers transition from a high inflation / high interest rate environment to more normal conditions. Beginning in fiscal year 2026-27, the economy will stabilize at its characteristic 2.0 to 2.1 percent growth 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 the state's GDP, driven largely by the ebb and flow of federal dollars into Florida households and businesses due to the pandemic. Directly linked to the movement of these federal dollars, the final growth rate for the state's 2020-21 fiscal year was 10.3 percent and for the 2021-22 fiscal year was 6.6 percent. Personal income growth then accelerated to 7.7 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, Florida had still high growth of 5.3 percent in fiscal year 2023-24, with the current year expected to slightly exceed that percentage at 5.6 percent. After five additional years at or above 5 percent growth (fiscal year 2025-26 through fiscal year 2029-30), annual growth rates begin to stabilize at 4.9 percent.

Typically, Florida wages comprise about 45 percent of personal income. In the first two decades of this century, the state's average annual wage was below the U.S. average. The most recent data shows that the ratio of the state's average wage to the national level fell from 2016 when it was 87.7 percent to 87.3 percent in 2020. This picture began to change in 2021 when Florida moved above its longer run average of 88.7 percent to 89.2 percent. The state's percentage rose again in 2022 to 91.1 percent. Preliminary data for 2023 suggests that the ratio continues to converge with Florida moving to 91.8 percent, the highest ratio over the past two decades. Based on Conference projections of average annual wage growth of 3.8 percent or above each year—following a 3.9 percent increase in the current year and 4.1 percent in fiscal year 2025-26—the higher wages are likely here to stay.

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 pandemic spread. Employment dropped by almost 1.3 million jobs from February 2020 to April 2020, a decline of 14.1 percent. By October 2024, Florida exceeded the pre-pandemic level (February 2020) by 858,900 jobs, a gain of 9.5 percent. The state's Economic Estimating Conference expects growth to decelerate from 2.5 percent in fiscal year 2023-24 to 1.9 percent in fiscal year 2024-25 and 1.2 percent in fiscal year 2025-26 as the nation's economy softens due to the Federal Reserve's previous efforts to fight inflation. Job growth essentially stabilizes at this percentage level through fiscal year 2033-34.

February 28, 2025
Page Three

Florida's monthly unemployment rate dropped to 2.8 percent for the entire 2022-23 fiscal year, not far from the state's lowest recorded rate in modern times (the first half of 2006 when it was 2.4 percent). Given the Federal Reserve's past actions to cool off the economy through higher interest rates, the annual unemployment rate drifted up to 3.1 percent in fiscal year 2023-24. The Economic Estimating Conference expects the rate to peak at 4.6 percent in fiscal year 2026-27 and fiscal year 2027-28, after which it slightly retreats and then plateaus at 4.0 percent. The Conference assumes this level reflects the "full employment" unemployment rate.

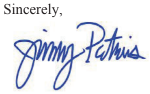
Finally, two areas of the state's economy indirectly benefited from the Federal Reserve's early actions to protect the wider economy from the worst of the pandemic effects, but with a future payback. Throughout the worst of the crisis, the real estate and construction sectors thrived as the federal funds rate neared zero and pushed interest rates to historic lows. Growing by almost 24.0 percent, total private housing starts reached a 16-year high of 251,000 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. Late in that fiscal year, the Federal Reserve began a series of interest rate hikes to tame inflation (March 2022) that continued through July 2023. At that point, the Federal Reserve entered a holding pattern on rates. As reported by the Mortgage Bankers Association, the 30-Year fixed rate mortgage reached 7.3 percent in the fourth quarter of the 2023 calendar year and was projected to be 6.6 percent in the fourth quarter of the 2024 calendar year. Moving in step, housing starts contracted by 22.5 percent in fiscal year 2022-23, but bounced back 13.5 percent in fiscal year 2023-24. The Conference expects growth rates will slide into negative territory again with a decline of 8.6 percent in fiscal year 2024-25 and another of 0.7 percent in fiscal year 2025-26. After leveling off in fiscal year 2026-27, housing starts show anemic growth for several more years before they start losing ground again. At the end of the ten-year forecast period, total private housing starts are only 75.8 percent of the peak in fiscal year 2004-05. Affected by many of the same factors, the existing home market completed its third year of contraction in fiscal year 2023-24. Among other issues, homeowners found it increasingly difficult to give up lower-interest mortgages on their current homes in order to purchase new homes in the high-interest environment.

Given the stability of the underlying economic factors, the state's Economic and Revenue Estimating Conferences will not meet again until preparations for the 2025 Legislative Session begin. Through October 2024, revenue collections across all sources were running $387.7 million or 2.7 percent above the forecast since the beginning of the fiscal year. In part, the gain during this period was attributable to Hurricane Helene which made landfall on September 27, 2024, near Perry, Florida. The preparatory stage of a hurricane typically causes an uptick in sales tax revenues as the demand for hurricane-related supplies increases, as well as evacuee-boosted lodging activity in less affected areas. Future receipts will also be affected by Hurricane Milton.

ACKNOWLEDGEMENTS

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

Sincerely,



Jimmy Patronis
Chief Financial Officer

JP:pjb

ORGANIZATION AT JUNE 30, 2024

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 Commerce
  - Department of Corrections
  - 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
- Florida Gaming Control Commission

PRINCIPAL OFFICIALS AT JUNE 30, 2024

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

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Auditor General

Claude Denson Pepper Building, Suite G74
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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the 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, 2024, 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, 2024, 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 26 percent and 1 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 76 percent and 84 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 15 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 7 percent of the assets and 3 percent of the revenues/additions of the aggregate remaining fund information.
- The Florida Retirement System Trust Fund maintained by the State Board of Administration to account for the assets and investment income of the Florida Retirement System Defined Benefit

Pension Plan which represent 89 percent and 79 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 61 percent and 43 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 18 through 24 and the **Budgetary Comparison Schedules** on pages 193 through 197, **Budget to GAAP Reconciliation** on page 198, **Budgetary Reporting** on page 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 303 through 337, 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, 2025, 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, 2025

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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, 2024 (fiscal year 2023-24). 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	Fund Financial Statements		
	Financial Statements	***Governmental Funds***	***Proprietary Funds***	***Fiduciary Funds***
Scope	Entire state government (except fiduciary funds) and the state's component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else's resources
Required financial statements	• 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, 2024, and 2023, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was $118.4 billion for governmental activities and $33.1 billion for business-type activities which was a combined total of $151.5 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling $101.9 billion as of June 30, 2024, 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 $37.4 billion as of June 30, 2024. 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 $12.0 billion at June 30, 2024, a decrease of $3.1 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 $16.1 billion at June 30, 2024, an increase of $4.8 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 76,148	$ 67,793	$ 39,565	$ 37,967	$ 115,713	$ 105,760
Capital and right to use assets, net	91,300	89,520	19,979	17,984	111,279	107,504
Total assets	167,448	157,313	59,544	55,951	226,992	213,264
Total deferred outflows of resources	4,436	4,091	100	111	4,536	4,202
Other liabilities	17,595	13,438	8,925	12,522	26,520	25,960
Noncurrent liabilities	30,544	29,418	17,144	16,440	47,688	45,858
Total liabilities	48,139	42,856	26,069	28,962	74,208	71,818
Total deferred inflows of resources	5,329	6,370	444	462	5,773	6,832
Net position						
Net investments in capital assets	85,067	82,820	16,879	14,496	101,946	97,316
Restricted	21,312	14,173	16,059	11,262	37,371	25,435
Unrestricted	12,037	15,185	193	880	12,230	16,065
Total net position	$ 118,416	$ 112,178	$ 33,131	$ 26,638	$ 151,547	$ 138,816

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2023-24 and fiscal year 2022-23, 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 $12.7 billion. The net position of governmental activities increased by $6.2 billion, and the net position of business-type activities increased by $6.5 billion. The majority of the $4.9 billion increase in total program expenses for governmental activities relates to a $1.4 billion increase in Natural resources and environment expenses and $1.2 billion increase in Education expenses, while the largest increase in business-type activities expenses is the $0.2 billion increase in Prepaid College 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	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 12,959	$ 10,248	$ 15,166	$ 15,280	$ 28,125	$ 25,528
Operating grants and contributions	45,955	50,885	174	4	46,129	50,889
Capital grants and contributions	3,125	2,243	76	91	3,201	2,334
Total program revenues	62,039	63,376	15,416	15,375	77,455	78,751
General revenues and payments						
Sales and use tax	40,647	40,641	—	—	40,647	40,641
Other taxes	20,508	19,683	—	—	20,508	19,683
Investment earnings (loss)	2,793	1,236	47	19	2,840	1,255
Miscellaneous	—	—	1	—	1	—
Total general revenues and payments	63,948	61,560	48	19	63,996	61,579
Total revenues	125,987	124,936	15,464	15,394	141,451	140,330
Program expenses						
General government	13,760	13,607	—	—	13,760	13,607
Education	32,211	31,051	—	—	32,211	31,051
Human services	55,653	54,763	—	—	55,653	54,763
Criminal justice and corrections	6,383	5,703	—	—	6,383	5,703
Natural resources and environment	5,174	3,824	—	—	5,174	3,824
Transportation	6,540	5,944	874	847	7,414	6,791
Judicial branch	786	703	—	—	786	703
Lottery	—	—	7,050	7,347	7,050	7,347
Hurricane Catastrophe Fund	—	—	(763)	9,868	(763)	9,868
Prepaid College Program	—	—	88	(149)	88	(149)
Reemployment Assistance	—	—	723	797	723	797
Nonmajor enterprise funds	—	—	468	420	468	420
Indirect interest on long term debt	125	111	—	—	125	111
Total program expenses	120,632	115,706	8,440	19,130	129,072	134,836
Excess (deficiency) before gain (loss) and transfers	5,355	9,230	7,024	(3,736)	12,379	5,494
Gain (loss) on sale of capital assets	(3)	(54)	(1)	(2)	(4)	(56)
Transfers	423	1,279	(423)	(1,279)	—	—
Change in net position	5,775	10,455	6,600	(5,017)	12,375	5,438
Beginning net position, as restated (Note 2)	112,641	101,723	26,531	31,655	139,172	133,378
Ending net position	$ 118,416	$ 112,178	$ 33,131	$ 26,638	$ 151,547	$ 138,816

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of $57.5 billion at June 30, 2024, a $3.9 billion or 7.2 percent increase from the prior year. Revenues decreased by $0.3 billion or 0.2 percent, other financing sources and uses decreased by $607 million or 26.0 percent, and expenditures increased by $3.4 billion or 2.9 percent. Overall increases in revenues and expenditures were primarily attributable to an increase in grants and donations, and investment earnings.

General Fund - This fund reported a fund balance of $32.2 billion at June 30, 2024, a decrease of $1.8 billion or 5.3 percent. The decrease in net position was primarily due to a decrease in grants and donations and an increase in expenditures.

Natural Resources, Environment, and Growth Management - This fund reported a fund balance of $8.1 billion at June 30, 2024, an increase of $1.5 million or 22.3 percent. The decrease in net position was primarily due to an increase in the receipt of documentary stamp tax distributions.

Health and Family Services - This fund reported a fund balance of $3.0 billion at June 30, 2024, an increase of $522 million or 20.8 percent. The increase in fund balance was primarily due to increases in grants and donations greater than current expenditures by $676 million.

Transportation - This fund reported a fund balance of $6.8 billion at June 30, 2024, an increase of $4.7 billion or 223.8 percent. The increase in fund balance was primarily due to an increase in investment earnings of $189.7 million and transfers in of $3.8 billion.

Proprietary Funds

The state's proprietary funds report combined ending net position of $33.1 billion at June 30, 2024, of which $16.9 billion is the net investment in capital assets and $16.1 billion is restricted for specific purposes. The remaining $0.1 billion was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

Transportation - This fund reported net position of $17.3 billion at June 30, 2024, an increase of $2 billion or 13.6 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 $67.4 million at June 30, 2024, an increase of $23.3 million or 52.7 percent. The increase in net position was primarily due to an increase of $16.82 million in restricted for future prizes or special prize promotions and a $5.95 million increase in unrestricted net position.

Reemployment Assistance – This fund reported restricted net position of $4.4 billion at June 30, 2024, an increase of $1.3 billion or 42.2 percent. The increase in restricted net position was primarily due to an increase in grants and donations, investment earnings, and operating fees.

Hurricane Catastrophe Fund – The restricted net position at June 30, 2024, totaled $6 billion, an increase of $3.1 billion or 106.4 percent. The increase in the Fund's net position is mainly due to minimal losses in fiscal year 2023-24, a decrease in loss reserves for Hurricanes Irma, Michael, and Ian, and an increase in investment income. The Hurricane Catastrophe fund's net position of $6 billion includes the net position of the Florida Optional Reinsurance Assistance Program Premium fund, amounting to $155.2 million.

Prepaid College Program – The restricted net position at June 30, 2024, totaled $4.9 billion, an increase of $34.4 million or 0.7 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 $0.2 billion decrease between the original and final estimated revenues. Final budgeted total expenditures increased by $6.6 billion from the original budget. Variances between the original and final budget or between the final budgeted and actual amounts are not expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the Budgetary Comparison Schedule for the General Fund in the Other Required Supplementary Information section of the ACFR.

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

Capital Asset Activity

At June 30, 2024, the state reported $91.3 billion in net capital assets for governmental activities and $20.0 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2022-23 to fiscal year 2023-24 by approximately 3.5 percent. The increase is primarily due to the capitalization of construction costs for infrastructure projects. Capitalized infrastructure projects include additions to and/or enhancements of roadways and bridges on the state's highway system. Construction commitments by the Florida Department of Transportation were approximately $19.4 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities increased by approximately $1.1 billion compared to the prior year. Net capital assets also include leased assets and subscription-based information technology arrangements (SBITAs), net of amortization, totaling $635 million and $111 million, respectively. Refer to Note 7 in the notes to the financial statements for additional information on leased assets and SBITA assets. Refer to Note 8 to the financial statements for information on capital assets and Note 10 to the financial statements for information on construction commitments.

Long-term Debt Activity

Total bonded debt outstanding increased by $100 million, or approximately 0.6 percent, from the prior fiscal year to a total of $17.0 billion at June 30, 2024 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 ($5.9 billion), the Florida Hurricane Catastrophe Fund ($4.5 billion) and transportation ($5.9 billion). New and refinanced bonded debt issues for 2024 totaled $2.2 billion. Availability payment agreements contracts outstanding decreased from the prior year by $43 million or 1.7 percent to a total of $2.5 billion. The annual debt service requirements decreased from $1.7 billion in 2023 to $1.6 billion in 2024. The annual debt service payment experienced a reduction of $130 million or 7.6 percent. The annual debt service is projected to decrease to approximately $1.4 billion through Fiscal Year 2025 and to further decline annually thereafter.

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 $9.3 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2023. The $9.3 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 9 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 $5.8 billion in other postemployment benefits liabilities for the fiscal year ended June 30, 2024. This resulted in an increase of $0.3 billion or 5.5 percent. (See Note 9 to the Financial Statements for further information.)

The state maintained its credit ratings during the past year. During the fiscal year ended June 30, 2024, 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 2024 to 2.62 percent and is projected to remain below the 6 percent policy target, but is dependent on conservative projected debt issuance.

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 2024 Debt Report* for more detailed information about the state's debt position. The report can be found at *https://bondfinance.sbafla.com* 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 7b, 9, 11, 12, 13 and 14 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 2023-24 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

For all intents and purposes, the transition to a more stable economic environment is complete, with most of the key metrics used to gauge the health of the overall economy displaying normal growth patterns as the state's fiscal year ended June 30, 2024. The year-end results showed General Fund tax collections that were 2.1 percent higher than the prior fiscal year. Yet, a number of economic challenges remained stubbornly in place, including reduced household savings, the elevated use of credit, and persistently high prices even though inflation itself was slowing. Nonetheless, several revenue sources pushed net state revenue collections above prior expectations by nearly $1.1 billion. About 62 percent of this revenue gain was related to just two sources: corporate income tax and earnings on investments. Ultimately, the annual growth rates for the General Fund are expected to go through a multiyear period of adjustment prior to stabilizing at the 2.6 percent annual growth projected for the end of the decade.

Less than one-quarter (24.0 percent) of the year-over-year net increase in General Fund receipts (total revenue after taking account of refunds) came from the gain in sales tax collections. Over a 20-year period, this revenue source's share of the fund changed from 70.6 percent in fiscal year 2004-05 to 74.5 percent in fiscal year 2023-24, 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 just 0.1 percent from fiscal year 2022-23 to fiscal year 2023-24, with only three of the state's six sales tax categories used for reporting purposes (consumer nondurables, tourism and recreation, and business investment) showing positive growth over the prior year. This equates to a $32.8 million increase from the fiscal year 2022-23 level for this source, which fed 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 potential sales tax growth, final collections for the General Fund contained a windfall of $260.6 million or 0.7 percent over the anticipated level for the year. This unexpected gain to the estimate is the sole reason that sales tax collections showed positive growth over the prior year. There are several factors underlying the low annual growth (0.6 percent), 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 increasingly rely on savings and credit cards to fund only the most necessary purchases. The precise turning point between the two conditions is difficult to predict.

To a greater degree, several other sources contributed to the final strength of the General Fund. Still benefiting from the lingering effects of government actions to provide relief and support during the pandemic, the historic level of earnings on investment in fiscal year 2023-24 can be attributed to favorable interest rates, as well as notably high balances in state accounts. For the first time in its history, receipts topped $1.0 billion, growing an astonishing 121.5 percent ($600.1 million) over the prior year which had set the previous record for this source. The average annual level prior to fiscal year 2023-24 was just over $225 million for the General Fund. Even though the state's Revenue Estimating Conference had projected that the 2023-24 fiscal year receipts would grow nearly 60.0 percent to reach $788.9 million, receipts came in much stronger than expected, providing $305.0 million of the total gain to the estimate for the year.

Corporate income tax collections also set a record in fiscal year 2023-24. Building on the incredibly strong prior year which posted 46.7 percent growth, tax collections grew another 9.0 percent by June 30, 2024. 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 2023-24 fiscal year would see only modest growth in collections (2.4 percent) after the 2022-23 banner year, corporate income tax receipts came in much stronger than expected as profits stayed high, providing $363.6 million of the total gain to the estimate for the year and topping $6.0 billion for the first time. After sales tax, this is the state's next strongest revenue source with 12.4 percent of the General Fund's total.

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 pandemic-related 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 followed by an additional decline in the 2023-24 fiscal year of 7.4 percent, producing a two-year loss of nearly $1.8 billion dollars or 33 percent. The final 2023-24 collection level was still $124.1 million higher than expected for the year, with the

General Fund benefiting by $49.9 million. Reflecting a slightly different aspect of the market, intangibles tax collections, which entirely benefit the General Fund, ultimately lost -15.5 percent over its prior year level—although, collections were $13.0 million higher than expected.

In total, nine of the 17 active revenue sources, posted year-over-year increases. Of the eight sources that lost ground over the prior year, two have already been discussed (documentary stamp tax and intangibles taxes). Losses in the remainder (service charges, highway safety licenses and fees, tobacco taxes, article V fees, severance taxes, and other nonoperating revenues) were either related to timing issues between fiscal years or reflected trivial dollar amounts relative to the size of the fund. Revenue sharing from the Seminole Tribe of Florida—which typically serves as the 18th revenue source—resumed in January 2024 after a long hiatus; however, legislation enacted during the 2024 Regular Session (Committee Substitute for Senate Bill 1638; Chapter 2024-58, Laws of Florida) has permanently redirected a material portion of the total shared amount from the General Fund (where it was previously received) to various trust funds.

The Revenue Estimating Conference last met in August 2024 to revise the General Fund forecast. The Conference found that key variables from the new state and national economic forecasts adopted in July 2024 were very similar to those adopted in December 2023, meaning the worst of the economic distortions had eased. The more typical conditions stabilize the forecasting environment going forward. That said, considerable economic uncertainty still exists. For this reason, the forecast changes were comparatively modest given the size of the fund. Combined, the estimated tax revenues for fiscal year 2025-26 reach nearly $50 billion.

As a buffer against any future emergencies, the latest General Revenue Outlook shows that there will be $8.52 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 (BSF), has a planned balance of $4.44 billion. The BSF 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 the first source of funding for preparation and response to a state of emergency declared by the Governor. Between the three funds, reserves total $13.46 billion, representing 27.7 percent of the state's estimated General Fund tax collections for the current year (after payment of refunds). This level is slightly higher than the analysis included in the state's Long-Range Financial Outlook adopted in September 2024. According to that document, the state is projecting a budget gap in fiscal years 2026-27 and 2027-28, assuming the pace of recent spending growth continues. At the time the report was adopted by the state's Legislative Budget Commission, the projected surplus of revenues over needs for fiscal year 2025-26 was $2.09 billion; however, the expected shortfall in fiscal year 2026-27 is $2.83 billion which further balloons to $6.94 billion in fiscal year 2027-28. This document is used as a planning tool to aid future budget development so that actions can be taken to resolve emerging problems well before they reach a crisis stage.

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

FINANCIAL SECTION:

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
JUNE 30, 2024
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
ASSETS				
Cash and cash equivalents	$ 62,950	$ 114,201	$ 177,151	$ 3,655,043
Pooled investments with State Treasury	60,786,608	6,815,599	67,602,207	2,064,529
Other investments	715,127	29,638,689	30,353,816	21,712,567
Receivables, net	8,866,013	936,924	9,802,937	3,365,329
Lease Receivables, net	918	34,149	35,067	463,871
Internal balances	339,323	(339,323)	—	—
Due from component units/primary	269	23,549	23,818	1,733,033
Inventories	45,192	10,154	55,346	139,352
Restricted cash and cash equivalents	—	24,092	24,092	726,048
Restricted pooled investments with State Treasury	—	108,839	108,839	395,458
Restricted investments	—	616,161	616,161	9,938,968
Advances to other entities	987,559	—	987,559	—
Other loans and notes receivable, net	4,342,444	1,515,491	5,857,935	1,958,814
Other assets	1,857	66,368	68,225	1,115,143
Capital assets, net	91,300,222	19,978,925	111,279,147	31,932,434
Total assets	167,448,482	59,543,818	226,992,300	79,200,589
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	4,435,814	99,695	4,535,509	2,256,161
LIABILITIES				
Accounts payable and accrued liabilities	4,926,035	1,396,181	6,322,216	5,109,743
Due to other governments	—	7,444	7,444	—
Due to component units/primary	296,605	271	296,876	118,892
Obligations under security lending agreements	3,685,579	1,009,624	4,695,203	—
Long-term liabilities				
Due within one year	8,687,743	6,510,712	15,198,455	4,301,228
Due in more than one year	30,544,297	17,143,967	47,688,264	17,829,468
Total liabilities	48,140,259	26,068,199	74,208,458	27,359,331
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	5,328,526	443,507	5,772,033	2,800,126
NET POSITION				
Net investments in capital assets	85,067,092	16,879,466	101,946,558	25,625,776
Restricted for				
Natural resources, environment, and growth management	7,506,116	—	7,506,116	—
Public Education	1,148,324	—	1,148,324	—
Health and Family Services	2,800,705	—	2,800,705	—
Transportation	6,836,034	581,367	7,417,401	—
Nonmajor governmental funds	1,810,796	—	1,810,796	—
Debt service	13,235	—	13,235	126,755
Lottery	—	136,228	136,228	—
Prepaid College Program	—	4,920,846	4,920,846	—
Hurricane Catastrophe Fund	—	5,972,393	5,972,393	—
Reemployment Assistance	—	4,438,149	4,438,149	—
Other	1,196,660	10,197	1,206,857	8,964,543
Funds held for permanent endowment				
Expendable	—	—	—	2,258,881
Nonexpendable:				
Inventories	—	—	—	4,265,099
Unrestricted	12,036,549	193,161	12,229,710	10,056,239
Total net position	$ 118,415,511	$ 33,131,807	$ 151,547,318	$ 51,297,293

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	$ 13,760,401	$ 6,031,848	$ 2,787,968	$ 5,978	$ (4,934,607)
Education	32,211,608	595,374	6,760,245	15	(24,855,974)
Human services	55,653,172	4,614,976	34,105,538	3,099	(16,929,559)
Criminal justice and corrections	6,383,098	346,685	179,299	12,220	(5,844,894)
Natural resources and environment	5,173,621	655,235	1,964,803	6,202	(2,547,381)
Transportation	6,539,797	613,291	155,352	3,097,715	(2,673,439)
Judicial branch	786,473	102,009	1,820	—	(682,644)
Indirect interest on long-term debt	125,044	—	—	—	(125,044)
Total governmental activities	120,633,214	12,959,418	45,955,025	3,125,229	(58,593,542)
Business-type activities:					
Transportation	873,551	1,675,234	—	20,969	822,652
Lottery	7,050,102	9,461,116	—	—	2,411,014
Hurricane Catastrophe Fund	(763,158)	2,317,016	—	—	3,080,174
Prepaid College Program	87,919	122,240	—	—	34,321
Reemployment Assistance	723,097	1,073,713	173,120	—	523,736
Nonmajor enterprise funds	467,233	516,326	507	54,587	104,187
Total business-type activities	8,438,744	15,165,645	173,627	75,556	6,976,084
Total primary government	$ 129,071,958	$ 28,125,063	$ 46,128,652	$ 3,200,785	$ (51,617,458)
Component units					
Florida Housing Finance Corporation	$ 429,718	$ 212,388	$ —	$ —	$ (217,330)
University of Florida	9,521,519	6,506,468	1,479,574	304,574	(1,230,903)
Citizens Property Insurance Corporation	2,424,371	2,883,834	—	—	459,463
Nonmajor component units	16,432,627	3,890,097	5,040,324	1,722,224	(5,779,982)
Total component units	$ 28,808,235	$ 13,492,787	$ 6,519,898	$ 2,026,798	$ (6,768,752)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net (expense) revenue	$ (58,593,542)	$ 6,976,084	$ (51,617,458)	$ (6,768,752)
General revenues:				
Taxes				
Sales and use tax	40,647,124	—	40,647,124	—
Fuel taxes	3,842,116	—	3,842,116	—
Corporate income tax	5,939,179	—	5,939,179	—
Documentary stamp tax	3,620,050	—	3,620,050	—
Intangible personal property tax	447,811	—	447,811	—
Communications service tax	938,502	—	938,502	—
Beverage and tobacco taxes	1,253,964	—	1,253,964	—
Insurance premium tax	2,223,757	—	2,223,757	—
Gross receipts utilities tax	1,055,037	—	1,055,037	—
Property taxes	—	—	—	535,914
Other taxes	1,187,747	—	1,187,747	—
Investment earning (loss)	2,792,767	46,971	2,839,738	2,104,827
Gain (loss) on disposal of general fixed assets	—	—	—	—
Gain (loss) on sale of capital assets	(3,047)	(945)	(3,992)	35,797
Payments from the State of Florida	—	—	—	6,298,027
Miscellaneous	—	1,957	1,957	2,007,820
Transfers	422,972	(422,972)	—	—
Contributions to permanent funds	—	—	—	146,443
Total general revenues, transfers and contributions	64,367,979	(374,989)	63,992,990	11,128,828
Changes in net position	5,774,437	6,601,095	12,375,532	4,360,076
Net position - beginning, as restated (Note 2)	112,641,074	26,530,712	139,171,786	46,937,217
Net position - ending	$ 118,415,511	$ 33,131,807	$ 151,547,318	$ 51,297,293

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

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

NATURAL RESOURCES, ENVIRONMENT, AND GROWTH MANAGEMENT
This fund accounts for operations of various programs, such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

PUBLIC EDUCATION
This fund includes internal reporting funds administered by the Department of Education to operate education-related programs.

HEALTH AND FAMILY SERVICES
This fund includes internal reporting funds used to operate various health and family service-related programs, such as health care, elder affairs, and public assistance.

TRANSPORTATION
This fund includes the internal reporting special revenue funds used to account for the administration of the maintenance and development of the State highway system and other transportation-related projects.

Nonmajor Governmental Funds

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

2024 STATE OF FLORIDA ACFR

BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Totals 6/30/2024
ASSETS							
Current assets							
Cash and cash equivalents	$ 5,734	$ 4,447	$ —	$ 10,402	$ 690	$ 28,988	$ 50,261
Pooled investments with State Treasury	34,220,766	5,625,502	2,002,889	3,324,840	8,982,122	5,985,022	60,141,141
Other investments	441,822	—	6,307	—	—	173,631	621,760
Receivables, net	2,585,699	363,690	162,359	4,237,401	434,614	790,101	8,573,864
Due from other funds	199,661	98,382	115,939	173,124	348,550	238,835	1,174,491
Due from component units/primary	55	163	—	—	—	51	269
Lease receivables	36	—	—	—	—	—	36
Inventories	8,496	790	—	21,425	11,985	2,496	45,192
Other	643	—	—	—	9	1,205	1,857
Total current assets	37,462,912	6,092,974	2,287,494	7,767,192	9,777,970	7,220,329	70,608,871
Noncurrent assets							
Long-term investments	—	—	—	—	—	47,365	47,365
Advances to other funds	1,425	—	—	—	202,425	—	203,850
Advances to other entities	26,124	250	945,675	—	15,435	75	987,559
Other loans and notes receivable, net	418	2,610,727	914	30,582	381,262	1,318,541	4,342,444
Total noncurrent assets	27,967	2,610,977	946,589	30,582	599,122	1,365,981	5,581,218
Total assets	37,490,879	8,703,951	3,234,083	7,797,774	10,377,092	8,586,310	76,190,089
DEFERRED OUTFLOWS OF RESOURCES							
Total deferred outflows of resources	—	—	—	—	51,925	—	51,925
Total assets and deferred outflows	37,490,879	8,703,951	3,234,083	7,797,774	10,429,017	8,586,310	76,242,014
LIABILITIES							
Current liabilities							
Accounts payable and accrued liabilities	1,231,181	196,761	132,170	1,253,417	991,179	522,895	4,327,603
Due to other funds	700,745	29,862	3,043	44,056	196,502	248,820	1,223,028
Due to component units/primary	228,056	67,021	1,218	111	—	195	296,601
Compensated absences	24,861	2,138	—	6,402	3,181	3,162	39,744
Claims payable	38,703	—	—	1,843,055	—	2,517	1,884,275
Deposits	6,927	116,573	9,474	23,133	1,669,307	262,302	2,087,716
Obligations under security lending agreements	2,677,945	163,177	95,152	12,149	485,930	218,015	3,652,368
Total current liabilities	4,908,418	575,532	241,057	3,182,323	3,346,099	1,257,906	13,511,335
Noncurrent liabilities							
Advances from other funds	—	—	1,483,848	—	—	1,656	1,485,504
Deposits	—	—	—	—	—	80	80
Other	—	—	324	—	—	—	324
Total noncurrent liabilities	—	—	1,484,172	—	—	1,736	1,485,908
Total liabilities	4,908,418	575,532	1,725,229	3,182,323	3,346,099	1,259,642	14,997,243
DEFERRED INFLOWS OF RESOURCES							
Total deferred inflows of resources	357,885	6,430	—	1,580,195	246,883	1,561,823	3,753,216
FUND BALANCES							
Nonspendable							
Inventories	33,977	790	—	21,425	11,993	2,746	70,931
Restricted	105,009	4,230,760	2,261,249	784,684	50	661,920	8,043,672
Committed	703,480	3,890,439	377,763	2,229,147	6,823,992	5,100,179	19,125,000
Unassigned	31,382,110	—	(1,130,158)	—	—	—	30,251,952
Total fund balances	32,224,576	8,121,989	1,508,854	3,035,256	6,836,035	5,764,845	57,491,555
Total liabilities, deferred inflows and fund balances	$ 37,490,879	$ 8,703,951	$ 3,234,083	$ 7,797,774	$ 10,429,017	$ 8,586,310	$ 76,242,014

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, 2024
(in thousands)

Total fund balances for governmental funds		$ 57,491,555
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	23,830,398	
Nondepreciable infrastructure	60,535,817	
Buildings, equipment and other depreciable assets	7,863,233	
Accumulated depreciation	(5,244,937)	
Construction work in progress	2,770,896	
		89,755,407
Right to use subscriptions	342,605	
Non-amortizable leased assets	—	
Right to use leased buildings	729,924	
Right to use leased furniture and equipment	21,317	
Right to use leased other assets	20,118	
Accumulated amortization	(572,964)	
		541,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(908,566)	
Subscription liabilities	(146,610)	
Installment purchases/leases/public-private partnership agreements	(3,562,577)	
Claims payable	(4,390,708)	
Bonds payable	(8,875,305)	
Certificates of participation payable	(28,698)	
Pension liability	(9,095,321)	
Other postemployment benefits	(5,635,634)	
Due to other governments	(311,858)	
Other	(22,567)	
		(32,977,844)
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.		(69,421)
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.		1,840,719
Deferred amounts for other postemployment items are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources (to be amortized as pension expense) but are not reported in the funds.		(2,660,455)
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position.		(24,440)
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.		3,753,092
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.		765,898
Net position of governmental activities		$ 118,415,511

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

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2024 STATE OF FLORIDA ACFR

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Totals 6/30/2024
REVENUES							
Taxes	$ 54,521,794	$ 326,283	$ 1,400,080	$ 915,834	$ 3,519,818	$ 357,981	$ 61,041,790
Licenses and permits	428,481	59,007	975	43,738	16,179	1,953,679	2,502,059
Fees and charges	1,735,524	219,392	63,154	3,661,470	560,671	856,608	7,096,819
Grants and donations	26,448	241,858	6,562,985	33,329,670	3,267,287	4,766,889	48,195,137
Investment earnings (losses)	2,551,901	167,519	142,445	42,527	181,946	247,271	3,333,609
Fines, forfeits, settlements and judgments	431,592	6,249	308,847	78,325	10,355	679,350	1,514,718
Other	114,863	4,814	60,019	921,272	51,021	150,108	1,302,097
Total revenues	59,810,603	1,025,122	8,538,505	38,992,836	7,607,277	9,011,886	124,986,229
EXPENDITURES							
Current:							
General government	7,382,582	23,315	—	175,275	236,907	5,407,554	13,225,633
Education	21,161,284	—	10,642,717	—	—	229,829	32,033,830
Human services	14,004,093	—	—	39,627,396	—	546,083	54,177,572
Criminal justice and corrections	5,274,779	—	—	—	—	682,125	5,956,904
Natural resources and environment	1,015,750	1,893,738	—	—	—	1,983,910	4,893,398
Transportation	49,437	—	—	—	6,345,407	139	6,394,983
Judicial branch	642,479	—	—	—	—	98,983	741,462
Capital outlay	504,286	124,927	—	128,841	2,735,965	80,802	3,574,821
Debt service:							
Principal retirement	98,779	1,800	—	27,594	38,421	1,188,088	1,354,682
Interest and fiscal charges	7,545	161	—	3,042	103,470	381,137	495,355
Total expenditures	50,141,014	2,043,941	10,642,717	39,962,148	9,460,170	10,598,650	122,848,640
Excess (deficiency) of revenues over expenditures	9,669,589	(1,018,819)	(2,104,212)	(969,312)	(1,852,893)	(1,586,764)	2,137,589
OTHER FINANCING SOURCES (USES)							
Proceeds of bond issues	1,309	—	126,078	—	200,000	9,566	336,953
Proceeds of refunding bonds	—	—	—	—	—	390,486	390,486
Proceeds of financing agreements	3,058	—	—	—	—	—	3,058
Lease liabilities issued	57,991	—	—	13,498	5	5,029	76,523
Operating transfers in	564,524	2,688,298	3,004,755	1,998,729	6,992,684	4,449,816	19,698,806
Operating transfers out	(12,085,883)	(190,984)	(948,403)	(520,660)	(727,019)	(3,909,826)	(18,382,775)
Payments to refunded bond agent	—	—	—	—	—	(390,486)	(390,486)
Total other financing sources (uses)	(11,459,001)	2,497,314	2,182,430	1,491,567	6,465,670	554,585	1,732,565
Net change in fund balances	(1,789,412)	1,478,495	78,218	522,255	4,612,777	(1,032,179)	3,870,154
Fund balances - beginning, as restated (Note 2)	34,013,988	6,643,494	1,430,636	2,513,001	2,223,258	6,797,024	53,621,401
Fund balances - ending	$ 32,224,576	$ 8,121,989	$ 1,508,854	$ 3,035,256	$ 6,836,035	$ 5,764,845	$ 57,491,555

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

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RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

Net change in fund balance - total governmental funds		$ 3,870,154
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.		91,753
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	3,130,409	
Subscription expenditures	7,986	
Lease expenditures	170,579	
Capital asset transfers, net	(1,189,282)	
Depreciation and amortization expense	(453,564)	
		1,666,128
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.		(3,047)
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.		777,896
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	(50,827)	
Increase in accrued interest	(24,110)	
Increase in claims payable	(1,118,406)	
Decrease in other postemployment benefits	505,011	
Decrease in net pension related items	(1,039,346)	
Decrease in due to other governments	10,624	
Increase in other liabilities	(235)	
		(1,717,289)
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	(336,953)	
Refunding bond proceeds	(390,486)	
Financing agreement proceeds (leases and subscriptions issued)	(139,570)	
Repayment of bonds	1,141,723	
Repayment of leases/installment purchase contracts/certificates of participation	268,541	
Payment to refunded bond escrow agent	390,486	
Amortization of bond premium	158,215	
Amortization of amount deferred on refunding of debt	(961)	
Other	(2,153)	
		1,088,842
Change in net position of governmental activities		$ 5,774,437

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION
This fund primarily accounts for operations of the Florida Turnpike Enterprise which includes the Florida Turnpike System.

LOTTERY
This fund accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Education Enhancement Trust Fund.

FLORIDA HURRICANE CATASTROPHE FUND
This fund, administered by the State Board of Administration, is used to help cover insurers' losses in the event of a hurricane disaster. 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 257.

Internal Service Funds

Internal service funds are presented on page 265.

2024 STATE OF FLORIDA ACFR

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/2024	Internal Service Funds
ASSETS								
Current assets								
Cash and cash equivalents	$ 1,037	$ 326	$ 1,074	$ 86,049	$ 5	$ 25,710	$ 114,201	$ 12,689
Pooled investments with State Treasury	1,449,304	466,863	—	—	4,330,237	569,195	6,815,599	645,467
Other investments	—	—	15,321,456	1,725,627	—	10,450	17,057,533	46,002
Receivables, net	75,801	60,483	188,785	265,572	135,922	5,739	732,302	173,905
Lease receivables, net	—	—	—	—	—	1,179	1,179	145
Due from other funds	338,666	—	—	119	1,898	12,465	353,148	28,975
Due from component units/primary	—	—	—	—	125	23,424	23,549	—
Inventories	8,918	1,235	—	—	—	1	10,154	—
Other	24,999	1,659	2	2,516	—	3,340	32,516	—
Total current assets	1,898,725	530,566	15,511,317	2,079,883	4,468,187	651,503	25,140,181	907,183
Noncurrent assets								
Lease receivables, net	—	—	—	—	—	32,970	32,970	737
Restricted cash and cash equivalents	—	—	—	—	—	24,092	24,092	—
Restricted pooled investments with State Treasury	6,498	102,341	—	—	—	—	108,839	—
Restricted investments	401,321	214,840	—	—	—	—	616,161	—
Long-term investments	—	—	743,786	11,707,526	—	129,844	12,581,156	—
Other loans and notes receivable, net	68,178	—	—	1,446,443	—	870	1,515,491	—
Capital assets							—	
Right to use subscription	—	—	—	—	—	3,669	3,669	10,440
Right to use leased assets	—	35,525	—	—	—	76,773	112,298	118,732
Accumulated amortization	—	(16,151)	—	—	—	(13,002)	(29,153)	(10,811)
Land and other non-depreciable assets	1,536,508	493	—	—	—	—	1,537,001	295
Non-depreciable infrastructure	14,974,531	—	—	—	—	—	14,974,531	—
Buildings, equipment, and other depreciable assets	1,639,593	12,407	117	133	—	393,924	2,046,174	1,575,911
Accumulated depreciation	(809,937)	(9,637)	(93)	(116)	—	(129,158)	(948,941)	(752,952)
Construction work in progress	2,257,117	—	—	23,458	—	2,771	2,283,346	62,200
Other	—	33,852	—	—	—	—	33,852	—
Total noncurrent assets	20,073,809	373,670	743,810	13,177,444	—	522,753	34,891,486	1,004,552
Total assets	21,972,534	904,236	16,255,127	15,257,327	4,468,187	1,174,256	60,031,667	1,911,735
DEFERRED OUTFLOWS OF RESOURCES								
Total deferred outflows of resources	4,478	13,076	789	1,464	—	79,888	99,695	31,374

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

2024 STATE OF FLORIDA ACFR

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/2024	Internal Service Funds
LIABILITIES								
Current liabilities								
Accounts payable and accrued liabilities	94,060	8,769	579,556	569,865	19,436	47,013	1,318,699	269,587
Accrued prize liability	—	417,586	—	—	—	—	417,586	—
Due to other governments	—	—	—	—	7,444	—	7,444	—
Due to other funds	177,834	97,726	410	77,334	3,158	7,175	363,637	28,973
Due to component units/primary	—	—	—	—	—	271	271	1
Compensated absences	—	997	111	134	—	7,180	8,422	1,847
Subscription liability	—	—	—	—	—	1,339	1,339	6,914
Installment purchases/leases	5,366	4,186	—	—	—	1,371	10,923	1,176
Bonds payable	—	—	—	—	—	—	—	11,715
Bonds payable from restricted assets	162,105	—	—	—	—	—	162,105	—
Deposits	172,832	—	—	—	—	21,283	194,115	188,835
Claims payable	—	—	5,200,375	—	—	—	5,200,375	—
Obligations under security lending agreements	81,233	30,999	—	871,478	—	25,914	1,009,624	33,211
Certificates of participation payable	—	—	—	—	—	—	—	38,725
Tuition and housing benefits payable	—	—	—	511,813	—	—	511,813	—
Other postemployment benefits	—	612	11	11	—	3,400	4,034	805
Total current liabilities	693,430	560,875	5,780,463	2,030,635	30,038	114,946	9,210,387	581,789
Noncurrent liabilities								
Advances from other funds	201,694	—	—	—	—	—	201,694	500
Accrued prize liability	—	203,156	—	—	—	—	203,156	—
Due to other governments	645	—	—	—	—	—	645	—
Bonds payable	3,334,647	—	4,500,000	—	—	—	7,834,647	94,744
Certificates of participation payable	—	—	—	—	—	—	—	284,199
Subscription liability	—	—	—	—	—	1,986	1,986	8,126
Installment purchases/leases	343,300	15,664	—	—	—	62,351	421,315	38,218
Deposits	54	—	—	—	—	40,291	40,345	—
Compensated absences	—	3,161	322	952	—	22,202	26,637	6,863
Tuition and housing benefits payable	—	—	—	8,278,430	—	—	8,278,430	—
Pension liability	—	26,520	1,937	3,526	—	153,769	185,752	46,045
Other postemployment benefits liability	—	22,922	400	429	—	127,303	151,054	30,097
Total noncurrent liabilities	3,880,340	271,423	4,502,659	8,283,337	—	407,902	17,345,661	508,792
Total liabilities	4,573,770	832,298	10,283,122	10,313,972	30,038	522,848	26,556,048	1,090,581
DEFERRED INFLOWS OF RESOURCES								
Total deferred inflows of resources	126,911	17,610	376	498	—	298,112	443,507	86,630
NET POSITION								
Net investment in capital assets	16,585,164	2,786	25	23,475	—	268,016	16,879,466	519,546
Restricted for Reemployment Assistance	—	—	—	—	4,438,149	—	4,438,149	—
Restricted for Lottery	—	136,228	—	—	—	—	136,228	—
Restricted for Hurricane Catastrophe Fund	—	—	5,972,393	—	—	—	5,972,393	—
Restricted for Prepaid College Program	—	—	—	4,920,846	—	—	4,920,846	—
Restricted for Transportation	581,367	—	—	—	—	—	581,367	—
Restricted - other	—	—	—	—	—	10,197	10,197	215,204
Unrestricted	109,800	(71,610)	—	—	—	154,971	193,161	31,148
Total net position	$ 17,276,331	$ 67,404	$ 5,972,418	$ 4,944,321	$ 4,438,149	$ 433,184	$ 33,131,807	$ 765,898

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

2024 STATE OF FLORIDA ACFR

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/2024	Internal Service Funds
OPERATING REVENUES								
Sales - nonstate	$ 14,160	$ 9,423,776	$ 1,522,446	$ (3,567)	$ —	$ 101,927	$ 11,058,742	$ 452,890
Change in actuarial value of contract premiums	—	—	—	(484,300)	—	—	(484,300)	—
Fees	1,566,253	—	—	868	731,431	301,356	2,599,908	—
Fees and charges	—	—	—	—	—	—	—	146
Sales - state	—	—	46	225	—	68,566	68,837	2,295,717
Rents and royalties - nonstate	9,042	298	—	—	—	—	9,340	—
Rents - state	—	—	—	—	—	1,171	1,171	128,733
Fines, forfeits, settlements and judgments	1	114	—	—	—	11,676	11,791	23
Other	388	—	—	—	—	313	701	12,161
Total operating revenues	1,589,844	9,424,188	1,522,492	(486,774)	731,431	485,009	13,266,190	2,889,670
OPERATING EXPENSES								
Benefit payments	—	—	—	—	669,010	—	669,010	—
Payment of lottery winnings	—	6,254,657	—	—	—	—	6,254,657	—
Commissions on lottery sales	—	571,612	—	—	—	—	571,612	—
Contractual services	639,414	166,531	6,456	394,409	—	153,539	1,360,349	584,907
Change in actuarial value of contract benefit payments	—	—	(840,849)	(406,294)	—	—	(1,247,143)	—
Insurance claims expense	—	—	—	—	—	—	—	2,926,284
Personal services	22,187	36,186	2,495	4,150	—	237,122	302,140	42,363
Amortization	—	—	—	—	—	8,233	8,233	17,506
Amortization and depreciation	66,946	6,519	16	18	—	15,796	89,295	32,855
Materials and supplies	17,732	1,520	15	49	—	6,854	26,170	2,858
Repairs and maintenance	—	1,006	—	18	—	1,320	2,344	2,037
Basic services	—	1,347	214	221	—	32,984	34,766	8,147
Interest and fiscal charges	—	—	—	—	—	3,936	3,936	1,010
Bad debt	—	—	—	—	—	1,542	1,542	—
Total operating expenses	746,279	7,039,378	(831,653)	(7,429)	669,010	461,326	8,076,911	3,617,967
Operating income (loss)	843,565	2,384,810	2,354,145	(479,345)	62,421	23,683	5,189,279	(728,297)
NONOPERATING REVENUES (EXPENSES)								
Grants and donations	20,969	—	—	—	173,120	55,094	249,183	—
Investment earnings (losses)	102,874	36,899	802,722	609,014	111,217	30,577	1,693,303	34,371
Interest and fiscal charges	(119,492)	(10,725)	(68,494)	(56,190)	—	(2,166)	(257,067)	(22,911)
Fines, forfeits, judgments and settlements	1,815	—	39	103	—	—	1,957	—
Property disposition gain (loss)	(1,072)	129	—	—	—	(2)	(945)	25,007
Grant expense and client benefits	—	—	—	—	—	(950)	(950)	—
Other	(7,782)	—	—	—	176,972	(2,775)	166,415	292,171
Total nonoperating revenues (expenses)	(2,688)	26,303	734,267	552,927	461,309	79,778	1,851,896	328,638
Income (loss) before transfers and contributions	840,877	2,411,113	3,088,412	73,582	523,730	103,461	7,041,175	(399,659)
Operating transfers in	99,911	57	—	—	813,110	106,108	1,019,186	524,305
Operating transfers out	(68,765)	(2,387,907)	(10,000)	(39,159)	(19,068)	(123,619)	(2,648,518)	(33,008)
Capital contributions	1,189,251	—	—	—	—	1	1,189,252	115
Change in net position	2,061,274	23,263	3,078,412	34,423	1,317,772	85,951	6,601,095	91,753
Total net position - beginning	15,321,895	44,141	2,894,006	4,909,898	3,120,377	347,233	26,637,550	674,145
Adjustments to increase (decrease) beginning net position	(106,838)	—	—	—	—	—	(106,838)	—
Total net position - beginning, as restated (Note 2)	15,215,057	44,141	2,894,006	4,909,898	3,120,377	347,233	26,530,712	674,145
Total net position - ending	$ 17,276,331	$ 67,404	$ 5,972,418	$ 4,944,321	$ 4,438,149	$ 433,184	$ 33,131,807	$ 765,898

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

2024 STATE OF FLORIDA ACFR

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/2024	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	$ 1,424,783	$ 9,417,725	$ 1,605,045	$ 514,926	$ 600,859	$ 525,135	$ 14,088,473	$ 2,814,423
Cash paid to vendors	(563,235)	(742,607)	(4,985)	(763,320)	—	(208,266)	(2,282,413)	(608,235)
Cash paid to employees	(18,961)	(34,536)	(2,155)	(3,406)	—	(227,216)	(286,274)	(59,951)
Cash received/(paid) for grants	—	—	—	—	—	50,313	50,313	—
Loans collected/(issued)	—	—	—	—	—	—	—	11
Lottery prizes	—	(6,195,114)	—	—	—	—	(6,195,114)	—
Cash paid for insurance claims	—	—	(2,928,114)	—	—	—	(2,928,114)	(2,952,381)
Reemployment assistance	—	—	—	—	(368,268)	—	(368,268)	—
Net cash provided (used) by operating activities	842,587	2,445,468	(1,330,209)	(251,800)	232,591	139,966	2,078,603	(806,133)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in (out)	12,654	(2,409,410)	(10,000)	(39,159)	794,042	(62,228)	(1,714,101)	974,614
Advances from or repayment from other funds	25,000	—	—	—	—	66	25,066	(142,667)
Advances, grants or loans (to) from or repayment from others	—	—	—	—	—	(1,091)	(1,091)	—
Cash received from sale of bonds	—	—	996,244	—	—	—	996,244	—
Cash received from noncapital grants or donations	—	—	—	—	173,120	538	173,658	—
Payment of bonds or loans (principal and interest)	—	—	(59,706)	—	—	—	(59,706)	—
Net cash provided (used) by noncapital financing activities	37,654	(2,409,410)	926,538	(39,159)	967,162	(62,715)	(579,930)	831,947
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Cash received from sale or lease of capital assets	—	—	—	—	—	15	15	—
Cash received from the issuance of debt	462,768	—	—	—	—	53,061	515,829	—
Payment of bond principal	(347,072)	—	—	—	—	—	(347,072)	(60,219)
Payment of principal on installment purchases/leases	(3,218)	—	—	—	—	(4,437)	(7,655)	—
Payment of interest on bonds/installment purchases/leases	(129,233)	—	—	—	—	(126)	(129,359)	(12,187)
Purchase or construction of capital assets	(868,102)	(5,500)	(6)	(8,035)	—	(55,338)	(936,981)	(35,681)
Net cash provided (used) by capital and related financing activities	(884,857)	(5,500)	(6)	(8,035)	—	(6,825)	(905,223)	(108,087)
CASH FLOWS FROM INVESTING ACTIVITIES								
Security lending	47,864	18,444	—	5,664	—	15,316	87,288	18,169
Proceeds from the sale or maturity of investments	1,920,835	24,216	177,402,807	18,693,938	—	89,743	198,131,539	9,258
Cash paid to grand prize winners upon maturity of grand prize investments	—	(24,216)	—	—	—	—	(24,216)	—
Investment earnings	140,871	32,314	163,423	225,417	111,217	30,465	703,707	27,106
Purchase of investments	(1,983,942)	—	(177,221,616)	(18,657,580)	—	(112,115)	(197,975,253)	(8,503)
Net cash provided (used) by investing activities	125,628	50,758	344,614	267,439	111,217	23,409	923,065	46,030
Net increase (decrease) in cash and cash equivalents	121,012	81,316	(59,063)	(31,555)	1,310,970	93,835	1,516,515	(36,243)
Cash and cash equivalents - beginning	1,335,827	488,214	60,137	117,604	3,019,272	525,162	5,546,216	694,399
Cash and cash equivalents - ending	$ 1,456,839	$ 569,530	$ 1,074	$ 86,049	$ 4,330,242	$ 618,997	$ 7,062,731	$ 658,156

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

2024 STATE OF FLORIDA ACFR

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 6/30/2024	Internal Service Funds
Operating income (loss)	$ 843,565	$ 2,384,810	$ 2,354,145	$ (479,345)	$ 62,421	$ 23,683	$ 5,189,279	$ (728,297)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization expense	66,946	6,519	16	18	—	24,029	97,528	50,361
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(24,729)	(7,141)	83,250	5,132	1,338,638	38,224	1,433,374	(114,026)
(Increase) decrease in due from other funds	(30,788)	—	46	(60)	(1,358)	812	(31,348)	(1,074)
Increase (decrease) in allowance for uncollectibles	—	(29)	(481)	—	(902,635)	(4,640)	(907,785)	(9,787)
(Increase) decrease in inventories	(1,614)	218	—	—	—	(2,810)	(4,206)	—
(Increase) decrease in future contract premiums and other receivables	—	—	—	479,146	—	—	479,146	—
(Increase) decrease in other noncurrent assets	(1,752)	31	—	—	—	(131)	(1,852)	—
Increase (decrease) in accounts payable	4,035	(1,505)	1,701	141,248	(264,475)	13,431	(105,565)	(23,886)
Increase (decrease) in compensated absences	—	293	83	153	—	3,662	4,191	(162)
Increase (decrease) in due to other funds	(25,455)	—	—	10,121	—	885	(14,449)	(705)
Increase (decrease) in tuition and housing benefits payable	—	—	—	(406,294)	—	—	(406,294)	—
Increase (decrease) in other noncurrent liability	—	—	—	—	—	40,587	40,587	—
(Increase) decrease in deposits and prepaid items	—	—	—	(2,516)	—	(958)	(3,474)	(7,463)
Increase (decrease) in unearned revenue	12,379	—	—	—	—	(1,601)	10,778	42,778
Increase (decrease) in prize liability	—	60,915	—	—	—	—	60,915	—
Increase (decrease) in pension liability and deferrals	—	3,222	265	616	—	4,979	9,082	—
Increase (decrease) in OPEB liability and deferrals	—	(1,865)	(8)	(19)	—	(178)	(2,070)	—
Increase (decrease) in claims payable	—	—	(3,769,226)	—	—	—	(3,769,226)	—
Increase (decrease) in asset retirement obligations	—	—	—	—	—	(8)	(8)	(13,872)
Net cash provided (used) by operating activities	$ 842,587	$ 2,445,468	$ (1,330,209)	$ (251,800)	$ 232,591	$ 139,966	$ 2,078,603	$ (806,133)
Noncash investing, capital, and financing activities								
Borrowing under lease or installment purchase	$ 33,472	$ —	$ —	$ —	$ —	$ 17,238	$ 50,710	$ —
Change in fair value of investments	37,539	—	315,980	334,240	—	—	687,759	—
Contribution of capital assets	15,568	—	—	—	—	9,630	25,198	—
Other noncash items	55,849	—	—	—	—	80	55,929	—

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

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FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS
Individual fund descriptions and financial statements begin on page 275.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
Individual fund descriptions and financial statements begin on page 281.

INVESTMENT TRUST FUNDS
Individual fund descriptions and financial statements begin on page 287.

CUSTODIAL FUNDS
Individual fund descriptions and financial statements begin on page 291.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/2024
ASSETS					
Cash and cash equivalents	$ 23,190	$ 113,719	$ 4,305,286	$ 227,124	$ 4,669,319
Pooled investments with State Treasury	368,497	232,999	216,150	2,739,651	3,557,297
Total cash and cash equivalents	391,687	346,718	4,521,436	2,966,775	8,226,616
Investments					
Certificates of deposit	—	100,064	4,198,125	—	4,298,189
U.S. government & federally guaranteed obligations	435,608	18,035,160	—	—	18,470,768
Federal agencies	7,965	8,474,987	—	—	8,482,952
Commercial paper	—	2,745,017	9,533,260	—	12,278,277
Repurchase agreements	—	1,600,000	1,214,770	—	2,814,770
Bonds and notes	18,100	15,470,171	493,134	—	15,981,405
International bonds and notes	3,431	3,337,327	—	—	3,340,758
Real estate contracts	—	15,577,635	—	—	15,577,635
Mutual fund investments	1,323,667	17,971,576	—	—	19,295,243
Money market and short-term investments	149,504	763,612	2,527	16,945	932,588
Domestic equity	6,869	58,459,764	—	—	58,466,633
Alternative investments	—	43,893,436	—	—	43,893,436
International equity	—	32,376,117	—	—	32,376,117
International equity commingled	—	2,951,994	—	—	2,951,994
Deferred compensation annuities	—	8,046	—	—	8,046
Self-directed brokerage investments	—	1,440,066	—	—	1,440,066
Other investments	101	4,398	—	12,583	17,082
Total investments	1,945,245	223,209,370	15,441,816	29,528	240,625,959
Receivables					
Accounts receivable	127	18,714	—	1,433,790	1,452,631
State contributions receivable	—	102,787	—	—	102,787
Nonstate contributions receivable	—	563,518	—	—	563,518
Interest receivable	5,428	564,148	83,343	2,542	655,461
Dividends receivable	2,034	281,039	—	—	283,073
Pending investment sales	188	2,985,819	—	—	2,986,007
Foreign currency contracts receivable	—	214,310	—	—	214,310
Futures trade equity	2	—	—	—	2
Due from state funds	78,295	111,998	—	292,381	482,674
Due from other governments	15,891	—	—	—	15,891
Total receivables	101,965	4,842,333	83,343	1,728,713	6,756,354
Security lending collateral	—	251,218	—	—	251,218
Advances to other funds	1,483,848	—	—	—	1,483,848
Advances to other entities	—	—	—	506,229	506,229
Right to use leased assets	13	17,560	—	—	17,573
Accumulated amortization	(13)	(2,819)	—	—	(2,832)
Capital assets	241	1,119	—	658	2,018
Accumulated depreciation	(155)	(686)	—	(544)	(1,385)
Other assets	—	—	21	26,356	26,377
Total assets	3,922,831	228,664,813	20,046,616	5,257,715	257,891,975
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	1,442	5,386	—	—	6,828

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/2024
LIABILITIES					
Accounts payable and accrued liabilities	$ 7,459	$ 124,312	$ 1,256	$ 653,680	$ 786,707
Due to other funds	137	112,645	164	310,704	423,650
DROP	—	190,615	—	—	190,615
Pending investment purchases	3,104	4,713,454	—	—	4,716,558
Short sell obligations	—	49,778	—	—	49,778
Foreign currency contracts payable	63	214,651	—	—	214,714
Broker rebate fees	—	1,063	—	—	1,063
Due to other governments	44,310	—	21,003	2,548,826	2,614,139
Due to component units/primary	—	—	699	—	699
Obligations under security lending agreements	2,851	252,538	12,738	57,115	325,242
Claims payable	—	—	—	19,202	19,202
Deposits payable	67,244	12,640	—	106,783	186,667
Compensated absences	682	1,401	—	—	2,083
Installment purchases/leases	—	70	—	—	70
Loans payable	—	267,700	—	—	267,700
Other liabilities	1	15,162	—	30,898	46,061
Pension liability	2,934	585	—	—	3,519
Other postemployment benefits liability	3,221	12,691	—	—	15,912
Total liabilities	132,006	5,969,305	35,860	3,727,208	9,864,379
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	2,804	7,995	—	1,281	12,080
NET POSITION					
Restricted for pension benefits	—	216,089,770	—	—	216,089,770
Restricted for other postemployment benefits	—	6,603,129	—	—	6,603,129
Restricted for individuals, organizations and other governments	3,789,463	—	20,010,756	1,529,226	25,329,445
Total Net Position	$ 3,789,463	$222,692,899	$ 20,010,756	$ 1,529,226	$248,022,344

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, 2024
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/2024
ADDITIONS					
Contributions and other deposits					
Pension fund employer contributions - state	$ —	$ 1,249,287	$ —	$ —	$ 1,249,287
Pension fund employer contributions - nonstate	—	6,521,275	—	—	6,521,275
Pension fund employee contributions	—	1,294,241	—	—	1,294,241
Other contributions	—	196,769	—	7,498	204,267
Purchase of time by employees	—	4,906	—	—	4,906
Fees	471	1,999	—	1,853,122	1,855,592
Grants and contributions	288,081	—	—	—	288,081
Flexible benefits contributions	—	365,139	—	—	365,139
Fines, forfeits, settlements and judgments	94	107	11	109,115	109,327
Unclaimed property remittances	765,800	—	—	—	765,800
Receivership assets acquired	—	—	—	440,278	440,278
Transfers in from state funds	63,358	799,128	—	1,855	864,341
Total contributions and other deposits	1,117,804	10,432,851	11	2,411,868	13,962,534
Investment income					
Interest income	67,667	2,089,123	1,111,045	30,509	3,298,344
Dividends	14,730	1,800,644	—	—	1,815,374
Other investment income (loss)	—	2,369,303	—	(350)	2,368,953
Net increase (decrease) in fair market value	123,649	16,092,983	(141)	—	16,216,491
Total investment income (loss)	206,046	22,352,053	1,110,904	30,159	23,699,162
Investment activity expense	(42,038)	(770,998)	(6,528)	—	(819,564)
Net income (loss) from investing activity	164,008	21,581,055	1,104,376	30,159	22,879,598
Security lending activity					
Security lending income	—	47,695	—	—	47,695
Security lending expense	—	(23,999)	—	—	(23,999)
Net income from security lending	—	23,696	—	—	23,696
Total net investment income (loss)	164,008	21,604,751	1,104,376	30,159	22,903,294
Other additions	851,285	30,912	—	11,701,608	12,583,805
Total additions	2,133,097	32,068,514	1,104,387	14,143,635	49,449,633
DEDUCTIONS					
Benefit payments	—	15,224,169	—	—	15,224,169
Right to use leases assets amortization expense	3	966	—	—	969
Insurance claims expense	—	8,633	—	12,512	21,145
Supplemental insurance payments	—	100,822	—	—	100,822
Lease liabilities issued	3	—	—	—	3
Flexible reimbursement payments	—	39,383	—	—	39,383
Life insurance premium payments	—	39,478	—	—	39,478
Remittances to annuity companies	—	232,672	—	—	232,672
Program contribution refunds	—	41,497	—	—	41,497
Interest expense	356	3	—	1,023	1,382
Student loan default payments	100,620	—	—	—	100,620
Payments to unclaimed property claimants	428,746	—	—	—	428,746
Distribution to State School Fund	308,499	—	—	—	308,499
Administrative expense	17,281	35,975	173	55,824	109,253
Property disposition gain (loss)	3	2	—	—	5
Interest and fiscal charges	—	349	—	—	349
Transfers out to state funds	33,086	819,544	—	189,707	1,042,337
Other deductions	580,407	3,890	—	13,438,322	14,022,619
Total deductions	1,469,004	16,547,383	173	13,697,388	31,713,948
Depositor activity					
Deposits	757,391	—	33,350,530	2,390	34,110,311
Withdrawals	(896,662)	—	(32,282,293)	(2,392)	(33,181,347)
Excess (deficiency) of deposits over withdrawals	(139,271)	—	1,068,237	(2)	928,964
Change in net position	524,822	15,521,131	2,172,451	446,245	18,664,649
Net position - beginning, restated (Note 2)	3,264,641	207,171,768	17,838,305	1,082,981	229,357,695
Net position - ending	$ 3,789,463	$222,692,899	$ 20,010,756	$ 1,529,226	$248,022,344

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

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 295.

STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2024
(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/2024
ASSETS					
Cash and cash equivalents	$ 178,761	$ 364,810	$ 1,150,106	$ 1,961,366	$ 3,655,043
Pooled investments with State Treasury	1,178,238	140,177	—	746,114	2,064,529
Other investments	2,572,646	2,919,124	8,247,185	7,973,612	21,712,567
Receivables, net	55,677	1,077,179	432,614	1,799,859	3,365,329
Lease receivables, net	—	21,398	—	442,473	463,871
Due from component units/primary	—	612,202	—	1,120,831	1,733,033
Inventories	—	101,762	—	37,590	139,352
Restricted cash and cash equivalents	—	7,252	—	718,796	726,048
Restricted pooled investments with State Treasury	—	289,328	—	106,130	395,458
Restricted investments	—	3,946,614	—	5,992,354	9,938,968
Other loans and notes receivable, net	1,845,313	13,876	—	99,625	1,958,814
Other assets	8,866	573,071	45,154	488,052	1,115,143
Capital assets, net	—	5,799,910	79,714	26,052,810	31,932,434
Total assets	5,839,501	15,866,703	9,954,773	47,539,612	79,200,589
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	—	503,727	—	1,752,434	2,256,161
LIABILITIES					
Accounts payable and accrued liabilities	36,953	803,065	2,856,118	1,413,607	5,109,743
Due to component units/primary	—	57,730	—	61,162	118,892
Long-term liabilities					
Due within one year	140,153	543,566	2,465,785	1,151,724	4,301,228
Due in more than one year	1,952,728	4,527,071	206,906	11,142,763	17,829,468
Total liabilities	2,129,834	5,931,432	5,528,809	13,769,256	27,359,331
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	—	675,697	—	2,124,429	2,800,126
NET POSITION					
Net investment in capital assets	—	3,148,195	863	22,476,718	25,625,776
Restricted for					
Debt service	—	7,942	—	118,813	126,755
Other	3,169,360	1,170,033	—	4,625,150	8,964,543
Funds held for permanent endowment					
Expendable	—	927,028	—	1,331,853	2,258,881
Nonexpendable	—	1,616,901	—	2,648,198	4,265,099
Unrestricted	540,307	2,893,202	4,425,101	2,197,629	10,056,239
Total net position	$ 3,709,667	$ 9,763,301	$ 4,425,964	$ 33,398,361	$ 51,297,293

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

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2024 STATE OF FLORIDA ACFR

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 6/30/2024
Florida Housing Finance Corporation	$ 429,718	$ 212,388	$ —	$ —	$ (217,330)	$ —	$ —	$ —	$ (217,330)
University of Florida	9,521,519	6,506,468	1,479,574	304,574	—	(1,230,903)	—	—	(1,230,903)
Citizens Property Insurance Corporation	2,424,371	2,883,834	—	—	—	—	459,463	—	459,463
Nonmajor component units	16,432,627	3,890,097	5,040,324	1,722,224	—	—	—	(5,779,982)	(5,779,982)
Total component units	$ 28,808,235	$ 13,492,787	$ 6,519,898	$ 2,026,798	$ (217,330)	(1,230,903)	459,463	(5,779,982)	(6,768,752)
General revenues									
Property taxes					—	—	—	535,914	535,914
Investment earnings (losses)					—	471,686	533,325	1,099,816	2,104,827
Gain (loss) on sale of capital assets					—	(3,036)	—	38,833	35,797
Payments from the State of Florida					—	1,142,280	—	5,155,747	6,298,027
Miscellaneous					593,821	376,567	—	1,037,432	2,007,820
Contributions to permanent funds					—	61,118	—	85,325	146,443
Total general revenues and contributions					593,821	2,048,615	533,325	7,953,067	11,128,828
Change in net position					376,491	817,712	992,788	2,173,085	4,360,076
Net position - beginning, as restated (Note 2)					3,333,176	8,945,589	3,433,176	31,225,276	46,937,217
Net position - ending					$ 3,709,667	$ 9,763,301	$ 4,425,964	$ 33,398,361	$ 51,297,293

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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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, 2024, are approximately $2.3 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, 2024. 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 State College
- Valencia College

[1] Significant transactions occurring during the 2023-24 fiscal year between the University of Florida and the state totaled $1.4 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 2023-24 fiscal year between the Florida Housing Finance Corporation and the state included revenues of state documentary stamp taxes totaling $305 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 18D.

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:

- Blind Services Foundation of Florida, Inc.*
- Charter School Review Commission*
- 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.*
- Hope Florida Foundation*
- Higher Educational Facilities Financing Authority*
- Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE)
- Select Florida, Inc.*
- 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 $198 million and $304 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.
**During the 2023 Legislative Session, House Bill 0005 passed. Effective July 1, 2024, Enterprise Florida, Inc. was dissolved and all duties were transferred to the Florida Department of Commerce. The transfer and entity wind up was completed December 2024.

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.

Florida Opportunity Fund, Inc. Section 288.9624, F.S., enacted the Fund of Funds Program to invest in seed and the early-stage venture of capital/angle funds, direct investments, including loans, individual businesses and infrastructure projects and focusing on opportunities within the State of Florida.

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 and subscriptions, 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 8.

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 7 for information on leases and subscription-based information technology arrangements (SBITAs); Note 9 for information on pension and other postemployment benefit (OPEB) liabilities; Note 11 for information on bonds payable and certificates of participation; Note 12 for information on installment purchases; Note 13 for public-private partnership agreements and availability payment arrangements; and Note 14 for changes in long-term liabilities.

Leases and Subscription Obligations

The State has both leases under which it is obligated as a leasee 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.

- The state uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancelable periods of the leases.
- 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 7.

The state is a lessor for noncancelable leases of buildings and equipment. Lease receivables and deferred inflows of resources are recognized in the government-wide, enterprise, and governmental fund financial statements.

At the commencement of each lease and subscription, the liability is measured at the present value of payments expected to be made during the lease 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.

a. 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.
b. 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 7.

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, 2024, the government-wide statement of net position reported a restricted net position of $37.4 billion, of which $16.7 billion is restricted by enabling legislation.

Components of Fund Balance

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

Restricted fund balance has constraints placed upon the use of the resources either by an external party, such as the Federal Government, or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the state’s highest level of decision-making authority, the Legislature and the Governor, i.e., through legislation passed into law. Commitments may only be modified or rescinded by equivalent formal, highest-level action.

Unassigned fund balance is the residual amount of the General Fund not included in the three categories described above. Also, any remaining deficit fund balances within the other governmental fund types are reported as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the state’s general policy to use restricted resources first. When expenditures are incurred for which unrestricted (committed or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the state’s general policy to spend committed resources first. However, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources.

Fund Balances Classifications and Special Revenue by Purpose – GASB Codification Section 2200, *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, 2024 (in thousands).

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Fund balances:							
Nonspendable:							
Inventory and Prepaid Items	$ 9,129	$ 790	$ —	$ 21,425	$ 11,993	$ 2,731	$ 46,068
Long-term Receivables and Advances	24,848	—	—	—	—	—	24,848
Permanent Fund Principal	—	—	—	—	—	15	15
Total	33,977	790	—	21,425	11,993	2,746	70,931
Restricted:							
Grantors/Contributors	611	94,371	—	125,804	—	51,475	272,261
Enabling Legislation	73,147	6,672	139,320	491,299	50	383,782	1,094,270
Constitutional Provision	—	53,974	1,134,415	—	—	711	1,189,100
Creditors	13	2,235	936,202	—	—	105,203	1,043,653
Federal Government	31,238	4,073,508	51,312	167,581	—	120,749	4,444,388
Total	105,009	4,230,760	2,261,249	784,684	50	661,920	8,043,672
Committed:	703,480	3,890,439	377,763	2,229,147	6,823,992	5,100,179	19,125,000
Unassigned:	31,382,110	—	(1,130,158)	—	—	—	30,251,952
Total Fund Balances	$ 32,224,576	$ 8,121,989	$ 1,508,854	$ 3,035,256	$ 6,836,035	$ 5,764,845	$ 57,491,555

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 2024 General Appropriations Act as being unappropriated June 30, 2024, cash balances that are to be transferred to and from the funds indicated during the 2024-25 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	$ 25,000	$ —	$ —	$ (25,000)	$ —	$ —	$ —
Transfer from Non-Governmental Funds	20,000	—	—	—	—	—	20,000
Total	$ 45,000	$ —	$ —	$ (25,000)	$ —	$ —	$ 20,000

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 15.

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 $4.14 billion in cash at June 30, 2024. During fiscal year 2023-24, The Lawton Chiles Endowment Fund (LCEF) was mostly liquidated, and $1 billion was transferred from the LCEF to the Budget Stabilization Fund. There were no disbursements made from the Budget Stabilization Fund.

NOTE 2 - ACCOUNTING AND REPORTING CHANGES

A. Accounting and Reporting Changes

The state implemented paragraphs 4-7 and 8-10 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 4-7 the provisions in GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* related to the distinctions between the recognition of liabilities for nonexchange financial guarantees and those for exchange or exchange-like financial guarantees.

b Establishes in paragraphs 8-10 the provisions in GASB Statement No. 53, *Derivative Instruments* related to the classification and reporting of derivative instruments that do not fit into the categories of investment or hedging derivatives.

B. Fund Balance and Net Position Reclassifications and Restatements

Fund balances and Net position have been adjusted as follows (in thousands):

	6/30/2023 As Previously Reported	Change in Accounting Principle	Error Correction	6/30/2023 As Restated
Government-Wide				
Governmental Activities	$ 112,178,076	$ —	$ 462,998	$ 112,641,074
Business-Type Activities	26,637,551	—	(106,839)	26,530,712
Total Primary Government	$ 138,815,627	$ —	$ 356,159	$ 139,171,786
Governmental Funds				
Major Funds:				
General	$ 34,014,588	$ —	$ (600)	$ 34,013,988
Natural Resources, Environmental, and Growth Management	6,643,494	—	—	6,643,494
Public Education	1,430,636	—	—	1,430,636
Health and Family Services	2,513,001	—	—	2,513,001
Transportation	2,116,419	—	106,839	2,223,258
Nonmajor Funds	6,552,760	(137,451)	381,715	6,797,024
Total Governmental Funds	$ 53,270,898	$ (137,451)	$ 487,954	$ 53,621,401
Internal Service Funds	$ 674,145	$ —	$ —	$ 674,145
Proprietary Funds				
Major Funds:				
Transportation	$ 15,321,896	$ —	$ (106,839)	$ 15,215,057
Lottery	44,141	—	—	44,141
Hurricane Catastrophe Fund	2,894,006	—	—	2,894,006
Prepaid College Program	4,909,898	—	—	4,909,898
Reemployment Assistance	3,120,377	—	—	3,120,377
Nonmajor Funds	347,233	—	—	347,233
Total Proprietary Funds	$ 26,637,551	$ —	$ (106,839)	$ 26,530,712
Fiduciary Funds				
Private-Purpose Trust Funds	$ 3,264,641	$ —	$ —	$ 3,264,641
Pension and Other Employee Benefits Trust Funds	207,171,768	—	—	207,171,768
Investment Trust Funds	17,838,305	—	—	17,838,305
Custodial Funds	1,082,981	—	—	1,082,981
Total Fiduciary Funds	$ 229,357,695	$ —	$ —	$ 229,357,695
Component Units				
Florida Housing Finance Corporation	$ 3,333,176	$ —	$ —	$ 3,333,176
University of Florida	8,804,581	—	141,008	8,945,589
Citizens Property Insurance Corporation	3,433,400	(224)	—	3,433,176
Nonmajor Component Units	31,249,435	—	(24,159)	31,225,276
Total Component Units	$ 46,820,592	$ (224)	$ 116,849	$ 46,937,217

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2024, the state's deposits in financial institutions totaled approximately $5.9 billion for primary government and $4.4 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, 2024, 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, 2024

	Bank Statement Balance (in U.S. $)	
Custodial Credit Risk	Primary Government	Component Units
(1)	$ 4,484,783	$ 436,852
(2)	—	216,417
(3)	—	239
Total deposits subject to custodial credit risk	$ 4,484,783	$ 653,508

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 June 12, 2024, 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 45% with a policy range from 35-60%, 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 College 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, 2024, as illustrated in the following schedule (in thousands):

Schedule of Investments with State Board of Administration
Foreign Currency Deposits Held As of June 30, 2024

	Bank Statement Balance (in U.S. $)			
Currency	FRS Pension Trust Fund	LCEF	Florida Prepaid Program and Investment Plan	Total
Australian dollar	$ 1,073	$ —	$ —	$ 1,073
Brazilian real	2,890	—	—	2,890
British pound sterling	8,792	—	—	8,792
Canadian dollar	4,308	—	—	4,308
Chilean peso	263	—	—	263
Chinese yuan Hong Kong	9,432	—	—	9,432
Colombian peso	14	—	—	14
Czech koruna	45	—	—	45
Danish krone	213	—	3	216
Egyptian pound	6	—	—	6
Euro	6,953	3	8	6,964
Hong Kong dollar	3,681	—	—	3,681
Hungarian forint	285	—	—	285
Indian rupee	10,623	—	—	10,623
Indonesian rupiah	694	—	—	694
Israeli shekel	600	—	—	600
Japanese yen	10,429	—	127	10,556
Malaysian ringgit	298	—	—	298
Mexican peso	2,958	—	540	3,498
New Taiwan dollar	5,410	—	—	5,410
New Zealand dollar	32	—	—	32
Norwegian krone	416	—	—	416
Pakistan rupee	55	—	—	55
Peruvian sol	4	—	—	4
Philippines peso	89	—	—	89
Polish zloty	163	—	—	163
Saudi Arabian riyal	18,598	—	—	18,598
Singapore dollar	820	—	—	820
South African rand	50	—	—	50
South Korean won	4,982	—	—	4,982
Swedish krona	613	—	—	613
Swiss franc	747	—	—	747
Thailand baht	11	—	—	11
Turkish lira	245	—	—	245
Vietnam dong	2,059	—	—	2,059
Total deposits subject to foreign currency risk	$ 97,851	$ 3	$ 678	$ 98,532

B. Investments

At June 30, 2024, the state's investments reported in governmental and business-type activities and fiduciary funds totaled $342.8 billion, consisting of pooled investments with the State Treasury in the amount of $77.3 billion and other investments in the amount of $271.5 billion. The State Treasury also had holdings at June 30, 2024, of $1.6 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 $28.2 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, 2024, was $68.9 billion or 93% 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, 2024

ASSETS		
Current and Other Assets	$	73,553,165
Total Assets		73,553,165
LIABILITIES		
Other Liabilities		4,428,229
Total Liabilities		4,428,229
NET POSITION		
Net position held for Internal Pool Participants		68,920,827
Net position held for External Pool Participants		204,109
Total net position, ending	$	69,124,936

Condensed Statement of Changes of Fiduciary Net Position
June 30, 2024

ADDITIONS		
Net income (loss) from investing activity	$	3,917,609
DEDUCTIONS		
Distributions paid and payable		(3,917,609)
DEPOSITOR ACTIVITY		
Deposits		170,834,659
Withdrawals		(168,728,015)
Excess (deficiency) of deposits over withdrawals		2,106,644
Change in net position		2,106,644
Net position, beginning		67,018,292
Net position, ending	$	69,124,936

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, 2024

	Par	Fair Value	Range of Interest Rates*	Range of Maturity Dates
Commercial paper	$ 317,250	$ 315,284	5.252% - 5.460%	7/1/2024 - 12/20/2024
Money market funds	198,036	198,036	5.339% - 5.339%	N/A
Repurchase agreements	4,494,316	4,494,316	5.310% - 5.340%	7/1/2024 - 7/10/2024
U.S. guaranteed obligations	32,216,501	30,463,837	0.030% - 8.500%	7/15/2024 - 4/20/2070
Federal agencies	10,404,594	8,906,604	0.010% - 10.750%	7/1/2024 - 6/1/2062
Bonds and notes - domestic	16,447,293	15,480,081	0.137% - 10.193%	7/1/2024 - 4/1/2122
Bonds and notes - international	1,943,814	1,873,514	0.375% - 9.625%	7/9/2024 - 1/15/2084
Federal agencies discounted securities	1,247,082	1,201,837	0.000% - 6.603%	7/26/2024 - 11/25/2042
U.S. guaranteed obligations discounted securities	4,856,099	4,762,418	0.000% - 5.216%	7/2/2024 - 7/20/2052
Commingled STIF	399,680	399,680	N/A	N/A
Unemployment compensation	4,352,626	4,352,626	N/A	N/A
Totals	$ 76,877,291	$ 72,448,233		

*The coupon rate in effect at June 30, 2024, 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, 2024, as well as reconciliation to the basic financial statements (in thousands):

Schedule of Pooled Investments with State Treasury
As of June 30, 2024

Investment type	Fair Value
Commercial paper	$ 119,947
Money market funds	198,036
U.S. guaranteed obligations	35,226,255
Federal agencies	10,028,434
Bonds and notes - domestic	15,076,946
Bonds and notes - international	1,831,207
Repurchase agreements	1,350,000
Commingled STIF	399,680
Unemployment compensation funds pooled with U. S. Treasury	4,352,626
Total investments excluding security lending collateral*	68,583,131
Lending collateral investments:	
Commercial paper	195,337
Repurchase agreements	3,144,316
Federal agencies	80,007
Bonds and notes - domestic	403,135
Bonds and notes - international	42,307
Total lending collateral investments	3,865,102
Total investments	72,448,233
Cash on deposit	1,104,932
Total State Treasury holdings	73,553,165
Adjustments:	
Outstanding warrants	$ (80,682)
Deposits in transit	(248)
SPIA Revolving Account**	(8,856)
Unsettled securities liability	(557,854)
Reconciled balance, June 30, 2024	$ 72,905,525
Reconciliation to the basic financial statements (in thousands):	
Unrestricted Pooled investments with State Treasury	
Governmental activities	$ 60,786,608
Business-type activities	6,815,599
Fiduciary funds	3,557,297
Component units	2,064,529
Component units timing difference	(822,805)
Total unrestricted pooled investments with State Treasury	72,401,228
Restricted Pooled investments with State Treasury	
Business-type activities	108,839
Component units	395,458
Total restricted pooled investments with State Treasury	504,297
Total pooled investments with State Treasury	$ 72,905,525

*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 72.7% of total other investments at June 30, 2024. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 6.3% of total other investments, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 5.8% and 5.4%, 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, 2024, as well as reconciliation to the basic financial statements (in thousands):

Schedule of Other Investments
As of June 30, 2024

	Fair Value[1]			
		Other funds		
Investment types	FRS Pension Trust Fund	Managed by SBA	Not managed by SBA	Total
Certificates of deposit	$ 100,064	$ 5,402,897	$ 946	$ 5,503,907
Commercial paper	2,745,017	16,667,309	—	19,412,326
Money market funds	28,090	432,693	912	461,695
Repurchase agreements	1,600,000	1,563,000	—	3,163,000
U.S. guaranteed obligations	17,932,296	16,007,344	13,605	33,953,245
Federal agencies	8,359,530	885,371	1,905,286	11,150,187
Domestic bonds and notes	13,200,144	4,873,280	22,126	18,095,550
Commingled domestic bonds and notes funds/mutual funds	—	3,741,546	—	3,741,546
International bonds and notes	3,322,255	1,278,420	1,083	4,601,758
International bonds and notes mutual fund	—	28,209	—	28,209
Domestic stocks	57,446,035	1,140,385	84,622	58,671,042
Commingled domestic equity funds/mutual funds	—	9,277,196	—	9,277,196
International stocks	32,281,386	713,558	9,244	33,004,188
Commingled international equity funds/mutual funds	2,951,994	3,349,683	—	6,301,677
Commingled real asset funds	—	1,486,518	16,471	1,502,989
Alternative investments	43,893,436	—	—	43,893,436
Real estate investments (directly owned)	13,398,266	—	—	13,398,266
Commingled real estate investments funds	2,179,369	—	—	2,179,369
Self-Directed brokerage accounts	—	1,440,066	14,618	1,454,684
Derivative instruments, net:[2]				
Forward currency contracts	3,893	(1)	—	3,892
Futures (debt and equity)	886	32	—	918
Option contracts	—	—	63	63
Swap contracts	(381)	70	(381)	(692)
Mutual funds	—	—	3,895,882	3,895,882
Deferred compensation annuities	—	—	8,046	8,046
Total investments excluding lending collateral	199,442,280	68,287,576	5,972,523	273,702,379
Lending collateral investments:				
Certificates of deposit	—	203,408	—	203,408
Commercial paper	—	236,096	—	236,096
Money market funds	251,218	—	—	251,218
Repurchase agreements	—	350,600	—	350,600
Domestic bonds and notes	—	—	—	—
Total lending collateral investments	251,218	790,104	—	1,041,322
Total investments for all types	$ 199,693,498	$ 69,077,680	$ 5,972,523	$ 274,743,701
% of total other investments	72.7%	25.1%	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	$ 667,762	$ 17,057,533	$ —	$ 2,850,407	$ 20,575,702
Restricted investments	—	616,161	—	575,507	1,191,668
Long-term investments	47,365	12,581,156	240,625,959		253,254,480
Security lending collateral [2]	—	—	251,218	—	251,218
Timing and other differences [3]	(122,717)	(65,838)	(179,214)	(161,598)	(529,367)
Total other investments	$ 592,410	$ 30,189,012	$ 240,697,963	$ 3,264,316	$ 274,743,701

[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, 2024.

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, 2024

Investment Type	Fair Value
U.S. guaranteed obligations	$ 125,195
Total	$ 125,195

Florida Prepaid Investment Plan
Securities Pledged as Collateral for Futures Contracts
As of June 30, 2024

Investment Type	Fair Value
U.S. guaranteed obligations	$ 276
Total	$ 276

In addition, cash and foreign currency required to open futures and swap contracts (i.e., initial margin) in the FRS Pension Trust Fund may be pledged as collateral with the SBA's futures and swap counterparties. Pursuant to these types of contracts, and also pending foreign currency contracts and commitments to purchase (TBAs), the FRS Pension Trust Fund agrees to receive or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receivables and payables are known as variation margin. All initial and variation margin amounts held by counterparties, and the variation margins held by the FRS Pension Trust Fund as of June 30, 2024, 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, 2024

	Fair Value
Margin receivable from counterparties:	
Futures contracts	$ 3,182
Swap contracts	4,081
Commitments to purchase (TBAs)	130
Total margin receivable	$ 7,393
Margin payable to counterparties:	
Futures contracts	$ 11,265
Swap contracts	2,311
Foreign currency contracts	4,170
Commitments to purchase (TBAs)	1,929
Total margin payable	$ 19,675

The Florida Prepaid Investment Plan also held open futures positions at June 30, 2024 while the Florida Prepaid College Program held open commitments to purchase (TBAs). 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 College Program and Florida Prepaid Investment Plan as of June 30, 2024, are included in "Accounts receivable" and in "Accounts payable and accrued liabilities", respectively, on the Statement of Net Position or Statement of Fiduciary Net Position. These amounts are presented in the table below (in thousands):

Florida Prepaid College Program and Investment Plan
Cash and Foreign Currency Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2024

	Fair Value
Margin receivable from counterparties:	
Futures contracts	$ 2
Total margin receivable	$ 2
Margin payable to counterparties:	
Futures contracts	$ 53
Swap contracts	63
Commitments to purchase (TBAs)	510
Total margin payable	$ 626

The FRS Pension Trust Fund also held short positions in investments at June 30, 2024. 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, 2024 (in thousands):

FRS Pension Trust Fund
Short Investment Position
As of June 30, 2024

Investment Type	Fair Value
U.S. guaranteed obligations	$ (4,642)
Federal agencies	(45,136)
Total	$ (49,778)

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, 2024. This report may be obtained from the Chief 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, 2024, 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, 2024, are excluded.

Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2024

Investment type	Fair Value
Certificates of deposit	$ 135,304
Commercial paper	7,714
Money market funds	378,767
U.S. guaranteed obligations	5,757,244
Federal agencies	831,430
Domestic bonds & notes	6,697,914
International bonds & notes	739,080
Domestic stocks	1,787,330
International stocks	1,011,540
Real estate investments	91,346
Mutual funds	3,129,322
Investment agreements	7,658,630
Total other investments for all types	$ 28,225,621
Reconciliation of fair value to the basic financial statements:	
Other investments	$ 21,712,567
Restricted investments	9,938,968
Less SBA Investments*	(3,425,914)
Total other investment for component units	$ 28,225,621

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

At June 30, 2024, 60.35% 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, 2024, 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, 2024

S&P rating[1]	Moody's rating[1]	Total[2]	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Repurchase agreements	Money Market funds
AAAm		$ 198,036	$ —	$ —	$ —	$ —	$ —	$ 198,036
AAA		2,993,629	—	4,791	2,953,840	34,998	—	—
AA		11,344,907	—	8,811,467	825,594	107,665	1,600,181	—
A		5,373,522	—	—	4,346,913	1,026,609	—	—
A-1		2,508,222	—	1,158,222	—	—	1,350,000	—
BBB		3,693,957	—	—	3,303,266	390,691	—	—
BB		43,108	—	—	40,758	2,350	—	—
B		3,443	—	—	3,443	—	—	—
Below B		620	—	—	620	—	—	—
	Aaa	2,853,150	—	17,928	2,835,222	—	—	—
	Aa	150,903	—	—	150,903	—	—	—
	A	204,216	—	—	204,216	—	—	—
	P-1	315,284	315,284	—	—	—	—	—
	Baa	393,813	—	—	346,973	46,840	—	—
	Ba	194,854	—	—	188,927	5,927	—	—
	B	7,284	—	—	—	7,284	—	—
	Below B	2	—	—	2	—	—	—
Not Rated	Not Rated	646,587	—	116,033	279,404	251,150	—	—
		$ 30,925,537	$ 315,284	$10,108,441	$ 15,480,081	$ 1,873,514	$ 2,950,181	$ 198,036
Not Rated[3]	Not Rated[3]	35,226,255	U.S. guaranteed obligations					
Not rated	Not Rated	399,680	Commingled STIF					
Not rated	Not Rated	1,544,135	Repurchase agreements					
		$ 68,095,607						

[1] The remaining $4,352,626 (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] 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, 2024, more than five percent of the State Treasury's investment pool is invested in the Federal Home Loan Mortgage Corporation (FHLMC), and the Federal National Mortgage Association (FNMA). These investments are approximately 5 percent and 5 percent of the State Treasury's investments pool, respectively.

Other Investments

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

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

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

Generally, securities in other major portfolios, such as the Securitized Index Portfolio, Government/Credit Index Portfolio and the Core Portfolio, should be rated investment grade by at least one of the NRSROs at the time of purchase, with minimum long-term ratings of Baa\BBB by one of the NRSROs. Securities for a single issuer are generally limited to 5% of the fair value of the portfolio (excluding U.S. Treasuries and Agencies).

Securitized Index Portfolio – Securities are generally limited to those issued by the Government Sponsored Enterprises (GSE), securitized products, swaps, swaptions, and futures.

Government/Credit Index Portfolio and the Core Portfolio – These portfolios allow U.S. Treasuries, U.S. Government agencies, corporate, foreign sovereign debt and municipals. The Core Portfolio also allows mortgage and asset-backed securities.

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 were sold for a loss during fiscal year 2024. See Note 3.B.5. for more information.

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

The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund's fair market value at June 30, 2024. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2024 (in thousands):

FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2024

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		$ 2,899,146	$ 50,030	$ 2,569,808	$ 279,308	$ —	$ —	$ —	$ —
A-3		287	—	287	—	—	—	—	—
AAA		988,181	—	—	—	—	—	502,569	485,612
AA		854,954	—	—	—	—	341,335	326,432	187,187
A		3,365,347	—	—	—	—	—	2,637,036	728,311
BBB		6,456,537	—	—	—	—	—	5,273,521	1,183,016
BB		270,970	—	—	—	—	—	214,555	56,415
B		71,823	—	—	—	—	—	42,520	29,303
CCC		7,595	—	—	—	—	—	7,595	—
CC		1,118	—	—	—	—	—	—	1,118
	P-1	174,922	—	174,922	—	—	—	—	—
	Aaa	1,187,262	—	—	—	—	—	931,962	255,300
	Aa	154,706	—	—	—	—	—	110,960	43,746
	A	240,834	—	—	—	—	—	209,474	31,360
	Baa	524,544	—	—	—	—	—	354,043	170,501
	Ba	245,628	—	—	—	—	—	230,022	15,606
	B	44,689	—	—	—	—	—	30,945	13,744
	Caa	2,753	—	—	—	—	—	1,060	1,693
	Ca	264	—	—	—	—	—	264	—
NR	NR	11,493,919	50,034	—	—	979,161	8,018,195	2,327,186	119,343
Total ratable investments		$ 28,985,479	$ 100,064	$ 2,745,017	$ 279,308	$ 979,161	$ 8,359,530	$ 13,200,144	$ 3,322,255
Ratings not Applicable:									
Repurchase agreements[4]		620,839							
U.S. guaranteed obligations[4]		17,932,296							
Domestic stocks		57,446,035							
International stocks		32,281,386							
Commingled international equity funds		2,951,994							
Alternative investments		43,893,436							
Real estate (directly owned)		13,398,266							
Commingled real estate investment funds		2,179,369							
Derivative instruments, net:									
Forward currency contracts		3,893							
Futures (debt and equity)		886							
Swaps		(381)							
Total investments		$ 199,693,498							

[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 Pension Trust Fund 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, 2024, 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 $3.4 million as of June 30, 2024.

Counterparty credit ratings related to credit risk for forward foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2024, are listed below (in thousands):

FRS Pension Trust Fund
Forward Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2024

Counterparty Credit Rating (Long / Short)[1] S&P	Moody's	Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)[2]
A/A-1		$ 5,128	$ (2,581)	$ 2,547
	A/P-1	116	—	116
	NR/P-1	1,315	(85)	1,230
Total		$ 6,559	$ (2,666)	$ 3,893

[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, 2024, are listed below (in thousands):

FRS Pension Trust Fund
Spot Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2024

Counterparty Credit Rating (Long /Short)[1] S&P	Moody's	Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
AA/A-1		$ 21,569	$ (21,582)	$ (13)
A/A-1		104,129	(104,369)	(240)
	A/P-1	10,429	(10,466)	(37)
	NR/P-1	22,656	(22,673)	(17)
NR	NR	55,527	(55,561)	(34)
	Total	$ 214,310	$ (214,651)	$ (341)

[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 College Program at June 30, 2024, were unavailable.

Counterparty credit ratings related to credit risk for forward currency exchange contracts held in the Florida Prepaid Investment Plan at June 30, 2024, are listed below (in thousands):

Florida Prepaid Investment Plan
Forward Foreign Currency Exchange Contracts Counterparty Credit Ratings
As of June 30, 2024

Counterparty Credit Rating (Long /Short[1] S&P	Moody's	Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
A/A-1		$ 749	$ (750)	$ (1)
Total		$ 749	$ (750)	$ (1)

[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, 2024, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2024

Credit Rating[1] S&P	Moody's	Total[2]	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies	Domestic bonds and notes[3]	International bonds and notes
AAAm		$ 389,248	$ —	$ —	$ 389,248	$ —	$ —	$ —	$ —
A-1		16,454,110	—	16,293,042	—	—	—	161,068	—
AAA		414,948	—	—	—	—	—	382,820	32,128
AA		830,129	—	—	—	2	57,819	574,032	198,276
A		2,642,886	—	—	—	89,154	—	1,720,708	833,024
BBB		1,191,182	—	—	—	10,695	—	1,019,352	161,135
BB		3,575	—	—	—	—	—	1,649	1,926
B		138	—	—	—	—	—	138	—
	P-1	610,363	—	610,363	—	—	—	—	—
	Aaa	307,430	—	—	—	—	—	270,799	36,631
	Aa	8,821	—	—	—	—	—	6,820	2,001
	A	231,101	—	—	—	—	—	227,526	3,575
	Baa	100,239	—	—	—	151	—	92,099	7,989
	Ba	69,753	—	—	—	—	—	69,275	478
	B	289	—	—	—	—	—	289	—
NR	NR	10,706,086	5,606,305	—	43,445	111,067	827,552	4,088,251	29,466
Total ratable investments		$ 33,960,298	$ 5,606,305	$ 16,903,405	$ 432,693	$ 211,069	$ 885,371	$ 8,614,826	$ 1,306,629
Ratings not applicable									
Repurchase agreements[4]		1,537,531							
Repurchase agreement (collateralized by stocks)		165,000							
U.S. guaranteed obligations[4]		16,007,344							
Domestic stocks		1,140,385							
Commingled domestic equity funds/mutual funds		9,277,196							
International stocks		713,558							
Commingled international equity funds/mutual funds		3,349,683							
Commingled real asset funds		1,486,518							
Self-directed brokerage accounts		1,440,066							
Derivative instruments, net:									
Forward currency contracts		(1)							
Futures contracts (debt)		32							
Swap contracts		70							
Total investments		$ 69,077,680							

[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 $3.7 billion and $28.2 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, 2024

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)	$ —	$ 158,521	$ —	$ —	$ —	$ 158,521	AAA-AA+
FHFC (continued)	—	22,945	—	—	—	22,944.616	AAA-A-
FHFC (continued)	—	225,608	—	—	—	225,607.802	AAA-BBB
FHFC (continued)	—	7,619	—	—	—	7,618.931	AAA
FHFC (continued)	39,328	—	—	—	264,782	304,110.509	AA+
University of Florida (UF)	1,704	7,712	51,633	49,007	—	110,055.84	AAA
UF (continued)	5,711	212	—	107,943	—	113,866.188	AA
UF (continued)	1,224	2,720	495	29,500	—	33,938.768	A
UF (continued)	500	85,297	23,654	12,639	—	122,090.657	Less than A
Citizens Property Insurance Corporation (CPIC)	451,304	—	—	—	2,542,583	2,993,887	AA+
CPIC (continued)	—	715,627	—	—	—	715,627	A+
CPIC (continued)	—	4,537,671	—	—	—	4,537,671	A
Total Investments	$ 499,772	$ 5,763,931	$ 75,781	$ 199,090	$ 2,807,365	$ 9,345,939	

*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, 2024. 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, 2024

	Fair value
Invested security lending collateral:	
Repurchase agreements	$ 3,144,316
Commercial Paper	195,337
Federal agencies	80,007
Bonds and notes - domestic	403,135
Bonds and notes - international	42,307
Total	$ 3,865,102

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, whose creditworthiness is monitored by the SBA. 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, but 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, 2024. 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, 2024

	Other funds
Invested security lending collateral:	
Certificates of deposit	$ 203,408
Commercial paper	236,096
Repurchase agreements	350,600
Total	$ 790,104

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, 2024

Component unit / Investment type	Fair value
University of Florida	
Federal agencies	$ 5,711
Bonds and notes	16,493
Mutual funds	25,080
Money Market Funds	495
Total	$ 47,779

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: seven (7) 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, 2024

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Commercial paper	$ 119,947	0.01	$ 195,337	63.62
Money market funds	198,036	0.29	—	N/A
Repurchase agreements	1,350,000	0.02	3,144,316	1.00
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	29,091,471	2.64	—	N/A
U.S. Treasury strips	27,856	17.02	—	N/A
U.S. Treasury bills	4,732,210	0.15	—	N/A
GNMA mortgage-backed pass-through	774,530	5.46	—	N/A
GNMA TBA pass-through	—	N/A	—	N/A
GNMA collateralized mortgage obligations (CMO's)	113,030	7.12	—	N/A
GNMA CMO's - principal only	2,024	24.71	—	N/A
GNMA CMO's - interest only	16,524	2.74	—	N/A
SBA asset-backed	468,610	5.27	—	N/A
Federal agencies:			80,007	1.00
Discount notes	1,201,331	0.62	—	N/A
Unsecured bonds & notes	141,825	6.94	—	N/A
Mortgage-backed pass-through	8,273,939	5.54	—	N/A
TBA mortgage-backed pass-through	—	N/A	—	N/A
Mortgage-backed CMO's	385,173	4.59	—	N/A
Mortgage-backed CMO's - principal only	26	2.30	—	N/A
Mortgage-backed CMO's - interest only	26,140	2.32	—	N/A
Domestic bonds and notes:			403,135	1.00
Corporate	8,581,398	4.97	—	N/A
Corporate asset-backed	3,614,857	1.79	—	N/A
Non-government backed CMO's & CMBS*	2,290,338	3.09	—	N/A
Non-government backed CMO's & CMBS* - interest only	7,206	2.69	—	N/A
Municipal/provincial	583,147	6.02	—	N/A
International bonds and notes:			42,307	1.00
Government & Agency	357,672	3.38	—	N/A
Corporate	1,473,535	3.20	—	N/A
Commingled STIF	399,680	—	—	N/A
Futures contracts - long**	—	5.87	—	N/A
Futures contracts - short**	—	8.57	—	N/A
Total portfolio effective duration and weighted average maturity	—	3.13	—	4.16
Total debt investments***	$ 64,230,505		$ 3,865,102	

*Commercial Mortgage-Backed Securities (CMBS).

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

***The remaining $4,352,626 (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.

Securitized 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 Bloomberg U.S. Securitized Index duration. Interest rate swaps, swaptions, interest rate futures, and/or Agency debentures may contribute no more than 25% of the portfolio's total duration.

Government/Credit Index Portfolio – Portfolio duration should remain within plus or minus 0.25 years of the Bloomberg U.S. Government/Credit 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.

Core Portfolios – Portfolio duration should remain within plus or minus 0.50 years of the Bloomberg U.S. Aggregate 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, were sold for a loss, during fiscal year 2024. See Note 3.B.5., Security Lending, for additional information. 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, 2024

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$ —	N/A	$ 100,064	82
Commercial paper	—	N/A	2,745,017	17
Money market funds	—	N/A	279,308	1
Repurchase agreements	—	N/A	1,600,000	4
U.S. guaranteed obligations:				
U.S. Treasury bills	2,105,429	0.12	—	N/A
U.S. Treasury bonds and notes	14,063,212	6.36	—	N/A
U.S. Treasury strips	17,240	16.89	—	N/A
Index linked government bonds	187,576	7.34	—	N/A
U.S. government guaranteed bonds and notes	4,867	5.67	—	N/A
Asset-backed	2,057	1.27	—	N/A
GNMA mortgage-backed pass-through	1,023,571	5.21	—	N/A
GNMA TBA mortgage-backed pass-through	111,867	5.74	—	N/A
GNMA CMO's and CMBS[1]	416,477	5.71	—	N/A
Federal agencies:				
Discount notes	27,596	0.02	—	N/A
Unsecured bonds and notes	313,739	5.49	—	N/A
Agency strips	28,050	7.93	—	N/A
Mortgage-backed pass-through	5,819,612	4.08	—	N/A
FNMA, FHLMC TBA mortgage-backed pass-through	1,285,213	5.58	—	N/A
Mortgage-backed CMO's and CMBS[1]	885,320	5.37	—	N/A
Domestic bonds and notes:				
Corporate	10,795,574	2.37	—	N/A
Non-government asset and mortgage-backed	700,676	2.22	—	N/A
Non-government backed CMO's and CMBS[1]	1,681,098	3.50	—	N/A
Municipal/provincial	22,796	8.00	—	N/A
International bonds and notes:				
Government and agency	842,929	4.59	—	N/A
Corporate	1,988,927	4.12	—	N/A
Non-government asset and mortgage-backed	475,995	0.14	—	N/A
Non-government backed CMO's and CMBS[1]	14,404	0.08	—	N/A
Futures contracts - long (debt)[2]	10,690	4.70	—	N/A
Futures contracts - short (debt)[2]	(4,123)	8.27	—	N/A
Credit default swaps[2]	(2,029)	—	—	N/A
Interest rate swap contracts[2]	1,648	1.24	—	N/A
Total debt investments	$ 42,820,411		$ 4,724,389	

[1]Includes investments in IOs, POs, and INVs totaling $62 million at June 30, 2024.
[2]The futures and swap contracts effective weighted durations 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, 2024

Investment type	Fair value (duration)	Effective weighted duration (in years)
GNMA commitments to sell (TBAs)	$ (4,642)	6.21
FNMA, FHLMC commitments to sell (TBAs)	(45,136)	6.36
Total debt investments sold short[1]	$ (49,778)	

[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, 2024 (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, 2024

		Investment maturities (in years)						
Investment type	Total fair value	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	$ 344,692	$ 344,692	$ —	$ —	$ —	$ —	$ —	$ —
U.S. Treasury bonds, notes, and SLGS*	556,158	552,138	1,569	1,635	816	—	—	—
U.S. Treasury strips	214,802	24,032	49,375	37,048	58,984	23,581	13,809	7,973
Total debt investments	$ 1,115,652	$ 920,862	$ 50,944	$ 38,683	$ 59,800	$ 23,581	$ 13,809	$ 7,973

*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, 2024

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$ —	N/A	$ 5,606,305	73
Commercial paper	114,584	0.19	16,788,821	50
Money market funds	43,173	0.08	389,520	1
Repurchase agreements	—	N/A	1,913,600	1
U.S. guaranteed obligations:				
U.S. Treasury bills	—	N/A	6,204,335	42
U.S. Treasury bonds and notes	1,164,517	9.62	3,219,656	184
U.S. Treasury strips	4,130,612	14.62	—	N/A
Index linked government bonds	47,082	10.25	—	N/A
U.S. government guaranteed	212	3.91	—	N/A
U.S. guaranteed (SBA) asset-backed	9,005	5.92	—	N/A
GNMA mortgage-backed pass through	69,364	7.20	—	N/A
GNMA commitments to purchase (TBAs)	14,877	4.81	—	N/A
GNMA CMO's[1]	32,032	7.29	—	N/A
Federal agencies:				
Unsecured bonds and notes	42,049	8.67	—	N/A
Agency strips	258,590	6.22	—	N/A
Mortgage-backed (FNMA, FHLMC)	342,226	6.75	—	N/A
FNMA, FHLMC commitments to purchase (TBAs)	180,230	6.77	—	N/A
Mortgage-backed CMO's and CMBS[1]	62,276	4.52	—	N/A
Domestic bonds and notes:				
Corporate	2,350,599	10.09	1,827,259	176
Non-government asset and mortgage-backed	365,003	2.59	—	N/A
Non-government backed CMO's and CMBS[1]	253,487	3.27	—	N/A
Municipal/provincial	32,512	6.18	44,420	24
Commingled funds/mutual funds	3,741,546	4.57	—	N/A
International bonds and notes:				
Government and agency	31,082	8.75	24,639	435
Corporate	259,837	9.64	893,226	210
Non-government asset and mortgage-backed	69,636	0.17	—	N/A
Mutual fund	28,209	7.10	—	N/A
Futures contracts - long (debt)[2]	25	5.16	—	N/A
Futures contracts - short (debt)[2]	7	8.89	—	N/A
Credit default Swaps	9	(0.08)	—	N/A
Interest rate Swaps[2]	61	(9.53)	—	N/A
Total debt investments	$ 13,642,842		$ 36,911,781	

[1]Includes Investments in PO's, IO's and INV IO's totaling $388 thousand, $9.7 million and $111 thousand, respectively, at June 30, 2024, in the Florida Prepaid College Program, and $334 thousand in IO's in Florida Prepaid Investment Plan.
[2] The futures and swap 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, 2024

		Investment maturities (in years)			
Component unit / Investment type	Total fair value	Less than or equal to 1	> 1 to 5	> 5 to 10	> 10
University of Florida					
U.S. guaranteed obligations	$ 8,368	$ 8,250	$ 118	$ —	$ —
Federal agencies	9,140	9,140	—	—	—
Bonds & notes	95,941	13,417	1,030	—	81,494
Bond Mutual funds	199,090	12,872	170,707	15,511	—
Total debt investments	$ 312,539	$ 43,679	$ 171,855	$ 15,511	$ 81,494

Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2024

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	$ 264,782	1.41	$ —	N/A
Federal agencies	39,328	1.26	—	N/A
Bonds & notes	414,693	1.55	—	N/A
Others	—	N/A	—	N/A
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	—	N/A	2,542,583	1.68
Federal agencies	—	N/A	451,304	7.32
Bonds & notes	—	N/A	4,537,671	5.45
International bonds and notes	—	N/A	715,627	4.54
Total debt investments	$ 718,803		$ 8,247,185	

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 and Investment Plan had exposure to foreign currency risk at June 30, 2024. These funds are managed primarily by the use of "asset classes".

The FRS Pension Trust Fund investment policy, approved and effective on January 12, 2024, by the Trustees, limits the global equity asset class (including domestic and foreign equities) to a policy range of 35-60% and a target allocation of 45%. 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 Fund 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 $41.5 billion as of June 30, 2024.

The LCEF fund was almost fully liquidated by the end of the fiscal year ended June 30, 2024, 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, 2024, 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, 2024

	Investment Type				
Currency	Equity	Alternative Investments	Fixed Income	Other	Spot Contracts, Net
Australian dollar	$ 652,872	$ —	$ —	$ 105,725	$ (1,234)
Brazilian real	314,828	—	12,386	—	(1,885)
British pound sterling	3,007,643	135,402	8,643	(35,557)	19,981
Canadian dollar	1,161,712	—	913	88,619	(411)
Chilean peso	24,176	—	—	—	199
Chinese yuan renminbi	339,193	—	—	(9,984)	1,235
Colombian peso	549	—	—	—	—
Czech koruna	22,071	—	—	—	—
Danish krone	872,440	—	—	(17,292)	(81)
Egyptian pound	84	—	—	—	—
Euro	6,810,087	2,150,406	86,595	(354,465)	56,639
Hong Kong dollar	1,798,521	—	—	—	4,573
Hungarian forint	16,947	—	—	—	—
Indian rupee	1,563,055	—	—	—	—
Indonesian rupiah	212,709	—	—	—	(267)
Israeli shekel	24,829	—	—	—	(395)
Japanese yen	3,732,818	12,789	—	2,243	4,469
Kuwaiti dinar	10,470	—	—	—	—
Malaysian ringgit	83,806	—	—	—	113
Mexican peso	220,950	—	11,533	—	—
New Taiwan dollar	1,582,069	—	—	(15,207)	(2,945)
New Zealand dollar	13,095	—	—	—	219
Norwegian krone	188,643	—	—	8,431	(56)
Philippines peso	46,855	—	—	—	78
Polish zloty	90,562	—	—	—	(114)
Qatari riyal	26,981	—	—	—	—
Saudi Arabian riyal	163,657	—	—	—	(5)
Singapore dollar	300,391	—	—	7,069	1,527
South African rand	200,819	—	—	—	1,497
South Korean won	1,357,195	—	—	(44,243)	(2,135)
Swedish krona	572,501	44,909	—	38,593	(3,757)
Swiss franc	1,351,274	—	—	80,311	(2,066)
Thailand baht	139,677	—	—	—	833
Turkish lira	69,181	—	—	—	500
United Arab Emirates dirham	117,509	—	—	—	—
Uruguayan peso	—	—	17,492	—	—
Vietnam dong	10,366	—	—	—	—
Total foreign currency investments	27,100,535	2,343,506	137,562	(145,757)	76,512
Other investments with potential exposure to foreign currency risk:					
Alternative investments	—	41,549,930	—	—	—
P-notes and ETFs	1,073,917	—	—	—	—
Commingled international equity funds	2,951,994	—	—	—	—
Total investments subject to foreign currency risk	$ 31,126,446	$ 43,893,436	$ 137,562	$ (145,757)	$ 76,512

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, 2024, 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, 2024

			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	4,401	516,515	515,621	(894)	$ (894)
MSCI Emerging Markets[1]	U. S. dollar	181	9,820	9,848	28	28
Bond Futures:						
Euro Bobl	Euro	(65)	(7,487)	(7,568)	(81)	(87)
Euro Bund	Euro	(105)	(13,782)	(13,820)	(38)	(41)
Euro Buxl 30-Year	Euro	(15)	(1,922)	(1,954)	(32)	(34)
Canada 10-Year	Canadian dollar	118	14,055	14,168	113	83
						$ (945)

[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 contracts that were exposed to foreign currency risk at June 30, 2024.

The FRS Pension Trust Fund, Florida Prepaid College 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, 2024, is presented below, by currency (in thousands):

FRS Pension Trust Fund
Foreign Currency Exchange Contracts
As of June 30, 2024

	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	$ 105,121	$ —	$ 105,725	$ 604	$ —	$ (1,234)	$ (1,234)	$ (6)
Brazilian real	—	—	—	—	2,311	(4,196)	(1,885)	(15)
British pound sterling	2,081	38,700	(36,469)	150	25,184	(5,203)	19,981	(48)
Canadian dollar	89,409	1,460	88,536	587	—	(411)	(411)	—
Chilean peso	—	—	—	—	199	—	199	—
Chinese yuan renminbi	—	9,872	(9,984)	(112)	1,268	(33)	1,235	5
Danish krone	2,063	19,380	(17,293)	24	—	(81)	(81)	—
Euro	17,273	373,691	(354,303)	2,115	89,273	(32,634)	56,639	(246)
Hong Kong dollar	6,932	6,929	—	(3)	6,555	(1,982)	4,573	—
Indonesian rupiah	—	—	—	—	226	(493)	(267)	—
Israeli shekel	—	—	—	—	—	(395)	(395)	—
Japanese yen	65,397	62,732	2,243	(422)	9,720	(5,251)	4,469	(9)
Malaysian ringgit	—	—	—	—	386	(273)	113	—
New Taiwan dollar	—	15,444	(15,207)	237	—	(2,945)	(2,945)	(7)
New Zealand dollar	—	—	—	—	219	—	219	—
Norwegian krone	8,156	—	8,431	275	56	(112)	(56)	—
Philippines peso	—	—	—	—	78	—	78	—
Polish zloty	—	—	—	—	588	(702)	(114)	(1)
Saudi Arabian riyal	—	—	—	—	—	(5)	(5)	—
Singapore dollar	7,129	—	7,069	(60)	1,527	—	1,527	1
South African rand	—	—	—	—	1,951	(454)	1,497	2
South Korean won	—	44,666	(44,242)	424	2,831	(4,966)	(2,135)	(17)
Swedish krona	41,097	2,497	38,593	(7)	—	(3,757)	(3,757)	(4)
Swiss franc	80,230	—	80,311	81	781	(2,847)	(2,066)	1
Thailand baht	—	—	—	—	1,079	(246)	833	4
Turkish lira	—	—	—	—	1,222	(722)	500	(1)
U.S. dollar	575,371	424,888	150,483	—	68,856	(145,709)	(76,853)	—
Total	**$ 1,000,259**	**$ 1,000,259**	**$ 3,893**	**$ 3,893**	**$ 214,310**	**$ (214,651)**	**$ (341)**	**$ (341)**

The FRS Pension Trust Fund's Swap agreement positions as of June 30, 2024, 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, 2024

Currency	Notional Amount (Local Currency)	Receive[1]	Pay	Maturity Date	Market Value (Local Currency)	Market Value (in U.S. $)
British Pound Sterling	$ 5,565	SONIA-1D	1.0% Fixed	5/8/2026	345	$ 436
British Pound Sterling	$ 4,400	SONIA-1D	1.05% Fixed	5/8/2027	376	$ 476

[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 LCEF and Florida Prepaid College Program investments exposed to foreign currency risk as of June 30, 2024, 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, 2024

	LCEF Investment Type	Florida Prepaid College Program and Investment Plan Investment Type			
Currency	Equity	Equity	Fixed Income	Other[1]	Spot Foreign Currency Contracts, Net
British pound sterling	$ —	$ 36,660	$ —	$ —	$ 147
Canadian dollar	—	36,731	—	3	—
Danish krone	—	39,250	—	—	—
Euro	—	185,413	479	(480)	2,383
Hong Kong dollar	29	32,204	—	—	—
Israeli shekel	—	10,280	—	—	—
Japanese yen	—	57,569	—	—	(262)
Mexican Peso	—	20,881	—	—	—
Singapore dollar	18	—	—	—	—
Swedish krona	—	9,543	—	—	—
Swiss franc	—	12,582	—	—	—
Taiwan Dollar	—	2,783	—	—	(1,152)
Total foreign currency risk	$ 47	$ 443,896	$ 479	$ (477)	$ 1,116
Other investments with potential exposure to foreign currency risk:					
Commingled International bonds and notes funds	—	—	28,209	—	—
Commingled international equity funds	—	557,163	—	—	—
Total investments subject to foreign currency risk	$ 47	$1,001,059	$ 28,688	$ (477)	$ 1,116

[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, 2024, that have exposure to foreign currency risk are presented below (values in thousands):

Fiduciary Funds (Florida Prepaid Investment Plan)
Futures Positions Exposed to Foreign Currency Risk
As of June 30, 2024

			In Local Currency			
	Currency	Number of Contracts	Notional Traded Exposure	Notional Market Exposure	Unrealized Gain (Loss)	Unrealized Gain/(Loss) (in U.S. $)
Bond Futures:						
Canada 10-Year	Canadian dollar	7	834	841	7	$ 3
Euro Buxl 30 year	Euro	(1)	(128)	(130)	(2)	(1)
Euro Bund	Euro	(12)	(1,570)	(1,580)	(10)	8
						$ 10

A Schedule of the Florida Prepaid College Plan's foreign currency exchange contracts outstanding at June 30, 2024, is presented below, by currency (in thousands):

Florida Prepaid College Plans
Foreign Currency Exchange Contracts
As of June 30, 2024

	Florida Prepaid Investment Plan				Florida Prepaid Program			
	Forward Currency Contracts				Spot Currency Contracts			
Currency	**Receivable Notional**	**Payable Notional**	**Total Market Value**	**Unrealized Gain/ (Loss)**	**Receivables**	**Payables**	**Net Receivables/ Payables**	**Net Unrealized Gain/(Loss)**
British Pound Sterling	$ —	$ —	$ —	$ —	$ 147	$ —	$ 147	$ —
Euro	132	618	(487)	(1)	2,383	—	2.383	1
Japanese yen	—	—	—	—	—	(262)	(262)	—
Taiwan dollar	—	—	—	—	—	(1,152)	(1,152)	(5)
U.S. dollar	618	132	486	—	1,409	(2,529)	(1,120)	—
Total	$ 750	$ 750	$ (1)	$ (1)	$ 3.939	$ (3.943)	$ (4)	$ (4)

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 investment fair value on the Statement of Fiduciary 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, 2024. 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 $3,865,308,946 cash collateral and $6,760,134,498 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 $3,765,043,711. Securities held with others under security lending agreements with non-cash collateral totaled $6,576,770,792. 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, 2024, are as follows (in thousands):

State Treasury Investments on Loan Under Security Lending Agreements
As of June 30, 2024

Securities on Loan for Cash Collateral, by Security Type	Fair Value of Securities on Loan*
U.S. guaranteed obligations	$ 3,450,287
Federal agencies	9,117
Domestic bonds and notes	258,079
International bonds and notes	47,561
Total securities on loan for cash collateral	3,765,044
Securities on Loan for Non-Cash Collateral, by Security Type	
U.S. guaranteed obligations	6,569,630
Domestic bonds and notes	7,141
Total securities on loan for non-cash collateral	6,576,771
Total securities on loan	$ 10,341,815

*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, 2024. Initial collateral requirements for securities on loan range from 100% to 110%, depending on the lending agent, the type of security lent and the type of collateral received. The SBA had received and invested approximately $1.1 billion in cash and $14.0 billion in U.S. government and federal agency securities as collateral for the lending programs as of June 30, 2024. At June 30, 2024, 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 the Florida Prepaid College Program security lending programs included investments with final maturities of six months or more representing approximately 8% 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, 2024, the collateral re-investment portfolios for the FRS Pension Trust Fund were entirely reinvested in selected money market funds in order to maximize earnings and reduce risk. During fiscal year 2024, the remaining legacy securities (bonds and notes) purchased with cash collateral in the FRS Pension Trust Fund under the 2008 lending cash collateral investment policy were sold for a loss. The amount written off totaled approximately $18.2 million. At June 30, 2024, 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, 2024 (in thousands):

Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2024

	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	$ 101,306	$ 690,329	$ 791,635
Federal agencies	4,996	—	4,996
Domestic bonds and notes	47,568	98,508	146,076
International bonds and notes	37,859	21,168	59,027
Domestic stocks	45,925	9,271	55,196
International Stocks	6,017	23,884	29,901
Total Securities on loan for cash collateral	243,671	843,160	1,086,831
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	4,234,237	1,288,227	5,522,464
Federal agencies	1,562,311	—	1,562,311
Domestic bonds and notes	534,553	76,291	610,844
International bonds and notes	105,700	6,627	112,327
Domestic stocks	2,298,217	31,630	2,329,847
International stocks	3,119,436	49,531	3,168,967
Total securities on loan for non-cash collateral	11,854,454	1,452,306	13,306,760
Total securities on loan	$ 12,098,125	$ 2,295,466	$ 14,393,591

[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, options and swaps.

Pooled Investments with the State Treasury

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Although put and call options on any security are permitted under the State Treasury's investment guidelines, interest rate futures were the only type of derivative held as of June 30, 2024. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2024. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2024.

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

	Notional (in U.S. $)	Changes in Fair Value Classification	Changes in Fair Value Amount	Fair Value at June 30, 2024 Classification	Fair Value at June 30, 2024 Amount
State Treasury					
Investment derivatives:					
Futures	$ 292,900	Investment Income	$ (8,018)	Receivable/(Payable)	$ 1,263

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 or the Florida Prepaid College Program'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 (or the Florida Prepaid College Program) and third-party counterparties. Future contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Position. Losses may arise from future changes in the value of the underlying instrument.

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

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

A swap is a contractual agreement to exchange a stream of periodic payments utilizing a central clearing house, whereby, each party in the transaction enters into a contract with the central counterparty. These agreements may be over-the-counter or exchange-traded. Upon entering into a swap contract through a clearing house, collateral is deposited with the counterparty, in SBA's (or Florida Prepaid College Program'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.

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A summary of investment derivatives traded in the FRS Pension Trust Fund is presented below. As of June 30, 2024, all of the SBA investment derivatives were reported at fair value (in thousands).

	Notional (in U.S. $)	Increase/(Decrease) in Fair Value Classification	Increase/(Decrease) in Fair Value Amount (in U.S. $)	Fair Value at June 30, 2024 Classification	Fair Value at June 30, 2024 Amount (in U.S. $)
Fiduciary funds (FRS Pension Trust Fund)					
Investment derivative instruments:					
Futures[1]					
Futures (debt)	$ 3,787,728	Investment Income	$ (23,888)	Investment	$ 6,567
Futures (equity)	$ 2,166,297	Investment Income	253,606	Investment	(5,681)
Total futures			$ 229,718		$ 886
Forward currency contracts	$ 1,000,259	Investment Income	$ 5,720	Investment	$ 3,893
Options					
Foreign currency options sold	$ —	Investment Income	45	Investment	—
			$ 45		$ —
Swaps					
Credit default swaps	$ 116,715	Investment Income	$ (4,300)	Investment	$ (2,029)
Interest rate swaps	$ 385,132	Investment Income	(4,119)	Investment	1,648
Total swaps			$ (8,419)		$ (381)

[1]The total notional values of long and short fixed income futures positions were $2.8 billion and $948.2 million, respectively. The total notional value of long equity futures positions was $2.2 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, 2024.

	Notional (in U.S. $)	Increase/(Decrease) in Fair Value Classification	Increase/(Decrease) in Fair Value Amount (in U.S. $)	Fair Value at June 30, 2024 Classification	Fair Value at June 30, 2024 Amount (in U.S. $)
Fiduciary funds (Investment Plan)					
Investment derivative instruments:					
Futures (debt)[1]	$ 7,240	Investment Income	$ (27)	Investment Income	$ 32
Forward currency contracts	$ 750	Investment Income	$ 20	Investment Income	$ (1)
Swaps					
Interest rate swaps	$ 645	Investment Income	$ 48	Investment Income	$ 61
Credit default swaps	$ 268	Investment Income	$ 1	Investment Income	$ 9

[1]The total notional values of long and short debt futures positions were $9.1 million and $1.8 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, strategic, and active credit investments not reported on the FRS Pension Trust Fund Statement of Fiduciary Net Position totaled $17.8 billion as of June 30, 2024.

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, 2024, the State Treasury had the following recurring fair value measurements (in thousands):

Investments and Derivative Instruments Measured at Fair Value
As of June 30, 2024

Investments by fair value level	**Total**	**Level 1**	**Level 2**	**Level 3**
Commercial paper	$ 119,947	$ —	$ 119,947	$ —
U.S. guaranteed obligations	35,226,255	33,845,641	1,380,614	—
Federal agencies	10,028,434	—	10,028,434	—
Bonds and notes - domestic	15,076,946	—	15,073,430	3,516
Bonds and notes - international	1,831,207	4,914	1,826,293	—
Commingled STIF	399,680	—	—	399,680
Lending collateral investments:				
Commercial Paper	195,337	—	195,337	—
Federal Agencies	80,007	—	80,007	—
Bonds and notes - domestic	403,135	—	403,135	—
Bonds and notes - international	42,307	—	42,307	—
Total investments by fair value level	$ 63,403,255	$ 33,850,555	$ 29,149,504	$ 403,196
Investment derivative instruments				
Futures contracts	$ 1,263	$ 1,263	$ —	$ —
Total investment derivative instruments	$ 1,263	$ 1,263	$ —	$ —

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, 2024 (in thousands):

FRS Pension Trust Fund
As of June 30, 2024

	Fair Value Measurement Using			
Investments by fair value level	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Certificates of deposit	$ 100,064	$ —	$ 100,064	$ —
Commercial paper	2,745,017	—	2,745,017	—
U.S. guaranteed obligations	17,932,296	—	17,932,296	—
Federal agencies	8,359,530	—	8,335,567	23,963
Domestic bonds and notes	13,200,144	—	13,159,877	40,267
International bonds and notes	3,322,255	—	2,834,327	487,928
Total debt securities	45,659,306	—	45,107,148	552,158
Equity securities				
Domestic	57,446,035	57,438,515	—	7,520
International	32,281,386	32,229,946	—	51,440
Total equity securities	89,727,421	89,668,461	—	58,960
Commingled international equity funds	187,082	—	187,082	—
Alternative Investments				
Private equity fund	127,500	—	—	127,500
Real Estate direct investments	13,398,266	—	—	13,398,266
Derivative Instruments, net				
Forward currency contracts	3,893	—	3,893	—
Futures contracts	886	886	—	—
Swap contracts	(381)	—	(381)	—
Total Investment derivative instruments	4,398	886	3,512	—
Securities lending collateral investments				
Domestic bonds and notes	—	—	—	—
Total investments by fair value level	$ 149,103,973	$ 89,669,347	$ 45,297,742	$ 14,136,884
Investments Measured at the Net Asset Value (NAV)				
Commingled international equity funds	2,764,912			
Commingled real estate investment funds	2,179,369			
Activist equity funds	1,562,151			
Hedge funds	3,606,289			
Insurance funds	1,604,579			
Private debt/credit opportunities funds	6,542,373			
Private equity funds	21,719,556			
Private real asset funds	8,730,988			
Total investments measured at the NAV	48,710,217			
Total investments measured at fair value	$ 197,814,190			
Other investments carried at amortized cost				
Money market funds	28,090			
Money market funds - security lending collateral	251,218			
Repurchase agreements	1,600,000			
Total investments carried at amortized cost	1,879,308			
Total investments	$ 199,693,498			
Investments sold short (Liabilities) measured at fair value				
U.S. guaranteed obligations	$ (4,642)	$ —	$ (4,642)	$ —
Federal agencies	(45,136)	—	(45,136)	—
Total investments sold short	$ (49,778)	$ —	$ (49,778)	$ —

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2024 is presented in the footnotes to the table below (in thousands):

FRS Pension Trust Fund
Additional GASB 72 Required Disclosures

	Fair Value 6/30/2024	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:				
Commingled international equity funds[1]	$ 2,764,912	$ —	Daily, Monthly	2 - 3 days
Commingled real estate investment funds[2]	2,179,369	—	Quarterly	15 - 90 days
Activist equity funds[3]	1,562,151	—	Monthly, Annually	65 - 90 days
Hedge funds				
Diversifying strategies (managed futures)[4]	1,496,868	—	Daily, Monthly	10 - 35 days
Equity long/short[5]	354,970	—	Monthly, Quarterly	30 - 45 days
Event driven[6]	49,981	—	See footnote	
Multi-strategy[7]	877,945	—	Quarterly	30 - 65 days
Opportunistic debt[8]	176,682	—	See footnote	
Relative value[9]	649,843	—	Quarterly	60 - 90 days
Insurance funds[10]	1,604,579	133,486	Monthly, Biannually, Annually	30 - 120 days
Private debt/credit opportunity funds[11]	6,542,373	3,099,793		
Private equity funds[12]	21,719,556	8,652,846		
Private real asset funds[13]	8,730,988	5,558,833		
Total Investments Measured at the NAV	$ 48,710,217	$ 17,444,958		
Investments Measured at Level 3:				
Private equity funds[12]	$ 127,500	$ —		
Real estate direct investments[14]	$ 13,398,266	$ 349,974		

[1]*Commingled International Equity Funds.* The four funds in this group are primarily invested in publicly traded international equity securities, and one of these funds also focuses 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, one fund is redeemable monthly, and the remaining fund is currently in the liquidation process with a residual balance remaining.
[2]*Commingled Real Estate Investment Funds.* The ten 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 fund is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Nine 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 funds are valued at the NAV per share. One fund (approximately 35% of this strategy) is currently eligible for redemption monthly. Another fund (approximately 26% of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining two funds (approximately 39% of this strategy) are subject to contractual lock-up restrictions and 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 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 one month or less.
[5]*Equity Long/Short Hedge Funds.* Consisting of two 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 one fund in this category seek to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. This fund is valued at the NAV per share and is currently in the liquidation process.
[7]*Multi-Strategy Hedge Funds.* The four 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. Three funds are currently eligible for redemption within three months due to quarterly redemption restrictions. The remaining fund (less than 1% of this strategy) is currently in the liquidation process with a residual balance remaining.
[8]*Opportunistic Debt Hedge Funds.* Consisting of two 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. Both funds in this strategy are currently in the redemption process.
[9]*Relative Value Hedge Funds.* Consisting of two funds, this strategy focuses on benefiting from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing (long) or selling (short) these instruments. These funds are valued at the NAV per share. Both funds in this strategy are no longer subject to contractual lock-up restrictions and eligible for redemption within three months.
[10]*Insurance funds.* The eight funds in this group invest primarily in reinsurance contracts and insurance-linked securities. These funds are valued at the NAV per share. One fund (approximately 21%) has varying restrictions due to underlying investment funds and is eligible for redemption within one to three months. Two funds (approximately 57%) are eligible for redemption within seven months or less due to biannual redemption restrictions. One fund (approximately 3%) is eligible for redemption within six months due to annual redemption restrictions. Three funds (approximately 11%) are not eligible for redemption due to contractual lock-up restrictions. The remaining fund (approximately 8%) is currently in the liquidation process.
[11]*Private Debt/Credit Opportunity Funds.* There are 77 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, 2024 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.
[12]*Private Equity funds.* There are 284 private equity funds investing primarily in Leveraged Buyouts funds, Venture Capital funds, Secondary funds, Growth funds, and Co-Investments with some exposure to Special Situations, Diversifying Strategies and GP Investments. The fair value of 283 funds has been determined using the NAV at June 30, 2024 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, 2024 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.

[13]*Private Real Asset Funds.* There are 116 real asset funds, 78 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 38 funds invest in infrastructure. timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2024 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.

[14]*Direct Real Estate Investments.* There are 89 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, 2024, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
As of June 30, 2024

		Fair Value Measurement Using		
Investments by fair value level	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Debt securities				
Commercial paper	$ 4,404,982	$ —	$ 4,404,982	$ —
U.S. guaranteed obligations	15,451,186	—	15,451,186	—
Federal agencies	885,371	—	885,371	—
Domestic bonds and notes	3,975,079	—	3,971,407	3,672
International bonds and notes	1,278,420	—	1,278,420	—
Total debt securities	25,995,038	—	25,991,366	3,672
Equity securities				
Domestic	1,140,385	1,140,385	—	—
International	713,558	713,558	—	—
Total equity securities	1,853,943	1,853,943	—	—
Investment derivative instruments				
Forward currency contracts	(1)	—	(1)	—
Futures contracts	32	32	—	—
Swap contracts (debt)	70	—	70	—
Total Investment derivative instruments	101	32	69	—
Other investments				
Domestic bonds and notes mutual funds	598,208	598,208	—	—
International bonds and notes mutual funds	28,209	28,209	—	—
Domestic equity mutual funds	2,668,930	2,668,930	—	—
International equity mutual funds	764,417	764,417	—	—
Self-directed brokerage account	1,440,066	—	1,440,066	—
Total other investments	5,499,830	4,059,764	1,440,066	—
Securities lending collateral investments				
Certificates of deposit	203,408	—	198,403	5,005
Commercial paper	236,096	—	236,096	—
Total securities lending collateral investments	439,504	—	434,499	5,005
Total investments by fair value level	33,788,416	$ 5,913,739	$ 27,866,000	$ 8,677
Investments Measured at the Net Asset Value (NAV)				
Commingled domestic bonds and notes funds	3,143,338			
Commingled domestic equity funds	6,608,266			
Commingled international equity fund	2,585,266			
Commingled real asset fund	1,486,518			
Total investments measured at the NAV	13,823,388			
Total investments measured at fair value	47,611,804			
Other investments carried at cost or amortized cost				
Money market funds	432,693			
Certificates of deposit	5,401,573			
Commercial paper	12,266,096			
Repurchase agreements	1,563,000			
Repurchase agreements - security lending collateral	350,600			
U.S. guaranteed obligations	551,545			
Domestic bonds and notes	897,967			
Total investments carried at cost or amortized cost	21,463,474			
Total investments	$ 69,075,278			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2024, is presented in the footnotes to the table below (in thousands):

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

	6/30/2024	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV				
Commingled domestic bonds and notes funds[1]	$ 3,143,338	$ —	Daily	2 - 365 Days
Commingled domestic equity funds[2]	6,608,266	—	Daily	2 - 4 Days
Commingled international equity fund[3]	2,585,266	—	Daily	2 Days
Commingled real asset funds[4]	1,486,518	—	Daily	3 - 5 Days
Total investments measured at the NAV	$ 13,823,388			

[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. These 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:* Three international equity funds are considered to be commingled in nature. The funds invest 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 funds are 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, 2024, (in thousands):

Major Component Units
As of June 30, 2024

	Fair Value Measurement Using			
Investment by fair value level	Total Fair Value	Level 1	Level 2	Level 3
Florida Housing Finance Corporation (FHFC)				
Debt securities				
U.S. guaranteed obligations	$ 2,070,634	$ —	$ 2,070,634	$ —
Federal agencies	9,658	—	9,658	—
Domestic bonds and notes	492,354	—	492,354	—
Total debt securities	2,572,646	—	2,572,646	—
Total FHFC investments by fair value level	$ 2,572,646	$ —	$ 2,572,646	$ —
Citizens Property Insurance Corporation (CPIC)				
Debt securities				
U.S. guaranteed obligations	$ 2,542,583	$ 2,540,844	$ 1,739	$ —
Federal agencies	451,304	—	451,304	—
Domestic bonds and notes	4,537,671	2,114	4,535,557	—
International bonds and notes	715,627	—	715,627	—
Total CPIC investments by fair value level	$ 8,247,185	$ 2,542,958	$ 5,704,227	$ —
University of Florida (UF)				
Debt securities				
Commercial paper	$ 6,349	$ —	$ 6,349	$ —
U.S. guaranteed obligations	8,369	7,910	459	—
Federal agencies	9,140	—	9,140	—
Domestic bonds and notes	95,941	32,946	62,995	—
Total debt securities	119,799	40,856	78,943	—
Equity securities				
Domestic	5,803	5,772	31	—
International	11	11	—	—
Total equity securities	5,814	5,783	31	—
Swap contracts (debt)	4,179	—	2,538	1,641
Mutual funds	395,145	249,692	133,417	12,036
Real estate investments	4,455	4,455	—	—
Other investments	27,813	25,521	—	2,292
Total UF investments by fair value level	$ 557,205	$ 326,307	$ 214,929	$ 15,969

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]	2,471	—	Illiquid	N/A
Private equity funds[3]	5,537,680	—	Monthly	30 - 45 days
Total investments measured at the NAV	5,540,607			
Total investments measured at fair value	$ 6,097,812			

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

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	$ 153,627	$ 14,018	$ 404	$ 1,330,033	$ 8,851
Contracts & grants receivable	—	—	—	—	—
Due from Federal government	5,549	93,551	157,196	2,984,018	100,966
Due from other governmental units	628	3,770	—	20	21,490
Interest & dividends receivable	192,307	7,756	4,759	807	11,799
Loans & notes receivable	100,390	223,591	—	—	—
Fees receivable	184,623	—	—	—	—
Taxes receivable	4,802,818	24,233	—	—	306,184
Allowance for uncollectibles	(2,854,243)	(3,229)	—	(77,477)	(14,676)
Receivables, net	**$ 2,585,699**	**$ 363,690**	**$ 162,359**	**$ 4,237,401**	**$ 434,614**
Due from other governments	$ —	$ 2,610,727	$ —	$ —	$ 327,739
Other loans & notes receivable	431	—	3,082	267,564	56,176
Allowance for uncollectibles	(13)	—	(2,168)	(236,982)	(2,653)
Other loans & notes receivable, net	**$ 418**	**$ 2,610,727**	**$ 914**	**$ 30,582**	**$ 381,262**
Lease receivable - current	$ 36	$ —	$ —	$ —	$ —
Lease receivable - noncurrent	—	—	—	—	—
Lease receivable, net	**$ 36**	**$ —**	**$ —**	**$ —**	**$ —**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts receivable	$ 395,767	**$ 1,902,700**	$ 173,360	$ 118,244	**$ 2,194,304**
Contracts & grants receivable	16,222	**16,222**	—	—	**16,222**
Due from Federal government	437,221	**3,778,501**	—	—	**3,778,501**
Due from other governmental units	35,604	**61,512**	99	—	**61,611**
Interest & dividends receivable	9,920	**227,348**	823	—	**228,171**
Loans & notes receivable	29,994	**353,975**	—	—	**353,975**
Fees receivable	88	**184,711**	—	—	**184,711**
Taxes receivable	20,426	**5,153,661**	—	—	**5,153,661**
Allowance for uncollectibles	(155,141)	**(3,104,766)**	(377)	—	**(3,105,143)**
Receivables, net	**$ 790,101**	**$ 8,573,864**	**$ 173,905**	**$ 118,244**	**$ 8,866,013**
Due from other governments	$ —	**$ 2,938,466**	$ —	$ —	**$ 2,938,466**
Other loans & notes receivable	1,399,522	**1,726,775**	—	—	**1,726,775**
Allowance for uncollectibles	(80,981)	**(322,797)**	—	—	**(322,797)**
Other loans & notes receivable, net	**$ 1,318,541**	**$ 4,342,444**	**$ —**	**$ —**	**$ 4,342,444**
Lease receivable - current	$ —	$ 36	$ 145	$ —	$ 181
Lease receivable - noncurrent	—	—	737	—	737
Lease receivable, net	**$ —**	**$ 36**	**$ 882**	**$ —**	**$ 918**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	$ 9,421	$ 64,044	$ 160,661	$ 19,483	$ 2,185,361
Due from Federal government	—	—	—	—	269
Due from other governmental units	277	—	—	—	1,129
Interest & dividends receivable	3,985	1,872	28,786	64,054	30,187
Loans & notes receivable	—	—	—	182,035	—
Fees receivable	62,117	—	—	—	—
Taxes receivable	—	—	—	—	117,895
Allowance for uncollectibles	—	(5,433)	(662)	—	(2,198,919)
Receivables, net	**$ 75,801**	**$ 60,483**	**$ 188,785**	**$ 265,572**	**$ 135,922**
Loans & notes receivable	$ 68,178	$ —	$ —	$ 1,446,443	$ —
Long Term Interest Receivable	—	—	—	—	—
Other loans & notes receivable, net	**$ 68,178**	**$ —**	**$ —**	**$ 1,446,443**	**$ —**
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	$ 22,247	**$ 2,461,218**	$ 204,622	**$ 2,665,840**
Due from Federal government	—	**269**	—	**269**
Due from other governmental units	—	**1,406**	—	**1,406**
Interest & dividends receivable	1,581	**130,465**	—	**130,465**
Loans & notes receivable	1,149	**183,184**	—	**183,184**
Fees receivable	132	**62,249**	—	**62,249**
Taxes receivable	—	**117,895**	—	**117,895**
Allowance for uncollectibles	(19,370)	**(2,224,384)**	—	**(2,224,384)**
Receivables, net	**$ 5,739**	**$ 732,302**	**$ 204,622**	**$ 936,924**
Loans & notes receivable	$ 131	**$ 1,514,752**	$ —	**$ 1,514,752**
Long Term Interest Receivable	739	**739**	—	**739**
Other loans & notes receivable, net	**$ 870**	**$ 1,515,491**	**$ —**	**$ 1,515,491**
Lease receivable - current	$ 1,179	$ 1,179	$ —	$ 1,179
Lease receivable - noncurrent	32,970	**32,970**	—	**32,970**
Lease receivable, net	**$ 34,149**	**$ 34,149**	**$ —**	**$ 34,149**

COMPONENT UNITS

Accounts receivable	$ 2,653,638
Contracts & grants receivable	366,067
Due from Federal government	18,354
Due from other governmental units	781,601
Interest & dividends receivable	93,589
Loans & notes receivable	105,317
Allowance for uncollectibles	(653,237)
Receivables, net	**$ 3,365,329**
Other loans & notes receivable	$ 1,968,540
Allowance for uncollectibles	(9,726)
Other loans & notes receivable, net	**$ 1,958,814**
Lease receivable - current	$ 36,944
Lease receivable - noncurrent	426,927
Lease receivable, net	**$ 463,871**

“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	$ 960,263	$ 180,343	$ 37,207	$ 961,083	$ 447,516
Accrued salaries & wages	104,121	8,246	34	34,138	13,324
Accrued interest payable	310	7	—	226	2
Claims payable	—	—	—	—	—
Construction contracts	362	—	—	—	461,024
Deposits payable	10	530	6,212	8	10,516
Due to Federal government	3	—	—	250,001	—
Due to other governmental units	166,112	7,635	88,717	7,961	58,797
Other payables	—	—	—	—	—
Accounts payable and accrued liabilities	**$ 1,231,181**	**$ 196,761**	**$ 132,170**	**$ 1,253,417**	**$ 991,179**
Short-term lease liabilities	$ —	$ —	$ —	$ —	$ —
Long-term lease liabilities	—	—	—	—	—
Lease liabilities, net	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Short-term subscription liabilities	$ —	$ —	$ —	$ —	$ —
Long-term subscription liabilities	—	—	—	—	—
Subscription liabilities, net	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts payable	$ 410,769	**$ 2,997,181**	$ 10,713	$ 328,845	**$ 3,336,739**
Accrued salaries & wages	8,071	**167,934**	1,452	—	**169,386**
Accrued interest payable	89	**634**	341	—	**975**
Claims payable	—	—	251,954	—	**251,954**
Construction contracts	261	**461,647**	—	—	**461,647**
Deposits payable	1,220	**18,496**	—	—	**18,496**
Due to Federal government	36,039	**286,043**	—	—	**286,043**
Due to other governmental units	66,446	**395,668**	—	—	**395,668**
Other payables	—	—	5,127	—	**5,127**
Accounts payable and accrued liabilities	**$ 522,895**	**$ 4,327,603**	**$ 269,587**	**$ 328,845**	**$ 4,926,035**
Short-term lease liabilities	$ —	—	$ 456	$ 14,956	**15,412**
Long-term lease liabilities	—	—	38,218	713,149	**751,367**
Lease liabilities, net	**$ —**	**$ —**	**$ 38,674**	**$ 728,105**	**$ 766,779**
Short-term subscription liabilities	$ —	—	$ 6,914	$ 52,561	**59,475**
Long-term subscription liabilities	—	—	8,126	94,049	**102,175**
Subscription liabilities, net	**$ —**	**$ —**	**$ 15,040**	**$ 146,610**	**$ 161,650**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	$ 1,586	$ 6,983	$ 549,706	$ 569,865	$ 19,271
Accrued interest payable	—	—	29,850	—	—
Accrued salaries & wages	—	62	—	—	—
Claims payable	—	—	—	—	—
Construction contracts	91,650	—	—	—	—
Deposits payable	248	1,724	—	—	—
Due to Federal government	576	—	—	—	165
Accrued Interest	—	—	—	—	—
Accounts payable and accrued liabilities	**$ 94,060**	**$ 8,769**	**$ 579,556**	**$ 569,865**	**$ 19,436**
Short-term lease liabilities	$ —	$ 4,186	$ —	$ —	$ —
Long-term lease liabilities	—	15,664	—	—	—
Lease liabilities, net	**$ —**	**$ 19,850**	**$ —**	**$ —**	**$ —**
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	$ 41,302	**$ 1,188,713**	$ 77,482	**$ 1,266,195**
Accrued interest payable	141	**29,991**	—	**29,991**
Accrued salaries & wages	3,740	**3,802**	—	**3,802**
Claims payable	—	—	—	—
Construction contracts	—	**91,650**	—	**91,650**
Deposits payable	194	**2,166**	—	**2,166**
Due to Federal government	—	**741**	—	**741**
Accrued Interest	1,636	**1,636**	—	**1,636**
Accounts payable and accrued liabilities	**$ 47,013**	**$ 1,318,699**	**$ 77,482**	**$ 1,396,181**
Short-term lease liabilities	$ 1,049	**$ 5,235**	$ —	**$ 5,235**
Long-term lease liabilities	62,351	**78,015**	—	**78,015**
Lease liabilities, net	**$ 63,400**	**$ 83,250**	**$ —**	**$ 83,250**
Short-term subscription liabilities	$ 1,339	**$ 1,339**	$ —	**$ 1,339**
Long-term subscription liabilities	1,986	**1,986**	—	**1,986**
Subscription liabilities, net	**$ 3,325**	**$ 3,325**	**$ —**	**$ 3,325**

COMPONENT UNITS

Accounts payable	$ 1,350,410
Accrued interest payable	40,682
Accrued salaries & wages	418,331
Claims payable	2,871,117
Construction contracts	136,169
Deposits payable	252,021
Due to other governmental units	17,191
Vouchers payable	23,822
Accounts payable and accrued liabilities	**$ 5,109,743**
Short-term lease liabilities	$ 81,036
Long-term lease liabilities	653,297
Lease liabilities, net	**$ 734,333**
Short-term subscription liabilities	$ 44,297
Long-term subscription liabilities	154,763
Subscription liabilities, net	**$ 199,060**

NOTE 5 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources are a consumption of net assets by the government that is applicable to a future reporting period. Alternatively, deferred inflows of resources are an acquisition of net assets by the government that is applicable to a future reporting period.
The following tables summarize deferred outflows and deferred inflows of resources as of June 30, 2024 (in thousands):

GOVERNMENT-WIDE

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
DEFERRED OUTFLOWS OF RESOURCES				
Accum. decrease in fair value - hedging	$ —	$ —	$ —	$ 10,930
Grants paid in advance	51,925	—	51,925	—
Amount deferred on refunding of debt	39,975	4,478	44,453	55,655
Pension-related items	3,180,450	56,337	3,236,787	1,514,340
Other postemployment benefits	1,163,464	38,880	1,202,344	665,997
Asset retirement obligations	—	—	—	9,239
Total deferred outflows of resources	$ 4,435,814	$ 99,695	$ 4,535,509	$ 2,256,161
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	$ 100	$ 472	$ 572	$ 2,975
Deferred service concession arrangement	—	111,289	111,289	103,749
Accum. increase in fair value - hedging	—	—	—	293
Amount deferred on refunding of debt	110,954	15,622	126,576	1,787
Lease related	837	195,413	196,250	520,001
Pension-related items	1,335,054	14,894	1,349,948	471,218
Other postemployment benefits liability	3,881,581	105,817	3,987,398	1,634,848
Irrevocable split-interest agreements	—	—	—	65,255
Total deferred inflows of resources	$ 5,328,526	$ 443,507	$ 5,772,033	$ 2,800,126

GOVERNMENTAL FUNDS

	General Fund	Natural Resources, Environment, and Growth Management	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total Governmental Funds
DEFERRED OUTFLOWS OF RESOURCES						
Grants paid in advance	$ —	$ —	$ —	$ 51,925	$ —	$ 51,925
Total deferred outflows of resources	$ —	$ —	$ —	$ 51,925	$ —	$ 51,925
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	$ 357,885	$ 6,430	$ 1,580,195	$ 246,883	$ 1,561,699	$ 3,753,092
Lease related	—	—	—	—	124	124
Total deferred inflows of resources	$ 357,885	$ 6,430	$ 1,580,195	$ 246,883	$ 1,561,823	$ 3,753,216

2024 STATE OF FLORIDA ACFR

PROPRIETARY FUNDS

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
DEFERRED OUTFLOWS OF RESOURCES							
Amount deferred on refunding of debt	$ 4,478	$ —	$ —	$ —	$ —	$ 4,478	$ 1,950
Pension-related items	—	8,387	627	1,202	46,121	56,337	15,329
Other postemployment benefits	—	4,689	162	262	33,767	38,880	14,095
Total deferred outflows of resources	$ 4,478	$ 13,076	$ 789	$ 1,464	$ 79,888	$ 99,695	$ 31,374
DEFERRED INFLOWS OF RESOURCES							
Unearned revenue	$ —	$ —	$ —	$ —	$ 472	$ 472	$ —
Deferred service concession	111,289	—	—	—	—	111,289	—
Amount deferred on refunding of debt	15,622	—	—	—	—	15,622	3,507
Lease related	—	—	—	—	195,413	195,413	713
Pension-related items	—	3,069	141	125	11,559	14,894	10,652
Other postemployment benefits	—	14,541	235	373	90,668	105,817	71,758
Irrevocable split-interest	—	—	—	—	—	—	—
Total deferred inflows of resources	$ 126,911	$ 17,610	$ 376	$ 498	$ 298,112	$ 443,507	$ 86,630

COMPONENT UNITS

	University of Florida	Nonmajor Component	Totals 6/30/2024
DEFERRED OUTFLOWS OF RESOURCES			
Accum. decrease in fair value-hedging	$ 8,428	$ 2,501	$ 10,929
Amount deferred on refunding of debt	34,240	21,416	55,656
Pension-related items	315,175	1,199,165	1,514,340
Other postemployment benefits	136,645	529,352	665,997
Asset retirement obligations	9,239	—	9,239
Total deferred outflows of resources	$ 503,727	$ 1,752,434	$ 2,256,161
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	$ —	$ 2,975	$ 2,975
Deferred service concession arrangement receipts	—	103,749	103,749
Accum. increase in fair value-hedging derivatives	—	293	293
Amount deferred on refunding of debt	1,307	480	1,787
Lease related	77,216	442,785	520,001
Pension-related items	79,487	391,731	471,218
Other postemployment benefits	497,043	1,137,805	1,634,848
Irrevocable split-interest agreements	20,644	44,611	65,255
Total deferred inflows of resources	$ 675,697	$ 2,124,429	$ 2,800,126

NOTE 6 – 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	$ 40,533,627	$ —	$ —	$ —	$ —	$ —	$ 40,533,627
Fuel taxes:							
Motor fuel tax	—	—	—	—	3,512,344	—	3,512,344
Pollutant tax	—	300,345	—	—	—	—	300,345
Aviation fuel tax	—	—	—	—	7,474	—	7,474
Solid minerals severance tax	—	19,731	—	—	—	—	19,731
Oil and gas production tax	2,222	—	—	—	—	—	2,222
Total fuel taxes:	2,222	320,076	—	—	3,519,818	—	3,842,116
Corporate income tax	5,939,179	—	—	—	—	—	5,939,179
Documentary stamp tax	3,620,050	—	—	—	—	—	3,620,050
Intangible personal property tax	447,811	—	—	—	—	—	447,811
Communications service tax	587,252	—	351,250	—	—	—	938,502
Gross receipts utilities tax	—	6,207	1,048,830	—	—	—	1,055,037
Beverage and tobacco taxes:							
Alcoholic beverage tax	325,013	—	—	—	—	16,365	341,378
Cigarette tax	874,259	—	—	—	—	—	874,259
Smokeless tobacco tax	38,327	—	—	—	—	—	38,327
Total beverage and tobacco taxes	1,237,599	—	—	—	—	16,365	1,253,964
Other taxes:							
Insurance premium tax	2,141,889	—	—	—	—	81,868	2,223,757
Hospital public assistance tax	—	—	—	915,834	—	—	915,834
Citrus excise tax	—	—	—	—	—	5,781	5,781
Pari-mutuel wagering tax	12,165	—	—	—	—	253,967	266,132
Total other taxes	2,154,054	—	—	915,834	—	341,616	3,411,505
Total	$ 54,521,794	$ 326,283	$1,400,080	$915,834	$ 3,519,818	$ 357,981	$ 61,041,790

	Sales and Use Tax
Governmental fund statements	$ 40,533,627
Government-wide accruals	113,497
Government-wide statements	$ 40,647,124

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, 2024, tax abatement programs are as follows:

Program Name	Entertainment Industry Financial Incentive Program	Entertainment Industry Sales Tax Exemption 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.	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.
Taxes being abated	Corporate Income Tax; Sales and Use Tax	Sales and Use Tax
Authority under which abatements are entered	s. 288.1254, F.S.	s. 288.1258, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must meet minimum required Florida qualified expenditures, meet minimum requirements for Florida employees, meet requirements for production type, provide proof of financing, and must not be considered obscene under chapter 847.	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.
How taxes are reduced	Tax Credit	Tax Exemption
How amount of abatement is determined	Statutorily defined allocation determines the amount available for award to applicants. Applicants present estimated eligible costs and a total estimated tax credit is awarded. Awardees present actual expenditures to use of the credit and an actual credit is certified.	Point of sale exemption on items used as an integral part of the production process in Florida, including production equipment, set design and construction, props, wardrobe, and real estate rental.
Provisions for recapturing abated taxes	Revocation of certificate and any taxes exempted are due with interest and penalty.	Revocation of certificate and any taxes exempted are due with interest and penalty.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$7,981	$36,568

Tax abatement programs, continued:

Program Name	Community Contribution Tax Credit Program	Florida Scholarship Funding Organizations Program
Program Purpose	Encourage donations and local private support of projects that provide housing opportunities for persons with special needs or home ownership opportunities for low-income or very low income families.	Allows taxpayers to make private, voluntary contributions to nonprofit scholarship-funding organizations and receive dollar for dollar tax credit against specific Florida taxes.
Taxes being abated	Corporate Income Tax; Insurance Premium Tax; Sales and Use Tax Refund	Sales and Use Tax, Corporate Income Tax, Severance Taxes, Insurance Premium Tax
Authority under which abatements are entered	s. 212.08(5)(p); s. 220.183; and s. 624.5105, F.S.	s. 1002.395, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	A taxpayer must apply for approval and be issued an approval letter by the State. A community contribution by a person must be in the following form: (a) Cash or other liquid assets; (b) Real property, including 100 percent ownership of a real property holding company; (c) Goods or inventory; or (d) Other physical resources identified by the State.	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 against corporate income or insurance premium tax; sales tax refund	Tax Credit
How amount of abatement is determined	The credit is equal to 50 percent of the value of the donation, with a limit of $200,000 per year. For the credits under this authorized program maximum amount limitation is totaling $14,000,000.	Contribution is made to qualifying Scholarship Funding 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)	$14,000	$378,847

Tax abatement programs, continued:

Program Name	Hope Scholarship Credit	Capital Investment Tax Credit
Program Purpose	The Hope Scholarship Program provides a public-school student who was subjected to an incident of violence or bullying at school the opportunity to apply for a scholarship to attend an eligible private school rather than remain in an unsafe school environment.	Attract and grow capital-intensive industries in the state.
Taxes being abated	Sales and Use Tax	Corporate Income Tax; Premium Tax arising from the project
Authority under which abatements are entered	s. 212.1832 and s. 1002.40, F.S.	s. 220.191, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must purchase or register a motor vehicle qualifying for the Hope Scholarship Program in Florida may designate $105 of the state sales tax due at the time of purchase or registration to an eligible nonprofit scholarship-funding organization (SFO) participating in the Program. If the state sales tax due is less than $105, the designated amount would be the state sales tax due. Motor vehicle dealers, private tag agencies, and county tax collectors receiving contributions must remit the contributions directly to the designated nonprofit scholarship-funding organization and tax a credit on their sales and use tax return for the amount of the contributions.	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.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Contribution is paid to a qualifying scholarship-funding organization for use in the Hope Scholarship Program.	An annual credit may be claimed for up to 20 years in an annual amount up to 5 percent of the eligible capital costs generated by a qualifying project. The annual tax credit shall not exceed specified percentages of the annual tax liability.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$73,055	$129,973

Tax abatement programs, continued:

Program Name	Contaminated Site Credit	Research and Development Tax Credit
Program Purpose	To promote voluntarily rehabilitation of brownfield sites or sites contaminated with dry-cleaning solvent.	To encourage target industry business in the State.
Taxes being abated	Corporate Income Tax	Corporate Income Tax
Authority under which abatements are entered	s. 220.1845 and s. 376.30781, F.S.	s. 220.196, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Participants must meet applicable eligibility criteria and enter either a Voluntary Cleanup Agreement or a Brownfield Site Rehabilitation Agreement.	Taxpayer must claim and be allowed a research credit against federal income tax for qualified research expenses under Section 41, Internal Revenue Code, and also meet the definition of a target industry business as defined in Section 288.106, F.S.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	The credit is 50 percent of rehabilitation costs, up to $500,000 per site, per year. To encourage completion of site rehabilitation the applicant may claim an additional 25 percent of the total site rehabilitation costs, not to exceed $500,000, in the final year of cleanup. To encourage the construction of affordable housing an applicant meeting applicable requirements may claim an additional 25 percent of the total site rehabilitation costs, not to exceed $500,000.	The Florida credit is equal to 10 percent of the amount of qualified research expenses incurred in Florida and allowed under s. 41, IRC, which exceeds the base amount, defined as the average of the qualified research expenses incurred in Florida for the four tax years prior to the calendar year for which the credit is determined. The Florida credit may be prorated if the total credits applied for by all applicants exceed the credit cap (currently $9 million)
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$28,322	$13,828

Tax abatement programs, continued:

Program Name	Qualified Target Industry Tax Refund Program	Redevelopment Projects
Program Purpose	To encourage the growth of higher-wage jobs and a diverse economic base by providing state tax refunds to qualified target industry businesses that originate or expand in the state or that relocate to the state.	Provides for a refund as an incentive to redevelop property for the purpose of low income housing in certain areas.
Taxes being abated	Sales and Use Tax, Corporate Income Tax, Intangible Personal Property Tax, Excise Tax, Ad Valorem Tax, Insurance premium tax, Communication services tax.	Sales and Use Tax
Authority under which abatements are entered	s. 288.106, F.S.	s. 212.08(5)(o), F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must be a new or expanding business in Florida, create a minimum number of new full-time jobs within one or more of Florida's designated targeted industries and meet minimum wage requirements.	Allows for a refund of sales tax paid on building materials used in construction of a housing project or mixed-use project upon affirmative showing of conversion of an existing manufacturing or industrial building to a housing unit which is in an urban high-crime area, an enterprise zone, an empowerment zone, a Front Porch Florida Community, a designated brownfield site and any abutting real property parcel within a brownfield area, or an urban infill area.
How taxes are reduced	Tax Credit or Refund	Refund of sales and use tax
How amount of abatement is determined	Demonstrate minimum Florida job creation, maintenance and wages paid.	Applicant must redevelop real property by converting existing manufacturing or industrial building(s) into low income housing, or by construction of new low income housing in a brownfield area.
Provisions for recapturing abated taxes	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.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$10,573	$5,231

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.	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) 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 Trade, Tourism, 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)	$563,572	$28,370

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Tax abatement programs, continued:

Program Name	Rural Area of Opportunity Building Materials Sales Tax Refund	Florida AMT Credit
Program Purpose	To encourage new construction projects located within Rural Areas of Opportunity	No stated purpose in the Florida statutes. It follows the federal alternative minimum tax.
Taxes being abated	Sales and Use Tax	Corporate Income Tax
Authority under which abatements are entered	s. 212.08(5)(b), and s. 212.08(5)(q), F.S.	s. 220.186, 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	Taxpayer paid alternative minimum tax in a prior taxable year (the alternative minimum tax was greater than the regular corporate income tax). A credit is generated for the amount that the alternative minimum tax exceeds the regular corporate income tax. Taxpayer may use this credit when the regular tax exceeds the alternative minimum tax in the future.
How taxes are reduced	Sales Tax Refund	Tax Credit applied for on Tax return
How amount of abatement is determined	A property owner must build new construction in a Rural Area of Opportunity.	Previously paid the alternative minimum tax.
Provisions for recapturing abated taxes	If erroneous refunds are discovered during an audit of the taxpayer's books and records, an assessment of the amount of tax refunded will be made.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	$10,211	$6,727

Tax abatement programs, continued:

Program Name	Other Credits
Program Purpose	Various
Taxes being abated	Corporate Income Tax
Authority under which abatements are entered	Various
Criteria to be eligible to receive abatements and commitment of the taxpayer	The criteria varies by the credit. These are less common credits provided for in Florida law or adjustments to credits previously taken as a result of amended returns by the taxpayer. These credits can also arise as a result of adjustments by the Review and Math Audit section when determining the "as filed" return amounts with the "as computed" return amounts.
How taxes are reduced	Tax Credit applied for on Tax return
How amount of abatement is determined	Various
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A
Total tax revenues reduced during fiscal year (in thousands)	$12,150

The state had additional tax abatement programs, each amounting to less than $5 million in revenue and estimated to be reduced in fiscal year 2023-24. In total, these programs resulted in $10.5 million in estimated tax abatements and include the New Markets Tax Credit, Enterprise Zone Property Credit, Strong Families, Semi-Conductor Defense and Space Technology Tax Exemption, Professional sports franchises, Major League Baseball spring training baseball franchises, New and Expanding Business, 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 7 - 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, 2024, 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, 2024 for the state's governmental, business-type activities, and component units were $114.5 million, $3.5 million, and $58.8 million, respectively.

For details on Right to Use Leased Assets, refer to Note 8 - Capital Assets.

Amortization for the remaining lease term as of June 30, 2024, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2025	$ 107,853	$ 7,371	$ 61,489
2026	90,225	7,130	61,489
2027	74,539	6,766	61,489
2028	58,518	6,626	61,489
2029	48,200	3,649	61,489
2030 - 2034	151,166	13,311	307,447
2035 - 2039	19,552	12,492	60,043
2040 - 2044	1,052	10,175	—
2045 - 2049	1,026	9,869	—
2050 - 2054	172	5,756	—
Total Amortization	$ 552,303	$ 83,145	$ 674,935

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, 2024 for the state's governmental, business-type activities, and component units were $57.7 million, $4.7 million, and $28.6 million, respectively.

Amortization for the remaining subscription term as of June 30, 2024, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2025	$ 50,141	$ 2,274	$ 48,930
2026	40,241	1,021	48,930
2027	13,374	170	48,930
2028	593	102	48,930
2029	593	102	48,930
2030 - 2034	2,116	—	42,293
Total Amortization	$ 107,058	$ 3,669	$ 286,943

C. Lease Receivables

The state leases land, buildings and equipment to third parties with various terms and interest rates. As of June 30, 2024, the state's governmental activities, business-type activities, and component unit receivables for lease payments totaled $1 million, $34.1 million, and $463.9 million, respectively.

The following are schedules of future minimum payments to be received by year by the state as of June 30, 2024 (in thousands):

	Governmental Activities		Business-type Activities		Component Units	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 181	$ 47	$ 1,179	$ 570	$ 36,944	$ 553
2026	237	38	8,230	471	22,147	525
2027	193	31	8,248	570	22,175	498
2028	78	6	7,212	582	22,203	471
2029	84	8	1,921	329	22,231	444
2030 - 2034	94	9	3,501	175	111,571	1,807
2035 - 2039	51	2	1,878	111	112,271	1,118
2040 - 2044	—	—	1,288	14	112,974	426
2045 - 2049	—	—	655	13	1,355	1
2050 - 2054	—	—	37	11	—	—
Total Lease Receivable	$ 918	$ 141	$ 34,149	$ 2,846	$ 463,871	$ 5,843

For the fiscal year ended June 30, 2024, the state's governmental activities and component units recognized $5 million and $4.9 million in lease revenue, respectfully. For the fiscal year ended June 30, 2024, the component units recognized $697.31 thousand in interest income.

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, 2024, the balance of the governmental activities, business-type activities, and component units deferred inflow of resources was $837 thousand, $195.4 million, and $520 million, respectively.

Deferred inflows of resources for the remaining lease term as of June 30, 2024, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2025	$ 204	$ 49,039	$ 57,778
2026	204	49,039	57,778
2027	204	48,942	57,778
2028	21	47,799	57,778
2029	21	53	57,778
2030 - 2034	106	266	231,111
2035 - 2039	77	275	—
Total Deferred inflows	$ 837	$ 195,413	$ 520,001

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, 2024, the state's governmental activities, business-type activities, and component units for lease liabilities totaled approximately $766.8 million, $83.3 million, and $734.3 million, respectively.

The following is a schedule by fiscal year of principal and interest payments due for lease payments as of June 30, 2024 (in thousands):

	Governmental Activities		Business-type Activities		Component Units	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 15,412	$ 7,428	$ 5,235	$ 966	$ 81,036	$ 71
2026	106,789	6,154	12,990	827	24,424	69
2027	96,838	4,982	12,858	690	24,426	67
2028	82,208	4,021	12,791	555	24,429	64
2029	72,656	3,203	11,289	428	24,431	62
2030-2034	325,820	7,679	16,291	849	111,005	276
2035-2039	62,728	859	5,658	210	111,062	219
2040-2044	1,936	150	658	3	111,119	162
2045-2049	1,908	63	5,480	4,525	111,177	105
2050-2054	484	3	—	—	111,224	59
Total lease liabilities	$ 766,779	$ 34,542	$ 83,250	$ 9,053	$ 734,333	$ 1,154

F. Principal and Interest Requirements for Subscription Liability

As of June 30, 2024, the state's governmental activities, business-type activities, and component units for subscription liabilities totaled approximately $161.7 million, $3.3 million, and $199.1 million, respectively.

The following is a schedule by fiscal year of principal and interest payments due for lease payments as of June 30, 2024 (in thousands):

	Governmental Activities		Business-type Activities		Component Units	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 59,475	$ 1,870	$ 1,339	$ 493	$ 44,297	$ 11
2026	38,521	854	494	156	38,687	9
2027	13,096	369	643	66	38,690	6
2028	558	118	408	34	38,692	3
2029	577	98	441	18	38,694	1
2030-2034	49,423	182	—	—	—	—
Total subscription liabilities	$ 161,650	$ 3,491	$ 3,325	$ 767	$ 199,060	$ 30

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, 2024, there are no deferred outflows of resources to be reported.

NOTE 8 - 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, 2024, is as follows (in thousands):

	Depreciation Expense	Amortization Expense	Depreciation and Amortization Expense
General Government	$ 90,308	$ 80,989	$ 171,297
Education	8,981	95	9,076
Human Services	41,501	31,285	72,786
Criminal Justice & Corrections	86,083	48,109	134,192
Natural Resources & Environment	60,766	11,228	71,994
Transportation	39,938	502	40,440
Judicial Branch	4,140	—	4,140
Total depreciation expense (governmental activities)	**$ 331,717**	**$ 172,208**	**$ 503,925**

Primary government capital asset activities for the fiscal year ended June 30, 2024, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated:				
Land and other nondepreciable assets	$ 22,980,502	$ 1,015,441	$ 165,250	$ 23,830,693
Infrastructure and infrastructure improvements - nondepreciable	59,912,874	1,704,331	1,081,388	60,535,817
Construction work in progress	2,288,526	688,798	144,228	2,833,096
Total capital assets, not being depreciated	**85,181,902**	**3,408,570**	**1,390,866**	**87,199,606**
Capital assets, being depreciated:				
Buildings and building improvements	6,016,346	162,475	56,196	6,122,625
Infrastructure and infrastructure improvements	955,712	21,293	5,512	971,493
Leasehold improvements	8,828	62	3	8,887
Furniture and equipment	1,969,969	448,545	266,662	2,151,852
Works of art and historical treasures	1,904	70	64	1,910
Library resources	24,953	455	170	25,238
Other	120,387	38,683	1,931	157,139
Total capital assets, being depreciated	**9,098,099**	**671,583**	**330,538**	**9,439,144**
Intangible right to use assets, being amortized:				
Buildings	854,033	173,515	183,790	843,758
Furniture and equipment	23,812	1,794	—	25,606
Other	4,819	15,908	—	20,727
Subscriptions	367,399	10,758	—	378,157
Total intangible right to sue assets, being amortized	**1,250,063**	**201,975**	**183,790**	**1,268,248**
Total capital assets, being depreciated, and intangible right to use assets, being amortized	**10,348,162**	**873,558**	**514,328**	**10,707,392**
Less accumulated depreciation for:				
Buildings and building improvements	3,646,425	145,144	37,628	3,753,941
Infrastructure and infrastructure improvements	641,436	31,493	4,442	668,487
Leasehold improvements	5,768	529	3	6,294
Furniture and equipment	1,430,377	149,987	111,996	1,468,368
Works of art and historical treasures	1,451	122	55	1,518
Library resources	19,111	660	163	19,608
Other	76,516	3,782	625	79,673
Total accumulated depreciation	**5,821,084**	**331,717**	**154,912**	**5,997,889**
Less accumulated amortization for:				
Buildings	132,460	205,664	25,683	312,441
Furniture and equipment	2,617	15,034	2,617	15,034
Other	530	10,313	530	10,313
Subscriptions	52,908	218,191	—	271,099
Total accumulated amortization	**188,515**	**449,202**	**28,830**	**608,887**
Total accumulated depreciation and amortization	**6,009,599**	**780,919**	**183,742**	**6,606,776**
Total capital assets, being depreciated and amortized, net	**4,338,563**	**92,639**	**330,586**	**4,100,616**
Governmental activities capital assets, net	**$ 89,520,465**	**$ 3,501,209**	**$ 1,721,452**	**$ 91,300,222**

BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated:				
Land and other nondepreciable assets	$ 1,484,053	$ 135,634	$ 82,686	$ 1,537,001
Infrastructure and infrastructure improvements - nondepreciable	13,362,020	1,612,511	—	14,974,531
Construction work in progress	1,990,931	760,640	468,225	2,283,346
Total capital assets, not being depreciated	**16,837,004**	**2,508,785**	**550,911**	**18,794,878**
Capital assets, being depreciated:				
Buildings and building improvements	725,233	174,100	80,252	819,081
Infrastructure and infrastructure improvements	648,222	—	—	648,222
Leasehold improvements	59	—	—	59
Furniture and equipment	408,793	17,352	19,809	406,336
Library resources	29	—	—	29
Other	172,447	—	—	172,447
Total capital assets, being depreciated	**1,954,783**	**191,452**	**100,061**	**2,046,174**
Intangible right to use assets, being amortized:				
Buildings	87,299	25,952	3,048	110,203
Furniture and equipment	4,514	316	4,514	316
Other	984	—	984	—
Subscriptions	3,290	2,288	130	5,448
Total intangible right to use assets, being amortized	**96,087**	**28,556**	**8,676**	**115,967**
Total capital assets, being depreciated, and intangible right to use assets, being amortized	**2,050,870**	**220,008**	**108,737**	**2,162,141**
Less accumulated depreciation for:				
Buildings and building improvements	267,590	25,657	1,807	291,440
Infrastructure and infrastructure improvements	160,369	33,657	—	194,026
Furniture and equipment	327,568	21,967	19,195	330,340
Library resources	11	1	—	12
Other	129,032	4,091	—	133,123
Total accumulated depreciation	**884,570**	**85,373**	**21,002**	**948,941**
Less accumulated amortization for:				
Buildings	17,122	12,666	2,698	27,090
Furniture and equipment	922	284	922	284
Other	201	—	201	—
Subscriptions	899	1,107	227	1,779
Total accumulated amortization	**19,144**	**14,057**	**4,048**	**29,153**
Total accumulated depreciation and amortization	**903,714**	**99,430**	**25,050**	**978,094**
Total capital assets, being depreciated and amortized, net	**1,147,156**	**120,578**	**83,687**	**1,184,047**
Business-type activities capital assets, net	**$ 17,984,160**	**$ 2,629,363**	**$ 634,598**	**$ 19,978,925**

Component units' capital asset activities for the fiscal year ended June 30, 2024, are as follows (in thousands):

COMPONENT UNITS

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated:				
Land and other non-depreciable assets	$ 7,288,457	$ 6,093,655	$ 5,937,297	$ 7,444,815
Construction work in progress	3,549,718	3,350,395	2,122,255	4,777,858
Total capital assets, not being depreciated	**10,838,175**	**9,444,050**	**8,059,552**	**12,222,673**
Capital assets, being depreciated:				
Buildings and building improvements	24,642,592	1,143,144	337,562	25,448,174
Infrastructure and infrastructure improvements	4,586,192	2,638,843	2,473,425	4,751,610
Leasehold improvements	743,594	14,349	1,598	756,345
Furniture and equipment	5,084,307	1,078,831	361,047	5,802,091
Works of art and historical treasures	4,380	62	186	4,256
Library resources	1,120,087	33,562	8,891	1,144,758
Other	520,930	141,060	137,153	524,837
Total capital assets, being depreciated	**36,702,082**	**5,049,851**	**3,319,862**	**38,432,071**
Intangible right to use assets, being amortized				
Buildings	902,703	92,447	200,832	794,318
Furniture and equipment	—	51,306	—	51,306
Other		76,716	—	76,716
Subscriptions	230,379	133,368	21,237	342,510
Total intangible right to use assets, being amortized	**1,133,082**	**353,837**	**222,069**	**1,264,850**
Total capital assets, being depreciated, and intangible right to use assets, being amortized	**37,835,164**	**5,403,688**	**3,541,931**	**39,696,921**
Less accumulated depreciation for:				
Buildings and building improvements	11,121,266	1,131,466	161,547	12,091,185
Infrastructure and infrastructure improvements	1,898,308	750,148	616,599	2,031,857
Leasehold improvements	276,458	38,865	746	314,577
Furniture and equipment	3,635,091	426,310	265,572	3,795,829
Works of art and historical treasures	2,778	91	182	2,687
Library resources	976,202	30,543	8,891	997,854
Other	437,783	129,636	117,220	450,199
Total accumulated depreciation	**18,347,886**	**2,507,059**	**1,170,757**	**19,684,188**
Less accumulated amortization for:				
Buildings	184,117	85,581	73,217	196,481
Furniture and equipment	—	12,402	—	12,402
Other	—	38,522	—	38,522
Subscriptions	29,948	25,619	—	55,567
Total accumulated amortization	**214,065**	**162,124**	**73,217**	**302,972**
Total accumulated depreciation and amortization	**18,561,951**	**2,669,183**	**1,243,974**	**19,987,160**
Total capital assets, being depreciated, net	**19,273,213**	**2,734,505**	**2,297,957**	**19,709,761**
Component units capital assets, net	**$ 30,111,388**	**$ 12,178,555**	**$ 10,357,509**	**$ 31,932,434**

NOTE 9 - 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, 2024, the Department administered three defined benefit plans and two defined contribution plans which are fiduciary activities, 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

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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 55, or the age after completing eight years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. 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 (COLA) using the amount of a retiree June benefit, excluding health insurance subsidy payment. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement. 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 COLA 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 COLA. This individually calculated annual COLA is a calculation based on benefits of service prior to July 1, 2011, and service after July 1, 2011, by 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%.

The DROP became effective July 1, 1998, subject to provisions of s. 121.091(13), F.S. The DROP allows FRS Pension Plan members in a regularly established position who reach eligibility for normal retirement to retire while continuing employment with an FRS employer while deferring receipt of monthly benefit payments for a maximum of 96 calendar months. The election to participate in the DROP can be made at any time after the member first reaches their normal retirement date by age or service.

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, 2024, the FRS Trust Fund held in trust $3,274,890,005 in accumulated benefits for 32,213 DROP participants. Of these 32,213 DROP participants, 29,246 were active in the DROP with balances totaling $3,084,275,319. The remaining participants were no longer active in the DROP and had balances totaling $190,614,686 to be processed after June 30, 2024.

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. S. 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, 2024, was $198,685,586,034. 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 2.00% 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 2023-2024, 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, 2023 for Fiscal Year 2023-2024	July 1, 2023 Statutory Rates (Ch. 121, F.S.)
Regular	12.33%	11.51%
Senior Management Service	41.89%	32.46%
Special Risk	32.51%	30.61%
Special Risk Administrative Support	47.34%	37.76%
Elected Officers - Judges	48.53%	42.83%
Elected Officers - Legislators/Attorneys/Cabinet	86.55%	60.66%
Elected Officers - County	76.70%	56.62%
DROP - applicable to members from all of the above classes or plans	19.13%	19.13%

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 eligible retirees and surviving beneficiaries 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, 2024, 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 $7.50. The payments are at least $45 but not more than $225 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, 2024, the contribution rate was 2% 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, 2024.

Active Members	12,167
Retirees	741
Terminated Vested Members	460
Total	13,368

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, 2024, the State reported a total liability of $9,327,496,029 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, 2023, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2024:

	FRS Pension Plan	HIS	National Guard Benefit	Total
Plan total pension liability (A)	$ 226,204,201,000	$ 16,563,148,691	$ 615,322,621	
Plan fiduciary net position (B)	(186,357,365,968)	(681,814,936)	—	
Plan net pension liability (A-B)	39,846,835,032	15,881,333,755	615,322,621	
State's proportion	16.355674014 %	13.820973724 %	100.00 %	
State's proportionate share	$ 6,517,218,443	$ 2,194,954,965	$ 615,322,621	$ 9,327,496,029

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, 2022	15.548909091%	13.221342140%
State's proportion at measurement date, June 30, 2023	16.355674014%	13.820973724%
Increase / (decrease) in proportion	0.806764923%	0.599631584%

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2024:

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, 2023	$ 609,412,914	$ —	$ 609,412,914
Changes for the year:			
Service Cost	14,433,879	—	14,433,879
Interest on total pension liability	22,482,083	—	22,482,083
Effect of economic/demographic gains or losses	19,473,036	—	19,473,036
Effect of assumptions changes or inputs	(34,537,831)	—	(34,537,831)
Benefit payments	(15,941,460)	(15,941,460)	—
Employer contributions	—	15,950,060	(15,950,060)
Administrative expenses	—	(8,600)	8,600
Balances as of June 30, 2024	$ 615,322,621	$ —	$ 615,322,621

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 2014 for the period July 1, 2019, through June 30, 2023. 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, 2023, using the Individual Entry Age Normal actuarial cost method. Inflation 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 3.65% 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. Effective July 1, 2023, Chapter 2023-193, Laws of Florida, increased benefits for HIS participants from $5.00 times the years of service to $7.50, with increased minimum and maximum amounts of $45.00 and $225.00, respectively. This changes applies to all years of service. 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 2023:

- HIS: The municipal rate used to determine total pension liability increased from 3.54% to 3.65%.

The long-term expected rate of return on FRS Pension Plan investments was determined using a forward-looking capital market economic model, which includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.0%	2.9%
Fixed income	19.8%	4.5%
Global equity	54.0%	8.7%
Real estate (property)	10.3%	7.6%
Private equity	11.1%	11.9%
Strategic investments	3.8%	6.3%
	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, 2024, 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].

Because the National Guard Benefit uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% 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-2021 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 2024 for the National Guard Benefit:

- The assumed Federal military defined benefit for future retirees was updated from 27% of the members salary at highest rank to 28% for legacy members and from 21.6% to 22.4% of the member's salary at highest rank for BRS members based on recent observed experience specific to Florida National Guard retirees.
- The municipal bond rate used to determine total pension liability increased from 3.65% to 3.93%.
- The mortality assumptions changed, including a change from using projection scale MP-2018 to MP-2021.

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%
$11,132,736,166	$6,517,218,443	$2,655,785,612

HIS

1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
$2,504,101,048	$2,194,954,965	$1,938,693,624

National Guard Benefit

1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
$744,192,802	$615,322,621	$517,527,883

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.

[1]Varied by service; separate tables for officer and enlisted can be obtained from the Division, Bureau of Outreach and Audit.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2023, was 5.3 years for FRS Pension Plan and 6.3 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, 2023, are presented below for each plan.

FRS Pension Plan

	Recognized in Expense Reporting Period Ending June 30, 2024	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 453,071,929	Current	$ —	$ —
Interest cost	2,344,021,688	Current	—	—
Effect of plan changes	218,005,924	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	191,422,686	5.3 years	611,910,578	—
Effect of assumptions changes or inputs	324,623,829	5.3 years	424,846,365	—
Member contributions	(129,023,831)	Current	—	—
Projected investment earnings	(1,935,966,357)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(63,585,263)	5.3 years	340,012,785	(435,844,796)
Net difference between projected and actual investment earnings	(120,771,595)	5 years	272,176,680	—
Contributions subsequent to the measurement date	—	1 year	950,996,870	—
Administrative expenses	4,423,814	Current	—	—
Total	$ 1,286,222,824		$ 2,599,943,278	$ (435,844,796)

Health Insurance Subsidy

	Recognized in Expense Reporting Period Ending June 30, 2024	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 28,787,545	Current	$ —	$ —
Interest cost	54,162,850	Current	—	—
Effect of plan changes	773,462,895	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	11,009,802	6.3 years	32,132,633	(5,151,888)
Effect of assumptions changes or inputs	(41,253,712)	6.3 years	57,704,703	(190,200,238)
Member contributions	(30,665)	Current	—	—
Projected investment earnings	(2,918,317)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(15,896,474)	6.3 years	104,985,386	(126,824,606)
Net difference between projected and actual investment earnings	702,404	5 years	1,133,506	—
Contributions subsequent to the measurement date	—	1 year	120,384,828	—
Administrative expenses	29,303	Current	—	—
Total	$ 808,055,631		$ 316,341,056	$ (322,176,732)

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2024, was 17.8 years. The State's pension expense and deferred outflows and deferred inflows of resources reported for the fiscal year ended June 30, 2024, are presented below for the plan.

National Guard Benefit Plan

	Recognized in Expense Reporting Period Ending June 30, 2024	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 14,433,879	**Current**	$ —	$ —
Interest cost	22,482,083	**Current**	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	6,804,240	**17.8 years**	54,225,380	(31,097,217)
Effect of assumptions changes or inputs	9,207,717	**17.8 years**	266,456,630	(560,972,195)
Administrative expenses	8,600	**Current**	—	—
Total	$ 52,936,519		$ 320,682,010	$ (592,069,412)

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, 2025. 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
2025	$ 117,841,392	$ (28,983,549)	$ 15,538,628
2026	(126,520,641)	(22,603,202)	12,860,053
2027	1,051,118,062	(27,828,285)	3,382,483
2028	128,581,504	(36,737,172)	1,201,802
2029	42,081,295	(11,818,521)	873,377
Thereafter	—	1,750,224	(305,243,745)
Total	$ 1,213,101,612	$ (126,220,505)	$ (271,387,402)

Payables to the Pension Plans

The State reported payables of $91.1 million to the FRS Pension Plan, and $3.1 million to the HIS Program as of June 30, 2024, 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 2023, through June 2024. 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. 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 2023-24 was 4.78%.

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 2023 through June 2024. 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 2023-24 was 23.90%.

Pension Amounts for Defined Contribution Plans

As of June 30, 2024, the State reported the following pension amounts related to the defined contribution plans:

Reporting Period Ended June 30, 2024	FRS Investment Plan	Optional Retirement Plan	Optional Annuity Program
Pension Expense[1,2]	$ 174,271,216	$ 3,590,329	$ 43,881
Forfeitures	8,383,364	—	—
Pension Liability	8,604,753	—	328

[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.

<u>Plan Description</u>

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.

<u>Benefits Provided</u>

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.

<u>Employees covered by benefit terms</u>

At valuation date of July 1, 2023, 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.

<u>Contributions</u>

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.

<u>Total OPEB Liability</u>

As of June 30, 2024, the State reported a total OPEB liability of $8,369,246,629 of which the State (primary government) and its component units reported $5,837,535,771 and $2,531,710,858, respectively, for its proportionate share of the total OPEB liability measured as of June 30, 2023. 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, 2022	69.551182925169 %	30.448817074831 %
Proportion at measurement date, June 30, 2023	69.749835676085 %	30.250164323915 %
Increase / (Decrease) in proportion	0.198652750916 %	(0.198652750916)%

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, 2023
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	2.40%
Salary Increases	Varies by FRS Class
Discount rate	4.13%
Healthcare cost trend rates	8.10% for PPO and 6.44% for HMO for 2023, increasing to 8.22% and increasing to 6.49%, respectively, by 2025, 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 4.13% was based on a 20-year S&P Municipal Bond Index as of the measurement date. The discount rate changed from 4.09% for the opening balance as of June 30, 2022 to 4.13% as of June 30, 2023 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, 2022 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 2023 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment were used in the June 30, 2023 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 2023 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, 2023	$ 5,455,077	$ 2,388,179	$ 7,843,256
Changes for the year:			
Service cost	213,019	92,385	305,404
Interest	229,679	99,610	329,289
Changes of benefit terms	—	—	—
Differences between expected and actual experience	—	—	—
Changes of assumptions or other inputs	61,684	26,752	88,436
Benefit payments	(137,112)	(60,026)	(197,138)
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	15,189	(15,189)	—
Other changes	—	—	—
Net changes	382,459	143,532	525,991
Reporting period ending June 30, 2024	$ 5,837,536	$ 2,531,711	$ 8,369,247

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 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
State	$ 6,928,463	$ 5,837,536	$ 4,962,149
Component Units	3,058,199	2,531,711	2,135,680
Total	$ 9,986,662	$ 8,369,247	$ 7,097,829

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	$ 4,832,833	$ 5,837,536	$ 7,134,400
Component Units	2,073,500	2,531,711	3,161,485
Total	$ 6,906,333	$ 8,369,247	$ 10,295,885

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

For the fiscal year ended June 30, 2024, the State of Florida recognized OPEB expense of $295,621,791 and $128,209,732 for primary governments and the component units respectively. At June 30, 2024, 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	$ —	$ (482,886)	$ —	$ (209,425)
Changes of assumptions or other inputs	528,402	(2,782,291)	229,168	(1,206,667)
Changes of proportionate shares and difference between the actual benefit payments and expected benefit payments	58,501	(303,603)	303,603	(58,501)
Transactions subsequent to the measurement date	156,182	—	67,736	—
Total	$ 743,085	$ (3,568,780)	$ 600,507	$ (1,474,593)

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, 2025. 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**
2025	$ (831,209)	$ (232,131)	$ (1,063,340)
2026	(676,220)	(168,825)	(845,045)
2027	(595,650)	(132,971)	(728,621)
2028	(309,892)	(138,785)	(448,677)
2029	(309,891)	(138,786)	(448,677)
Thereafter	(259,017)	(130,322)	(389,339)
Total	$ (2,981,879)	$ (941,820)	$ (3,923,699)

NOTE 10 - 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, 2024, the Department had available approximately $19.4 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, 2024, totaled $2.5 billion. Refer to Note 8 for additional disclosures relating to construction in progress. Construction commitments for component units totaled $7.9 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 $892,692,133 for the fiscal year ended June 30, 2024. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2024:

Series	Amount
2021	$ 36,635,000
2021 (Intermodal)	48,385,000
Total	$ 85,020,000

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, 2023, the outstanding balance for Space Florida-assisted financing stood at $318,383,680. 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, 2023, the remaining payments under the lease agreement amounted to $69,614,363. 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, 2023, Space Florida held $2,322,963 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. During June 2023, Space Florida entered into a multi-phase agreement with a company to provide with financing related to the sale and leaseback of personal and real property for up to $201,400,000. As of September 30, 2023, the outstanding balance on Space Florida assisted financing was $201,400,000. The debt will be repaid with proceeds from the lease of the personal property. The loan is collateralized by the lease. During May 2023, Space Florida entered into an agreement with a company with operations in Orlando to provide financing relating to the leasing of personal property for up to $75,000,000. The remaining payments under the lease agreement were $21,172,234 at September 30, 2023. The debt will be repaid by fees charges by the lessee for usage of the equipment and is secured by the personal property.

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 reported for FHFC include $1.8 billion.

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 provides 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 in the form of an annual assessment imposed by the County in accordance with the Security Agreement. Contingent rent is assessed when the project life coverage ratio falls below a pre-determined ratio and can be removed once the project life coverage ratio exceeds that ratio. The financial projection model forecasts no need for contingent rent. The loan is forecast to be repaid 13 years earlier than anticipated with a final payment on October 1, 2031. The aggregate amount of such no-commitment debt obligation outstanding at June 30, 2024, is $135,175,918.

The Department of Children and Families possesses two certificates of participation, with the total outstanding debt obligation reaching $25,970,000 as of June 30, 2024.

D. Encumbrances

As of June 30, 2024, 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:	$ 440,681	$ 72,507	$1,017,097	$ 147,089	$ 51,450	$ 1,105,271	$ 2,834,095

NOTE 11 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

A. Bonds Payable

1. Outstanding Bonds

Bonds payable at June 30, 2024, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	$ 2,371,365	$ 1,852,870	2.000-5.000%	2053
DOT Financing Corporation Bonds	418,560	325,785	3.000-5.000%	2037
Federal Highway Reimbursement Bonds	242,110	172,750	5.000-5.000%	2032
SBE Capital Outlay Bonds	89,450	33,010	3.000-5.000%	2030
Lottery Education Bonds	999,855	317,535	3.000-5.000%	2032
Public Education Bonds	5,462,815	4,140,730	2.000-5.000%	2048
State University System Bonds	119,845	48,255	3.000-5.000%	2033
University Auxiliary Bonds	1,171,649	945,675	1.540-7.000%	2054
Florida Forever Bonds	648,435	217,835	2.000-5.000%	2029
Florida Facilities Pool Bonds	190,835	103,125	3.000-5.000%	2039
Seaport Investment Bonds	98,980	95,980	4.000-5.000%	2043
Everglades Restoration Bonds	176,600	87,665	3.000-5.000%	2035
	11,990,499	8,341,215		
Unamortized premiums (discounts) on bonds payable	—	640,549		
Total Bonds Payable	$ 11,990,499	$ 8,981,764		
Business-type Activities:				
Toll Facilities Bonds	$ 4,432,500	$ 3,292,585	1.750-6.000%	2054
Florida Hurricane Catastrophe Fund Bonds	4,500,000	4,500,000	1.258-5.526%	2035
	8,932,500	7,792,585		
Unamortized premiums (discounts) on bonds payable	—	204,167		
Total Bonds Payable	$ 8,932,500	$ 7,996,752		

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.

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 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. Trust Services does not administer this bond program.

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)	$ 1,350,276	$ 275,999	$ 1,074,277	$ 147,170	$ 126,347	$ 273,517	3.93	2054	$ 4,726,868	79.56 %
Florida Forever/Everglades[1]	3,577,421	—	3,577,421	85,775	18,874	104,649	34.18	2035	345,838	100.00 %
Lottery Education[1]	2,385,956	—	2,385,956	98,995	20,597	119,592	19.95	2032	358,994	100.00 %
Alligator Alley (Toll Facility)	44,776	13,430	31,346	2,300	495	2,795	11.22	2027	8,378	70.01 %
Sunshine Skyway (Toll Facility)	33,916	10,780	23,136	3,500	3,371	6,871	3.37	2038	96,206	68.22 %
Florida Hurricane Catastrophe[4]	1,657,152	24,169	1,632,983	—	—	—	N/A	2034	5,290,235	98.54 %
State University System Bonds[1]	57,786	—	57,786	6,850	2,178	9,028	6.40	2033	56,094	100.00 %
University Auxiliary Bonds										
Parking System Revenue Bonds										
Florida International University	14,782	7,214	7,568	1,510	1,894	3,404	2.22	2043	58,627	51.19 %
University of South Florida	12,959	7,554	5,405	1,950	93	2,043	2.65	2026	2,371	41.71 %
University of Florida	15,738	7,463	8,275	2,210	1,361	3,571	2.32	2039	37,885	52.58 %
Florida State University	13,626	4,079	9,547	2,100	508	2,608	3.66	2031	9,420	70.06 %
Housing System Revenue Bonds										
Florida International University	34,734	17,731	17,003	5,865	4,590	10,455	1.63	2050	169,267	48.95 %
University of Florida[5]	64,329	40,272	24,057	3,885	1,716	5,601	4.30	2051	356,174	37.40 %
Florida Atlantic University	17,688	10,288	7,400	2,720	1,602	4,322	1.71	2036	39,228	41.84 %
University of Central Florida	30,116	17,980	12,136	4,180	2,221	6,401	1.90	2042	62,646	40.30 %
Florida State University	59,748	25,267	34,481	8,765	5,081	13,846	2.49	2040	134,522	57.71 %
Florida Polytechnic University[6]	3,930	1,020	2,910	—	1,374	1,374	2.12	2053	140,210	74.05 %
University of North Florida[7]	2,820	—	2,820	—	—	—	N/A	2054	153,284	100.00 %
Student Health and Wellness Center Revenue Bonds										
Florida State University[1]	14,996	—	14,996	1,235	504	1,739	8.62	2030	10,456	100.00 %
University of North Florida[1]	4,446	—	4,446	620	376	996	4.46	2033	8,958	100.00 %
Student Services Center Revenue Bonds										
University of Florida[1]	30,805	—	30,805	1,770	1,115	2,885	10.68	2033	25,983	100.00 %
Facility Fee Revenue Bonds										
Florida State University[1]	4,006	—	4,006	1,430	2,013	3,443	1.16	2042	61,967	100.00 %
Research Revenue Bonds										
University of Florida[8]	188,265	—	188,265	1,851	202	2,053	91.71	2053	100,092	100.00 %
DOT Financing Corporation[1]	6,012,500	—	6,012,500	23,005	15,992	38,997	154.18	2037	416,624	100.00 %
GARVEE[1]	3,071,397	—	3,071,397	18,645	9,570	28,215	108.86	2032	211,522	100.00 %
Inland Protection Bonds[1]	272,827	—	272,827	5,795	290	6,085	44.84	2024	—	100.00 %
Seaport Investment Program[1]	200,000	—	200,000	3,000	4,734	7,734	25.86	2043	146,950	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 11.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 2024, resulting in no debt service.

[5] Interest payment excludes $7.1 million of interest paid from proceeds of the 2021A Bonds.

[6] Interest payment excludes $2.3 million of interest paid from proceeds of the 2023A Bonds.

[7] Interest payment excludes $1.7 million of interest paid from proceeds of the 2023A Bonds. After excluding the interest paid from bond proceeds, there was no debt service in FY 2024.

[8] Interest payment excludes $1.8 million of interest paid from proceeds of the 2023A&B Bonds.

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 2023-24, the ratio remained below 6%.

5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2024, are as follows (in thousands):

	Primary Government[1]				
	Governmental Activities				
Year Ending June 30	General		Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	Total
2025	$ 744,305	$ 355,846	$ 2,659	$ 244	$ 1,103,054
2026	727,330	319,030	1,905	144	1,048,409
2027	687,370	283,584	1,938	115	973,007
2028	628,230	250,387	1,968	85	880,670
2029	566,490	220,692	1,996	54	789,232
2030-2034	2,449,800	735,685	4,474	2,187	3,192,146
2035-2039	1,449,055	320,846	—	—	1,769,901
2040-2044	531,665	149,423	—	—	681,088
2045-2049	413,505	64,241	—	—	477,746
2050-2054	128,525	11,899	—	—	140,424
Bonds payable and interest	8,326,275	2,711,633	14,940	2,829	11,055,677
Unamortized premiums (discounts)	640,549	—	—	—	640,549
Total bonds payable and interest	$ 8,966,824	$2,711,633	$ 14,940	$ 2,829	$ 11,696,226

	Primary Government[1]		
	Business-type Activities		
Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	$ 162,105	$ 231,829	$ 393,934
2026	1,402,355	233,322	1,635,677
2027	158,805	218,339	377,144
2028	1,137,155	202,586	1,339,741
2029	138,435	187,366	325,801
2030-2034	2,002,285	739,919	2,742,204
2035-2039	1,681,800	293,965	1,975,765
2040-2044	503,955	157,874	661,829
2045-2049	416,100	77,224	493,324
2050-2054	189,590	16,528	206,118
Bonds payable and interest	7,792,585	2,358,952	10,151,537
Unamortized premiums (discounts)	204,167	—	204,167
Total bonds payable and interest	$ 7,996,752	$ 2,358,952	$10,355,704

[1] See Note 11.A.1 for a breakdown of outstanding Primary Government debt by program.

	Component Units[1]				
Year Ending June 30	General		Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	Total
2025	$ 151,356	$ 179,830	$ 20,646	$ 20,600	$ 372,432
2026	109,817	175,551	20,815	19,946	326,129
2027	169,721	169,629	24,851	19,297	383,498
2028	119,140	163,887	28,940	18,298	330,265
2029	121,883	159,186	28,053	17,159	326,281
2030-2034	840,412	708,535	138,125	67,475	1,754,547
2035-2039	728,323	546,041	98,257	38,584	1,411,205
2040-2044	830,286	396,031	76,227	12,794	1,315,338
2045-2049	768,123	211,704	—	—	979,827
2050-2054	547,642	54,282	—	—	601,924
2055-2059	28,964	50	—	—	29,014
Bonds payable and interest	4,415,667	2,764,726	435,914	214,153	7,830,460
Unamortized premiums (discounts)	119,499	—	—	—	119,499
Total bonds payable and interest	$ 4,535,166	$ 2,764,726	$ 435,914	$ 214,153	$ 7,949,959

[1] Includes Florida Housing Financing Corporation, 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, 2024 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 11.A.1.

Annual debt service requirements for university capital improvement debt payable at June 30, 2024, are as follows (in thousands):

	Universities				
Year Ending June 30	General		Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	Total
2025	$ 35,713	$ 17,617	$ 15,669	$ 13,267	$ 82,266
2026	34,689	16,035	16,380	12,546	79,650
2027	33,450	14,513	17,143	11,789	76,895
2028	33,785	13,059	17,908	11,028	75,780
2029	33,890	11,605	16,536	10,266	72,297
2030-2034	144,675	38,253	68,315	40,924	292,167
2035-2039	80,304	16,736	56,115	28,623	181,778
2040-2044	46,598	6,422	54,465	19,533	127,018
2045-2049	18,887	2,175	62,465	11,527	95,054
2050-2054	4,099	114	33,465	2,169	39,847
Capital improvement debt payable and interest	466,090	136,529	358,461	161,672	1,122,752
Unamortized premiums (discounts)	12,281	—	35,994	—	48,275
Total capital improvement debt payable and interest	$ 478,371	$ 136,529	$ 394,455	$ 161,672	$ 1,171,027

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2024, 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, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2024 Series A in the amount of $231,610,000, along with additional funds of $2,157,510, were used to refund $74,630,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series B maturing in the years 2025 through 2029 and $188,860,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series C maturing in the years 2025 through 2035. The refunding resulted in debt savings of $21,890,481, an economic gain of $18,779,364, and a deferred gain on refunding of $843,772.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2024 Series B in the amount of $113,220,000, along with additional funds of $1,251,088, were used to refund $127,590,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2014 Series C maturing in the years 2025 through 2035. The refunding resulted in debt savings of $10,185,513, an economic gain of $8,965,183, and a deferred gain on refunding of $3,875,833.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2024A in the amount of $155,680,000, along with additional funds of $18,734,172, were used to refund $19,370,000 of the State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2012A maturing in the years 2035 and 2037 and $173,050,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2014A maturing in the years 2025 through 2038 and 2040. The refunding resulted in debt savings of $18,240,137 an economic gain of $10,893,934, and a deferred loss on refunding of $1,354,000.

Cash In-substance Defeasance

Governmental Activities

Florida Water Pollution Control Financing Corporation, Water Pollution Control Revenue Refunding Bonds, Taxable Series 2019A in the amount of $137,140,000 maturing in the years 2024 through 2030 were in-substance defeased on July 17, 2023, when a cash deposit of $130,303,316 was made to an irrevocable escrow account. These funds were subsequently invested in direct obligations of the Federal government in an amount sufficient, with interest earnings thereon, to pay the principal of and interest on the Taxable Series 2019A Bonds through their respective maturity dates.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2020 Series D (Taxable) in the amount of $262,390,000 maturing in the years 2024 and 2025 were in-substance defeased on July 12, 2023, when a cash deposit of $247,231,604 was made to an irrevocable escrow account. These funds were subsequently invested in direct obligations of the Federal government in an amount sufficient, with interest earnings thereon, to pay the principal of and interest on the 2020 Series D (Taxable) Bonds through their respective maturity dates.

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, 2024.

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, 2024, in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

Governmental Activities	Interest
Education:	
SBE Capital Outlay Bonds	$ 862
Lottery Education Bonds	9,707
Public Education Bonds	111,656
State University System Bonds	1,625
University Auxiliary Bonds	28,018
Total Education	151,868
Natural Resources and Environment:	
Inland Protection Bonds	81
Everglades Restoration Bonds	2,439
Water Pollution Control Bonds	151
Florida Forever Bonds	7,017
Total Natural Resources and Environment	9,688
Transportation:	
Road and Bridge Bonds (Right of Way)	48,258
Seaport Investment Bonds	3,386
FDOT Financing Corporation Bonds	8,321
DOT Federal Highway Reimbursement Bonds	2,314
Total Transportation	62,279
Debt Reduction Program	13
Total Direct Interest	$ 223,848

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, 2041. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2024 (in thousands):

Year Ending	General		
June 30	Principal	Interest	Total
2025	$ 44,430	$ 13,302	$ 57,732
2026	46,665	10,668	57,333
2027	34,710	8,716	43,426
2028	36,420	7,024	43,444
2029	36,645	5,289	41,934
2030-2034	57,430	12,969	70,399
2035-2039	41,510	4,642	46,152
2040-2044	18,100	364	18,464
Total	315,910	62,974	378,884
Unamortized premiums (discounts)	35,713	—	35,713
Total certificates of participation payable	$ 351,623	$ 62,974	$ 414,597

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 $660,895,000) 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, 2024 (in thousands):

Year Ending	General		Direct Borrowings and Direct Placements		
June 30	Principal	Interest	Principal	Interest	Total
2025	$ 26,000	$ 21,452	$ 6,255	$ 4,180	$ 57,887
2026	23,581	20,326	6,470	3,924	54,301
2027	24,754	19,131	6,700	3,658	54,243
2028	26,006	17,876	6,945	3,382	54,209
2029	27,284	16,569	7,175	3,097	54,125
2030-2034	153,885	61,339	39,760	10,845	265,829
2035-2039	134,346	22,259	32,785	2,512	191,902
2040-2044	14,375	6,898	—	—	21,273
2045-2049	15,330	3,625	—	—	18,955
2050-2054	6,910	748	—	—	7,658
Total	452,471	190,223	106,090	31,598	780,382
Unamortized premiums (discounts)	32,114	—	—	—	32,114
Total certificates of participation payable	$ 484,585	$ 190,223	$ 106,090	$ 31,598	$ 812,496

NOTE 12 - INSTALLMENT PURCHASES

A. 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, 2024, 73% of the state's installment purchase contracts for primary governmental activities were for land, 25% for buildings, and 2% for furniture and equipment. Installment purchase contracts for component units consisted of 58% of buildings and 42% 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, 2024 (in thousands):

	Primary Government			
	Governmental Activities		Business-type Activities	
Year Ending June 30	General	Direct Borrowings and Placements	General	Totals
2025	$ 12,567	$ 1,878	$ 322	$ 14,767
2026	632,235	1,878	—	634,113
2027	2,815	672	—	3,487
2028	2,660	—	—	2,660
2029	1,645	—	—	1,645
2030-2034	6,438	—	—	6,438
2035-2039	1,917	—	—	1,917
Total	660,277	4,428	322	665,027
Less: Interest	(2,975)	(1,150)	—	(4,125)
Present value of future minimum payments	$ 657,302	$ 3,278	$ 322	$ 660,902

	Component Units		
Year Ending June 30	General	Direct Borrowings and Placements	Totals
2025	$ 3,662	$ 18,204	$ 21,866
2026	4,365	26,849	31,214
2027	4,349	21,276	25,625
2028	4,428	32,669	37,097
2029	4,187	33,387	37,574
2030-2034	10,272	75,115	85,387
2035-2039	3,334	62,503	65,837
2040-2044	1,583	21,812	23,395
2045-2049	—	9,930	9,930
2050-2054	—	2,000	2,000
Total	36,180	303,745	339,925
Less: Interest	(4,124)	(51,537)	(55,661)
Present value of future minimum payments	$ 32,056	$ 252,208	$ 284,264

NOTE 13 - 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 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 based upon 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 the I-4 Corridor project, 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, 2024 (in thousands):

Year Ending June 30	Primary Government Governmental Activities	 Business-type Activities	 Totals
2025	$ 39,631	$ 5,366	$ 44,997
2026	144,495	26,200	170,695
2027	146,664	26,747	173,411
2028	149,061	27,227	176,288
2029	150,636	27,783	178,419
2030-2034	793,146	147,781	940,927
2035-2039	860,261	164,331	1,024,592
2040-2044	905,315	166,671	1,071,986
2045-2049	260,127	35,087	295,214
2050-2054	235,363	34,580	269,943
2055-2059	127,527	24,274	151,801
Total	3,812,226	686,047	4,498,273
Less: Interest	(1,637,614)	(337,381)	(1,974,995)
Present value of future maximum payments	$ 2,174,612	$ 348,666	$ 2,523,278

The Florida Department of Management Services (FDMS) entered an availability payment arrangement during the 2016-2017 fiscal year for providing Human Resource Information Services. The contract is a fixed fee contract with additional fees incurred based upon the total number of participants above an established threshold. The contract was renewed in August of 2021, and at the beginning of the 2023-2024 fiscal year had an estimated total payout of $110 million remaining over four years.

The Florida Department of Environmental Protection (FDEP) entered an availability payment arrangement for a total of $300 million during the 2021-2022 fiscal year for the design and construction of Storm Water Management Areas on private land that will be transferred to the District during Phase 2 of the project. The contract is a fixed fee contract, with additional fees incurred based on specific milestones and progress during the construction phases. Currently, the project is in Phase 1, and Phase 2 is expected to commence during the 2024-2025 fiscal year.

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, 2024, were $104 million. The dining facility fee liability remaining at year-end is $4.6 million, of which $29,598 is the current portion. The liability was determined using an annual discount of six percent.

C. Public-Private Partnerships

The State of Florida does not have any Public-Private Partnerships to report for the 2023-2024 fiscal year.

NOTE 14 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2024, are as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Governmental Activities						
Bonds payable:						
Road and Bridge Bonds	$ 1,768,915	$ 190,010	$ 106,055	$ 1,852,870	$ 103,965	$ 1,748,905
FL DOT Financing Corporation	348,790	—	23,005	325,785	24,150	301,635
Federal Reimbursements Bonds	191,395	—	18,645	172,750	19,580	153,170
SBE Capital Outlay Bonds	42,240	—	9,230	33,010	8,080	24,930
Lottery Education Bonds	416,530	—	98,995	317,535	89,340	228,195
Public Education Bonds	4,801,225	344,830	1,005,325	4,140,730	341,660	3,799,070
State University System Bonds	55,105	—	6,850	48,255	7,100	41,155
University Auxiliary Bonds	848,355	130,755	48,375	930,735	45,510	885,225
Inland Protection Bonds	5,795	—	5,795	—	—	—
Florida Forever Bonds	285,975	—	68,140	217,835	71,535	146,300
Water Pollution Control Bonds	137,140	—	137,140	—	—	—
Florida Facilities Pool Bonds	118,130	—	15,005	103,125	11,715	91,410
Seaport Investment Bonds	98,980	—	3,000	95,980	3,150	92,830
Everglades Restoration Bonds	105,300	—	17,635	87,665	18,520	69,145
Bonds from direct borrowings and direct placements[1]	15,082	2,449	2,591	14,940	2,659	12,281
	9,238,957	668,044	1,565,786	8,341,215	746,964	7,594,251
Unamortized bond premiums (discounts)	750,561	59,395	169,407	640,549	—	640,549
Total bonds payable	9,989,518	727,439	1,735,193	8,981,764	746,964	8,234,800
Certificates of participation payable	400,237	—	48,614	351,623	44,430	307,193
Deposits	2,668,998	251,786	644,057	2,276,727	2,276,547	180
Compensated absences	903,441	259,740	206,162	957,019	240,425	716,594
Claims payable	4,487,561	2,890,659	1,103,237	6,274,983	5,083,312	1,191,671
Installment purchases	659,103	640,280	642,081	657,302	12,567	644,735
Availability Payment arrangement agreements	2,212,540	1,703	39,631	2,174,612	39,631	2,134,981
Advances - Due to Unclaimed Prop. TF	1,397,347	86,501	—	1,483,848	—	1,483,848
Due to other governments	322,482	—	11,939	310,543	—	310,543
Subscription liabilities	314,557	82,977	235,884	161,650	59,475	102,175
Lease liabilities	692,988	451,491	377,700	766,779	15,412	751,367
Other postemployment benefits	5,292,352	384,456	10,273	5,666,535	147,410	5,519,125
Pension liability	7,636,951	1,524,523	20,108	9,141,366	20,000	9,121,366
Other liabilities	22,708	266	278	22,696	145	22,551
Federal Arbitrage Liability	—	1,315	—	1,315	—	1,315
Notes from Direct Borrowings and Direct Placements - Excludes Bonds[2]	4,675	108	1,505	3,278	1,425	1,853
Total Governmental Activities	**$ 37,005,458**	**$ 7,303,244**	**$ 5,076,662**	**$ 39,232,040**	**$ 8,687,743**	**$ 30,544,297**

[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 13 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 9 for additional information on the pension liability and OPEB.

The Florida Department of Management Services' outstanding $103.1 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 Florida Department of Management Services' outstanding $289.9 million certificates of participation provide for acceleration and the surrender of the financed public and private correctional facilities (the projects) in the event of a default. Upon an event of default or an event of non-appropriation, the Florida Correctional Finance Corporation (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 Florida Department of Children and Families' outstanding $26.0 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 Florida Civil Commitment Center Financing Corporation Project (Commitment Center Project) or South Florida Evaluation Treatment Center Financing Corporation Project (Evaluation Center Project) may terminate the lease and require the Department to vacate, surrender, and transfer possession of the projects to the Commitment Center Project or Evaluation Center Project. 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 Commitment Center Project or Evaluation Center Project, and may take possession of the projects, or any portions thereof, and dispose of the Commitment Center Project or Evaluation Center Project'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 $96,031,056 as of June 30, 2024.

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2024, are as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Business-type Activities						
Bonds payable:						
Toll Facility Bonds	$ 3,207,295	$ 430,680	$ 345,390	$ 3,292,585	$ 162,105	$ 3,130,480
Florida Hurricane Catastrophe Fund Bonds	3,500,000	1,000,000	—	4,500,000	—	4,500,000
	6,707,295	1,430,680	345,390	7,792,585	162,105	7,630,480
Unamortized bond premiums (discounts)	211,808	32,087	39,728	204,167	—	204,167
Total bonds payable	6,919,103	1,462,767	385,118	7,996,752	162,105	7,834,647
Accrued prize liability	565,089	11,448,490	11,392,837	620,742	417,586	203,156
Deposits	197,515	114,152	77,207	234,460	194,115	40,345
Compensated absences	30,923	8,256	4,120	35,059	8,422	26,637
Tuition and housing benefits payable	9,196,538	461,009	867,304	8,790,243	511,813	8,278,430
Installment purchases	1,444	—	1,122	322	322	—
Due to other governments	—	645	—	645	—	645
Claims payable	8,969,600	15	3,769,240	5,200,375	5,200,375	—
Availability payment arrangement agreements[1]	353,792	283	5,409	348,666	5,366	343,300
Subscription liabilities	2,478	2,348	1,501	3,325	1,339	1,986
Lease liabilities	77,703	18,180	12,633	83,250	5,235	78,015
Other postemployment benefits	148,713	14,354	7,979	155,088	4,034	151,054
Pension liability	159,211	42,538	15,997	185,752	—	185,752
Total Business-type Activities	**$ 26,622,109**	**$ 13,573,037**	**$ 16,540,467**	**$ 23,654,679**	**$ 6,510,712**	**$ 17,143,967**

[1]Availability payment arrangements are included in the Installment purchases line of the Proprietary Funds Statements of Net Position.

As of June 30, 2024, Florida Hurricane Catastrophe Fund assets having a value of $4.5 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, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Component Units						
Bonds payable	$ 3,497,495	$ 1,578,449	$ 540,778	$ 4,535,166	$ 151,356	$ 4,383,810
Bonds from direct borrowings and direct placements[1]	871,083	274,884	710,053	435,914	20,646	415,268
Deposits	3,029,346	3,712,204	3,236,091	3,505,459	3,174,813	330,646
Compensated absences	864,510	162,762	99,172	928,100	118,719	809,381
Installment purchases	34,726	1,426	4,096	32,056	3,662	28,394
Subscription liabilities	148,118	94,333	43,391	199,060	44,297	154,763
Leases liabilities[2]	787,452	132,740	185,859	734,333	81,036	653,297
Claims payable	1,715,883	222,749	76,779	1,861,853	48,550	1,813,303
Certificates of participation payable	508,945	358,259	382,619	484,585	26,000	458,585
Due to other governments/primary	882,871	73,517	83,563	872,825	51,382	821,443
Other postemployment benefits	2,543,954	1,491,374	1,372,858	2,662,470	70,448	2,592,022
Pension liability	4,312,204	1,306,425	884,054	4,734,575	4,023	4,730,552
Asset retirement obligations	10,697	70,740	70,311	11,126	—	11,126
Other liabilities	947,376	377,512	548,983	775,905	484,276	291,629
Notes from direct borrowings and direct placements - Excludes Bonds[1]	403,853	119,466	166,050	357,269	22,020	335,249
Total Component Units	**$ 20,558,513**	**$ 9,976,840**	**$ 8,404,657**	**$ 22,130,696**	**$ 4,301,228**	**$ 17,829,468**

[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 $160.6 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 $236.4 million certificates of participation, including $87 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 $55.3 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 $138.6 million as of June 30, 2024.

NOTE 15 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2024, 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, 2024, 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	$ —	$ 60,625	$ 5	$ 164,474	$ 19,169
Natural Resources, Environment, and Growth Management	13,701	—	—	702	14,747
Public Education	171	—	—	1,878	—
Health and Family Services	16,060	160	—	—	—
Transportation	12,059	1,710	—	181	—
Nonmajor Governmental Funds	90,768	2,984	18,350	3,563	120,626
Internal Service Funds	695	—	—	—	—
Business-type Activities					
Transportation	134	—	—	—	177,696
Lottery	64	—	97,584	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	1	—	—	—	46
Nonmajor Enterprise Funds	5,665	—	—	98	—
Fiduciary Funds					
Private-purpose Trust Funds	10	—	—	—	—
Pension and Other Employee Benefits Trust Funds	10	—	—	—	—
Custodial Funds	60,323	32,903	—	2,228	16,266
Investment Trust Funds	—	—	—	—	—
Total	**$ 199,661**	**$ 98,382**	**$ 115,939**	**$ 173,124**	**$ 348,550**

(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	$ 171,896	$ 16,088
Natural Resources, Environment, and Growth Management	33	664
Public Education	404	72
Health and Family Services	24,548	3,196
Transportation	26,484	944
Nonmajor Governmental Funds	5,321	6,861
Internal Service Funds	1	357
Business-type Activities		
Transportation	—	4
Lottery	4	63
Hurricane Catastrophe Fund	—	—
Prepaid College Program	—	—
Reemployment Assistance	3,066	—
Nonmajor Enterprise Funds	636	664
Fiduciary Funds		
Private-purpose Trust Funds	—	5
Pension and Other Employee Benefits Trust Funds	—	54
Custodial Funds	6,442	3
Investment Trust Funds	—	—
Total	**$ 238,835**	**$ 28,975**

	Due from Other Funds (in thousands)			
	Business-type Activities			
Due to Other Funds (in thousands)	Transportation	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	$ —	$ —	$ 1,760	$ 47
Natural Resources, Environment, and Growth Management	—	—	8	1
Public Education	—	—	—	—
Health and Family Services	—	—	69	8
Transportation	146,127	—	16	—
Nonmajor Governmental Funds	—	—	34	27
Internal Service Funds	—	—	—	—
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	3	8
Hurricane Catastrophe Fund	—	—	—	410
Prepaid College Program	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	8	—
Fiduciary Funds				
Private-purpose Trust Funds	—	119	—	3
Pension and Other Employee Benefits Trust Funds	—	—	—	11,797
Custodial Funds	192,539	—	—	—
Investment Trust Funds	—	—	—	164
Total	**$ 338,666**	**$ 119**	**$ 1,898**	**$ 12,465**

(Continued below)

	Due from Other Funds (in thousands)			
	Fiduciary Funds			
Due to Other Funds (in thousands)	Private Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Custodial Funds	**Total**
Governmental Activities				
General Fund	$ 443	$ 56	$ 266,182	**$ 700,745**
Natural Resources, Environment, and Growth Management	—	6	—	**29,862**
Public Education	518	—	—	**3,043**
Health and Family Services	—	—	15	**44,056**
Transportation	—	—	8,981	**196,502**
Nonmajor Governmental Funds	—	—	286	**248,820**
Internal Service Funds	—	11,048	16,872	**28,973**
Business-type Activities				
Transportation	—	—	—	**177,834**
Lottery	—	—	—	**97,726**
Hurricane Catastrophe Fund	—	—	—	**410**
Prepaid College Program	77,334	—	—	**77,334**
Reemployment Assistance	—	—	45	**3,158**
Nonmajor Enterprise Funds	—	104	—	**7,175**
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	**137**
Pension and Other Employee Benefits Trust Funds	—	100,784	—	**112,645**
Custodial Funds	—	—	—	**310,704**
Investment Trust Funds	—	—	—	**164**
Total	**$ 78,295**	**$ 111,998**	**$ 292,381**	**$ 2,039,288**

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands) Governmental Activities General Fund	Governmental Activities Transportation
Governmental Activities		
Public Education	$ —	$ —
Nonmajor Governmental Funds	925	731
Internal Service Funds	500	—
Business-type Activities		
Transportation	—	201,694
Total	**$ 1,425**	**$ 202,425**

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands) Business-type Activities Transportation
Governmental Activities	
Public Education	$ —
Nonmajor Governmental Funds	—
Internal Service Funds	—
Business-type Activities	
Transportation	—
Total	**$ —**

(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	$ 1,483,848	**$ 1,483,848**
Nonmajor Governmental Funds	—	**1,656**
Internal Service Funds	—	**500**
Business-type Activities		
Transportation	—	**201,694**
Total	**$ 1,483,848**	**$ 1,687,698**

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

	Transfers 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	$ —	$ 1,433,959	$ 1	$ 1,761,829	$ 5,271,647
Natural Resources, Environment, and Growth Management	68,269	—	—	4,435	800
Public Education	819	—	—	12,840	—
Health and Family Services	69,501	1,916	208,768	—	—
Transportation	55,903	20,718	—	372	—
Nonmajor Governmental Funds	230,231	1,096,589	376,999	211,670	1,650,875
Internal Service Funds	9,941	408	—	181	597
Business-type Activities					
Transportation	—	—	—	—	68,765
Lottery	12	—	2,387,584	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	—	—	—	—	—
Nonmajor Enterprise Funds	90,820	—	—	7,288	—
Fiduciary Funds					
Private-purpose Trust Funds	18	—	30,104	114	—
Pension and Other Employee Benefits Trust Funds	5,206	—	—	—	—
Custodial Funds	33,804	134,708	1,299	—	—
Total	**$ 564,524**	**$ 2,688,298**	**$ 3,004,755**	**$ 1,998,729**	**$ 6,992,684**

(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	$ 2,229,855	$ 476,918
Natural Resources, Environment, and Growth Management	115,099	2,351
Public Education	912,287	56
Health and Family Services	236,024	3,993
Transportation	543,926	5,528
Nonmajor Governmental Funds	326,716	12,846
Internal Service Funds	9,925	851
Business-type Activities		
Transportation	—	—
Lottery	155	149
Hurricane Catastrophe Fund	10,000	—
Prepaid College Program	—	—
Reemployment Assistance	19,068	—
Nonmajor Enterprise Funds	24,006	1,453
Fiduciary Funds		
Private-purpose Trust Funds	2,768	82
Pension and Other Employee Benefits Trust Funds	98	20,078
Custodial Funds	19,889	—
Total	**$ 4,449,816**	**$ 524,305**

	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	$ —	$ 4	$ 812,324	$ 80,378
Natural Resources, Environment, and Growth Management	—	—	30	—
Public Education	—	—	3	—
Health and Family Services	—	—	408	33
Transportation	99,911	—	48	—
Nonmajor Governmental Funds	—	—	229	3,657
Internal Service Funds	—	53	1	—
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	7	—
Hurricane Catastrophe Fund	—	—	—	—
Prepaid College Program	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	52	—
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	—
Pension and Other Employee Benefits Trust Funds	—	—	1	22,040
Custodial Funds	—	—	7	—
Total	**$ 99,911**	**$ 57**	**$ 813,110**	**$ 106,108**

(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	$ 15,956	$ 1,242	**$ 12,085,883**
Natural Resources, Environment, and Growth Management	—	—	—	**190,984**
Public Education	22,398	—	—	**948,403**
Health and Family Services	17	—	—	**520,660**
Transportation	—	—	613	**727,019**
Nonmajor Governmental Funds	14	—	—	**3,909,826**
Internal Service Funds	—	11,051	—	**33,008**
Business-type Activities				
Transportation	—	—	—	**68,765**
Lottery	—	—	—	**2,387,907**
Hurricane Catastrophe Fund	—	—	—	**10,000**
Prepaid College Program	39,159	—	—	**39,159**
Reemployment Assistance	—	—	—	**19,068**
Nonmajor Enterprise Funds	—	—	—	**123,619**
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	**33,086**
Pension and Other Employee Benefits Trust Funds	—	772,121	—	**819,544**
Custodial Funds	—	—	—	**189,707**
Total	**$ 63,358**	**$ 799,128**	**$ 1,855**	**$ 22,106,638**

NOTE 16 - RISK MANAGEMENT

A. State Risk Management Trust Fund

The State Risk Management Trust Fund (Fund) provides property insurance coverage for state buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage. The property insurance program has a self-insured retention of $2 million per occurrence for losses arising from all perils listed above except named windstorm and flood. The property insurance program also has a self-insured retention of $2 million per occurrence for losses arising from named windstorm and flood, but with an additional annual aggregate self-insured retention of $40 million. Commercial reinsurance is purchased for losses over the self-insured retention up to $62.5 million per occurrence for named windstorm and flood losses through February 15, 2025, and $300 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, 2023, and June 30, 2024, 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, 2023	$ 1,917	$ 4,494	$ (2,311)	$ 4,100
June 30, 2024	$ 4,100	$ 6,886	$ (4,384)	$ 6,602

The estimated liability for unpaid property insurance claims for the fiscal year ended June 30, 2024, includes $4.4 million in outstanding property claim loss payments resulting from two tornadoes that struck Tallahassee on May 10, 2024. After June 30, 2024, an additional $3 million in property claim loss payments resulting from the two tornadoes was incurred for total loss payments of $7.4 million, exceeding the property insurance program self-insured retention of $2 million per occurrence. During the upcoming fiscal year, the Fund expects to receive an estimated $5.4 million in recoveries from commercial insurance for paid losses exceeding $2 million. The estimated liability for unpaid property insurance claims for the fiscal year ended June 30, 2024, does not include outstanding property claim loss payments from Hurricane Debby that made landfall near Steinhatchee on August 5, 2024, Hurricane Helene that made landfall near Perry on September 26, 2024, and Hurricane Milton that made landfall near Siesta Key on October 9, 2024. Preliminary losses for Hurricane Debby, Hurricane Helene, and Hurricane Milton total $40.6 million. Claims related to these three hurricanes are still being received, so it is not known whether total losses will exceed the self-insured retention.

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, 2024, was $1.18 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 $250.6 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is $328.3 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2023, and June 30, 2024, 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, 2023	$ 1,134,171	$ 116,686	$ (133,699)	$ 1,117,158
June 30, 2024	$ 1,117,158	$ 183,881	$ (125,607)	$ 1,175,432

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2024, increased by $67.2 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, 2023, and June 30, 2024, 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, 2023	$ 282,989	$ 2,676,958	$ (2,654,556)	$ 305,391
June 30, 2024	$ 305,391	$ 2,891,687	$ (2,925,922)	$ 271,156

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 9, Section B regarding OPEB for additional information. Asset and liability balances related to retiree participation in the program as of June 30, 2024, 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 17 - 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, 2024, is as follows (in millions):

Actuarial present value of future contract benefits, expenses payable, and near-term payables	$9,179
Net position available (net of outstanding refund payments and unrealized gain/loss on security lending portfolio)	$12,460
Net position as a percentage of future contract benefits and expenses obligation	135.7%

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NOTE 18 - 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, 2024, the industry retention for determining each insurer's retention was $9.465 billion per hurricane for the two hurricanes with the largest losses and $3.155 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. As of June 30, 2024, the FHCF had a net position of $5.817 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, 2024, 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 the FHCF financial statements. During the 2023 hurricane season, Hurricane Idalia made landfall on August 30, 2023, near Keaton Beach, Florida, as a Category 3 hurricane. The estimated ultimate loss to the FHCF for this hurricane was $10 million as of June 30, 2024. During the 2022 hurricane season, Hurricane Ian made landfall on September 28, 2022, in southwest Florida as a Category 4 hurricane. The current estimated ultimate loss to the FHCF for this hurricane was $9.5 billion as of June 30, 2024, which is a $500 million decrease from prior year. Hurricane Michael, which occurred during the 2018 hurricane season, had an estimated ultimate loss as of June 30, 2024, of $1.2 billion, which is a $280 million decrease from prior year due to the mandatory commutation of Hurricane Michael losses that began on June 1, 2024. Final commutation for Hurricane Irma, which occurred during the 2017 hurricane season had a final ultimate loss to the Fund of $7.5 billion, recognized an additional $70.1 million decrease in losses during fiscal year end 2024. The estimated ultimate losses from these events are reflected in the FHCF's net position as of June 30, 2024, and no additional loss development for these storms was recognized during fiscal year ended 2024.

On September 16, 2020, the Corporation issued $3.5 billion of pre-event Series 2020A Revenue Bonds, and on May 1, 2024, the Corporation issued $1.0 billion of pre-event Series 2024A 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. The Series 2024A Revenue Bonds have a single 10-year maturity on July 1, 2034, bearing an interest rate of 5.53%.

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, 2023, or June 1, 2024.

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 were required to participate in contract year 2022, unless the insurer had duplicative reinsurance coverage which required the insurer to defer coverage to contract year 2023. $726 million has been paid in FY 2024 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 $818 million as of June 30, 2024. $5 million has been paid in FY 2024 to insurers participating in the program for the 2023 hurricane season for losses resulting from Hurricane Idalia. Estimated ultimate losses to the RAP program for Hurricane Idalia are projected to be $15 million.

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 selected coverage and paid 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. During the 2023 hurricane season, Hurricane Idalia made landfall on August 30, 2023, near Keaton Beach, Florida, as a Category 3 hurricane. The FORA Program's estimated ultimate loss for Hurricane Idalia was estimated to be $15 thousand, but no payments have been made as of June 30, 2024.

D. CITIZENS PROPERTY INSURANCE CORPORATION

Citizens Property Insurance Corporation (Citizens) was established on August 1, 2002, pursuant to Section 627.351(6), Florida Statutes (the Act), to provide certain residential and non-residential property insurance coverage to qualified risks in the State of Florida under circumstances specified in the Act. This legislation was enacted such that property insurance be provided through Citizens to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so. Citizens results from a combination of the Florida Residential Property and Casualty Joint Underwriting Association (the FRPCJUA) and the Florida Windstorm Underwriting Association (the FWUA). The FRPCJUA was renamed Citizens and the FWUA's rights, obligations, assets, liabilities and all insurance policies were transferred to Citizens. Unlike private insurers offering coverage through the admitted market, Citizens is not required to obtain or to hold a certificate of authority issued by the Florida Department of Financial Services, Office of Insurance Regulation (the Office). Likewise, Citizens is not subject to Risk-Based Capital (RBC) requirements or required to have a pledged deposit on file with the State of Florida. For purposes of its tax-exempt status, Citizens is considered a political subdivision and an integral part of the State of Florida. As such, Citizens' operations may be affected by the legislative process.

Citizens operates pursuant to a Plan of Operation (the Plan), under the Act, approved by the Financial Services Commission (the Commission) of the State of Florida. The Commission is composed of the Governor, the Chief Financial Officer, the Attorney General and the Commissioner of Agriculture of the State of Florida.

Citizens is supervised by a Board of Governors (the Board) which consists of nine individuals who reside in the State of Florida. The Governor appoints three members, and the Chief Financial Officer, the President of the Senate and the Speaker of the House of Representatives each appoint two members of the Board. At least one of the two members appointed by each appointing officer must have a demonstrated expertise in the insurance industry. The Chief Financial Officer designates one of the appointees as the Board's chair. All Board members serve at the pleasure of their appointing officers.

Citizens' President and Chief Executive Officer (Executive Director) and senior managers are engaged by and serve at the pleasure of the Board. The Executive Director is subject to confirmation by the Florida Senate.

Pursuant to the Act, all revenues, expenses, assets and liabilities of Citizens were to be divided into three separate accounts: the Personal Lines Account, the Commercial Lines Account and the Coastal Account (collectively, the Accounts). A brief history of each account follows:

- *Personal Lines Account History* - The FRPCJUA began operations on January 21, 1993, after Hurricane Andrew, pursuant to Section 627.351(6), Florida Statutes, to provide certain residential property insurance coverage to qualified risks in the State of Florida for applicants who were in good faith entitled to procure insurance through the private market but were unable to do so. Residential property coverage consists of the types of coverage provided to homeowners, mobile homeowners, tenants, condominium unit owners, and similar policies. The policies provide coverage for all perils covered under a standard residential policy, subject to certain underwriting requirements. Such policies may exclude windstorm coverage on property within eligible areas. This portion of the FRPCJUA's activities became the Personal Lines Account (PLA) under Citizens.

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

- *Coastal Account History* - The FWUA, which was a residual market mechanism for windstorm and hail coverage in select areas of the State of Florida, was created by an act of the Florida Legislature in 1970 pursuant to Section 627.351(2), Florida Statutes. FWUA was a Florida unincorporated association, the members of which were all property insurance companies holding a certificate of authority to provide property insurance coverage in the State of Florida. FWUA provided policies of windstorm insurance for property owners within the eligible areas who were unable to obtain such coverage from private insurers. Insured properties include personal residential, commercial residential and commercial non-residential properties. This portion of the FWUA's activities became the High-Risk Account under Citizens. In 2007, Citizens received authority to issue multi-peril policies in the High-Risk Account. Pursuant to legislative changes during 2011, the High-Risk Account was renamed the Coastal Account.

Pursuant to State law effective January 1, 2024, Citizens consolidated the three separate accounts into a single Citizens account to enhance the ability to pay claims for future storms and minimize the potential for assessments. The single Citizens account 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 determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria, Citizens is a component unit of the State of Florida, and its financial activity is reported in the state's Comprehensive Annual Financial Report by discrete presentation.

Citizens has determined that it has no component units that should be included in its separately reported financial statements. However, the Florida Market Assistance Plan (FMAP) is a financially related entity. FMAP is a 501(c)(6) entity created by Section 627.3515, Florida Statutes. FMAP was created for the purpose of assisting in the placement of applicants who are unable to procure property or casualty insurance coverage from authorized insurers when such insurance is otherwise generally available. As provided in FMAP's enabling legislation, each person serving on the Board of Citizens also serves on the Board of FMAP. In addition, Citizens is required to fund any deficit incurred by FMAP in performing its statutory purpose. No such funding has taken place from FMAP inception through December 31, 2023.

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.

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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 19 - CONTINGENCIES

A. Federal Family Education Loan Program

The Florida Department of Education (FDOE) administers the Federal Family Education Loan Program (FFELP), 20 USCS. 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. The Original Principal Outstanding (OPO) are the program loans that are still outstanding from loans that had been made prior to the Program ending on June 30, 2010. Since the OPO has been declining each year since 2017, USDOE started substituting the Net Guaranty Amount (NGA) for OPO. The NGA for state fiscal year 2024 & 2023 were $743.8 million & $947.1 million, respectively. The NGA methodology includes 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.

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 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 - 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 was held on 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 early 2025.

Family Health Centers of Southwest Florida, Inc. v. Weida - This is a civil action for declaratory and injunctive relief filed in the Middle District of Florida in 2021. Plaintiff, a Federally Qualified Healthcare Center (FQHC) sought an order declaring the State Plan Amendment (2014-012) interpreting the meaning of "scope of services" non-complaint with the language of 42 U.S.C 1396a(bb)(3)(B). AHCA challenged on the basis of the plain meaning the statute and the lack of any language within the chapter suggesting an expanded interpretation of "scope" beyond the "type" of service provided. The case is currently on appeal to the Eleventh Circuit. It has been fully briefed and oral argument has been held. Of greatest concern is the economic impact an expansion of the existing rule would have on costs for reimbursement (Prospective Payment System) of FQHCs and rural health clinics. As part of the State's motion to stay, the State requested an impact analysis be conducted by personnel in the Bureau of Medicaid Program Finance. Their estimates concluded that the likely impact would be an additional $256 million per year.

Chianne D., et al. v. Weida et al - In Chianne D. v. Weida, No. 23-cv-00985 (M.D. Fla.), five individual plaintiffs claim the notices that Florida provides to Medicaid recipients who are determined to be ineligible for Medicaid because of their income violate the federal Medicaid Act and the Due Process Clause of the United States Constitution. The action is pending in federal court in the Middle District of Florida. The plaintiffs initially sought a preliminary injunction, which the district court denied as moot when the plaintiffs amended their complaint. The plaintiffs also moved for class certification. The district court certified both a class and a subclass. The estimated cost of reinstated Medicaid coverage for all class members is more than $150 million per month. The plaintiffs have also pleaded a claim for attorney's fees and costs under 42 U.S.C. § 1988.

NOTE 20 - 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. DBPR moved for a final judgment on the pleadings pursuant to Florida Rule of Civil Procedure 1.140(c). In September 2022, the circuit court granted DBPR's motion and entered a final judgment in favor of DBPR. On August 23, 2023, the First District Court of Appeal affirmed, and issued its final mandate on February 26, 2024, the Second Circuit's Judgment on the Pleadings in favor of DBPR.

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. In August 2022, the circuit court granted DOE's Motion to Dismiss Second Complaint. On April 9, 2024, the First District Court of Appeal *per curiam* affirmed the Second Circuit's dismissal and issued its final mandate on April 26, 2024.

NOTE 21 - DEFICIT FUND BALANCE AND NET POSITION

A. Governmental Funds

The *Public Education Fund* has a deficit unassigned fund balance of approximately $1,130.2 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 $71.6 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 $128.9 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 unrestricted net position of approximately $12 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 unrestricted net position of approximately $66.4 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.

NOTE 22 - 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, 2024:

ISSUANCE OR SALE OF DEBT:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Board of Governors, Florida State University Athletics Association Revenue Bonds	2024A	$ 281,300,000	10/01/2025-10/01/2053	4.000% - 5.000%
Board of Governors, Florida State University Athletics Association Revenue Bonds (Taxable)	2024B	$ 25,035,000	10/01/2025-10/01/2028	5.000% - 5.000%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2025A	$ 138,695,000	07/01/2025-07/01/2054	4.000% - 5.000%
Business-type Activities:				
Department of Transportation, Turnpike Revenue Bonds	2024C	$ 220,170,000	07/01/2025-07/01/2054	4.000% - 5.000%
Department of Transportation, Turnpike Revenue Bonds	2024D	$ 117,030,000	07/01/2025-07/01/2054	4.000% - 5.000%

BONDS TENDERED:

Agency/Bond	Series	Amount	Maturity Date Range	Interest Rate
Governmental Activities:				
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2016B	$ 3,689,000	06/01/2035-06/01/2037	3.000% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2016C	$ 2,080,000	06/01/2034-06/01/2037	2.500% - 2.625%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2016D	$ 654,000	06/01/2036-06/01/2036	2.625% - 2.625%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2016E	$ 36,972,000	06/01/2031-06/01/2046	2.375% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2016F	$ 990,000	06/01/2035-06/01/2035	3.250% - 3.250%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2016G	$ 1,105,000	06/01/2034-06/01/2037	3.000% - 3.125%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2017A	$ 5,944,000	06/01/2033-06/01/2035	3.000% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2017B	$ 1,130,000	06/01/2036-06/01/2037	3.000% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2017C	$ 10,659,000	06/01/2038-06/01/2040	3.000% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2018B	$ 275,000	06/01/2048-06/01/2048	4.000% - 4.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2019C	$ 5,800,000	06/01/2033-06/01/2039	3.000% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2019D	$ 4,640,000	06/01/2038-06/01/2039	3.000% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2020A	$ 150,000	06/01/2038-06/01/2039	3.000% - 3.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2021B	$ 12,900,000	06/01/2034-06/01/2039	2.000% - 3.000%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2016B	$ 410,000	07/01/2038-07/01/2038	2.750% - 2.750%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2017A	$ 4,741,000	07/01/2046-07/01/2047	3.500% - 3.500%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2019B	$ 54,055,000	07/01/2042-07/01/2049	3.000% - 3.000%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2020A	$ 2,280,000	07/01/2043-07/01/2044	2.000% - 2.000%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Refunding Bonds	2021A	$ 20,000	07/01/2041-07/01/2041	2.000% - 2.000%
Business-type Activities:				
Department of Transportation, Turnpike Revenue Bonds	2019B	$ 8,830,000	07/01/2043-07/01/2049	3.000% - 3.000%
Department of Transportation, Turnpike Revenue Bonds	2020B	$ 22,271,000	07/01/2037-07/01/2050	2.000% - 2.000%
Department of Transportation, Turnpike Revenue Bonds	2021B	$ 72,790,000	07/01/2035-07/01/2051	1.750% - 2.250%
Department of Transportation, Turnpike Revenue Bonds	2021C	$ 91,920,000	07/01/2040-07/01/2051	2.375% - 3.000%

BONDS PURCHASED:

Agency/Bond	Series	Amount	Maturity Date Range	Interest Rate
Governmental Activities:				
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2017B	$ 1,605,000	06/01/2037-06/01/2037	3.000% - 3.000%

B. Hurricanes

On August 5, 2024, Hurricane Debby made landfall near Steinhatchee, Florida, as a Category 1 hurricane. As of December 31, 2024, the actuarial total loss estimate for the Florida Hurricane Catastrophe Fund (FHCF) was determined to be $240 million for Hurricane Debby.

On September 26, 2024, Hurricane Helene made landfall near Perry, Florida, as a Category 4 hurricane. As of December 31, 2024, the actuarial total loss estimate for the FHCF was determined to be $10 million for Hurricane Helene.

On October 9, 2024, Hurricane Milton made landfall near Siesta Key, Florida, as a Category 3 hurricane. As of December 31, 2024, the actuarial total loss estimate for the FHCF was determined to be $3.5 billion for Hurricane Milton.

Additionally, as of December 31, 2024, the actuarial reserves for Hurricane Ian and Hurricane Idalia were reduced by $500 million to $9 billion and by $9 million to $1 million, respectively. All remaining unpaid losses from Hurricane Michael were commuted, reducing the actuarial total loss estimate by $1.17 billion.

The net effect of the actuarial estimate changes and commutation was an increase in the reserve of $1.831 billion.

C. Volunteer Florida Foundation

The Commission on Community Service projects that the Volunteer Florida Foundation will raise $17 million in donations in response to hurricanes Helene and Milton. The Commission on Community Service operates as a blended component unit of the State of Florida, while the Volunteer Florida Foundation serves as a component unit of the Commission on Community Service.

D. Consolidated Equipment Financing Program

The Florida Department of Financial Services has incurred a liability associated with a Consolidated Equipment Financing Program purchase, with a total contractual obligation of approximately $1.3 million, inclusive of interest. The purchase order was officially issued on June 18, 2024, and the contract was executed on September 11, 2024.

E. Credit Facility Program

The Credit Facility Program (CFP) was established by the Florida State Board of Administration (SBA) in 2023 to provide secured revolving credit for downstream loans to Real Estate Principal Investments. Subsequent to the fiscal year end of 2024, an additional $93.6 million was committed, and $105.1 million in principal was drawn to provide downstream loans to Real Estate Principal Investments as part of the CFP.

F. Federally Assisted Grant Programs

Medicaid Program - On January 6, 2025, the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) requested the Agency for Health Care Administration (AHCA) to reimburse the federal share of the net amount of medical assistance costs recovered each quarter from rebates it received in the calendar years 2015 through 2019, in the amount of $106.1 million. On February 4, 2025, AHCA challenged CMS as to whether CMS was entitled to a federal share of these rebates during the period prior to January 15, 2021. If AHCA is ultimately unsuccessful in its challenge, it may be required to return the amount to the Federal Government.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(in thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2023	$ 33,141,350	$ 33,141,350	$ 33,141,350	$ —
Reversions	298,837	298,837	298,837	—
Fund Balances, July 1, 2023, restated	33,440,187	33,440,187	33,440,187	—
REVENUES				
Fees and charges	1,605,659	1,605,659	1,469,182	(136,477)
Licenses	399,514	399,514	233,066	(166,448)
Taxes	53,405,956	53,323,456	54,881,864	1,558,408
Miscellaneous	44	44	275	231
Interest	836,350	809,850	1,032,914	223,064
Grants	22,815	22,815	30,679	7,864
Refunds	12,606	12,606	511,194	498,588
Transfers and distributions	4,312,899	4,170,199	4,651,019	480,820
Other	330,988	330,988	458,213	127,225
Total Revenues	60,926,831	60,675,131	63,268,406	2,593,275
Total Available Resources	94,367,018	94,115,318	96,708,593	2,593,275
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,886,297	5,543,000	5,455,372	87,628
Other personal services	83,366	93,045	75,657	17,388
Expenses	459,606	518,328	485,649	32,679
Grants and aids	19,012,587	19,154,791	18,868,239	286,552
Operating capital outlay	33,841	30,023	22,469	7,554
Food products	102,446	108,414	108,162	252
Fixed capital outlay	1,024,259	1,024,259	1,024,259	—
Lump sum	1,559,064	6,654	6,654	—
Special categories	18,537,512	24,829,718	22,876,129	1,953,589
Financial assistance payments	320,338	321,976	314,226	7,750
Continuing Appropriations	—	1,014,617	1,014,617	—
Grants/aids to local governments	574,508	574,508	574,508	—
Data processing services	58,770	67,341	58,597	8,744
Pensions and benefits	18,147	18,147	17,105	1,042
Claim bills and relief acts	—	3,225	3,225	—
Total Operating Expenditures	46,670,741	53,308,046	50,904,868	2,403,178
Nonoperating expenditures:				
Transfers	11,580,638	11,580,638	11,580,638	—
Refunds	661,346	661,346	661,346	—
Other	3,398,280	3,398,280	3,398,280	—
Total Nonoperating Expenditures	15,640,264	15,640,264	15,640,264	—
Total Expenditures	62,311,005	68,948,310	66,545,132	2,403,178
Fund Balances, June 30, 2024	$ 32,056,013	$ 25,167,008	$ 30,163,461	$ 4,996,453

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, 2024
(in thousands)

	Natural Resources, Environment, and Growth Management			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2023	$ 4,770,579	$ 4,770,579	$ 4,770,579	$ —
Reversions	15,214	15,214	15,214	—
Fund Balances, July 1, 2023, restated	4,785,793	4,785,793	4,785,793	—
REVENUES				
Fees and charges	129,316	191,737	183,604	(8,133)
Licenses	61,997	65,000	58,752	(6,248)
Taxes	—	326,283	329,991	3,708
Miscellaneous	477	390	344	(46)
Interest	44,392	101,516	70,186	(31,330)
Grants	699,147	248,150	152,401	(95,749)
Refunds	973	1,901	5,898	3,997
Transfers and distributions	2,232,401	3,362,937	2,536,031	(826,906)
Other	244,535	40,136	511,155	471,019
Total Revenues	3,413,238	4,338,050	3,848,362	(489,688)
Total Available Resources	8,199,031	9,123,843	8,634,155	(489,688)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	430,828	468,908	442,352	26,556
Other personal services	35,209	35,170	30,838	4,332
Expenses	69,863	69,908	64,564	5,344
Grants and aids	28,997	39,032	28,950	10,082
Operating capital outlay	1,731	1,730	1,578	152
Fixed capital outlay	428,038	428,038	428,038	—
Lump sum	500	—	—	—
Special categories	354,094	426,808	309,005	117,803
Grants/aids to local governments	974,424	974,424	974,424	—
Data processing services	35	35	34	1
Total Operating Expenditures	2,323,719	2,444,053	2,279,783	164,270
Nonoperating expenditures:				
Transfers	564,734	564,734	564,734	—
Refunds	27,743	27,743	27,743	—
Other	380,572	380,572	380,572	—
Total Nonoperating Expenditures	973,049	973,049	973,049	—
Total Expenditures	3,296,768	3,417,102	3,252,832	164,270
Fund Balances, June 30, 2024	$ 4,902,263	$ 5,706,741	$ 5,381,323	$ (325,418)

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, 2024
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2023	$ 2,461,255	$ 2,461,255	$ 2,461,255	$ —
Reversions	364,795	364,795	364,795	—
Fund Balances, July 1, 2023, restated	2,826,050	2,826,050	2,826,050	—
REVENUES				
Fees and charges	71,930	63,152	61,582	(1,570)
Licenses	1,280	1,118	985	(133)
Taxes	1,132,151	863,145	863,145	—
Miscellaneous	605	2	2	—
Interest	42,234	51,201	47,424	(3,777)
Grants	8,969,513	6,463,682	6,459,251	(4,431)
Refunds	48	60,011	59,911	(100)
Transfers and distributions	3,370,743	3,709,403	3,738,343	28,940
Other	390,413	362,447	396,426	33,979
Total Revenues	13,978,917	11,574,161	11,627,069	52,908
Total Available Resources	16,804,967	14,400,211	14,453,119	52,908
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	41,595	44,438	30,171	14,267
Other personal services	942	923	333	590
Expenses	6,535	6,235	2,370	3,865
Grants and aids	5,540,027	5,609,587	5,533,086	76,501
Operating capital outlay	489	489	—	489
Fixed capital outlay	1,312,032	1,312,032	1,312,032	—
Special categories	1,702,661	5,402,271	5,402,271	—
Financial assistance payments	118,036	118,121	118,116	5
Payments to U.S. Treasury	5,990	36	36	—
Data processing services	10,635	10,981	9,877	1,104
Total Operating Expenditures	8,738,942	12,505,113	12,408,292	96,821
Nonoperating expenditures:				
Transfers	161,821	161,821	161,821	—
Refunds	1,781	1,781	1,781	—
Other	3,635	3,635	3,635	—
Total Nonoperating Expenditures	167,237	167,237	167,237	—
Total Expenditures	8,906,179	12,672,350	12,575,529	96,821
Fund Balances, June 30, 2024	$ 7,898,788	$ 1,727,861	$ 1,877,590	$ 149,729

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, 2024
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2023	$ 1,789,729	$ 1,789,729	$ 1,789,729	$ —
Reversions	1,794,597	1,794,597	1,794,597	—
Fund Balances, July 1, 2023, restated	3,584,326	3,584,326	3,584,326	—
REVENUES				
Fees and charges	1,151,869	3,909,344	3,587,785	(321,559)
Licenses	22,593	22,395	27,125	4,730
Taxes	884,073	884,073	874,634	(9,439)
Interest	3,578	6,716	8,636	1,920
Grants	25,961,849	28,322,514	25,689,380	(2,633,134)
Refunds	2,672,225	2,590,615	3,040,079	449,464
Bond proceeds	—	22,318	—	(22,318)
Transfers and distributions	3,678,706	4,223,201	3,935,527	(287,674)
Other	44,380	46,676	80,000	33,324
Total Revenues	34,419,273	40,027,852	37,243,166	(2,784,686)
Total Available Resources	38,003,599	43,612,178	40,827,492	(2,784,686)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,523,396	1,606,724	1,376,337	230,387
Other personal services	137,170	144,016	105,041	38,975
Expenses	292,019	323,763	297,923	25,840
Grants and aids	153,058	258,810	228,324	30,486
Operating capital outlay	14,202	14,242	5,827	8,415
Food products	1,593	1,843	1,601	242
Fixed capital outlay	1,361	1,361	1,361	—
Lump sum	1,170	—	—	—
Special categories	29,482,580	36,642,053	34,846,596	1,795,457
Financial assistance payments	34,404	147,043	113,696	33,347
Data processing services	20,175	20,300	20,083	217
Total Operating Expenditures	31,661,128	39,160,155	36,996,789	2,163,366
Nonoperating expenditures:				
Continuing Appropriations	52,586	52,586	52,586	—
Transfers	2,499,365	2,499,365	2,499,365	—
Refunds	8,919	8,919	8,919	—
Other	485,345	485,345	485,345	—
Total Nonoperating Expenditures	3,046,215	3,046,215	3,046,215	—
Total Expenditures	34,707,343	42,206,370	40,043,004	2,163,366
Fund Balances, June 30, 2024	$ 3,296,256	$ 1,405,808	$ 784,488	$ (621,320)

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, 2024
(in thousands)

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2023	$ 458,573	$ 458,573	$ 458,573	$ —
Reversions	8,918	8,918	8,918	—
Fund Balances, July 1, 2023, restated	467,491	467,491	467,491	—
REVENUES				
Fees and charges	—	182,582	167,930	(14,652)
Taxes	3,509,648	3,509,648	3,555,955	46,307
Interest	2,599	2,599	5,652	3,053
Refunds	2	—	15,414	15,414
Bond proceeds	200,000	—	—	—
Transfers and distributions	1,910,587	806,206	717,044	(89,162)
Other	15,000	17,123	28,981	11,858
Total Revenues	5,637,836	4,518,158	4,490,976	(27,182)
Total Available Resources	6,105,327	4,985,649	4,958,467	(27,182)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	—	5,994	4,906	1,088
Other personal services	—	85	53	32
Expenses	—	926	693	233
Operating capital outlay	—	5	5	—
Fixed capital outlay	678,248	678,248	678,248	—
Special categories	—	114,374	113,071	1,303
Total Operating Expenditures	678,248	799,632	796,976	2,656
Nonoperating expenditures:				
Transfers	18,466	18,466	18,466	—
Refunds	77,626	77,626	77,626	—
Other	3,657,408	3,657,408	3,657,408	—
Total Nonoperating Expenditures	3,753,500	3,753,500	3,753,500	—
Total Expenditures	4,431,748	4,553,132	4,550,476	2,656
Fund Balances, June 30, 2024	$ 1,673,579	$ 432,517	$ 407,991	$ (24,526)

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, 2024
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	$ 30,163,461	$ 5,381,323	$ 1,877,590	$ 784,488	$ 407,991
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	2,677,945	163,177	95,152	12,149	485,930
Fair value adjustments to investments within the State Treasury	(180,388)	(11,549)	(6,735)	(860)	(34,393)
Special investments within the State Treasury	53,455	—	—	37,073	—
Non-State Treasury cash and investments	449,070	6,242	6,307	141,898	7,362,324
Adjustment for State Transportation Trust Fund elimination	—	—	—	—	691,540
Adjusted budgetary basis fund balances	33,163,543	5,539,193	1,972,314	974,748	8,913,392
Adjustments (basis differences):					
Net receivables/(payables) not carried forward	(1,030,901)	2,515,929	(1,480,557)	3,472,189	(1,945,842)
Net deferred outflows/(inflows) of resources	(357,885)	(6,430)	—	(1,580,195)	(194,958)
Inventories, prepaid items and deferred charges	9,138	790	—	21,425	11,993
Encumbrances	440,681	72,507	1,017,097	147,089	51,450
GAAP basis fund balances	$ 32,224,576	$ 8,121,989	$ 1,508,854	$ 3,035,256	$ 6,836,035

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, 2024, State Transportation Trust fund revenues and expenditures totaled $3.78 billion and $8.68 billion, respectively, with $9.39 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	2023
Proportion of the net pension liability	17.802202632 %	17.961696240 %	18.150587866 %	17.591496280 %	17.733845390 %	17.524776601 %	16.981903225 %	16.203571589 %	15.548909091 %	16.355674014 %
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	$ 6,517,218
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	$ 5,476,468
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 %	119.00 %
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 %	82.38 %

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	2024
Statutorily required contributions	$ 437,921	$ 442,631	$ 457,950	$ 505,400	$ 543,395	$ 564,233	$ 617,286	$ 663,500	$ 786,813	$ 950,996
Contributions recognized by the plan	437,921	442,631	457,950	505,400	543,395	564,233	617,286	663,500	786,813	950,996
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	$ 6,028,792
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 %	15.77 %

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	2023
Proportion of the net pension liability	15.286183318%	15.144426318%	14.878355474%	14.470956524 %	14.641028104 %	14.416053158 %	13.868337484 %	13.711565539 %	13.221342140 %	13.820973724 %
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	$ 2,194,954
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	$ 5,476,468
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 %	40.08 %
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 %	4.12 %

Notes to Schedule:

Changes in actuarial assumptions for 2023: The municipal bond rate used to determine total pension liability was increased from 3.54% to 3.65%.

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	2024
Statutorily required contributions	$ 57,891	$ 76,261	$ 76,584	$ 79,399	$ 80,051	$ 79,917	$ 80,597	$ 80,000	$ 90,917	$ 120,385
Contributions recognized by the plan	57,891	76,261	76,584	79,399	80,051	79,917	80,597	80,000	90,917	120,385
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	$ 6,028,792
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 %	2.00 %

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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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension liability										
Service cost	$ 7,161	$ 9,044	$ 12,904	$ 9,925	$ 11,581	$ 13,967	$ 24,859	$ 25,943	$ 14,547	$ 14,434
Interest on total pension liability	19,164	19,259	19,100	21,080	28,506	28,874	25,620	26,114	21,534	22,482
Effect of plan changes	—	—	—	—	—	—	—	—	—	—
Effect of economic/demographic (gains) or losses	—	27,462	—	39,056	—	24,815	—	(37,487)	—	19,473
Effects of assumption changes or inputs	46,330	118,280	(95,586)	90,988	60,964	271,102	13,673	(588,365)	(12,645)	(34,538)
Benefit payments	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)	(15,505)	(15,581)	(15,424)	(15,941)
Net changes in total pension liability	58,232	159,632	(78,259)	146,152	86,052	323,637	48,647	(589,376)	8,012	5,910
Total pension liability, beginning	446,683	504,915	664,547	586,288	732,441	818,493	1,142,130	1,190,777	601,401	609,413
Total pension liability, ending	$ 504,915	$ 664,547	$ 586,288	$ 732,440	$ 818,493	$1,142,130	$1,190,777	$ 601,401	$609,413	$615,323
Fiduciary Net Position										
Employer contributions	$ 14,495	$ 14,423	$ 14,720	$ 14,905	$ 15,044	$ 15,129	$ 15,551	$ 15,589	$ 15,472	$ 15,950
Benefit payments	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)	(15,505)	(15,580)	(15,424)	(15,941)
Administrative expenses	(72)	(10)	(43)	(8)	(45)	(8)	(46)	(9)	(48)	(9)
Net change in fiduciary position	—	—	—	—	—	—	—	—	—	—
Fiduciary net position-beginning	—	—	—	—	—	—	—	—	—	—
Fiduciary net position-ending	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Net pension liability-ending	$ 504,915	$ 664,547	$ 586,288	$ 732,440	$ 818,493	$1,142,130	$1,190,777	$ 601,401	$609,413	$615,323
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	$ 476,278	$ 477,549	$ 487,100	$ 485,666	$ 495,379	$ 508,895	$ 519,073	$ 567,068	$578,409	$625,220
Net pension liability as a % of covered-payroll	106.01 %	139.16 %	120.36 %	150.81 %	165.23 %	224.43 %	229.40 %	106.05 %	105.36 %	98.42 %

Notes to Schedule:
Changes in actuarial assumptions for 2024: The municipal bond rate used to determine total pension liability increased from 3.65% to 3.93%. Amounts shown in exhibit are rounded to the nearest thousand. As such, sums may differ from amounts displayed due to rounding. The assumed retirement benefit as a percent of the member's salary at the highest rank obtained was updated to be 22% for members of the legacy program and 27.6% for members of the blended retirement system. The mortality assumptions changed, including a change from using projection scale MP-2018 to MP 2021

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required State contribution	$ 14,495	$ 14,423	$ 14,720	$ 14,905	$ 15,044	$ 15,129	$ 15,551	$ 15,589	$ 15,472	$ 15,950
Contributions recognized by the plan	14,495	14,423	14,720	14,905	15,044	15,129	15,551	15,589	15,472	15,950
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$476,278	$ 477,549	$ 487,100	$ 485,666	$ 495,379	$ 508,895	$ 519,073	$ 567,068	$ 578,409	$ 625,220
Contributions as a percentage of covered-employee payroll	3.04 %	3.02 %	3.02 %	3.07 %	3.04 %	2.97 %	3.00 %	2.75 %	2.67 %	2.55 %

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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	2023
Total OPEB Liability							
Service cost	$ 558,284	$ 450,512	$ 451,019	$ 657,518	$ 518,518	$ 539,081	$ 305,404
Interest	350,228	399,969	407,091	358,795	285,302	239,539	329,289
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)	88,436
Benefit payments	(162,902)	(178,619)	(192,800)	(163,694)	(166,958)	(184,421)	(197,138)
Net Changes in Total OPEB Liability	(1,000,751)	(259,533)	2,106,697	(2,368,204)	250,591	(2,697,380)	525,991
Total OPEB Liability - Beginning	11,811,836	10,811,085	10,551,552	12,658,249	10,290,045	10,540,636	7,843,256
Total OPEB Liability - Ending	$ 10,811,085	$ 10,551,552	$ 12,658,249	$ 10,290,045	$ 10,540,636	$ 7,843,256	$ 8,369,247
Covered-employee payroll[1]	$ 7,312,085	$ 7,636,518	$ 7,644,191	$ 8,072,906	$ 8,125,929	$ 8,269,139	$ 8,878,752
Total OPEB liability as a percentage of covered-employee payroll	147.85 %	138.17 %	165.59 %	127.46 %	129.72 %	94.85 %	94.26 %

*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, 2023, 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 12,195 centerline miles of roads and 7,247 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

2024	2023	2022
82%	81%	81%

Percentage of bridges meeting FDOT standards

2024	2023	2022
95%	94%	94%

Maintenance Rating

2024	2023	2022
83	83	83

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

Resurfacing Program

	2024	2023	2022	2021	2020
Needed	$ 1,492.8	$ 1,160.4	$ 884.0	$ 669.9	$ 535.0
Actual	1,487.5	1,369.3	941.3	557.0	451.5

Bridge Repair/Replacement Program

	2024	2023	2022	2021	2020
Needed	$ 508.7	$ 150.6	$ 447.4	$ 386.7	$ 980.8
Actual	723.9	156.3	412.6	384.5	1,036.1

Routine Maintenance Program

	2024	2023	2022	2021	2020
Needed	$ 836.4	$ 789.8	$ 734.3	$ 712.6	$ 694.6
Actual	1,013.1	947.2	896.4	821.0	805.5

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.

APPENDIX C

FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION

MASTER RESOLUTION

Resolution No. 1

Adopted April 11, 2018

Authorizing and Securing
Florida Department of Transportation Financing Corporation
Revenue Bonds

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RESOLUTION NO. 1

A RESOLUTION OF THE FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION AUTHORIZING THE ISSUANCE OF FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION REVENUE BONDS IN ONE OR MORE SERIES; PROVIDING FOR ADOPTION OF SERIES RESOLUTIONS PURSUANT TO THIS MASTER RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERVICE CONTRACT OR CONTRACTS BETWEEN THE DEPARTMENT OF TRANSPORTATION AND THE CORPORATION; PROVIDING FOR PAYMENT OF THE BONDS FROM PLEDGED REVENUES; PROVIDING THAT THE BONDS SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF FLORIDA OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY PAYMENTS MADE BY THE DEPARTMENT OF TRANSPORTATION UNDER THE SERVICE CONTRACT, WHICH PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE LEGISLATURE; PROVIDING FOR TERMS AND DETAILS OF THE BONDS; PROVIDING FOR THE CREATION OF CERTAIN FUNDS AND ACCOUNTS; PROVIDING FOR THE RIGHTS, SECURITY AND REMEDIES OF BONDHOLDERS AND CREDIT FACILITY PROVIDERS; AUTHORIZING VARIOUS METHODS OF SALE OF THE BONDS; AUTHORIZING THE VALIDATION OF THE BONDS AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the 2016 Florida Legislature enacted Chapter 2016-181, Laws of Florida, codified as Section 339.0809, Florida Statutes, as amended (as the same may be further amended or supplemented from time to time, together with all other applicable provisions of law, the “Act”); and

WHEREAS, among other things, the Act creates the Florida Department of Transportation Financing Corporation (the “Corporation”) as a nonprofit corporation for the purpose of financing or refinancing projects approved in the Department of Transportation’s (the “Department”) work program for the Department; and

WHEREAS, for this purpose, the Corporation is authorized to issue bonds or other evidences of indebtedness which are payable from amounts to be paid by the Department to the Corporation under a service contract or contracts (collectively, the “Service Contract”), entered into between the Department and the Corporation; and

WHEREAS, the Corporation and the Department intend to enter into the Service Contract providing for payment by the Department to the Corporation of amounts sufficient to pay Debt Service (as herein defined) on the Bonds (as herein defined), Administrative Costs (as herein defined) and Issuance Costs (as herein defined), contingent upon annual appropriation by the Florida Legislature of funds sufficient to make payment under the Service Contract; and

WHEREAS, this Master Resolution is being adopted to provide for and secure the payment of Debt Service on all Bonds of any and all Series (as herein defined), and other amounts payable under this Master Resolution and to establish the manner of financing and methods of carrying out the purposes of the Corporation; and

WHEREAS, the Florida Legislature has appropriated the first year’s debt service for initial projects up to $500 million; and

WHEREAS, the Act provides that obligations to be incurred by the Corporation under the provisions of the Act and the validity and enforceability of the Service Contract providing for payments pledged to the payment of such obligations may be validated pursuant to Chapter 75, Florida Statutes, prior to their issuance;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Florida Department of Transportation Financing Corporation, as follows:

ARTICLE I

RECITALS, DEFINITIONS AND CONSTRUCTION

SECTION 1.01. Recitals. The recitals contained in the foregoing "Whereas" clauses are incorporated herein by this reference.

SECTION 1.02. Definitions. Capitalized terms used in this Master Resolution shall have the following meanings, unless the context clearly requires otherwise:

"Account" means an Account in a Fund.

"Accreted Value" means, with respect to any Compounding Interest Bond, (a) the amount representing the Accreted Value of such Bonds as of any Compounding Date, as established by the schedule of Accreted Values appearing in such Bond, which amount represents the initial principal amount thereof plus the amount of interest that has accrued to such Compounding Date calculated on the basis of a three hundred and sixty (360) day year of twelve (12) thirty (30) day months, and (b) as of any date other than a Compounding Date, the sum of (i) the Accreted Value on the preceding Compounding Date plus (ii) the product of (x) a fraction, the numerator of which is the number of days having elapsed from the preceding Compounding Date and the denominator of which is the number of days from such preceding Compounding Date to the next succeeding Compounding Date, multiplied by (y) the difference between the Accreted Values on such Compounding Dates, which amount represents the principal plus the amount of interest that has accrued to such date of determination.

"Act" means Section 339.0809, Florida Statutes, as amended and as the same may be further amended or supplemented from time to time, and all other applicable provisions of law.

"Additional Bonds" means any obligations issued pursuant to the terms and conditions of this Resolution and payable from the Pledged Revenues on a parity with any Bonds previously issued hereunder. Such Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Bonds previously authorized and issued pursuant to this Resolution, and all of the applicable covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds previously authorized and issued pursuant to this Resolution, and the Registered Owners of any Additional Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with this Resolution. All of such Additional Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference or priority of any Bonds over any other.

"Administrative Costs" means, with respect to the Bonds or the administration of any funds under the Resolution, to the extent applicable: (i) fees or charges, or both, of the Corporation; and (ii) such other fees or charges, or both, as may be approved by the Corporation, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies and providers of credit enhancement, all as may be determined necessary from time to time.

"Amortization Installment" means, with respect to any Term Bonds, the amount of money required to be deposited into the Principal Account in the Bond Fund in a particular Bond Year to pay the principal amount or Accreted Value of such Term Bonds to be redeemed by mandatory redemption or paid at maturity in such Bond Year.

"Authorized Investments" means any and all of the investments allowed under Section 215.47, Florida Statutes, as amended and supplemented from time to time; provided, however, that moneys on deposit in the Sale Proceeds Fund may also be invested in the investments allowed under Section 17.57, Florida Statutes, including through or in a special purpose investment account with the Treasurer of the State.

"Board" means the Board of Directors of the Corporation.

"Bond" or "Bonds" means, any and all bonds or other evidences of indebtedness issued by the Corporation in one or more Series pursuant to this Master Resolution, including any Additional Bonds issued pursuant to Section 2.10 hereof.

"Bond Counsel" means a firm of attorneys, selected by the Corporation, of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by underwriters and other purchasers of obligations issued by state and local governments.

"Bond Fund" means the Florida Department of Transportation Financing Corporation Bond Fund, a special fund created and designated by Section 4.01 hereof, together with any accounts and subaccounts created thereunder.

"Bond Purchase Agreement" means, when used with reference to any Series of Bonds, an agreement between the Corporation and the Original Purchaser providing for the sale by the Corporation of the Bonds of such Series to such Original Purchaser.

"Bond Registrar/Paying Agent" means U.S. Bank Trust National Association, New York, New York, or its successor, unless a different Bond Registrar/Paying Agent is provided for by subsequent resolution of the Board.

"Bond Resolution" means, as to Bonds of any Series, this Master Resolution and the Series Resolution for such Series which is adopted pursuant to this Master Resolution.

"Bond Year" means the twelve-month period ending on June 30 of each year, provided that the first Bond Year for any Series of Bonds may be less than twelve months and shall commence on the date such Series is issued and end on the first June 30 thereafter.

"Book-Entry System" means a system under which either (a) Bond certificates are not issued and the ownership of Bonds is reflected solely by the Register or (b) physical Bond certificates in fully registered form are issued to DTC (or to a similar securities depository) or to its nominee as Registered Owner, with the certificate Bonds held by and "immobilized" in the custody of such securities depository, and under which records maintained by Persons, other than the Registrar, constitute the written record that identifies and records the ownership and transfer of the beneficial interests in those Bonds.

"Business Day" means any day of the year on which banks and trust companies (in any of the cities in which the principal corporate trust office or transfer office of any Bond Registrar/Paying Agent or of the principal office of any Credit Facility Provider or Reserve Fund Credit Facility Provider is located) are not required or authorized to remain closed and on which any Bond Registrar/Paying Agent, any Credit Facility Provider, any Reserve Fund Credit Facility Provider and the New York Stock Exchange are open.

"Capital Appreciation Bond" means a Bond which is a Compounding Interest Bond throughout its entire term.

"Capitalized Interest" means, when used with reference to any Series of Bonds, that portion of the sale proceeds of such Series of Bonds, exclusive of accrued interest received upon the sale of such Series of Bonds, which is required by the Series Resolution for such Series to be used to pay interest on the Bonds of such Series of Bonds.

"Chief Executive Officer/President" means the Director of the Division of Bond Finance, as set forth in Section 339.0809(2), Florida Statutes, as amended, who shall also serve as President of the Corporation.

"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 means that Section of the Code, including such applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

"Compounding Date" means, with respect to any Compounding Interest Bond, the date on which interest is compounded for purposes of determining Accreted Value.

"Compounding Interest Bond" means a Bond, the interest on which (a) shall be compounded periodically, (b) shall be payable at maturity or redemption prior to maturity, and (c) shall be determined by reference to Accreted Values and includes, but is not limited to, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds.

"Convertible Capital Appreciation Bond" means a Bond the interest on which from its issuance date or dated date until a conversion date specified therein is compounded periodically and from and after such conversion date is payable not less often than annually, calculated on the basis of the Accreted Value thereof on such conversion date, and the Accreted Value of which as of said conversion date is treated as the principal amount thereof for purposes of payment or redemption after such conversion date.

"Corporation" means the Florida Department of Transportation Financing Corporation, a nonprofit corporation created pursuant to the Act.

"Credit Agreement" means any contract, agreement, or other instrument executed on behalf of the Corporation, in connection with obtaining or administering any Credit Facility for any Bonds, or Reserve Fund Credit Facility for any Bonds, including, but not limited to, any reimbursement agreement, financial guaranty agreement, or standby bond purchase agreement.

"Credit Enhanced" means when used with respect to any Bond, that the Debt Service on such Bond or the payment of the purchase price thereof is fully secured by a Credit Facility.

"Credit Facility" means a policy of municipal bond insurance, a letter of credit, surety bond or other financial product which guarantees the prompt payment of all or any portion of the Debt Service on any of the Bonds, or to provide funds for the purchase of any Bonds for retirement or remarketing.

"Credit Facility Charges" means (a) Initial Credit Facility Charges and (b) Recurring Credit Facility Charges.

"Credit Facility Provider" means an insurance company, bank, or other organization which has provided a Credit Facility in connection with any Series of Bonds.

"Current Interest Bonds" means Bonds, the interest on which shall be payable not less often than annually.

"Custodian" means the person or entity designated by the Corporation for the holding of monies, securities investments, Funds or Accounts in trust in a fiduciary capacity.

"Debt Service" or "debt service" means, for any period or payable at any time, the principal (including Amortization Installments), interest and any premium due on the Bonds for that period or payable at that time whether due at maturity or upon redemption.

"Debt Service Payment Date" means any date on which Debt Service becomes due and payable.

"Debt Service Requirement" means, for any Bond Year, as applied to the Bonds of any Series, or to all Bonds as required by the context, the sum of:

(a) the amount required to pay the interest becoming due on the Current Interest Bonds during such Bond Year;

(b) the amount required to pay the principal becoming due on Current Interest Bonds during such Bond Year; and

(c) the amount required to pay the Maturity Amount or Accreted Value coming due on any Compounding Interest Bonds during such Bond Year.

In calculating the Debt Service Requirement for any Bond Year for any Series of Bonds, or for all Bonds, as the context may require:

(i) the Corporation shall deduct from the amounts calculated in Subparagraphs (a) through (c) above: (A) any accrued interest or Capitalized Interest derived from the proceeds of such Bonds which are to be used to pay interest coming due in such Bond Year and (B) any investment earnings to be received on moneys on deposit in the Bond Fund and Accounts therein which are required to be used to pay Debt Service on such Bonds during such Bond Year, and (C) the amount of Debt Service on such Bonds which is required to be paid from an Escrow Account;

(ii) in the case of any Term Bonds for which Amortization Installments have been established, the stated principal or Maturity Amount which is scheduled to be due at their stated date of maturity shall be disregarded and the Amortization Installments applicable to such Term Bonds which are payable in such Bond Year shall be deemed to be due in such Bond Year; and

(iii) for the purpose of calculating the Reserve Requirement, the interest rate on Variable Rate Bonds shall be deemed to be the greater of (A) the sum of the average of the actual interest rates on seven day obligations for the immediately preceding 52 weeks (or if not available for the 52 week period, then for the period for which available) as shown by the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, published by Bloomberg (or if such index is not published, a like seven day index for high quality variable rate demand obligations selected by the Corporation) for such period, plus 100 basis points, or (B) the average of the actual interest rates on such Variable Rate Bonds during the immediately preceding 52 weeks (or if not available for the 52 week period, for the period for which available).

"Defeasance Obligations" means, 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 Series Resolution.

"Department" means the Department of Transportation, an executive department of the State of Florida created pursuant to Article IV, Section 6 of the Florida Constitution and Section 20.23, Florida Statutes, as amended.

"Depository" means a bank or trust company in which funds of the Corporation may lawfully be deposited or the State Board of Administration.

"Division of Bond Finance" means the Division of Bond Finance of the State Board of Administration, a public body corporate created pursuant to the State Bond Act.

"DTC" means The Depository Trust Company, New York, New York.

"Escrow Account" means an account into which moneys are deposited and held in trust by an Escrow Agent for the purpose of paying any Debt Service on any Bonds to be refunded.

"Escrow Agent" means the bank or trust company, either within or without the State, or the State Board of Administration, which holds any Escrow Account in trust in a fiduciary capacity.

"Event of Default" means an Event of Default described in Section 9.01 hereof.

"Fiduciary" or "Fiduciaries" means any Person serving as a Trustee, Bond Registrar/Paying Agent, Escrow Agent, Custodian, Rebate Consultant or Independent Certified Public Accountant or securities depository in connection with any of the Bonds.

"Fiduciary Charges" means fees, charges and other amounts payable to any Fiduciary pursuant to the provisions of any agreement between the Corporation and such Fiduciary for services rendered with respect to any Bonds.

"Fiscal Year" means the period commencing on July 1 of each year and ending on the succeeding June 30 or such other period as may be prescribed from time to time as the Fiscal Year of the Corporation.

"Fixed Rate" means, when used with respect to any Bond, that the rate of interest thereon is not subject to change.

"Fund" means any Fund created hereunder or under any Series Resolution.

"Independent Certified Public Accountant" means such firm of certified public accountants, not in the regular employ of the Corporation, as shall be retained by the Corporation for the purpose of performing such functions as are specified in this Master Resolution.

"Initial Credit Facility Charges" means and includes any premium, commitment fee or other issuance charges payable by the Corporation to any Provider for the issuance of any Credit Facility or Reserve Account Credit Facility relating to any Bonds, at the time of the initial issuance of such Bonds, together with any fees and expenses relating thereto, including, but not limited to, the legal fees and expenses of legal counsel to the Provider of any Credit Facility or Reserve Account Credit Facility, which the Corporation is required to pay or for which it is required to make reimbursement, but shall not include any Payment Obligations or Recurring Credit Facility Charges.

"Interest" or "interest" means the interest on the specified obligations; in the case of Compounding Interest Bonds, the interest component included in the Maturity Amount (and Accreted Value thereof payable at redemption) shall be deemed to constitute principal; provided, however, that for purposes of any limitation contained herein or in any Series Resolution on the aggregate principal amount of Bonds of any Series, the principal amount thereof shall be the initial principal amount thereof on the Issuance Date.

"Interest Payment Date" means, when used with reference to any Bonds, the dates on which interest is stated to be due thereon, and any date on which interest becomes due thereon on account of the early redemption thereof or on account of the happening of an event which, under the terms of such Bonds, requires a payment of interest to be made thereon.

"Issuance Date" means the date of physical or electronic delivery of a Series by the Corporation in exchange for the purchase price of that Series.

"Issuance Costs" means, when used with reference to any Series of Bonds, all costs and expenses payable by the Corporation incidental to the issuance of the Bonds of such Series including, but not limited to: (i) fees and expenses of the Division of Bond Finance, consultants, advisors, Bond Counsel and other counsel to the Corporation; (ii) costs and expenses of printing such Bonds and disclosure documents relating thereto; (iii) fees of bond rating agencies; (iv) charges for CUSIP numbers; (v) charges of DTC and other securities depositories; (vi) closing costs (including all legally permitted costs of travel, food and lodging of officials and employees of the Corporation incurred in connection with attending any closing or pre-closing or any meeting relating to the issuance of such Bonds); (vii) any costs incurred in connection with the public or negotiated sale of such Series of Bonds, including placement fees, costs of compliance with the securities laws of any state in which Bonds of such Series are to be offered and sold; (viii) the acceptance fees and expenses and first year's fees and expenses of any Fiduciaries involved in the financing; and (ix) other similar expenses; provided that the term Issuance Costs shall not include (a) any underwriter's discount which is taken into account in the sale price to the Original Purchaser (or any costs and expenses paid by the Original Purchaser and which are not to be reimbursed by the Corporation) or (b) any Initial Credit Facility Charges.

"Master Resolution" means this Master Resolution, as amended from time to time.

"Maturity Amount" means, with respect to any Compounding Interest Bond, the sum of the principal and interest amount of such Compounding Interest Bond which is due at the stated maturity thereof.

"Maturity Date" means the stated date on which principal matures on Current Interest Bonds or on which the Maturity Amount becomes payable on Compounding Interest Bonds.

"Maximum Annual Debt Service Requirement" means, as of any particular date of calculation, and with respect to all of the Bonds, the total amount of the Debt Service thereon for the (a) balance of the then current Bond Year or (b) any future Bond Year, whichever is greatest in dollar amount.

"Multimodal Bond" means a Bond which contains provisions allowing for the payment of interest at different rates during different interest periods and for the establishment of different interest periods and interest rates; the interest rate during any particular interest period may be a Variable Rate or a Fixed Rate.

"Original Purchaser" means, as to any Series of Bonds, the Person or Persons identified in the certificate of award (if a public sale) or the Bond Purchase Agreement relating thereto as being the purchaser or purchasers of such Bonds.

"Outstanding" or "outstanding" means, when used with reference to any Bonds as of the applicable time, Bonds which have been authenticated and delivered hereunder, or which are being delivered, under this Resolution, except:

(a) Bonds which have been paid;

(b) Bonds which have been cancelled upon surrender, exchange or transfer pursuant to Section 2.05 hereof;

(c) Bonds described in Section 2.09 hereof which have been called for redemption;

(d) Bonds, the payment of all principal of, interest and premium (if any) on which has been provided for pursuant to Section 8.02 hereof;

(e) Bonds which have become due and for the payment of which funds are held by the Bond Registrar/Paying Agent.

(f) Bonds, in lieu of which replacement Bonds have been authenticated and issued pursuant to Section 2.05(g) hereof; and

(g) Bonds of any Series which, under the terms of the Series Resolution under which such Series of Bonds are issued, are not deemed to be Outstanding.

"Payment Obligation" means an obligation of the Corporation arising under a Credit Agreement: (a) to reimburse any Provider for amounts advanced by such Provider under a Credit Facility or Reserve Account Credit Facility which are used (i) to pay any principal, Maturity Amount or Accreted Value of, premium on, or interest on any Bond or Bonds, or (ii) to purchase any Bond or Bonds for cancellation, or (iii) to purchase any Bond or Bonds for remarketing, or (b) to pay interest on any such advances.

"Person" means any individual, firm, partnership, corporation, public body, or other legal entity.

"Pledged Funds" means and includes the amounts in the Sale Proceeds Fund under any Series Resolution, the Revenue Fund, the Bond Fund and the Reserve Fund.

"Pledged Revenues" means any and all of the revenues received by the Corporation under the Service Contract and deposited in the Funds and Accounts established or authorized herein under Article IV, except funds deposited into the Rebate Fund.

"Principal" or "principal" means the principal of the specified Bond or Bonds; in the case of Compounding Interest Bonds, the interest component included in the Maturity Amount or Accreted Value of any Bond shall be deemed to constitute principal; provided, however, that for purposes of any limitations contained herein or in any Series Resolution on the aggregate principal amount of Bonds which may be issued thereunder, the "principal" amount thereof shall be the initial principal amount thereof on the Issuance Date.

"Provider" means a Credit Facility Provider or Reserve Account Credit Facility Provider, as indicated by the context in which such term is used.

"Rating Agency" means a nationally recognized bond rating agency.

"Rebate Amount" means the amount of any rebate or penalty in lieu of rebate which is payable under Section 148(f) of the Code.

"Rebate Consultant" means Bond Counsel, an Independent Certified Public Accountant or other Person having expertise in matters pertaining to Section 148(f) of the Code and the calculation of the Rebate Amount thereunder.

"Rebate Fund" means the Florida Department of Transportation Financing Corporation Rebate Fund, created and designated by Section 4.01 hereof, together with any Accounts and subaccounts created thereunder.

"Recurring Credit Facility Charges" means and includes (a) all charges payable by the Corporation to any Provider of a Credit Facility or Reserve Fund Credit Facility under any Credit Agreement to renew or extend the term of any Credit Facility or Reserve Fund Credit Facility, (b) all charges of the type described in the definition of "Initial Credit Facility Charges" relating to the replacement of any Credit Facility or Reserve Fund Credit Facility for any Outstanding Bonds with a new Credit Facility or Reserve Fund Credit Facility, and (c) any other fees, charges or amounts the Corporation is required to pay to any Provider of a Credit or Reserve Fund Credit Facility (other than Initial Credit Facility Charges and Payment Obligations) under any Credit Agreement, including, but not limited to, draw fees, transaction fees, "gross-up charges" termination fees, annual fees, expenses of such Provider which the Corporation is required to pay or for which it is required to reimburse such Provider, and any payments the Corporation is required to make to indemnify any such Provider for any costs or expenses incurred by it or any loss suffered by it in connection with a Credit Facility or Reserve Fund Credit Facility.

"Redemption Date" means any date on which any Bonds are called for redemption prior to maturity.

"Refunded" or "refunded" means, when used with respect to any Bonds, that such Bonds have been paid or defeased with proceeds of other Bonds.

"Register" means, when used with respect to any Series of Bonds, the books upon which the ownership of Bonds and transfers of Bonds of such Series are recorded by the Registrar for such Series of Bonds.

"Registered Owner" or "Registered Owners" means any person who shall be shown to be the Owner of any Bond of any Series on the Register for such Series of Bonds.

"Record Date" means the fifteenth (15th) day (whether or not a Business Day) of the month immediately preceding any scheduled Interest Payment Date; provided that with respect to any Series of Bonds, the Series Resolution therefor may establish a different Record Date.

"Reserve Fund" means the Florida Department of Transportation Financing Corporation Bond Reserve Fund, created and designated by Section 4.01 hereof, together with any Accounts created thereunder.

"Reserve Fund Credit Facility" means a surety bond, a policy of insurance, a letter of credit, or other financial product obtained by the Corporation with respect to Bonds, from an entity that is rated in one of the two highest rating categories of a Rating Agency and which financial product provides for payment of Debt Service on one or more Series of Bonds in amounts not greater than the Reserve Requirement for such Series in the event of an insufficiency of moneys in the Bond Fund and in the Reserve Fund to pay when due Debt Service on the Bonds of such Series.

"Reserve Fund Credit Facility Provider" means, an insurance company, bank, or other organization which has provided a Reserve Fund Credit Facility.

"Reserve Requirement" means, as of any date of calculation: (i) for a particular debt service reserve subaccount established for a Series of Tax-Exempt Bonds, an amount determined pursuant to the Series Resolution that establishes such subaccount, which amount shall not exceed the least of (1) the Maximum Annual Debt Service on the Bonds secured by such subaccount, (2) 125% of the average annual debt service of the Bonds secured by such subaccount for the then current and succeeding Fiscal Years, (3) 10% of the original principal amount of the Bonds secured by such subaccount, or (4) the maximum debt service reserve permitted with respect to tax-exempt obligations and applicable to the Bonds secured by such subaccount under the Code; and (ii) for a particular debt service reserve subaccount established for a Series of Taxable Bonds, an amount determined pursuant to the Series Resolution that establishes such subaccount. The Reserve Requirement for a particular Series of Bonds may be established at zero.

"Resolution" or "resolution" means a resolution of the Board and includes any Series Resolution.

"Revenue Fund" means the Florida Department of Transportation Financing Corporation Revenue Fund, created and designated by Section 4.01 hereof, together with any Accounts and subaccounts created thereunder.

"Sale Proceeds Fund" means the Fund or Funds so designated as such, created under Section 4.01 hereof or under any Series Resolution.

"Secretary" means the Secretary of the Corporation.

"Serial Bond" means any Bond for the payment of the principal of which no Amortization Installments for mandatory redemption are required to be made in any Bond Year prior to the Maturity Date of such Bond and which is designated as a Serial Bond in the Series Resolution for such Series.

"Series" means any Bonds which are designated as a Series by a Series Resolution.

"Series Resolution" means, as to any Series of Bonds, the resolution or resolutions of the Corporation providing for the sale and issuance of such Series of Bonds.

"Service Contract" means one or more service contracts substantially in the form attached as Exhibit A to this Resolution and made and entered into between the Department and the Corporation pursuant to Section 339.0809(4), Florida Statutes, as amended, providing for payments by the Department to the Corporation of certain amounts annually sufficient to pay Debt Service on the Bonds, Credit Facility Charges, Payment Obligations, Administrative Costs, and Issuance Costs, all contingent upon annual appropriation by the Florida Legislature, and any and all amendments or supplements thereto.

"Special Interest Payment Date" means a date established pursuant to Section 2.07 hereof for the payment of interest which has become delinquent.

"Special Record Date" means a record date established pursuant to Section 2.07 hereof for the payment of interest on any Special Interest Payment Date.

"State" means the State of Florida.

"State Board of Administration" means the State Board of Administration, as created pursuant to the provisions of Article IV, Section 4, Florida Constitution, and Chapter 215, Florida Statutes.

"Taxable Bonds" means Bonds the interest on which is includable in the gross income of the recipients thereof for federal income tax purposes in the United States.

"Tax Compliance Certificate" means, as to any Series of Bonds, a certificate, in form and substance satisfactory to Bond Counsel, to be executed, in connection with the issuance of such Series of Bonds (which are intended to be "tax exempt obligations," as defined in the Code), by such officials and employees of the Corporation as shall be designated by the Series Resolution for such Issue, in which the Corporation shall make representations and covenants as to the use of proceeds of such Series of Bonds and as to other matters relevant to the federal income tax status of the interest thereon.

"Tax-Exempt Bond" means any obligation the interest on which is excluded from gross income of the recipients thereof for federal income tax purposes within the meaning of Section 150 of the Code, and includes any investment treated as a "tax-exempt bond" for the purposes of Section 148 of the Code.

"Term Bonds" means Bonds of a Series which shall be stated to mature on one date and which are designated as Term Bonds pursuant to the Series Resolution for such Series of Bonds; Term Bonds shall be subject to retirement in part in one or more Bond Years prior to their Maturity Date by scheduled mandatory redemption with Amortization Installments.

"Trustee" means, as to any Series of Bonds or as to any Fund or Account, any bank or trust company or the State Board of Administration which has been designated as a Trustee for such Series of Bonds or for such Fund or Account in the Series Resolution for such Series of Bonds or any other resolution of the Board, and its successors in interest as Trustee.

"Value" means, with respect to any Fund hereunder, the value as determined pursuant to Section 4.08 hereof.

"Variable Rate" means, when used with respect to any Bonds, Bonds having an interest rate which is subject to future change so that at the date any calculation of interest thereon is required to be made hereunder or under any Series Resolution, the interest payable at any future time or for any interest period (which is relevant to such calculation) is not known.

SECTION 1.03. Rules of Construction. 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, singular words shall include the plural as well as the singular number.

Any reference herein to the Corporation, the Board, or to any other officials of the Corporation or to other public boards, commissions, departments, institutions, agencies, bodies, entities or officers thereof, shall include those who or which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Any reference to any Article, Section or provision of the Constitution or to any Title, Chapter, Section or provision of the laws of the State or of federal laws or rules or regulations, shall include such Article, Title, Chapter, Section or provision as amended, modified, revised, supplemented or superseded from time to time; provided that no such change shall be deemed applicable by reason of this provision if such change by its terms is inapplicable to any particular Bonds or would, in any way, constitute an unlawful impairment of the rights of the Corporation or any Registered Owner, Fiduciary or Provider.

SECTION 1.04. Resolutions to Constitute Contract. In consideration of the acceptance of the Bonds by those who shall be the Registered Owners of the same from time to time, this Master Resolution shall be deemed to be and shall constitute a contract and a security agreement between the Corporation and the Registered Owners of all Bonds, and the covenants and agreements herein set forth to be performed by the Corporation shall be for the equal benefit, protection and security of the Registered Owners of all of the Bonds, all of which shall be of equal rank and priority as to the Pledged Funds, without preference or priority of any Bond over any other Bond, except as expressly provided therein and herein. The Series Resolution for any Series of Bonds shall be deemed to be and shall constitute a contract and a security agreement between the Corporation and the Registered Owners of all Bonds of such Series and the covenants and agreements set forth in such Series Resolution to be performed by the Corporation shall be for the equal benefit, protection and security of the Registered Owners of all Bonds of such Series.

ARTICLE II

AUTHORIZATION FOR ISSUANCE OF THE BONDS; DESCRIPTION, DETAILS AND FORM OF BONDS

SECTION 2.01. Authorization for Issuance of the Bonds. Subject and pursuant to the provisions of this Master Resolution and the Act, Bonds of the Corporation, to be known as "Florida Department of Transportation Financing Corporation Revenue Bonds" are hereby authorized to be issued for the purpose of financing or refinancing projects approved in the Department's work program paying Issuance Costs and Credit Facility Charges, providing a debt service reserve, if applicable, and other purposes as may be authorized from time to time under the Act. The limitation on the amount of Bonds which may be issued does not apply to Additional Bonds authorized by subsequent resolution of the Board. Such Bonds may be sold and issued in one or more Series, and in combination with other Series of Bonds; provided that the actual designation of any Series of such Bonds, whether sold in one or more than one Series (including a change of year designation, if desirable), and whether such Bonds or any portion thereof are to be Taxable Bonds or Tax-Exempt Bonds, shall be determined by the Chief Executive Officer/President. The Bonds shall be issued in one or more Series and shall have such terms as are provided in the Series Resolution therefor. The Bonds of any Series shall be equally and ratably secured by the Pledged Revenues and the Pledged Funds.

SECTION 2.02. Description of the Bonds Generally. The Bonds of each Series shall be issued in fully registered form without coupons; shall be dated as determined pursuant to subsequent resolution of the Corporation; shall be numbered consecutively form one upward within each Series and shall be in the denomination of $1,000 each or any integral multiples thereof; shall bear interest (not to exceed the maximum rate allowed by law), payable on each Interest Payment Date, except for Compounding Interest Bonds, which shall bear interest (prior to the applicable conversion date in the case of Convertible Capital Appreciation Bonds) as described under the defined term Accreted Value, payable only upon redemption or maturity thereof; and shall mature at such times (not to exceed thirty (30) annual maturities from their date of issue, or such later maturity as may be authorized from time to time under the Act) and in such amounts and may be issued as Current Interest Bonds, Compounding Interest Bonds, Fixed Rate Bonds, Variable Rate Bonds, Multimodal Bonds, Serial Bonds, Term Bonds, or in any other lawful form, tenor or mode or in any combination thereof, all as shall be determined by the Series Resolution for the Bonds of such Series. The Series Resolution for any Series of Bonds may provide for the Bonds of such Series (a) to be subject to mandatory purchase for cancellation or remarketing upon the happening of specified contingencies or at the option of the Registered Owner, at the option of the Corporation or at the option of any Provider, (b) to be secured by one or more Credit Facilities or Reserve Fund Credit Facilities, (c) to be tendered for purchase to a tender agent, (d) to be remarketed by a remarketing agent (e) to be Taxable Bonds or Tax-Exempt Bonds, or (f) to have such other features as shall not conflict with the express terms of this Master Resolution.

SECTION 2.03. Execution of Bonds. The Bonds shall be executed in the name of the Corporation by the Chief Executive Officer/President and shall be attested by the Secretary, and the official seal of the Corporation or a facsimile thereof shall be affixed thereto or reproduced thereon. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the above signatures may be a facsimile signature imprinted or reproduced on the Bonds, provided that at least one signature shall be manually subscribed. In case any official of the Corporation or authorized officer, employee, or attorney-in-fact of the Bond Registrar/Paying Agent, whose manual or facsimile signature shall appear on any of the Bonds or on the certificate of authentication thereon, shall cease to be such official of the Corporation or officer, employee, or attorney-in-fact of the Bond Registrar/Paying Agent before the delivery of such Bonds or certificate of authentication, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such Persons had remained in office until such delivery and also any Bonds may bear the manual or facsimile signature of, or such certificate of authentication may be manually signed by, any Person who, as of the time of the execution or authentication of such Bonds, shall be the proper official of the Corporation or the duly authorized officer, employee or attorney-in-fact of the Bond Registrar/Paying Agent, who is entitled to execute, attest, or authenticate such Bonds, although at the dated date of such Bonds such Person may not have been such an official of the Corporation or an officer, employee or attorney-in-fact of the Bond Registrar/Paying Agent.

SECTION 2.04. Issuance and Delivery of Bonds. The Bonds of each Series shall be on a parity with the Bonds of all other Series theretofore or thereafter issued and outstanding as to right, title and interest in the Pledged Revenues and Pledged Funds to provide for payment of Debt Service on the Bonds.

Before the Corporation or any Trustee shall deliver any Series, the Corporation or Trustee, shall receive the following items:

1. An original executed counterpart of the Series Resolution relating to the Series then to be issued, which contains the information required by Section 2.02 hereof, and any other documents which are necessary or advisable to provide that such Series will be issued in compliance with the provisions of this Master Resolution and the related Series Resolution.

2. A request and authorization to the Bond Registrar/Paying Agent on behalf of the Corporation, signed by the Chief Executive Officer/President, to authenticate and deliver the Bonds of that Series to, or on the order of, the Original Purchaser thereof upon payment to the Corporation of the amount specified therein (including without limitation, any accrued interest), which amount shall be deposited as provided in the related Series Resolution.

3. An Opinion of Bond Counsel to the Corporation, including without limitation, in-house counsel to the Division of Bond Finance, to the effect that (i) the issuance of the Bonds of that Series has been duly authorized; and (ii) when executed for and in the name and on behalf of the Corporation and when authenticated by the Bond Registrar/Paying Agent and delivered by the Corporation or Trustee, the Bonds of that Series will be valid and legal special and limited obligations of the Corporation enforceable in accordance with their terms.

4. Evidence satisfactory to the Corporation or Trustee that, upon delivery of that Series of Bonds and receipt and application of the amount specified in the request and authorization to which reference is made in paragraph 2 above, there will be on deposit in the Reserve Fund an amount equal to the Reserve Requirement for that Series. For purposes of this Section and any other applicable provision in this Resolution, the Reserve Requirement may be satisfied with either a deposit in cash or securities or the provision of a Reserve Fund Credit Facility.

5. A certificate executed by the Chief Executive Officer/President and/or the Trustee, as applicable, to the effect that:

(a) there is no default in the payment of any Debt Service Requirement on any Bond then currently Outstanding, and the Corporation is current in all deposits required into the various Funds and Accounts; all payments theretofore required to have been deposited or made by it under the provisions of this Master Resolution or any Series Resolution have been deposited; and the Corporation is otherwise in compliance with the provisions of this Master Resolution and all Series Resolutions;

(b) the amount available under the Service Contract for the Fiscal Year in which the Bonds are to be issued is equal to at least 100 percent of the total Debt Service Requirement for all Outstanding Bonds and Administrative Costs, plus the Debt Service Requirement for the Series of Bonds then to be issued.

When (i) the documents listed above have been received by the Corporation or the Trustee, and (ii) the Bonds of the Series then to be issued have been executed and authenticated, the Corporation or the Trustee shall deliver the Bonds of that Series to or on the order of the Original Purchaser thereof, but only upon payment to the Corporation or the Trustee of the specified amounts (including, without limitation, any accrued interest) set forth in the request and authorization to which reference is made in paragraph 2 above.

SECTION 2.05. Registration, Transfer, Exchange and Replacement of Bonds

(a) So long as there are any Bonds of any Series issued hereunder which have not become due and payable in full, the Corporation shall cause books for the registration and transfer of Bonds of such Series (the "Register" for Bonds of such Series) to be maintained and kept by the Bond Registrar/Paying Agent for Bonds of such Series at the designated office of the Bond Registrar/Paying Agent.

(b) Unless otherwise provided as to a particular Series of Bonds by the Series Resolution for such Series, at the option of the Registered Owner, a Bond of such Series may be exchanged for a new Bond or Bonds of the same Series and tenor, of any authorized denomination or denominations, in an aggregate principal amount (or Maturity Amount) equal to the unmatured and unredeemed principal amount (or Maturity Amount) of, and bearing the same rate of interest (or yield) and maturing on the same date as, the Bond being exchanged. The exchange shall be made upon surrender of the Bond being exchanged at the designated office of the Bond Registrar/Paying Agent, together with an assignment duly executed by the Registered Owner or its duly authorized attorney in any form which is satisfactory to the Bond Registrar/Paying Agent.

(c) Unless otherwise provided as to a particular Series of Bonds by the Series Resolution for such Series, any Bond (or any portion thereof which constitutes an authorized denomination) may be transferred on the Register, upon surrender thereof at the designated office of the Bond Registrar/Paying Agent together with an instrument of transfer in form and with guaranty of signature by a bank, trust company or member firm of the New York Stock Exchange, duly executed by the Registered Owner thereof or such Registered Owner's attorney-in-fact duly authorized by duly executed written power of attorney filed with the Bond Registrar/Paying Agent and accompanied by (i) written instructions as to the details of transfer and (ii) the name, address and social security number (or other federal tax identification number) of the transferee thereof. Upon such transfer, the Bond Registrar/Paying Agent shall deliver a new Bond or Bonds of the same Series, mode and tenor of the Bond or portion thereof being transferred, registered in the name of the transferee, of any authorized denomination or denominations, in the aggregate principal amount (or Maturity Amount) of the Bond or portion thereof being transferred, and bearing the same interest rate (or yield) and maturing on the same date as the Bond so surrendered for transfer in whole or in part.

(d) In all cases in which Bonds are exchanged or transferred pursuant to Section 2.05(b) or (c), above, or replacement Bonds are issued pursuant to Section 2.05(g), below, the Corporation shall execute, and the Bond Registrar/Paying Agent shall authenticate and deliver, Bonds in accordance with the provisions of this Section. Any exchange or transfer shall be made without charge; provided that the Corporation and the Bond Registrar/Paying Agent may each make a charge for every exchange or transfer of Bonds which is sufficient in amount to reimburse it for any tax or excise required to be paid with respect to the exchange or transfer. The charge shall be paid by the Registered Owner before a new Bond is delivered to the transferee.

(e) All Bonds issued upon any exchange or transfer of Bonds shall be valid obligations of the Corporation and shall evidence the same debt and shall be entitled to the same benefits under the Bond Resolution as the Bonds surrendered upon such exchange or transfer. Unless otherwise provided as to Bonds of any Series by the Series Resolution therefor, neither the Corporation nor the Bond Registrar/Paying Agent, as the case may be, shall be required to make any exchange or transfer of a Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any notice of mandatory purchase of Bonds which are callable for mandatory purchase and ending at the close of business on the day of the mailing or to transfer or exchange any Bonds selected for redemption or mandatory purchase, in whole or in part, following the mailing of such notice.

(f) In case any Bond is redeemed, purchased or transferred in part only, and upon presentation and surrender of the Bond, subject to the provisions of Section 2.05(e), above, the Corporation shall execute, and the

Bond Registrar/Paying Agent shall authenticate and deliver, a new Bond or Bonds of the same Series and tenor in authorized denominations in an aggregate principal amount equal to the unmatured and unredeemed, unpurchased or untransferred portion of, and bearing interest at the same rate (or having the same approximate yield) and maturing on the same date as, the Bond being so redeemed, purchased, or transferred in part.

(g) If any Bond is improperly cancelled or mutilated or is allegedly lost or wrongfully taken, or destroyed (in the absence of written notice to the Bond Registrar/Paying Agent that any such allegedly lost or wrongfully taken or destroyed Bond has been acquired by a "holder in due course") the Corporation shall execute, and the Bond Registrar/Paying Agent shall authenticate and deliver, a new Bond of like date, maturity and denomination and of the same Series and tenor as the Bond improperly cancelled or mutilated or allegedly lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated or improperly cancelled Bond, such Bond shall be surrendered first to the Bond Registrar/Paying Agent; and (ii) in the case of any allegedly lost, wrongfully taken or destroyed Bond, there shall first be furnished to the Corporation and the Bond Registrar/Paying Agent evidence of the loss, wrongful taking or destruction thereof satisfactory to the Corporation and the Bond Registrar/Paying Agent together with indemnification satisfactory to each of them to indemnify the Corporation for any claim for payment of the Bond which is being replaced and to indemnify the Corporation and the Bond Registrar/Paying Agent for any costs, expenses, or liability they may incur in connection with the foregoing. If any lost, wrongfully taken or destroyed Bond shall have matured or is about to mature, or has been called for redemption or mandatory purchase, instead of issuing a new Bond, the Corporation may direct the Bond Registrar/Paying Agent (or any tender agent in the case of a purchase) to pay that Bond or the purchase price thereof, without surrender thereof, upon the furnishing of satisfactory evidence and indemnification, as in the case of issuance of a new Bond. The Corporation and the Bond Registrar/Paying Agent may charge the Registered Owner of an improperly cancelled, mutilated or allegedly lost, wrongfully taken or destroyed Bond their reasonable fees and expenses in connection with their actions pursuant to this Section 2.05(g), but no such fees and expenses shall be charged to replace any Bond which is improperly cancelled by the Bond Registrar/Paying Agent. Every new Bond which is issued pursuant to this Section 2.04(g) by reason of any Bond being improperly cancelled or mutilated or allegedly lost, wrongfully taken or destroyed shall constitute a valid Bond having the same terms as the Bond so improperly cancelled or mutilated or allegedly lost, wrongfully taken or destroyed regardless of whether the improperly cancelled or mutilated or allegedly lost, wrongfully taken, or destroyed Bond shall be enforceable at any time by anyone and shall be entitled to all of the benefits hereof and of the Series Resolution for the Series of which such Bond is a part equally and proportionately with all other Outstanding Bonds of such Series. All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section 2.05(g) are exclusive with respect to the replacement or payment of improperly cancelled or mutilated or allegedly lost, wrongfully taken, or destroyed Bonds and, to the extent permitted by law, shall preclude all other rights, remedies and powers with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

(h) Notwithstanding any other provisions of this section, the Corporation, at its option prior to the date of issuance of any Series of Bonds, may, in the Series Resolution pertaining thereto, elect to use a Book-Entry System with respect thereto, provided adequate records will be kept with respect to the beneficial ownership of Bonds issued in book-entry form or the beneficial ownership of Bonds is issued in the name of a nominee. The details of any such Book-Entry System shall be set forth in the Series Resolution for such Series of Bonds.

SECTION 2.06. Disposition of Bonds Paid or Exchanged. Whenever any Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment or exchange, such Bonds shall either be cancelled and retained by the Bond Registrar/Paying Agent for a period of time specified in writing by the Corporation or the Trustee, or at the option of the Corporation or the Trustee, shall be cancelled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Corporation or the Trustee.

SECTION 2.07. Payment and Ownership of Bonds. Debt Service on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar/Paying Agent. Unless otherwise provided as to the Bonds of any Series by the Series Resolution therefor, the principal of and any premium on any Bond shall be payable when due to a Registered Owner upon presentation and surrender of such Bond at the corporate trust office of the Bond Registrar/Paying Agent.

Interest on each Current Interest Bond shall be paid on each Interest Payment Date 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 next preceding such Interest Payment Date; provided, however, that if the Record Date is a Saturday, Sunday or holiday, then to the Registered Owner and at the address shown on the registration books at the close of business on the day next preceding such Record Date which is not a Saturday, Sunday or holiday. Interest on the Bonds shall be paid by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) on each Interest Payment Date from the Bond Registrar/Paying Agent to the Registered Owner, except for Compounding Interest Bonds which (prior to the applicable conversion date in the case of Convertible Capital Appreciation Bonds) shall bear interest as described under the defined term Accreted Value, payable only upon redemption or maturity thereof; provided, however, that, upon written request of the Registered Owner of $500,000 or more in principal amount of Bonds, interest may be paid when due by electronic funds transfer ("wire") if such Registered Owner (if other than a securities depository) advances to the Bond Registrar/Paying Agent the amount necessary to pay the wire charges or authorizes the Bond Registrar/Paying Agent to deduct the amount of such payment. If and to the extent, however, that the Corporation 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 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 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.

The Registered Owner of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of the Bond Resolution. Payment of or on account of the Debt Service on any Bond shall be made only to or upon the order of that Registered Owner or such Registered Owner's attorney-in-fact duly authorized in writing in the manner permitted under the Bond Resolution. To the extent permitted by law, neither the Corporation nor the Bond Registrar/Paying Agent shall be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest thereon, to the extent of the amount or amounts so paid.

SECTION 2.08. Special Agreement with Registered Owners. Notwithstanding any provision of this Master Resolution, of any Series Resolution or of any Bond to the contrary, the Corporation or Trustee under any Series Resolution may enter into a written agreement with any Registered Owner providing for making any payment to that Registered Owner of principal of and interest and any premium on that Bond or any part thereof at a place and in a manner other than as provided in this Master Resolution, any Series Resolution and in the Bond, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee in its sole discretion; provided, that payment in any event shall be made to the Person in whose name a Bond shall be registered on the Register, with respect to payment of principal and premium, on the date such principal and premium is due, and, with respect to the payment of interest, as of the applicable Record Date or Special Record Date, as the case may be.

The Corporation or the Trustee will furnish a copy of each executed agreement entered into pursuant to this Section 2.08, certified to be correct by an officer of the Corporation or the Trustee to the Bond Registrar/Paying Agent. Any payment of principal, premium or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Master Resolution and the related Series Resolution.

SECTION 2.09. Redemption Generally. The Bonds of each Series may be made redeemable in such manner and upon such terms and conditions as determined pursuant to subsequent resolution adopted by the Governing Board prior to the sale of such Series of Bonds.

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 to each Registered Owner of record as of the Record Date, of Bonds to be redeemed, by first class mail (postage prepaid), or other method at least as fast as first class mail, at least thirty days prior to the date of redemption. In lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices. Such notice of redemption shall specify any conditions to such redemption, the CUSIP number and the serial or other distinctive numbers or letters of the Bonds to be redeemed, if less than all, the date fixed for redemption, the redemption price thereof, and, in the case of Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure to give any such notice by mailing (or other approved method) to any Registered Owner of Bonds, 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 to issue, transfer or exchange any Bonds selected for redemption during a period beginning at the opening of business on the Record Date applicable to such redemption and ending on the date fixed for redemption.

Notice having been given 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, 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 given and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the Board of Administration, 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 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 Outstanding under the provisions of this Resolution and shall not be entitled to any lien, benefit or security under this 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 from the moneys held in trust for such purpose and, to the extent provided herein to receive Bonds for any unredeemed portion of the Bonds. Bonds redeemed prior to maturity shall be duly canceled by the Bond Registrar/Paying Agent and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying the Bonds redeemed with the proceeds of such check or other transfer.

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.

Notwithstanding the foregoing, any Series Resolution may contain additional or different provisions for giving notice of redemption of Bonds of the Series issued pursuant to such Series Resolution.

SECTION 2.10. Issuance of Additional Bonds. Additional Bonds may be issued by the Corporation only upon the terms, restrictions and conditions contained in the Act and this Section 2.10. Additional Bonds shall not be created or issued unless (i) the Legislature has appropriated sufficient moneys to pay the first year's debt service on the Additional Bonds, (ii) the issuance of the Additional Bonds does not violate any statutory cap on the issuance of Bonds, (iii) the Department's project or projects to be financed in whole or in part from the proceeds of such Additional Bonds shall have been approved by the Legislature in the work program of the Department and such approval specifically provides that the Department may enter into a Service Contract for the project pursuant to Section 339.0809(4), Florida Statutes, as amended; and (iv) the Department and the Corporation shall have entered into a Service Contract with respect to such Additional Bonds.

No such Additional Bonds shall be created or issued at any time, however, unless the Corporation shall certify that all the payments required under the provisions of Section 4.03 hereof, including any deficiencies for prior payments, have been made as required to the date of the sale of such Additional Bonds.

Notwithstanding the requirements set forth above, the Corporation may at any time and from time to time issue Additional Bonds for the purpose of refunding any Series of Bonds, or any maturity of Bonds within a Series, without the necessity of complying with the requirements set forth above (except for clause (iv) in the first paragraph of this Section), if the Debt Service Requirement with respect to such Additional Bonds in each Fiscal Year following the issuance thereof shall be equal to or less than the Debt Service Requirement for such Fiscal Year with respect to the Bonds which would have been Outstanding in such Fiscal Year had the same not been refunded pursuant to this Section 2.10.

Such Additional Bonds shall be deemed to have been issued pursuant to this Resolution to the same extent as the Bonds originally authorized and issued pursuant to this Resolution, and all of the covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of any Bonds originally authorized and issued pursuant to this Resolution and the Holders of any such Additional Bonds subsequently issued within the limitations of and in compliance with this Section 2.10. All of such original Bonds and Additional Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Revenues and the Pledged Funds and their source of and security for payment therefrom without preference of any Bond or Additional Bond over any other; provided, however, that each Series of Bonds issued hereunder shall, with respect to the Reserve Fund, have rights only to moneys in the sub account in the Reserve Fund created with respect to such Series.

Upon the issuance of any such Additional Bonds, the payments required to be made or set aside from Pledged Revenues under Section 4.03 shall be increased in the amounts necessary for the payments contemplated thereby.

ARTICLE III

SOURCE OF PAYMENT AND SECURITY FOR THE BONDS; THE SERVICE CONTRACT

SECTION 3.01. Bonds of Corporation Not General Obligation or Indebtedness of the State. The Bonds of the Corporation shall not constitute a debt or obligation of the State of Florida or any instrumentality or political subdivision thereof, nor a pledge of the faith and credit or taxing power of the State or any instrumentality or political subdivision thereof. The Bonds shall be payable solely from and secured by amounts received by the Corporation from the Department under the Service Contract pursuant to Section 339.0809(4), Florida Statutes, as amended.

The obligations of the Department under the Service Contract shall not constitute a general obligation of the State or any instrumentality or political subdivision thereof, nor a pledge of the faith and credit or taxing power of the State or any instrumentality or political subdivision thereof, nor shall such obligations be construed in any manner as obligations of the State Board of Administration or entities for which it invests funds, but shall be payable solely from amounts available in the Florida Department of Transportation Trust Fund, if and to the extent appropriated annually for such purpose. The State of Florida's performance and obligation to pay under the Service Contract is contingent upon an annual appropriation by the Legislature.

SECTION 3.02. The Service Contract. The Service Contract by and between the Corporation and the Department, in substantially the form attached hereto as Exhibit A, is hereby authorized and approved. The Chief Executive Officer/President of the Corporation is authorized and directed to execute and deliver any Service Contract in substantially the form attached hereto, with such changes, additions and completions therein as such officers executing same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3.03. Source of Payment and Security for the Bonds. The payment of the principal of, premium, if any, and interest on the Bonds issued hereunder is hereby secured equally and ratably by a first priority lien upon and pledge of the Pledged Funds. The Pledged Revenues, in an amount sufficient to pay the principal of, premium, if any and interest on all of the Bonds, to make all required deposits to all Funds and Accounts and to make all other payments provided for in this Master Resolution and in the respective Series Resolutions are hereby pledged in the manner stated herein to or for the benefit of Registered Owners; provided that said pledge and lien may be released and extinguished by defeasance as provided in Section 8.02 hereof.

SECTION 3.04. Appropriation Contingency. The State of Florida's performance and obligation to pay under the Service Contract is contingent upon an annual appropriation by the Legislature.

ARTICLE IV
FUNDS AND PAYMENTS

SECTION 4.01. Creation of Funds. The Funds and Accounts described in this Section are created hereby and are designated as indicated. Each fund and account is to be maintained as a separate trust account (except when invested in Authorized Investments), provided that separate accounts may be created and maintained in any such fund and separate subaccounts may be created and maintained in any such Account. Each Fund may contain appropriate Accounts and subaccounts for each Series of Bonds.

The following Funds and Accounts are created hereby and are to be maintained as separate deposit accounts in the custody of the State Board of Administration as Funds Custodian (or a Trustee, if applicable) (except when invested in Authorized Investments):

(i) a Revenue Fund, designated the "Florida Department of Transportation Financing Corporation Revenue Fund";

(ii) a Bond Fund, designated the "Florida Department of Transportation Financing Corporation Bond Fund", and the "Interest Account" and the "Principal Account" therein;

(iii) a Reserve Fund, designated the "Florida Department of Transportation Financing Corporation Bond Reserve Fund"; and

(iv) a Rebate Fund, which shall contain an account for each Series of Bonds, other than Taxable Bonds.

In addition, a Sale Proceeds Fund shall be created under each Series Resolution and shall be maintained as a separate deposit account in the custody of the Department as Custodian or such other Custodian, including a Trustee, as the Corporation may determine, except when moneys credited to any such Sale Proceeds Fund shall be invested in Authorized Investments.

SECTION 4.02. Maintenance of Funds and Accounts. The designation and establishment of the various Funds and Accounts in and by this Master Resolution and the various Series Resolutions shall not be construed to require the establishment of any completely independent, self-balancing segregated funds or accounts, as such terms are commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of Pledged Funds for certain purposes and to establish certain priorities for application of Pledged Revenues as provided herein. Cash and investments required to be accounted for in each of the Funds and Accounts established by or pursuant to this Master Resolution may be deposited in a single bank account, provided that accounting records are maintained to reflect the moneys and Authorized Investments therein and the receipts of and disbursements from such Funds and Accounts and the investment income earned thereon.

The foregoing provisions notwithstanding, the Funds and Accounts created and established pursuant to this Master Resolution shall constitute trust funds for the purposes provided herein and shall be maintained on the accounting records of the Corporation as separate and distinct Funds and Accounts in the manner provided in this Master Resolution. All moneys in such Funds and Accounts deposited in any Depository or in the custody of the State Board of Administration shall be continuously secured in the same manner provided herein.

SECTION 4.03. Application of Pledged Revenues. All Pledged Revenues, immediately upon receipt thereof, shall be deposited by the Corporation into the Revenue Fund. Any moneys at any time on deposit in the Revenue Fund shall be paid out of the Revenue Fund not less often than monthly (or more frequently if required to make timely payment of amounts payable hereunder, under any Series Resolution or any Credit Agreement) in the following manner and order of priority:

(1) First, moneys in the Revenue Fund shall be transferred to the Interest Account and the Principal Account of the Bond Fund until the amount therein is sufficient to pay all Debt Service to become due on the Bonds during the balance of the then current Bond Year (the amount needed to pay Debt Service on Variable Rate Bonds shall be estimated until the amount is known). Moneys in the Bond Fund shall be used only for the purpose of paying the principal (or Accreted Value) of, premium, if any, and interest on Bonds as the same mature, become due, or are redeemed, or to pay Payment Obligations due any Credit Facility Provider to reimburse it for funds advanced to pay such Debt Service due on such date and for no other purpose.

(2) Next, moneys in the Revenue Fund shall be used to make deposits to the Reserve Fund, if necessary, in an amount needed to cause the balance therein to be equal to the Reserve Requirement, taking into account any Reserve Fund Credit Facility credited thereto; provided that (i) the Corporation may substitute a Reserve Account Credit Facility for cash and investments in the Reserve Fund at any time; and (ii) any provision in the Master Resolution notwithstanding, in the event that a withdrawal from the Reserve Fund occurs for any reason, it shall not be an Event of Default, so long as the Department makes a request for an appropriation sufficient to replenish such withdrawal in the next ensuing Fiscal Year for which such a request may be made and such appropriation is a part of such budget that became law. The Department covenants in the Service Contract to use its best efforts to request and obtain a supplemental appropriation for such amount, but failure to obtain a supplemental appropriation shall not constitute an Event of Default. Moneys (including moneys derived from any Reserve Fund Credit Facility) in the Reserve Fund shall be used to pay principal (or Accreted Value of), premium, if any, or interest on the Bonds when the moneys in the Bond Fund are insufficient for such purposes. If and when moneys and Authorized Investments on deposit in the Reserve Fund and the amount available under any Reserve Fund Credit Facility exceed the Reserve Requirement, such excess shall be withdrawn and used to pay Debt Service on the Bonds or for other lawful purposes, provided, in the case of any purpose other than the payment of Debt Service that such use, in the written opinion of Bond Counsel, will not adversely affect the federal income tax status of interest on any Tax-Exempt Bonds.

(3) Next, moneys in the Revenue Fund shall be used to pay Fiduciary Charges which have become due and payable.

(4) Next, moneys in the Revenue Fund shall be used to pay any Rebate Amount required by Section 148(f) of the Code which has become due and payable or to make deposits to the Rebate Fund to fund the Corporation's estimated accrued liability therefor.

(5) Next, amounts in the Revenue Fund shall be used to pay the following amounts in the following order of priority:

(A) amounts needed to pay Payment Obligations and Recurring Credit Facility Charges to Providers of Credit Facilities which have become due and, if the amount available is not sufficient to pay all such amounts, payments shall be made to such Providers ratably to the respective amounts due each such Provider; and

(B) next to pay Payment Obligations and Recurring Credit Facility Charges to Providers of Reserve Fund Credit Facilities which have become due and, if the amount available is not sufficient to pay all such amounts, payments shall be made to such Providers ratably to the respective amounts due each such Provider.

SECTION 4.04. Investment of Moneys in Funds and Accounts.

(a) All moneys on deposit in the Funds and Accounts created pursuant to this Article IV or any Series Resolution may be invested and reinvested in Authorized Investments; provided, however, that such investments shall mature not later than the respective dates when such moneys will be required for the purposes of such Funds and Accounts. Income earned on the investments in the Revenue Fund shall be deposited upon receipt in the Revenue Fund.

(b) Income from investment of the sale proceeds of the Bonds of any Series shall be deposited and used as provided in the Series Resolution or in the Tax Compliance Certificate for such Series Bonds.

(c) Income from amounts on deposit in the Bond Fund and Reserve Fund shall be deposited or maintained in the Bond Fund except to the extent such deposit shall cause the balance therein to exceed the Debt Service coming due on the Bonds during the balance of the then current Bond Year, in such event any excess shall be deposited in the Reserve Fund, except to the extent such deposit shall cause the balance therein to exceed the Reserve Requirement, then any excess shall be deposited in the Revenue Fund.

(d) The provisions of this paragraph are subject to the tax covenants set forth in Section 5.04 hereof.

SECTION 4.05. Purchase of Bonds for Cancellation. Moneys held in the Bond Fund for the retirement of Term Bonds of a particular Series, mode and tenor may be used to purchase Term Bonds of such Series, mode and tenor for cancellation at the most advantageous price obtainable with reasonable diligence, such price not to exceed the principal amount (or Accreted Value) of such Term Bonds plus the amount of the premium, if any, which would be payable on the redemption thereof in such Bond Year if such Term Bonds should be called for redemption on such date from moneys in such Bond Fund but no such purchase shall be made by the Corporation within the period of forty-five (45) days immediately preceding any date on which such Term Bonds are scheduled for redemption.

SECTION 4.06. Application of Sale Proceeds of the Bonds. All sale proceeds received upon the issuance of each Series of Bonds shall be placed in the Sale Proceeds Fund for that Series and applied and used as provided in the Series Resolution for such Series of Bonds and consistent with the term of the Service Contract.

SECTION 4.07 Reserve Fund.

(a) Subject to the paragraph (b) this Section, the Bonds shall be secured, together with any other Series of Bonds designated to be secured thereby, by the Reserve Fund. Amounts on deposit in the Reserve Fund shall be held for the benefit of the Registered Owners of the Bonds and all other Series of Bonds designated to be secured by the Reserve Fund shall be applied in the manner provided in the Master Resolution.

The reserve requirement for the Reserve Fund shall be the Reserve Requirement, subject to any federal income tax regulations with respect to the funding of such account from proceeds of Bonds. Upon the issuance of the Bonds an amount equal to the amount necessary to cause the amounts on deposit (including available amounts under any Reserve Fund Credit Facility credited thereto) in the Reserve Fund to equal the Reserve Requirement, subject to any federal income tax regulations with respect to the funding of such account from proceeds of Bonds, shall be deposited to the credit of the Reserve Fund from Bond Proceeds or by providing a Reserve Fund Credit Facility, or a combination thereof.

(b) In lieu of securing the Bonds by the Reserve Fund, the Chief Executive Officer/President is hereby authorized to determine that the Bonds will be secured by a separate sub-account in the Reserve Fund, which separate sub-account is hereby authorized to be established for any particular Series of Bonds. In the event the Chief Executive Officer/President determines to secure a particular Series of Bonds with a separate sub-account in the Reserve Fund, the Reserve Requirement for such separate Series of Bonds shall be an amount determined by the Chief Executive Officer/President, which amount may be zero, but which amount shall not exceed the maximum amount permitted pursuant to this Master Resolution. The Reserve Requirement for the separate sub-account in the Reserve Fund for such Series of Bonds shall be funded with proceeds of the Bonds, a Reserve Fund Credit Facility, or some combination thereof, as determined by the Chief Executive Officer/President. Amounts on deposit in the sub-account in the Reserve Fund for such Series of Bonds may be commingled with the amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the such subaccount, and shall be applied in the manner provided in this Master Resolution.

(c) Notwithstanding the foregoing, if the Corporation shall have determined, or be required, to fund a subaccount in the Reserve Fund with respect to a Series of Bonds, the Corporation shall not be required to fully fund such subaccount at the time of issuance of such Series of Bonds hereunder if the Corporation elects, by resolution adopted or by certificate of the Chief Executive Officer/President delivered prior to the issuance of such Series of Bonds, subject to the limits described below, to fully fund the applicable subaccount in the Reserve Fund over a period of time specified in such resolution or certificate not to exceed 60 months, during which time the Corporation shall make substantially equal monthly deposits to the applicable subaccounts in the Reserve Fund in order that the amounts on deposit therein at the end of such period of time shall equal the Reserve Requirement for such Series of Bonds. If the applicable subaccount in the Reserve Fund is to be funded in installments the deposits required pursuant Section 4.03 to such subaccount may be limited to an amount equal to the required monthly installment specified in such resolution, plus an additional amount necessary to make up any deficiencies caused by withdrawals or resulting from a valuation of the funds on deposit therein.

SECTION 4.08. Valuation of Funds. In computing the amount in any fund or account created under the provisions of this Master Resolution, securities therein purchased as an investment of moneys shall be valued at the cost thereof, exclusive of accrued interest. A valuation of amounts on deposit in the Reserve Fund or any sub account therein shall be conducted at least once each calendar year to determine if the amount on deposit is equal to the Reserve Requirement; if a deficiency exists, such deficiency shall be compensated as provided in Section 4.03(2) of this Master Resolution.

ARTICLE V

ADDITIONAL COVENANTS OF THE CORPORATION

SECTION 5.01. Covenants of the Corporation. So long as any of the principal of, premium, if any, or interest on any of the Bonds shall be unpaid or until all of the Bonds shall have been defeased in accordance with the terms of Section 8.02 hereof, the Corporation further covenants with the Registered Owners of the Bonds as hereafter set forth in this Article V.

SECTION 5.02. Books and Records The Corporation will keep or cause to be kept books and records of the Pledged Revenues and of the Funds and Accounts in which complete and correct entries shall be made in accordance with standard principles of governmental accounting of all transactions relating to the Pledged Revenues, to each of such Funds and Accounts, and as to disposition of Bond Sale Proceeds.

SECTION 5.03. Issuance of Other Obligations Payable Out of Pledged Funds. No obligations shall be issued or incurred by the Corporation (other than Bonds, Issuance Costs, Fiduciary Charges, Credit Facility Charges and Payment Obligations relating to Bonds) which are secured by all or any portion of the Pledged Funds or the Pledged Revenues.

SECTION 5.04. Tax Covenants. The Corporation covenants that it will restrict the use of the proceeds of each Series of Tax-Exempt Bonds in such manner and to such extent, if any, as may be necessary so that such Series of Bonds will not constitute arbitrage bonds under Section 148 of the Code. The Chief Executive Officer/President shall give an appropriate certificate of the Corporation, for inclusion in the transcript of proceedings for such Series of Bonds, setting forth the reasonable expectations of the Corporation regarding the amount and use of all the proceeds of such Series of Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the federal income tax treatment of interest on the Bonds of such Tax-Exempt Series. Such official is further authorized to make or effect any election, selection, choice, consent, approval, or waiver on behalf of the Corporation with respect to the Bonds of such Series as the Corporation is permitted or required to make or give under the federal income tax laws, for the purposes of assuring, enhancing or protecting favorable tax treatment or characterization of the Bonds of such Series or of the interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the Rebate Amount or payments of penalties thereon, or making payments in lieu thereof, or obviating such amounts or payments, as determined by such official after consultation with Bond Counsel. Any such action of such official shall be in writing and signed by such official.

The Corporation covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds of each Tax-Exempt Bond Series to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance: (i) apply the proceeds of the Bonds of each such Series to the governmental purpose of the borrowing; (ii) restrict the yield on investment property acquired with those proceeds where applicable; (iii) make timely rebate or penalty payments to the federal government; (iv) maintain books and records and make calculations and reports; and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chief Executive Officer/President and other appropriate officials are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

The Chief Executive Officer/President shall establish such procedures as he/she deems necessary to comply with the rebate provisions contained in Section 148(f) of the Code and may thereafter revise and modify such procedures as needed to permit continued compliance therewith.

SECTION 5.05. Maintenance of Corporate Existence. So long as any Bonds shall remain Outstanding, the Corporation shall maintain its corporate existence and good standing in Florida and shall conduct its business in the manner set forth in the Act, until its termination in accordance with the Act.

SECTION 5.06. Compliance with Service Contract and Other Agreements.The Corporation shall maintain compliance on its part with the terms and provisions of the Service Contract and other agreements and indentures to which it is a party or on whose behalf the contract was made, or by which it or its properties is bound, and shall take such steps as shall reasonably be necessary or required to enforce, or attempt to enforce, its rights against other parties to such agreements.

SECTION 5.07. Payment of Debt Service on Bonds. The Corporation shall pay or cause to be paid, promptly when due, Debt Service and other amounts due under the Bonds as provided herein, and in any Series Resolution and in the Bonds, subject to the provisions hereof, and shall cause the Funds and Accounts established herein or in any Series Resolution to be maintained by a Custodian or a Trustee, in such manner so as to comply with Florida law applicable to the maintenance and status of Pledged Funds and Pledged Revenues.

ARTICLE VI

AMENDMENTS

SECTION 6.01. Amendments Without Consent. Subject to Section 6.03 hereof, the Board, without the consent of any Registered Owners of any Bonds may amend this Master Resolution or any Series Resolution by supplemental Resolution in any manner which is not materially adverse to the Registered Owners of the Bonds:

(a) To increase the principal amount of Bonds authorized to be issued pursuant to this Master Resolution; or

(b) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions; or

c) To grant to or confer upon the Registered Owners of Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Registered Owners; or

(d) To add to the covenants and agreements of the Corporation other covenants and agreements thereafter to be observed by the Corporation or to surrender any right or power reserved to or conferred upon the Corporation; or

(e) To permit the qualification of the Bond Resolution under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation so determines, to add such other terms, conditions and provisions as may be required by such federal statute or state Blue Sky law; or

(f) To remove and replace any Fiduciary or to permit any Fiduciary to comply with any obligations imposed upon it by law; or to specify further the duties and responsibilities of, and to define further the relationship among the Fiduciaries, or

(g) To designate, remove or replace any Provider and to make technical modifications required by any Credit Agreement; or

(h) To achieve compliance with any applicable federal securities or tax law; or

(i) To add administrative provisions including the appointment of a Trustee or Custodian for any Series of Bonds or for any Funds or Accounts; or

(j) To provide such other changes which, in the written opinion of Bond Counsel or other counsel to the Corporation, are not materially adverse to the interests of the Registered Owners of any of the Bonds.

SECTION 6.02. Amendments with Consent.

(a) The Board, with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds whose interest will suffer a material adverse effect on account of such amendment, may amend this Master Resolution by supplemental Resolution.

(b) It shall not be necessary for the Registered Owners of any Bonds whose interest (in the written opinion of Bond Counsel) will not suffer a material adverse effect on account of such amendment to consent thereto.

(c) This section shall not be construed as permitting: (i) an extension of the maturity of the principal of or the interest on any Bond; or (ii) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or (iii) a reduction in the aggregate principal amount of the Bonds required for consent to any amendment; or (iv) the subordinating of any Bond to any other Bond, unless all Registered Owners adversely affected thereby consent thereto. Nothing herein contained, however, shall be construed as making necessary the approval by Registered Owners of the adoption of any amendment permitted by Section 6.01 hereof.

SECTION 6.03. Other Consents. No amendment shall be made which adversely affects any Fiduciary or any Provider unless such Fiduciary or Provider consents thereto.

SECTION 6.04. Effect. Upon any such amendment becoming effective pursuant to the provisions of this Article, this Master Resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations of the Corporation and all owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Master Resolution as so modified and amended.

SECTION 6.05. Rights of Credit Facility Provider. Notwithstanding anything in the Indenture to the contrary, in the event that a Credit Facility is in full force and effect as to any Series of Bonds, the Credit Facility Provider is not insolvent and no default of the Credit Facility exists on the part of the Credit Facility Provider, then the said Credit Facility Provider, in place of the Registered Owners of that Series of Bonds, shall have the power and authority to give any written consents and exercise any and all other rights which the Registered Owners of that Series would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article IX and the giving of written consents to Amendments when required by Section 6.02, and such consent shall be deemed to constitute the consent of the Registered Owners of all of those Bonds which are secured by such Credit Facility.

Notwithstanding anything herein to the contrary, all Registered Owners adversely affected by any amendments under Section 6.02(c) of this Resolution or any comparable provision of a Series Resolution shall be required to join with the Credit Facility Provider in consent to such amendments.

The Chief Executive Officer/President, for and on behalf of the Corporation, may execute and deliver any contracts or agreements with Credit Facility Providers or Reserve Fund Credit Facility Providers to carry out the provisions hereof or to clarify the rights of such Credit Facility Provider or Reserve Fund Credit Facility Provider herein.

ARTICLE VII

FIDUCIARIES

SECTION 7.01. Appointment of Fiduciaries. The Corporation, as to any Funds or Accounts, or as to any Series of Bonds, at any time or from time to time may appoint:

(a) the State Board of Administration, any bank or trust company, either within or without the State, as Trustee for any Series of Bonds or for any one or more Funds or Accounts or as Custodian for investment of Funds and Accounts, and provide for the duties of any such Trustee or Custodian;

(b) any Person meeting the requirements of the definitions of "Bond Registrar/Paying Agent"; and

(c) any Person having the necessary qualifications, as Bond Counsel, other counsel, Rebate Consultant, tender agent, remarketing agent or Escrow Agent for any of the Bonds.

If any Person is appointed as a Fiduciary, the resolution of the Board appointing such Fiduciary, or an agreement or other instrument approved by such resolution shall provide for the duties of such Fiduciary (which shall not be inconsistent herewith or with the applicable Series Resolution), for the resignation, removal or replacement of such Fiduciary and for the compensation of such Fiduciary. If any Person is appointed as Trustee or Bond Registrar/Paying Agent and such Person resigns or is removed, then unless and until a successor is appointed pursuant to this Section 7.01, the State Board of Administration shall serve as such Fiduciary.

ARTICLE VIII

DEFEASANCE

SECTION 8.01. Cessation of Interest of Registered Owners of Bonds. If and when all of the Bonds shall have been fully paid or discharged or deemed to be fully paid and discharged as provided in Section 8.02 hereof or are otherwise not deemed to be Outstanding hereunder and all Fiduciary Charges, Credit Facility Charges, Payment Obligations and Rebate Amounts payable hereunder by the Corporation have been paid or provided for, then and in that case, the right, title and interest of the Registered Owners of the Bonds and of each Provider and Fiduciary to any claim or lien on the Pledged Funds shall thereupon cease, determine and become void and all other rights of such Registered Owners and all rights and duties of all Providers and Fiduciaries (except as provided in Section 9.03, hereof) shall cease, determine and be void, and the Corporation in such case, may apply any surplus in the Funds or Accounts (other than moneys held for the redemption or payment of Bonds or to provide for any of any such Fiduciary Charges, Credit Facility Charges, Payment Obligations and Rebate Amounts) to any lawful purpose of the Corporation as the Board shall determine; otherwise this Master Resolution shall be, continue and remain in full force and effect.

SECTION 8.02. Payment and Discharge of Bonds and Debt Service. The covenants, liens and pledges entered into, created or imposed pursuant to this Master Resolution (and any Series Resolution) may be fully discharged and satisfied with respect to any of the Bonds in any one or more of the following ways:

(A) By paying the principal of and interest on such Bonds when the same shall become due and payable; or

(B) By depositing with the Escrow Agent, certain moneys which are irrevocably pledged to the payment of such 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 of, redemption premium, if any, and interest due and to become due on such Bonds on or prior to a date fixed for redemption or the maturity date thereof; or

(C) By depositing with the Escrow Agent, moneys which are irrevocably pledged to the payment of such 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 of, redemption premium, if any, and interest due and to become due on such Bonds on or prior to a date fixed for redemption or the maturity date thereof.

(D)

Upon such payment or deposit in the amount and manner provided in this section, the Bonds with respect to which payments on deposit have been made 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 Corporation with respect to such Bonds shall cease, terminate and be completely discharged and extinguished, and the Registered Owners thereof shall be entitled to payment solely out of the moneys or securities so deposited.

(E) 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.

(F) 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 Corporation may use the amount of such excess which is not otherwise obligated under this Resolution, for any lawful purpose, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(G) Nothing herein shall be deemed to require the Corporation 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 Corporation in determining whether to exercise any such option for early redemption.

(H) Notwithstanding the foregoing, the covenants, liens and pledges entered into, created or imposed pursuant to this Master Resolution shall not be discharged and satisfied with respect to any of the Bonds with respect to which debt service has been paid pursuant to a Credit Facility, to the extent that the amount so paid has not been reimbursed to the Credit Facility Provider (or monies have not been deposited as set forth above to provide for payment of such amounts). The Credit Facility Provider shall be subrogated to the rights of the Registered Owners of Bonds with respect to which it has made payments pursuant to a Credit Facility.

SECTION 8.03. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of the Bond Resolution which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption 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 Corporation, each Trustee, each Bond Registrar/Paying Agent, and the Registered Owners notwithstanding the release and discharge of the lien and pledge of this Master Resolution or any Series Resolution. The provisions of this Article shall survive the release, discharge and satisfaction of this Master Resolution or any Series Resolution.

ARTICLE IX

DEFAULTS AND REMEDIES

SECTION 9.01. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) Payment of the principal (Maturity Amount or Accreted Value) of and the redemption premium, if any, on any of the Bonds is not made when the same are due and payable, either at maturity, by redemption or otherwise; or

(b) Payment of the interest on any of the Bonds is not made when the same is due and payable; or

(c) Any Payment Obligation or Credit Facility Charges are not paid at the time required by the Credit Agreement under which such Payment Obligation or Credit Facility Charges arose and the Provider to which such Payment Obligation or Credit Facility Charges are owed notifies the Corporation in writing that such non-payment constitutes an event of default under such Credit Agreement and declares the same to be an Event of Default hereunder; or

(d) Any Bond which is required to be purchased upon tender by the Registered Owner thereof or upon call for purchase is not purchased or deemed to be purchased under the applicable Series Resolution; or

(e) The Corporation:

(i) Files a petition in any insolvency proceedings asserting that the Corporation is insolvent; or

(ii) Admits in writing, its inability to pay Debt Service on the Bonds when the same becomes due; or

(iii) Files a petition in bankruptcy;

(iv) Files a petition in any court for the appointment of a receiver for all or any portion of the Pledged Funds, the Pledged Revenues or any other security for the Bonds; or

(f) The Corporation defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Resolution, and such default continues for thirty (30) days after receipt by the Corporation of a written notice from any Fiduciary, any Provider or the Registered Owners of at least a majority in aggregate principal amount of Bonds Outstanding, which notice specifies such default and contains a request that it be corrected; provided that if such default is of a type which can be cured and if, prior to the expiration of such thirty (30) day period, the Corporation institutes actions reasonably designed to cure such default, no Event of Default shall be deemed to have occurred upon the expiration of such thirty (30) day period, for so long as the Corporation pursues such curative action with reasonable diligence.

SECTION 9.02. No Acceleration. The Bonds shall not be accelerated on account of any Event of Default.

SECTION 9.03. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 9.01, then and in every such case the Registered Owners of at least 50 percent in aggregate principal amount of the Outstanding Bonds, any Provider or any Fiduciary may proceed to protect and enforce the rights of the Registered Owners of the Bonds under federal or State law or under the Bond Resolution by a class action in equity or at law, either for a writ of mandamus directing the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Registered Owners shall deem most effectual to protect and enforce such rights.

SECTION 9.04. Application of Funds. Anything in this Master Resolution to the contrary notwithstanding, if at any time the moneys and investments in the Bond Fund are not sufficient to pay the Debt Service on the Bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for the payment of Bonds, whether through the exercise of the remedies provided for in this Article IX or otherwise, shall be applied as follows:

(a) First, if none of the principal of the Outstanding Bonds of such Series is then due and payable, to the payment of all installments of interest then due, in the order of the maturity of the installments of such interest;

(b) Second, if the principal of less than all of the Outstanding Bonds of such Series is then due and payable, first to the payment of all installments of interest then due on all of the Outstanding Bonds in the order of the maturity of the installments thereof, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of Bonds then due in order of their due dates;

(c) Third, if the principal of all of the Outstanding Bonds has become due and payable at maturity or by call for redemption or otherwise, first to the payment of all installments of interest then due on all of the Outstanding Bonds in the order of the maturity of the installments thereof, and next to the payment of interest at the respective rates specified in the Bonds on overdue principal, and next to the payment of the principal of the Bonds which have become due.

All payments to be made to the Registered Owners of any Bonds pursuant to the priorities stated in this Section 9.04 shall be made to the persons entitled thereto, without discrimination or preference, except that if there are insufficient funds to make any such payment, the amount to be paid in respect of each such Bond shall be determined by multiplying the aggregate amount of the moneys available for such payment by a fraction, the numerator of which is the payment then due on such Bond and the denominator of which is the aggregate amount due in respect of all payments of similar priority on all Bonds.

SECTION 9.05. Effect of Discontinuance of Proceedings. If any proceeding taken by the Registered Owners of any Bonds or any Provider on account of any Event of Default is discontinued or abandoned for any reason, then and in every such case, the Corporation, all Registered Owners of Bonds and each Provider shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of said Persons shall continue as though no proceeding had been taken.

SECTION 9.06. No Remedy Exclusive. No remedy herein conferred upon any Person who is entitled to exercise such remedy hereunder is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

SECTION 9.07. Delay Not a Waiver. No delay or omission by any Person who is entitled to exercise a remedy hereunder in the exercise of any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein, and every power or remedy given by this Master Resolution to any such Person may be exercised from time to time and as often as may be deemed expedient.

The Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, with the written consent of all Providers and Fiduciaries, if any, who are then entitled to exercise remedies hereunder, may waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Master Resolution or before the completion of the enforcement of any other remedies under this Master Resolution; provided that no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies of the Persons specified in Section 9.03 hereof which are consequent thereon.

SECTION 9.08. Right to Enforce Payment. Nothing in this Article IX shall affect or impair the right of any Registered Owner of any Bond to enforce the payment of the principal of and interest thereon or the obligation of the Corporation to pay Debt Service on each Bond at the time and place specified in said Bond. Nothing herein shall impair the right of any Fiduciary to enforce payment to it of any Fiduciary Charges owed to it or impair the right of any Provider to which Payment Obligations or Credit Facility Charges are owed the right to enforce payment thereof. The right to receive any payment shall be limited to the sources from which such payment is payable hereunder.

SECTION 9.09. Reduction of Rights. Notwithstanding anything in this Resolution to the contrary, the Corporation may adopt a Series Resolution for the issuance of any Series of Additional Bonds that sets forth terms and provisions that reduce or diminish the rights of Registered Owners of the Additional Bonds of such Series versus the rights of the Registered Owners of other Series of Bonds, whether then Outstanding or issued in the future, including without limitation terms and provisions that subordinate the right of Registered Owners of such Additional Bonds to repayment of such Additional Bonds, whether prior to or during the continuance of an Event of Default.

ARTICLE X

MISCELLANEOUS PROVISIONS

SECTION 10.01. Validation. Counsel for the Corporation is hereby authorized to institute on behalf of the Corporation, validation proceedings in the Circuit Court for Leon County pursuant to the provisions of Chapter 75, Florida Statutes, as amended, for validation of the Bonds and, if determined to be necessary or desirable by the Chief Executive Officer/President, to thereafter seek an opinion affirming validation from the Supreme Court of Florida.

SECTION 10.02. Sale of Bonds. The Bonds of each Series may be issued and sold at public sale, private placement, or negotiated sale, at one time or in installments from time to time, and at such price or prices consistent with the provisions of the Act and the requirements of this Master Resolution.

SECTION 10.03. Notices. Each Trustee, Bond Registrar/Paying Agent and Provider shall be entitled to receive and shall be provided by certified mail all notices and reports which are required herein to be prepared and to be sent to all Registered Owners of the Bonds.

SECTION 10.04. Taxable Bonds. Any Bond which is issued as a Taxable Bond shall have the word “Taxable” included in its title and shall contain on the face thereof, the following statement in all capital letters:

> “THE INTEREST ON THIS BOND IS INCLUDIBLE IN THE GROSS INCOME OF THE OWNER FOR FEDERAL INCOME TAX PURPOSES.”

Except as provided in a Series Resolution for any particular Series of Bonds, the federal income tax related covenants herein shall not be applicable to any Taxable Bonds.

SECTION 10.05. No Recourse. No recourse shall be had by any Registered Owner for the payment of the principal (the Maturity Amount or the Accreted Value) of, premium, if any, and interest on the Bonds, or by any other Person for any claim based thereon or on this Master Resolution, against any present or former official, agent, employee or member of the Board, the Corporation, the State of Florida, the Department or the Division of Bond Finance.

SECTION 10.06. Substitute for Mailing. If, because of the temporary or permanent suspension of postal service, the Corporation, or any other Person shall be unable to mail any notice required to be given by the provisions of this Master Resolution, the Corporation, or such other Person shall give such notice in such other manner as in its judgment shall most effectively approximate such mailing; and the giving of such notice in such manner shall for all purposes of this Master Resolution be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 10.07. Successorship of Corporation Officers. In the event that the office of any officer or official of the Corporation who is vested with responsibilities under this Master Resolution is abolished or any two or more offices are merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer or official becomes incapable of performing the duties of such office by reason of sickness, absence or otherwise, all powers conferred and all obligations and duties imposed upon such officer or official shall be performed by the officer or official upon whom such powers, obligations and duties are imposed by law or by the Board.

SECTION 10.08. Payments Due and Acts Required to be Done on Days Which Are Not Business Days; Time.

(a) In any case where any payment of debt service is required to be paid on a date which is not a Business Day, then such payment need not be made on such date, but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date fixed for such payment, and no interest shall accrue on such payment for the period after such date if such payment is made on such next succeeding Business Day.

(b) In any case where any act is required or any notice is required to be given hereunder (or under any Series Resolution or other instrument relating to any of the Bonds, unless otherwise provided to the contrary therein) on any day other than a Business Day, then such act shall be done or such notice shall be given on the next succeeding Business Day, with the same force and effect as if such act had been performed or such notice had been given on the date required.

(c) All times for the making of any payment or the performance of any act, as provided in this Master Resolution (or any Series Resolution or other instrument relating to any of the Bonds unless otherwise provided to the contrary therein), shall mean the local time prevailing in Leon County, Florida unless some other time is expressly provided for.

SECTION 10.09. Headings Not Part of Resolution. Any headings preceding the text of the several Sections hereof, table of contents, marginal notes, or footnotes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Master Resolution or affect its meaning, construction or effect.

SECTION 10.10. Persons Having Rights Under Resolution. Except as otherwise expressly provided herein, nothing in this Master Resolution, expressed or implied, is intended or shall be construed to confer upon any Person, firm or corporation, other than the Corporation, the Registered Owners of the Bonds, the Fiduciaries and the Providers, any right, remedy or claim, legal or equitable, under or by reason of this Master Resolution. This Master Resolution is intended to be for the sole and exclusive benefit of the Corporation, the Registered Owner of the Bonds, the Fiduciaries and the Providers.

SECTION 10.11. Instruments of Registered Owners. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under the Bond Resolution to be executed by any Registered Owner may be in any number of concurrent writings of similar tenor and may be executed by that Registered Owner in person or by an attorney-in-fact appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any attorney-in-fact, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of the Bond Resolution, if made in the following manner, and if so made, shall be conclusive in favor of the Corporation or any Fiduciary with regard to any action taken thereunder, namely:

(a) The fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(b) The fact of ownership of Bonds of any Series shall be proved by the Register for such Series.

Nothing contained herein shall be construed to limit the Corporation or any Fiduciary to the foregoing proof, and the Corporation or any Fiduciary may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Registered Owner of any Bond shall bind every future Registered Owner of the same Bond, with respect to anything done or suffered to be done by the Corporation or any Fiduciary pursuant to that writing.

SECTION 10.12. Priority of This Resolution. This Master Resolution shall be superior to any liens which may be placed upon the Pledged Revenues, the Pledged Funds or any other Funds or Accounts created pursuant to this Master Resolution.

SECTION 10.13. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the Corporation contained in this Master Resolution are and shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized by the Act and permitted by the Constitution of the State. No covenant, stipulation, obligation or agreement of the Corporation contained in this Master Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future Board member, officer, agent or employee of the Corporation in other than that person's official capacity. Neither the members of the Board nor any official executing the Bonds or the Bond Resolution shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance or execution hereof or thereof.

SECTION 10.14. Florida Law Governs. The Bonds are issued, and this Master Resolution is adopted, with the intent that the laws of the State of Florida shall govern their construction.

SECTION 10.15. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Master Resolution should be held to be contrary to any express provision of law, or should for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements, or provisions of, and in no way affect the validity of, all the other provisions of this Master Resolution or of the Bonds.

SECTION 10.16. Effective Date. This Master Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this 11th day of April, 2018.

EXHIBIT A
FORM OF SERVICE CONTRACT

[Intentionally Omitted]

FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION

2018 SERIES RESOLUTION

Resolution No. 2

Adopted July 11, 2018

Authorizing Issuance and Sale of
Not Exceeding $195,000,000
Florida Department of Transportation Financing Corporation
Revenue Bonds
Series 2018

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EXHIBITS:

A RESOLUTION SUPPLEMENTING AND AMENDING A RESOLUTION ENTITLED:

> "A RESOLUTION OF THE FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION AUTHORIZING THE ISSUANCE OF FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION REVENUE BONDS IN ONE OR MORE SERIES; PROVIDING FOR ADOPTION OF SERIES RESOLUTIONS PURSUANT TO THIS MASTER RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERVICE CONTRACT OR CONTRACTS BETWEEN THE DEPARTMENT OF TRANSPORTATION AND THE CORPORATION; PROVIDING FOR PAYMENT OF THE BONDS FROM PLEDGED REVENUES; PROVIDING THAT THE BONDS SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF FLORIDA OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY PAYMENTS MADE BY THE DEPARTMENT OF TRANSPORTATION UNDER THE SERVICE CONTRACT, WHICH PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE LEGISLATURE; PROVIDING FOR TERMS AND DETAILS OF THE BONDS; PROVIDING FOR THE CREATION OF CERTAIN FUNDS AND ACCOUNTS; PROVIDING FOR THE RIGHTS, SECURITY AND REMEDIES OF BONDHOLDERS AND CREDIT FACILITY PROVIDERS; AUTHORIZING VARIOUS METHODS OF SALE OF THE BONDS; AUTHORIZING THE VALIDATION OF THE BONDS AND PROVIDING AN EFFECTIVE DATE";

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING $195,000,000 REVENUE BONDS, SERIES 2018, FOR THE PURPOSE OF FINANCING OBLIGATIONS OF THE DEPARTMENT OF TRANSPORTATION WITH RESPECT TO THE 2018 PROJECT; MAKING CERTAIN AMENDMENTS TO SAID RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the 2016 Florida Legislature enacted Chapter 2016-181, Laws of Florida, codified as Section 339.0809, Florida Statutes (as the same may be amended or supplemented from time to time, together with all other applicable provisions of law, the "Act"); and

WHEREAS, among other things, the Act creates the Florida Department of Transportation Financing Corporation (the "Corporation") as a nonprofit corporation for the purpose of financing or refinancing projects for the Department of Transportation (the "Department"); and

WHEREAS, for this purpose, the Corporation is authorized to issue bonds or other evidences of indebtedness which are payable from amounts to be paid by the Department to the Corporation under a service contract or contracts (collectively, the "Service Contract"), entered into between the Department and the Corporation; and

WHEREAS, the Corporation and the Department intend to enter into a Service Contract providing for payment by the Department to the Corporation of amounts sufficient to pay Debt Service on the Bonds and Issuance Costs and Administrative Costs, contingent upon annual appropriation by the Florida Legislature of funds sufficient to make payment under the Service Contract; and

WHEREAS, the Corporation, on April 11, 2018, adopted the Master Resolution referred to by title in the title of this resolution to provide for and secure the payment of Debt Service on all Bonds of any and all Series, and other amounts payable under the Master Resolution and to establish the manner of financing and methods of carrying out the purposes of the Corporation; and

WHEREAS, this Resolution (the "2018 Series Resolution") is being adopted to authorize the issuance and sale of an initial Series of the Bonds, provide for the determination of the details of the Bonds of such Series, provide for the use of the proceeds of such Series of Bonds in accordance with the Act, appoint the necessary Fiduciaries for the Bonds and make certain amendments to the Master Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION, AS FOLLOWS:

ARTICLE I
AUTHORITY, DEFINITIONS AND RECITALS

SECTION 1.01. Authority for this Resolution; Ratification and Reaffirmation of the Master Resolution. This 2018 Series Resolution is hereby adopted pursuant to the provisions of the Act. The Master Resolution is hereby ratified and reaffirmed. The Master Resolution is in full force and effect and has not been amended.

SECTION 1.02. Definitions. All of the definitions contained in Section 1.02 of the Master Resolution shall be deemed applicable to this 2018 Series Resolution, except to the extent that the same are inconsistent or in conflict with the definitions set forth below. The following terms shall have the following meanings in this 2018 Series Resolution:

"Master Resolution" means the Master Resolution adopted by the Corporation on April 11, 2018, as amended, authorizing the issuance of its Bonds.

"2018 Bonds" means the Bonds, Series 2018, issued pursuant to this 2018 Series Resolution.

"2018 Project" means the transportation project described more particularly in Exhibit B hereto.

"2018 Service Contract" means the service contract to be entered into between the Department and the Corporation pursuant to Section 339.0809(4), Florida Statutes, as amended, providing for payments by the Department to the Corporation relating to the 2018 Bonds.

SECTION 1.03. Recitals. The recitals contained in the foregoing "WHEREAS" clauses are incorporated herein by this reference.

ARTICLE II
AUTHORIZATION OF EXPENDITURE OF BOND PROCEEDS

SECTION 2.01. Application of Bond Proceeds. Pursuant to the Act, there is authorized the expenditure of the proceeds of the 2018 Bonds for the purposes set forth in Section 339.0809, Florida Statutes, and, specifically, the issuance of the 2018 Bonds to finance the 2018 Project. The proceeds of the 2018 Bonds shall be disbursed as provided Article IV hereof.

ARTICLE III
AUTHORIZATION OF SALE AND TERMS OF 2018 BONDS

SECTION 3.01. Authorization of 2018 Bonds. Subject and pursuant to the provisions of this 2018 Series Resolution, a Series of Bonds of the Corporation is hereby authorized to be issued and sold in an aggregate principal amount not exceeding $195,000,000. Such Series of Bonds shall be designated "Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2018" or such other designation as may be determined by the Chief Executive Officer/President. The 2018 Bonds shall be issued under and secured by the Master Resolution, as amended and supplemented by this 2018 Series Resolution, and all the terms and provisions contained in the Master Resolution shall be applicable to the 2018 Bonds, except as expressly set forth herein, including the pledge of the Pledged Revenues to the payment of the principal, premium if any, and interest on the 2018 Bonds.

SECTION 3.02. Description of 2018 Bonds. The 2018 Bonds shall be issued only as fully registered bonds without coupons in denominations of $1,000 or any integral multiple thereof; shall be issued as Current Interest Bonds; shall bear interest not in excess of the maximum lawful rate of interest authorized on the date of sale of the 2018 Bonds, payable semi-annually on the dates provided in the notice of sale (provided that the initial interest period may be longer than six months); 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 II of the Master Resolution. The 2018 Bonds shall be dated, shall mature and shall be redeemable as set forth in the notice of sale provided for in Article V of this 2018 Series Resolution.

The 2018 Bonds may be sold at one time or in multiple installments from time to time as the Chief Executive Officer/President may determine. If issued in multiple installments, each installment shall have an identifying letter.

SECTION 3.03. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A hereto, with such changes as shall be necessary and desirable thereto, as determined by Bond Counsel or counsel for the Corporation.

SECTION 3.04. Book-entry Provisions. Pursuant to Section 2.05(h) of the Master Resolution, the Corporation hereby elects to use a Book-Entry System for the 2018 Bonds.

Notwithstanding anything to the contrary in the Master Resolution, this 2018 Series Resolution, or any other resolution relating to the 2018 Bonds (for the purposes of this section, collectively, the "Bond Resolution"), the 2018 Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the 2018 Bonds is maintained in accordance herewith, any provision of the Bond Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Bond Resolution shall be deemed to give full effect to such book-entry system.

If the 2018 Bonds are issued in book-entry only form:

(1) The 2018 Bonds shall be issued in the name of the Securities Depository as Registered Owner of the 2018 Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the 2018 Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the 2018 Bonds. Beneficial ownership interests in the 2018 Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive 2018 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its 2018 Bonds. Transfers of ownership interests in the 2018 Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Corporation, the Department, the State Board of Administration and the Bond Registrar/Paying Agent shall treat the Securities Depository as the sole and exclusive owner of the 2018 Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the 2018 Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Corporation's obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Master Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The Corporation and its agents may rely conclusively upon

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the 2018 Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of 2018 Bonds beneficially owned by, the Beneficial Owners.

(5) The Corporation and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Bond Register, with respect to

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Series 2018 Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the 2018 Bonds; or

(e) any consent given or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Master Resolution of holding, delivering or transferring 2018 Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry 2018 Bonds to

produce the same effect. Any provision hereof permitting or requiring delivery of the 2018 Bonds shall, while the 2018 Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(7) The Corporation may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Corporation shall either

(a) identify another qualified securities depository or

(b) prepare and deliver replacement 2018 Bonds in the form of fully registered bonds to each Beneficial Owner.

SECTION 3.05. Accounts for 2018 Bonds. (a) There shall be created subaccounts in the Principal Account and the Interest Account in the Bond Fund for each installment of the 2018 Bonds. Amounts deposited into such subaccounts shall be applied as provided in Section 4.03 of the Master Resolution.

(b) There is hereby created and established a 2018 Sale Proceeds Fund, which fund shall be held by the Custodian. Amounts in the 2018 Sale Proceeds Fund shall be disbursed by the Custodian as provided herein.

SECTION 3.06. Reserve Requirement for 2018 Bonds. The Reserve Requirement for the 2018 Bonds shall be determined by the Chief Executive Officer/President and set forth in a certificate to be delivered at or prior to the issuance of the 2018 Bonds.

SECTION 3.07. Appointment of Custodian, Bond Registrar and Paying Agent, and Trustee. The Department is hereby appointed the Custodian for the 2018 Sale Proceeds Fund and U.S. Bank Trust National Association is hereby appointed Bond Registrar and Paying Agent for the Bonds. The State Board of Administration is hereby appointed as Trustee.

ARTICLE IV
APPLICATION OF BOND PROCEEDS

SECTION 4.01. Application of Series 2018 Bond Proceeds. Upon receipt of the proceeds of the 2018 Bonds, the Corporation shall transfer and apply, or cause to be transferred and applied, such proceeds as follows:

(a) The amount necessary to pay all costs and expenses of the Corporation in connection with the preparation, sale and issuance of the 2018 Bonds, including a reasonable charge for the services of the Division of Bond Finance, shall be transferred to the Corporation or the Division of Bond Finance, as applicable, pursuant to written instructions of the Corporation at the delivery of the 2018 Bonds.

(b) The accrued interest on the 2018 Bonds, if any, plus an amount determined by the Chief Executive Officer/President as being necessary, together with such accrued interest, to provide for the payment of interest on the 2018 Bonds for a period not to exceed 12 months from the date of issuance of the 2018 Bonds, shall be deposited in the applicable Interest Subaccount in the Bond Fund created by the Master Resolution.

(c) All remaining proceeds shall be deposited in the 2018 Sale Proceeds Fund created and established by this 2018 Series Resolution and shall be used to pay 2018 Project costs pursuant to the terms of the Service Contract.

SECTION 4.02. Application of Amounts in 2018 Sale Proceeds Fund.

(a) Amounts in the 2018 Sale Proceeds Fund shall be disbursed by the Department for the payment of 2018 Project costs. Interest earnings on the 2018 Sale Proceeds Fund may be used to pay 2018 Project costs.

(b) If for any reason any of the proceeds from the sale of the 2018 Bonds shall not be expended for payment of 2018 Project costs, the surplus shall be applied to retire or redeem 2018 Bonds.

SECTION 4.03. Registered Owners Not Affected By Application of Series 2018 Bond Proceeds. The proceeds derived from the sale of the 2018 Bonds shall be applied and disbursed pursuant to the provisions of the Act and this 2018 Series Resolution. The Registered Owners of 2018 Bonds shall not have any responsibility whatsoever for the application or use of any of the proceeds derived from the sale of the 2018 Bonds, and the rights and remedies of the Registered Owners of 2018 Bonds and their right to payment, pursuant to the Master Resolution and this Series 2018 Resolution, shall not be affected or impaired by the application or use of such proceeds. Upon the issuance of the 2018 Bonds authorized by this Series 2018 Resolution, all the covenants and agreements between the Corporation and the Registered Owners of 2018 Bonds contained in this Series 2018 Resolution shall be valid and binding covenants and agreements between the Corporation and the Registered Owners of 2018 Bonds without regard to the application of the proceeds of the 2018 Bonds.

ARTICLE V
SALE OF BONDS

SECTION 5.01. Sale. (a) The Chief Executive Officer/President is hereby authorized to determine the most advantageous date and time of sale and to provide notice pursuant to applicable law of such sale, at a time and in such manner as determined by the Chief Executive Officer/President to be appropriate to provide adequate notice to potential bidders; provided, that if no bids are received, or if all bids are rejected, such 2018 Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Chief Executive Officer/President. Bids for the purchase of the 2018 Bonds will be received at the office of the Division of Bond Finance or at another location designated in the notice of bond sale ("Notice of Bond Sale"), until the time and date of sale determined by the Chief Executive Officer/President.

(b) The Chief Executive Officer/President is hereby authorized to publish and distribute a Notice of Bond Sale and a form of proposal for the sale of the 2018 Bonds. The

Notice of Bond Sale shall be in such form as shall be determined by the Chief Executive Officer/President, with the advice of bond counsel, and shall contain such information as is consistent with the terms of the Resolution which the Chief Executive Officer/President determines is in the best financial interest of the State. Any prior publication or distribution of a Notice of Bond Sale, or abbreviated version thereof, and proposal for sale is hereby ratified.

(c) In the event that market conditions preclude the sale of the principal amount of Bonds authorized to be sold by this 2018 Series Resolution, or if proceeds of all Bonds authorized to be sold pursuant to this resolution are not required at any particular time, then in such event, in order to sell the Bonds, the Chief Executive Officer/President is hereby authorized to offer for sale a lesser principal amount than that set forth in this resolution.

(d) The 2018 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, provided that (i) the 2018 Bonds shall have no more than fifteen (15) annual maturities after their date of issuance; and (ii) the 2018 Bonds shall be subject to optional redemption at prices not greater than 101% of the principal amount thereof.

SECTION 5.02. Official Statement. The Chief Executive Officer/President is hereby authorized to prepare and distribute preliminary and final official statements in connection with the offering of the 2018 Bonds. The Chief Executive Officer/President is further authorized and directed to amend, supplement or complete the information contained in the preliminary offering statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chief Executive Officer/President is hereby authorized to execute the final official statement in connection with the offering of the 2018 Bonds, and the execution thereof by the Chief Executive Officer/President shall be conclusive evidence that the Corporation has approved the form and content of the final official statement and that the final official statement is complete as of its date. The Chief Executive Officer/President is hereby authorized to have up to 1,500 copies of the preliminary official statement and 3,500 copies of the final official statement relating to the offering of the 2018 Bonds printed and distributed; to contract with national rating services and providers of municipal bond insurance and reserve account credit facilities; to make a determination that the preliminary official statement is "deemed final" for purposes of SEC Rule 15c2-12(b)(1); 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 2018 Bonds.

SECTION 5.03. Award. The Chief Executive Officer/President is hereby authorized and empowered to award said 2018 Bonds, when offered, on his determination of the best proposal submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Chief Executive Officer/President shall report such award to the Board of Directors.

SECTION 5.04. Delivery. The proper officials of the Corporation are hereby authorized to execute the 2018 Bonds and the Corporation is hereby authorized to deliver such 2018 Bonds to the purchasers thereof upon payment of the purchase price, together with accrued interest, if any, to the date of delivery, and to distribute the proceeds of the 2018 Bonds as provided herein.

SECTION 5.05. Necessary Action. The appropriate officers and employees of the Corporation are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Corporation, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the 2018 Bonds.

ARTICLE VI
AMENDMENTS TO MASTER RESOLUTION

SECTION 6.01. Amendments to Master Resolution. The Master Resolution is hereby amended as follows:

(a) The defined term "Maximum Annual Debt Service Requirement" in Section 1.02 of the Master Resolution shall be changed to "Maximum Annual Debt Service", but with no change to the definition.

(b) A new definition is added to Section 1.02 of the Master Resolution to read as follows:

> "Department Bond Programs" means any State bond program secured by a lien on revenues of the State Transportation Trust Fund senior to payments under a Service Contract, excluding bond programs that are secured solely by a lien on revenues of a particular transportation facility or system (for example, revenue bonds secured solely by revenues of Florida's Turnpike system).

(c) A new definition is added to Section 1.02 of the Master Resolution to read as follows:

> "State Transportation Trust Fund" means that trust fund created pursuant to Section 206.46, Florida Statutes, as amended.

(d) A new definition is added to Section 1.02 of the Master Resolution to read as follows:

> "Outstanding Public-Private Partnership Obligations" means (i) the obligations of the Department to make availability, milestone, and final acceptance payments, or other similar payments, that are required by an agreement between the Department and a private entity pursuant to Section 334.30, Florida Statutes, as amended, and that are not payments for the cost of operation or maintenance of a facility; and (ii) the obligations of the Department to make payments to a Department contractor for work performed in one Fiscal Year for which payment has been deferred to a later Fiscal Year pursuant to Section 334.30, Florida Statutes, as amended.

(e) Section 2.10 of the Master Resolution is amended to read as follows:

SECTION 2.10. Issuance of Additional Bonds. Additional Bonds may be issued by the Corporation only upon the terms, restrictions and conditions contained in the Act and this Section 2.10. Additional Bonds shall be created or issued only on the following terms, restrictions, and conditions:

(1) in any Fiscal Year, the sum of (a) the debt service on all outstanding Corporation obligations; (b) the debt service on the Additional Bonds then proposed to be issued; and (c) the payments for Outstanding Public-Private Partnership Obligations, shall not exceed 20% of the revenues of the State Transportation Trust Fund available for Service Contract payments (funds available after reduction for statutorily-designated uses and by the maximum legally permissible debt service on Department Bond Programs) in the Fiscal Year immediately preceding the issuance of the Additional Bonds;

(2) the Legislature shall have adopted an appropriations act or substantive legislation specifically approving the financing of the project or projects to be financed in whole or in part from proceeds of such Additional Bonds and shall have appropriated sufficient moneys to pay the first year's debt service on the Additional Bonds;

(3) the issuance of the Additional Bonds shall not violate any statutory limits on the issuance of Bonds;

(4) the Department's project or projects to be financed in whole or in part from the proceeds of such Additional Bonds shall have been approved by the Legislature and such approval shall specifically provide that the Department may enter into a Service Contract for the project pursuant to Section 339.0809(4), Florida Statutes, as amended; and

(5) the Department and the Corporation shall have entered into a Service Contract with respect to such Additional Bonds.

No such Additional Bonds shall be created or issued at any time, however, unless the Corporation shall certify that all the payments required under the provisions of Section 4.03 hereof, including any deficiencies for prior payments, have been made as required to the date of the sale of such Additional Bonds, and unless the Department shall certify compliance with the requirements of this Section 2.10 with respect to the issuance of such Additional Bonds.

Notwithstanding the requirements set forth above, the Corporation may at any time and from time to time issue Additional Bonds for the purpose of refunding any Series of Bonds, or any maturity of Bonds within a Series, without the necessity of complying with the requirements set forth above (except for clause (5) in the first paragraph of this Section), if the Debt Service Requirement with respect to such Additional Bonds in each Fiscal Year following the issuance thereof shall be equal to or less than the Debt Service Requirement for such Fiscal Year with respect to the Bonds which would have been Outstanding in such Fiscal Year had the same not been refunded pursuant to this Section 2.10.

Such Additional Bonds shall be deemed to have been issued pursuant to this Resolution to the same extent as the Bonds originally authorized and issued pursuant to this Resolution, and all of the covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of any Bonds originally authorized and issued pursuant to this Resolution and the Holders of any such Additional Bonds subsequently issued within the limitations of and in compliance with this Section 2.10. All of such original Bonds and Additional Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Revenues and the Pledged Funds and their source of and security for payment therefrom without preference of any Bond or Additional Bond over any other; provided, however, that each Series of Bonds issued hereunder shall, with respect to the Reserve Fund, have rights only to moneys in the sub account in the Reserve Fund created with respect to such Series.

Upon the issuance of any such Additional Bonds, the payments required to be made or set aside from Pledged Revenues under Section 4.03 shall be increased in the amounts necessary for the payments contemplated thereby.

ARTICLE VII
MISCELLANEOUS

SECTION 7.01. Severability of Provisions. If any one or more of the covenants, agreements or provisions of this 2018 Series 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 2018 Series Resolution or of the 2018 Bonds.

SECTION 7.02. Continuing Disclosure. (a) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Corporation and the Department hereby agree to provide or cause to be provided such information as may be required, from time to time, under such rule.

(b) The Chief Executive Officer/President 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 or any applicable successor rule.

SECTION 7.03 Repeal of Inconsistent Resolutions. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this 2018 Series Resolution, to the extent that they are inconsistent with this 2018 Series Resolution, are hereby repealed, revoked, and rescinded.

SECTION 7.04 Time of Taking Effect. This 2018 Series Resolution shall take effect immediately upon its adoption.

ADOPTED ON JULY 11, 2018.

EXHIBIT A
FORM OF BOND

No. R-________ $_________________

FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION
REVENUE BOND, SERIES 2018

RATE OF INTEREST	MATURITY DATE	DATE OF ISSUE	CUSIP
		_____________, 2018	

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that the Florida Department of Transportation Financing Corporation, a nonprofit corporation created pursuant to Chapter 339.0809, Florida Statutes, as amended (hereinafter called "Corporation"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date specified above, the principal sum shown above, upon the presentation and surrender hereof at the corporate trust office of U.S. Bank Trust National Association, New York, New York, as Paying Agent and Bond Registrar, and to pay solely from such special funds interest thereon from the date of this bond or from the most recent interest payment date to which interest has been paid, whichever is applicable, until payment of such sum, at the rate per annum set forth above, payable on [January 1, 20__], and semiannually thereafter on January 1 and July 1 in each year, by check or draft mailed to the 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 of the Corporation kept by the Bond Registrar; provided, that for any Registered Owner of $500,000 or more in principal amount of Bonds, such payment shall, at the written request of such Registered Owner, be by wire transfer or other medium acceptable to the Corporation and to such Registered Owner. The Record Date for the January 1 payment is December 15, and the Record Date for the July 1 payment is June 15 (each a "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 authorized issue of Bonds in the aggregate principal amount of $____________, of like date, tenor and effect, except as to number, interest rate and maturity, issued to finance the cost of the 2018 Project (as defined in the Resolution mentioned hereinafter) of the State of Florida Department of Transportation (the "Department") under the authority of and in full compliance with the Constitution and Statutes of the State of Florida (the "State"), including particularly Section 339.0809, Florida Statutes, as amended, and other applicable provisions of law, and a Resolution duly adopted by the Board of Directors of the Corporation (the "Board") on April 11, 2018, as supplemented and amended, and particularly as supplemented and amended by a Resolution adopted by the Board on _________, 20__ (hereinafter collectively called "Resolution"), and is subject to all the terms and conditions of such Resolution.

[The Bonds maturing in the years ____ through _____, both inclusive, are not redeemable prior to their stated dates of maturity. The Bonds maturing in ____ and thereafter are redeemable prior to their stated dates of maturity, without premium, at the option of the Corporation, (i) in part, by maturities to be selected by the Corporation, and by lot within a maturity if less than an entire maturity is to be redeemed, or (ii) as a whole, on July 1, ____, or on any date thereafter, at the principal amount of the Bonds so redeemed, together with interest accrued to the date of redemption.]

This Bond is payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as defined in the Resolution, which consist of revenues received by the Corporation under a Service Contract (the "Service Contract") between the Corporation and the Department and certain monies held in the funds and accounts created by the Resolution. **THE OBLIGATION OF THE DEPARTMENT TO MAKE PAYMENTS UNDER THE SERVICE CONTRACT IS CONDITIONED UPON THE ANNUAL APPROPRIATION BY THE LEGISLATURE OF THE STATE OF FLORIDA OF FUNDS FOR SUCH PURPOSE.**

This Bond does not constitute an indebtedness of the Corporation or of the State of Florida within the meaning of any constitutional, statutory or charter provision or limitation of indebtedness, and it is expressly agreed by the holder of this Bond that such holder shall never have the right to require or compel the exercise of the taxing power of the State or any other entity for the payment of the principal of and interest on this Bond or the making of any sinking fund, reserve or other payments provided for in the Resolution. This Bond and the obligation evidenced thereby shall not constitute a lien upon any property of the Corporation, the Department, or the State, but shall constitute a lien only on the Pledged Revenues and the Pledged Funds.

This Bond may be transferred only upon the books of the Corporation kept by the Bond Registrar/Paying Agent under the Resolution upon surrender thereof at the principal office of the Bond Registrar 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 Bond.

In like manner, subject to such conditions and upon the payment of such charges, if any, the Registered Owner of any Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar 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 denominations.

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 form and time as required by the Statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this bond and the issue of bonds of which this bond is one, does not violate any constitutional or statutory limitation.

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

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 executed by the Bond Registrar/Paying Agent.

IN WITNESS WHEREOF, the Florida Department of Transportation Financing Corporation has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Chief Executive Officer/President, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its Secretary, all as of the ____ day of ______, 20__.

FLORIDA DEPARTMENT OF
TRANSPORTATION FINANCING
CORPORATION

(SEAL)

By:________________________________
Chief Executive Officer/President

ATTEST:

____
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.

U.S. BANK TRUST NATIONAL ASSOCIATION
As Bond Registrar/Paying Agent

By ____________________________________
Authorized Signature

Date of Authentication:

[VALIDATION CERTIFICATE

This Bond is one of an authorized Series of Bonds which was validated and confirmed by Judgment of the Circuit Court of the Second Judicial Circuit of the State of Florida, in and for Leon County, rendered on the ___ day of ________, 20__.

FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION

By ____________________________________
Chief Executive Officer/President]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ________________
____
____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING ZIP CODE OF ASSIGNEE, AND THE FEDERAL TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)

the within Bond, and hereby irrevocably constitutes and appoints ________________________, Attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated _________________, 20___

Signature Guaranteed:

____
(Bank, Trust Company or Firm)

_____________________________________	_____________________________________
(Authorized Signature)	(Signature)
Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Bond Registrar/Paying Agent.	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 or enlargement or any change whatever and the Social Security Number or federal taxpayer identification number must be specified.

EXHIBIT B
2018 PROJECT DESCRIPTION

The 2018 Project consists of improvements to I-95 and I-595 in Broward County Florida, along I-95 from south of Hollywood Boulevard to south of Broward Boulevard, and I-595 from State Road 7 to I-95. The 2018 Project consists of converting the existing I-95 lanes by widening, milling, resurfacing, overbuild and/or reconstruction resulting in two tolled express lanes in each direction. The number of existing general use lanes and auxiliary lanes will remain the same. The 2018 Project will also widen certain sections of I-595, but will not provide for tolled express lanes on I-595.

**FLORIDA DEPARTMENT OF TRANSPORTATION
FINANCING CORPORATION**

2025 SERIES RESOLUTION

Resolution No. 5

Adopted August 20, 2025

Authorizing the Issuance and Sale of
Not Exceeding $168,600,000
Florida Department of Transportation Financing Corporation
Revenue Bonds
Series (to be determined)

TABLE OF CONTENTS

RESOLUTION NO. 5
THE 2025 SERIES RESOLUTION

A RESOLUTION OF THE FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION SUPPLEMENTING THE MASTER RESOLUTION; AUTHORIZING THE ISSUANCE AND COMPETITITVE SALE, FROM TIME TO TIME, IN ONE OR MORE SERIES, OF FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION REVENUE BONDS, SERIES (TO BE DETERMINED), IN THE PRINCIPAL AMOUNT NOT EXCEEDING $168,600,000, FOR THE PURPOSE OF FINANCING THE 2025 PROJECT; PROVIDING FOR OTHER TERMS AND AUTHORIZATIONS IN CONNECTION WITH THE ISSUANCE AND COMPETITIVE SALE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the 2016 Florida Legislature enacted Chapter 2016-181, Laws of Florida, codified as Section 339.0809, Florida Statutes (as the same may be amended from time to time, together with all other applicable provisions of law, the “Act”); and

WHEREAS, among other things, the Act creates the Florida Department of Transportation Financing Corporation (the “Corporation”) as a nonprofit corporation for the purpose of financing or refinancing projects for the State of Florida Department of Transportation (the “Department”); and

WHEREAS, pursuant to the Act, the Corporation is authorized to issue bonds which are payable from amounts to be paid by the Department to the Corporation under a service contract entered into between the Department and the Corporation; and

WHEREAS, the Board of Directors of the Corporation (the “Board”) adopted a resolution on April 11, 2018, as amended on July 11, 2018, authorizing the issuance of Florida Department of Transportation Financing Corporation Revenue Bonds, in one or more Series, subject to the terms and conditions thereof (the “Master Resolution”); and

WHEREAS, in connection with the issuance of Bonds pursuant to the Master Resolution, the Corporation and the Department entered into a Service Contract on September 20, 2018, as amended and restated on January 7, 2021, to provide for payment by the Department to the Corporation of amounts sufficient to pay debt service, issuance costs, and administrative costs for all series of Bonds, contingent upon annual appropriation by the Florida Legislature of funds sufficient to make payments due thereunder (the “First Amended and Restated Service Contract”); and

WHEREAS, pursuant to this resolution, which is intended to constitute a Series Resolution for purposes of the Master Resolution, the Board wishes to authorize the competitive sale and issuance of two separate series of Bonds by the Corporation, as shall be determined by the Chief Executive Officer/President, subject to the terms and conditions of the Master Resolution, and to provide for the details of each such series of Bonds and various terms of the sale thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION, AS FOLLOWS:

ARTICLE I
AUTHORITY, DEFINITIONS, AND RECITALS

SECTION 1.01. AUTHORITY FOR THIS SERIES RESOLUTION: RATIFICATION AND REAFFIRMATION OF THE MASTER RESOLUTION. This resolution (the "2025 Series Resolution") is hereby adopted pursuant to the provisions of the Act and the Master Resolution. The Master Resolution, as amended by that certain resolution adopted by the Board on July 11, 2018 (the "2018 Series Resolution"), is hereby ratified and reaffirmed. The Master Resolution, as amended by the 2018 Series Resolution, is in full force and effect and has not otherwise been amended. Unless expressly provided otherwise herein, all subsequent references to the Master Resolution include the Master Resolution as amended by the 2018 Series Resolution.

SECTION 1.02. DEFINITIONS. All of the definitions contained in Section 1.02 of the Master Resolution shall be deemed applicable to this 2025 Series Resolution, except to the extent that the same are inconsistent or in conflict with the definitions set forth below. In addition, the following terms shall have the following meanings in this 2025 Series Resolution:

"2025 Bonds" means the 2025A Bonds and the 2025B Bonds.

"2025A Bonds" means the State of Florida, Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2025A, which may have such other designation as may be determined by the Chief Executive Officer/President, issued pursuant to this 2025 Series Resolution.

"2025B Bonds" means the State of Florida, Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2025B, which may have such other designation as may be determined by the Chief Executive Officer/President, issued pursuant to this 2025 Series Resolution.

"2025 Project" means the transportation projects described more particularly in clauses (1) and (2) of Exhibit A hereto. Such projects may be renamed using such other designation as may be determined by the Chief Executive Officer/President.

SECTION 1.03. RECITALS. The recitals contained in the foregoing "WHEREAS" clauses are incorporated herein by this reference.

ARTICLE II
AUTHORIZATION OF EXPENDITURE OF BOND PROCEEDS

SECTION 2.01. APPLICATION OF BOND PROCEEDS. Pursuant to the Act, there is authorized the expenditure of the proceeds of the 2025 Bonds for the purposes set forth in the Act and, specifically, the issuance of the 2025 Bonds to finance the 2025 Project. The proceeds of the 2025 Bonds shall be disbursed as provided in Article IV hereof.

ARTICLE III
AUTHORIZATION OF SALE AND TERMS OF 2025 BONDS

SECTION 3.01. AUTHORIZATION OF 2025A BONDS. Subject and pursuant to the provisions of the Master Resolution, as supplemented by this 2025 Series Resolution, Bonds of the Corporation to be known as "FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING

CORPORATION REVENUE BONDS, SERIES 2025A" or such other designation as may be determined by the Chief Executive Officer/President, are hereby authorized to be issued and sold by competitive sale in an aggregate principal amount which, when aggregated with the principal amount of the 2025B Bonds expected to be issued pursuant to Section 3.02 hereof, shall not exceed $168,600,000. The principal amount of the 2025A Bonds to be issued shall be determined by the Chief Executive Officer/President and shall be set forth in the Notice of Bond Sale for the 2025A Bonds, provided that the aggregate principal amount of such 2025A Bonds and any 2025B Bonds issued pursuant to Section 3.02 hereof shall not exceed $168,600,000. Such 2025A Bonds may be sold and issued in one or more Series, and in combination with other Additional Bonds, provided that the actual designation of any such Series, whether sold in one or more Series (including a change of year designation, if the 2025A Bonds are not sold in calendar year 2025), shall be determined by the Chief Executive Officer/President. The 2025A Bonds shall be issued under and secured by the Master Resolution, as supplemented by this 2025 Series Resolution, and all the terms and provisions contained in the Master Resolution shall be applicable to the 2025A Bonds, except as expressly set forth herein, including the pledge of the Pledged Revenues to the payment of the principal of and premium, if any, and interest on the 2025A Bonds. The Corporation has previously executed and delivered the First Amended and Restated Service Contract to provide for payments by the Department to the Corporation relating to all of the Bonds issued by the Corporation, including, without limitation, the 2025A Bonds. Such First Amended and Restated Service Contract, as the same may be amended as set forth in Section 5.06 hereof, shall continue to provide for payments by the Department to the Corporation relating to all of the Bonds issued by the Corporation, including, without limitation, the 2025A Bonds.

SECTION 3.02. AUTHORIZATION OF 2025B BONDS. Subject and pursuant to the provisions of the Master Resolution, as supplemented by this 2025 Series Resolution, Bonds of the Corporation to be known as "FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION REVENUE BONDS, SERIES 2025B" or such other designation as may be determined by the Chief Executive Officer/President, are hereby authorized to be issued and sold by competitive sale in an aggregate principal amount which, when aggregated with the principal amount of the 2025A Bonds issued pursuant to Section 3.01 hereof, shall not exceed $168,600,000. The principal amount of the 2025B Bonds to be issued shall be determined by the Chief Executive Officer/President and shall be set forth in the Notice of Bond Sale for the 2025B Bonds, provided that the aggregate principal amount of such 2025B Bonds and any 2025A Bonds issued pursuant to Section 3.01 hereof shall not exceed $168,600,000. Such 2025B Bonds may be sold and issued in one or more Series, and in combination with other Additional Bonds, provided that the actual designation of any such Series, whether sold in one or more Series (including a change of year designation, if the 2025B Bonds are not sold in calendar year 2025), shall be determined by the Chief Executive Officer/President. The 2025B Bonds shall be issued under and secured by the Master Resolution, as supplemented by this 2025 Series Resolution, and all the terms and provisions contained in the Master Resolution shall be applicable to the 2025B Bonds, except as expressly set forth herein, including the pledge of the Pledged Revenues to the payment of the principal of and premium, if any, and interest on the 2025B Bonds. The Corporation has previously executed and delivered the First Amended and Restated Service Contract to provide for payments by the Department to the Corporation relating to all of the Bonds issued by the Corporation, including, without limitation, the 2025B Bonds. Such First Amended and Restated Service Contract, as the same may be amended as set forth in Section 5.06 hereof, shall continue to provide for payments by the Department to the Corporation relating to all of the Bonds issued by the Corporation, including, without limitation, the 2025B Bonds.

SECTION 3.03. DESCRIPTION OF 2025 BONDS. The 2025 Bonds shall be issued only as fully registered bonds without coupons in denominations of $1,000 or any integral multiple thereof;

shall be issued as Current Interest Bonds; shall bear interest not in excess of the maximum lawful rate of interest authorized on the date of sale of each Series of the 2025 Bonds, payable semi-annually on the dates provided in the Notice of Bond Sale referred to below (provided that the initial interest period may be shorter or longer than six months); 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 II of the Master Resolution. The 2025 Bonds shall be dated, shall mature and shall be redeemable as set forth in the Notice of Bond Sale provided for in Article V of this 2025 Series Resolution. The 2025 Bonds may be combined into one Series and sold at one time or broken into multiple Series to be sold from time to time as the Chief Executive Officer/President may determine.

SECTION 3.04. BOOK-ENTRY PROVISIONS. (a) Pursuant to Section 2.05(h) of the Master Resolution, the Corporation hereby elects to use a Book-Entry System for the 2025 Bonds.

(b) Notwithstanding anything to the contrary in the Master Resolution, this 2025 Series Resolution, or any other resolution relating to the 2025 Bonds, the 2025 Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, "Securities Depository" means The Depository Trust Company, New York, New York, or its nominees, successors and assigns). So long as a book-entry only system of evidence of transfer of ownership of all the 2025 Bonds is maintained in accordance herewith, any provision of the Master Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Master Resolution shall be deemed to give full effect to such book-entry system.

If the 2025 Bonds are issued in book-entry only form:

(1) The 2025 Bonds shall be issued in the name of the Securities Depository as Registered Owner of the 2025 Bonds and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the 2025 Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository ("Participants" include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(3) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the 2025 Bonds. Beneficial ownership interests in the 2025 Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive 2025 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its 2025 Bonds. Transfers of ownership interests in the 2025 Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(4) Unless otherwise provided herein, the Corporation, the Department, the State Board of Administration and the Bond Registrar/Paying Agent shall treat the Securities

Depository as the sole and exclusive owner of the 2025 Bonds registered in its name for the purposes of:

(a) payment of the principal of, premium, if any, and interest on the 2025 Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Corporation's obligations to the extent of the sums so paid;

(b) giving any notice permitted or required to be given to Registered Owners under the Master Resolution; and

(c) the giving of any direction or consent or the making of any request by the Registered Owners hereunder.

The Corporation and its agents may rely conclusively upon a certificate of the Securities Depository as to the identity of the Participants with respect to the 2025 Bonds; and a certificate of any such Participant as to the identity of, and the respective principal amount of 2025 Bonds beneficially owned by, the Beneficial Owners.

(5) The Corporation and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Bond Register, with respect to:

(a) the accuracy of any records maintained by the Securities Depository or any Participant;

(b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any 2025 Bond;

(c) the delivery of any notice by the Securities Depository or any Participant;

(d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the 2025 Bonds; or

(e) any consent given, or any other action taken by the Securities Depository or any Participant.

(6) The requirements in the Master Resolution of holding, delivering or transferring 2025 Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry 2025 Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the 2025 Bonds shall, while the 2025 Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

(7) The Corporation may discontinue the book-entry system with the then-current securities depository, subject to the terms of its agreement with such securities depository. In this event, the Corporation shall either identify another qualified securities depository or

prepare and deliver replacement 2025 Bonds in the form of fully registered bonds to each Beneficial Owner.

SECTION 3.05. ACCOUNTS FOR THE 2025A BONDS. (a) There shall be created subaccounts in the Principal Account and the Interest Account in the Bond Fund for the 2025A Bonds. Amounts deposited into such subaccounts shall be applied as provided in Section 4.03 of the Master Resolution.

(b) There is hereby created and established a 2025A Sale Proceeds Fund, which fund shall be held by the Custodian. Amounts in the 2025A Sale Proceeds Fund shall be disbursed by the Custodian as provided in Article IV of this 2025 Series Resolution.

(c) The names of the subaccounts referenced in subsection (a) of this Section 3.05 and the Fund referenced in subsection (b) of this Section 3.05 may be modified as necessary to reflect the Series designation of the 2025A Bonds.

SECTION 3.06. ACCOUNTS FOR THE 2025B BONDS. (a) There shall be created subaccounts in the Principal Account and the Interest Account in the Bond Fund for the 2025B Bonds. Amounts deposited into such subaccounts shall be applied as provided in Section 4.03 of the Master Resolution.

(b) There is hereby created and established a 2025B Sale Proceeds Fund, which fund shall be held by the Custodian. Amounts in the 2025B Sale Proceeds Fund shall be disbursed by the Custodian as provided in Article IV of this 2025 Series Resolution.

(c) The names of the subaccounts referenced in subsection (a) of this Section 3.06 and the Fund referenced in subsection (b) of this Section 3.06 may be modified as necessary to reflect the Series designation of the 2025B Bonds.

SECTION 3.07. RESERVE REQUIREMENT FOR 2025 BONDS. The Chief Executive Officer/President is hereby authorized to determine the Reserve Requirement for the 2025A Bonds and the 2025B Bonds, which may be zero ($0.00) in the case of one or both of such Series of the 2025 Bonds, as set forth in a certificate to be delivered at or prior to the issuance of the corresponding Series of the 2025 Bonds.

SECTION 3.08. APPOINTMENT OF CUSTODIAN, BOND REGISTRAR/ PAYING AGENT, AND TRUSTEE. The Department is hereby appointed the Custodian for the 2025A Sale Proceeds Fund and the 2025B Sale Proceeds Fund. U.S. Bank Trust Company, National Association is hereby appointed Bond Registrar and Paying Agent for the 2025 Bonds. The State Board of Administration of Florida is hereby appointed as Trustee for the 2025 Bonds.

ARTICLE IV
APPLICATION OF BOND PROCEEDS

SECTION 4.01. APPLICATION OF BOND PROCEEDS. Upon receipt of the proceeds of the 2025 Bonds, the Corporation shall transfer and apply, or cause to be transferred and applied, such proceeds as follows:

(a) The amount necessary to pay all costs and expenses of the Corporation in connection with the preparation, sale and issuance of the 2025 Bonds, including, without limitation, a reasonable charge for the services of the Division of Bond Finance, shall be transferred to the Corporation or the Division of Bond Finance, as applicable, pursuant to written instructions of the Corporation delivered at or prior to the issuance of the 2025 Bonds.

(b) The accrued interest on the 2025 Bonds, if any, shall be deposited in the corresponding subaccount of the Interest Account in the Bond Fund created by the Master Resolution.

(c) All remaining proceeds shall be deposited in the 2025A Sale Proceeds Fund or the 2025B Sale Proceeds Fund, as applicable, created and established by this 2025 Series Resolution and shall be used to pay 2025 Project costs pursuant to the terms of the First Amended and Restated Service Contract, as the same may be further amended pursuant to Section 5.06 hereof.

SECTION 4.02. APPLICATION OF AMOUNTS IN 2025A SALE PROCEEDS FUND. (a) Subject to Section 4.02(b) below, amounts in the 2025A Sale Proceeds Fund shall be disbursed by the Department for the payment of 2025 Project costs. Interest earnings on the 2025A Sale Proceeds Fund may be used to pay 2025 Project costs.

(b) If for any reason any of the proceeds from the sale of the 2025A Bonds deposited into the 2025A Sale Proceeds Fund shall not be expended for payment of 2025 Project costs, the surplus shall be applied to retire or redeem 2025A Bonds or for any other purpose consistent with the Act, the Master Resolution and this Series 2025 Resolution, provided that such application will not adversely affect the exemption from federal income taxation of interest on any of the 2025A Bonds.

SECTION 4.03. APPLICATION OF AMOUNTS IN 2025B SALE PROCEEDS FUND. (a) Subject to Section 4.03(b) below, amounts in the 2025B Sale Proceeds Fund shall be disbursed by the Department for the payment of 2025 Project costs. Interest earnings on the 2025B Sale Proceeds Fund may be used to pay 2025 Project costs.

(b) If for any reason any of the proceeds from the sale of the 2025B Bonds deposited into the 2025B Sale Proceeds Fund shall not be expended for payment of 2025 Project costs, the surplus shall be applied to retire or redeem 2025B Bonds or for any other purpose consistent with the Act, the Master Resolution and this Series 2025 Resolution, provided that such application will not adversely affect the exemption from federal income taxation of interest on any of the 2025B Bonds.

SECTION 4.04. REGISTERED OWNERS NOT AFFECTED BY APPLICATION OF BOND PROCEEDS. The proceeds derived from the sale of the 2025 Bonds shall be applied and disbursed pursuant to the provisions of the Act and this 2025 Series Resolution. The Registered Owners of 2025 Bonds shall not have any responsibility whatsoever for the application or use of any of the proceeds derived from the sale of the 2025 Bonds, and the rights and remedies of the Registered Owners of 2025 Bonds and their right to payment, pursuant to the Master Resolution and this 2025 Series Resolution, shall not be affected or impaired by the application or use of such proceeds. Upon the issuance of the 2025 Bonds authorized by this 2025 Series Resolution, all the covenants and agreements between the Corporation and the Registered Owners of 2025 Bonds contained in the Master Resolution and this 2025 Series Resolution shall be valid and binding covenants and agreements between the Corporation and the Registered Owners of 2025 Bonds without regard to the application of the proceeds of the 2025 Bonds.

ARTICLE V
SALE OF BONDS

SECTION 5.01. SALE OF THE 2025 BONDS. (a) The Chief Executive Officer/President is hereby authorized to determine the most advantageous dates and times of sale of each Series of the 2025 Bonds and to provide notice pursuant to applicable law of each such sale, at the times and in such manner as determined by the Chief Executive Officer/President to be appropriate to provide adequate notice to potential bidders; provided, that if no bids are received, or if all bids are rejected, such 2025 Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Chief Executive Officer/President. Bids for the purchase of the 2025 Bonds will be received at the office of the Division of Bond Finance or at another location designated in the notice of bond sale for each Series of the 2025 Bonds (each a "Notice of Bond Sale"), until the time and date of sale determined by the Chief Executive Officer/President.

(b) The Chief Executive Officer/President is hereby authorized to publish and distribute a Notice of Bond Sale and a form of proposal for the sale of each Series of the 2025 Bonds. The Notice of Bond Sale for each Series of the 2025 Bonds shall be in such form as shall be determined by the Chief Executive Officer/President, with the advice of bond counsel, and shall contain such information as is consistent with the terms of the Master Resolution and this 2025 Series Resolution, which the Chief Executive Officer/President determines is in the best financial interest of the State. Any prior publication or distribution of a Notice of Bond Sale, or abbreviated version thereof, and proposal for sale of the 2025 Bonds, or any Series thereof, is hereby ratified.

(c) In the event that market conditions preclude the sale of the principal amount of Bonds authorized to be sold by this 2025 Series Resolution, or if proceeds of all Bonds authorized to be sold pursuant to this resolution are not required at any particular time, then in such event, in order to sell the Bonds, the Chief Executive Officer/President is hereby authorized to offer for sale a lesser principal amount than that set forth in this resolution.

(d) The 2025 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 for the applicable Series of the 2025 Bonds, provided that (i) each Series of the 2025 Bonds shall have no more than thirty (30) annual maturities after the date of issuance of the corresponding Series of 2025 Bonds; and (ii) the 2025 Bonds shall be subject to optional redemption at prices not greater than 102% of the principal amount thereof.

SECTION 5.02. OFFICIAL STATEMENT. The Chief Executive Officer/President is hereby authorized and directed to prepare and distribute preliminary and final official statements in connection with the offering of each Series of the 2025 Bonds. The Chief Executive Officer/President is further authorized to amend, supplement or complete the information contained in the preliminary offering statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws.

The Chief Executive Officer/President is hereby authorized to execute the final official statement in connection with the offering of each Series of the 2025 Bonds, and the execution thereof by the Chief Executive Officer/President shall be conclusive evidence that the Corporation has approved the form and content of the final official statement and that the preliminary official statement is "deemed final" by the Corporation in accordance with Rule 15c2-12 of the Securities and Exchange

Commission (the “Rule”). The Chief Executive Officer/President and any member of the Board are also authorized to execute and deliver on behalf of the Corporation such certificates in connection with the final official statement for each Series of the 2025 Bonds and any amendment thereto as may, in their judgment, be necessary or appropriate to the successful bidder(s).

The Chief Executive Officer/President is hereby authorized to have copies of the preliminary official statement and final official statement relating to the offering of each Series of the 2025 Bonds prepared, printed, and distributed in an amount the Chief Executive Officer/President determines to be necessary; to contract with national rating services and providers of municipal bond insurance and reserve account credit facilities; to make a determination that the preliminary official statement for each Series of the 2025 Bonds is “deemed final” for purposes of the Rule; 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 each Series of the 2025 Bonds.

SECTION 5.03. AWARD OF THE 2025 BONDS. The Chief Executive Officer/President is hereby authorized and empowered to award each Series of the 2025 Bonds, when offered, on his or her determination of the best bid submitted in accordance with the terms of the Notice of Bond Sale applicable to such Series of 2025 Bonds provided for herein, and such award shall be final. The Chief Executive Officer/President shall report such award to the Board.

SECTION 5.04. DELIVERY OF THE 2025 BONDS. The proper officials of the Corporation are hereby authorized to execute the 2025 Bonds and the Corporation is hereby authorized to deliver each Series of the 2025 Bonds to the purchasers thereof upon payment of the purchase price therefor, together with accrued interest, if any, to the date of delivery, and to distribute the proceeds of each Series of the 2025 Bonds as provided herein.

SECTION 5.05. NECESSARY ACTION. The appropriate officers and employees of the Corporation are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts (including amendments to existing instruments, documents, and contracts), and to take all other action on behalf of the Corporation, in each case as they may deem necessary or desirable, in connection with the execution and delivery of each Series of the 2025 Bonds. All action taken to date by the Corporation or its officers in furtherance of the issuance of the 2025 Bonds herein authorized is hereby approved, confirmed, and ratified.

SECTION 5.06. SERVICE CONTRACT. The Chief Executive Officer/President is authorized to enter into such modifications or amendments to the First Amended and Restated Service Contract as are necessary to consummate the issuance and sale of each Series of the 2025 Bonds and any future Series of Additional Bonds.

ARTICLE VI
MISCELLANEOUS

SECTION 6.01. SEVERABILITY OF PROVISIONS. If any one or more of the covenants, agreements or provisions of this 2025 Series 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 2025 Series Resolution or of the 2025 Bonds.

SECTION 6.02. CONTINUING DISCLOSURE. (a) In order to comply with the Rule, the Corporation and the Department hereby agree to provide or cause to be provided such information as may be required, from time to time, under such Rule. In furtherance of the foregoing, the execution and delivery of a continuing disclosure agreement in connection with the issuance of each Series of the 2025 Bonds is hereby authorized and approved.

(b) The Chief Executive Officer/President is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of the Rule or any applicable successor rule.

SECTION 6.03. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this 2025 Series Resolution, to the extent that they are inconsistent with this 2025 Series Resolution, are hereby repealed, revoked, and rescinded.

SECTION 6.04. EFFECTIVE DATE. This 2025 Series Resolution shall take effect immediately upon its adoption.

ADOPTED: August 20, 2025.

EXHIBIT A

2025 PROJECT DESCRIPTION

The 2025 Project consists of arterial road improvements and other projects in the Moving Florida Forward Initiative, specifically including the following: (1) widening and adding lanes and intersection improvements on U.S. 98 from Richard Jackson Boulevard to the Hathaway Bridge in Bay County, Florida; adding lanes and new alignment to provide an alternative traffic route and roundabout on S.R. 29 from C.R. 846 East to New Market Road and widening lanes and adding paved shoulders, shared use path, and roundabout on S.R. 29 from New Market Road to S.R. 82 in Collier County, Florida; widening and adding lanes, intersection and drainage system improvements, and constructing a new bridge on S.R. 263 from S.R. 61 to C.R. 2203 in Leon County, Florida; widening and adding lanes, roundabouts, shared use paths, and paved shoulders on S.R. 70 from Bourneside Boulevard to Waterbury Road in Manatee County, Florida; widening and adding lanes, bicycle and pedestrian path, and a partial interchange on West Midway Road from Glades Cut Off Road to Jenkins Road in St. Lucie County, Florida; and reconstructing roadway, adding shared use path, realignment, and traffic signals on U.S. 301 from C.R. 470 to Florida's Turnpike in Sumter County, Florida, and (2) reconstructing roadway and ramps, adding lanes and widening shoulders on I-4 from Champions Gate to Osceola Parkway in Osceola County, Florida; and reconstructing roadway and ramps, adding lanes and widening shoulders on I-4 from U.S. 27 to Champions Gate in Polk County, Florida.

APPENDIX F

FORM OF
SECOND AMENDED AND RESTATED SERVICE CONTRACT

WHEREAS, the FLORIDA DEPARTMENT OF TRANSPORTATION, an executive department of the State of Florida created pursuant to Article IV, Section 6 of the Florida Constitution and Section 20.23, Florida Statutes, as amended (the “Department”), and the FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION, a nonprofit corporation created pursuant to Section 339.0809, Florida Statutes, as amended (the “Corporation”), entered into a service contract on September 20, 2018 (the “Original Service Contract”), providing for payments by the Department to the Corporation, subject to annual appropriation, of moneys sufficient (a) to pay the principal of, redemption premium, if any, and interest on the Bonds issued by the Corporation for the purpose of financing payment of Project Costs; (b) to fund any mandatory sinking fund redemption of such Bonds payable in any given year; (c) to fund any reserve fund, if applicable; and (d) to pay Issuance Costs and Administrative Costs, if applicable, all in accordance with the provisions hereof;

WHEREAS, pursuant to Section 13 of the Original Service Contract, amendments are permitted provided that any such amendment is made in writing, signed by the Department and the Corporation, and there is no material adverse effect on the interest of the Registered Owners of any Bonds issued pursuant to the Master Resolution;

WHEREAS, the Department and the Corporation amended the Original Service Contract pursuant to that certain First Amended and Restated Service Contract dated as of January 7, 2021 (the “First Amended and Restated Service Contract” and, together with the Original Service Contract, the “Existing Service Contract”) for the purpose described in paragraph 4 under “RECITATIONS” below;

WHEREAS, pursuant to the provisions of Section 5.06 of the Series Resolution duly adopted on August 20, 2025, authorizing the issuance and sale, from time to time in one or more series, of the State of Florida, Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2025A (the “2025A Bonds”), the Department and the Corporation now desire to amend and restate the Existing Service Contract in order to provide that the Existing Service Contract, as amended by this Second Amended and Restated Service Contract (collectively, the “Service Contract”), shall apply to each Series of Bonds issued by the Corporation, without the need to execute and deliver a new service contract for each such new Series of Bonds, but subject to the 35-year limitation set forth in Section 339.0809(4), Florida Statutes, as amended, all as more specifically provided in Section 7 hereof.

NOW, THEREFORE, THIS SECOND AMENDED AND RESTATED SERVICE CONTRACT dated as of October 7, 2025, is made and entered into between the Department and the Corporation.

R E C I T A T I O N S

1. The 2016 Florida Legislature enacted Chapter 2016-181, Laws of Florida, codified as Section 339.0809, Florida Statutes, as amended (as the same may be further amended or supplemented from time to time, together with all other applicable provisions of law, the "Act").

2. Among other things, the Act creates the Corporation as a nonprofit corporation for the purpose of financing or refinancing projects approved in the Department's work program for the Department.

3. For this purpose, the Corporation is authorized to issue Bonds or other evidences of indebtedness which are payable from amounts to be paid by the Department to the Corporation under a service contract or contracts, entered into between the Department and the Corporation.

4. Pursuant to the Act, the Department and the Corporation entered into the Existing Service Contract providing for payments by the Department to the Corporation, subject to annual appropriation, of moneys sufficient (a) to pay the principal of, redemption premium, if any, and interest on all Bonds of any Series issued by the Corporation for the purpose of financing payment of Project Costs; (b) to fund any mandatory sinking fund redemption of such Bonds payable in any given year; (c) to fund any reserve fund, if applicable; and (d) to pay Issuance Costs and Administrative Costs, if applicable, all in accordance with the provisions hereof.

5. Pursuant to the Act, the Department and the Corporation now desire to enter into this Second Amended and Restated Service Contract in order to clarify and provide that the Existing Service Contract, as amended and restated hereby, shall apply to each Series of Bonds issued by the Corporation, without the need to execute and deliver a separate and new service contract for each Series of Bonds previously issued or that may from time to time be issued by the Corporation, but in all respects subject to the 35-year limitation set forth in Section 339.0809(4), Florida Statutes, as amended, all as more specifically provided for in Section 7 hereof.

NOW THEREFORE, in consideration of the premises, and in order to induce the Corporation to incur indebtedness for the purpose of financing the payment of Project Costs under the Act for all Bonds of any Series issued by the Corporation, the Department and the Corporation hereby each agree as follows:

Section 1. **Defined Terms; Incorporation of Recitals**. (a) Capitalized words and terms used herein without definitions shall have the meanings set forth in this Section below. Capitalized words and terms not defined herein shall have the meanings ascribed to them in the Master Resolution.

"Master Resolution" means that certain Resolution adopted by the Board of the Corporation on April 11, 2018, as amended and supplemented, authorizing the issuance of Bonds of the Corporation, as described therein and under any Series Resolution issued pursuant thereto.

"Project Costs" means costs incurred by the Department for projects approved in its work program undertaken pursuant to the Act.

"Service Contract" means the Existing Service Contract as amended by this Second Amended and Restated Service Contract, as the same may be amended from time to time, and any other service contract entered into pursuant to the Act subsequent to the date hereof between the Corporation and the Department relating to the issuance of any Series of Bonds. It is the intention of the parties that, as provided in Section 6 hereof, this Service Contract shall be applicable to the payment of all obligations in connection with any and all Series of Bonds issued by the Corporation for the purposes herein described, whether heretofore or hereafter issued, including, without limitation, the 2025A Bonds.

(b) The "Whereas" clauses and recitals set forth above are incorporated in their entirety into this Second Amended and Restated Service Contract for all purposes hereof.

Section 2. **Covenants of the Parties**. The parties covenant, warrant and represent, each to the other, as applicable, the following:

A. *Application of State Transportation Trust Fund Amounts*. Pursuant to Section 339.0809(4), Florida Statutes, as amended, amounts on deposit in the State Transportation Trust Fund in each Fiscal Year shall, to the extent appropriated for such purpose, be applied or allocated by the Department for the payment of amounts payable by the Department under this Service Contract and appropriated in each Fiscal Year by the Florida Legislature.

B. *Amounts to be paid to Corporation; Covenant to Make Budget Request*. For each Fiscal Year, the Department shall include in its legislative budget request to the Legislature and to the Governor, which the Department prepares and submits pursuant to Sections 216.023 and 339.135, Florida Statutes, as amended, at such time as specified by the Executive Office of the Governor and within the time prescribed by law, for appropriation to the Department, such amount on deposit or to be deposited in the State Transportation Trust Fund that is required by the Corporation for that given Fiscal Year (a) to pay the Debt Service on the Bonds; (b) to fund or provide for any Reserve Requirement; (c) to pay Fiduciary Charges and other Administrative Costs of the Corporation; (d) to pay or fund any Rebate Amount; (e) to pay Issuance Costs, Credit Facility Charges and Payment Obligations due in such Fiscal Year if not paid from proceeds of the Bonds; and (f) to make any other payments or application of moneys required by the Master Resolution or any Series Resolution.

The payments required to be made pursuant to this Service Contract shall be paid in the amounts and at the times as follows:

> (i) On or before the 5th day of each calendar month there shall be paid an amount equal to the sum of (A) one-sixth of the interest payable on the next Interest Payment Date, plus (B) one twelfth of the principal payable on the next Principal Payment Date, provided that if the next Interest Payment Date or Principal Payment Date shall occur at an interval other than semi-annually or annually, respectively, such amounts shall be adjusted to provide substantially equal monthly payments. The amounts payable under this clause (i) may be reduced by the amount of any accrued interest or Capitalized Interest derived from the proceeds of the Bonds

which are to be used to pay such interest and any investment earnings to be received on moneys on deposit in the Bond Fund and the Accounts therein and amounts on deposit in the Sale Proceeds Fund which are available to be used to pay such interest or principal.

(ii) Amounts described in clauses (b), (c), (d), (e) and (f) of the first paragraph of this Subsection 2.B shall be paid at the times and in the amounts necessary to ensure that adequate monies are available to the Corporation for timely payment of the Corporation's obligations.

The Department may prepay amounts due under clause (i) above. Any such prepayment shall be applied first to the amounts due in the then-current Fiscal Year and then shall be used by the Corporation to retire or defease outstanding Bonds in accordance with the Master Resolution.

C. *Delivery of Information*. If requested by the Corporation, the Department shall deliver to the Corporation all reasonable back-up information for Project Costs, as approved for payment by the Department, and any other information as necessary to document the nature of the Project Costs and payment thereof from the proceeds of Bonds, as contemplated herein.

D. *Payment of Claims*. The Department is hereby authorized to apply amounts held in the Sale Proceeds Fund for each Series of Bonds to the payment of Project Costs for the legislatively-approved Department project for which such Series of Bonds was issued. For all Project Costs to be paid from proceeds of the Bonds, the Department shall maintain all records showing how and when Bond proceeds were spent, including purchase contracts, construction contracts, progress payment requests, invoices, receipts, cancelled checks, general ledgers, and allocations of Bond proceeds to make reimbursements for project expenditures made before the Bonds were issued. The Department shall provide such information to the Corporation, along with a summary of disbursements and investment earnings upon request. The Corporation shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Corporation shall be entitled to rely upon a certificate signed by a representative of the Department as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Corporation has been notified, or of which the Corporation is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same.

E. *Obligations of Department Absolute and Unconditional*. The obligations of the Department to make payments and to perform and observe any and all of the other covenants and agreements on its part contained in this Service Contract are absolute and unconditional irrespective of any defense or any rights of set-off, recoupment, or counterclaim it may otherwise have against the Corporation, subject, however, to appropriation by the Legislature. The Department shall make no payments out of the State Transportation Trust Fund that render it unable to make Service Contract payments in a timely manner. Until such time as all payments under this Service Contract have been paid, the Department (i) will not suspend or discontinue the payments, (ii) will perform and observe all of its other agreements contained in this Service Contract, and (iii) will not terminate this Service Contract except as specifically provided for herein, for any cause whatsoever, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Florida or any political subdivision of either or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Service Contract. The Department will not take any action which would impair its obligations or the rights inuring to the benefit of the Registered Owners of the Bonds under this Service Contract.

The Department shall continually monitor available funds in the State Transportation Trust Fund and shall reasonably ensure that at all times there will be available funds for the next monthly payment required hereunder. Additionally, the Department shall defer payments on other contractual obligations to the extent necessary to maintain the funding levels required above.

Additionally, the Department will not take any action that would impair the rights of the Corporation under this Service Contract or the obligations of the Corporation relating to the Bonds. The obligations of the Department under this paragraph are subject to Section 3 of this Service Contract.

F. *Enforcement of Obligations*. The obligation of the Department to make payments may be enforced only by (i) the Corporation or (ii) such receiver or receivers as may be appointed pursuant to the Master Resolution or applicable law.

G. *No Set-Off*. No breach, default or failure by the Corporation to comply with the provisions of this Service Contract shall permit an abatement or reduction in or set-off against the payments due from the Department. No dispute or litigation between the Corporation and the Department with respect to this Service Contract shall affect either party's duty to perform its obligations or its rights or remedies while such dispute or litigation is pending. In the event of the existence of any such dispute, the Department and the Corporation agree to submit same to mediation, pursuant to such procedures as the parties shall mutually agree upon.

H. *Covenant to Issue Bonds*. Subject to the provisions hereof, upon the request of the Department, the Corporation shall issue Bonds, as requested by the Department, for the purposes permitted by and subject to the limitations of the Act, and shall provide the proceeds of each such Series of Bonds, net of any expenses of issuing the Bonds, including any Underwriters' discount, to the Department, as Custodian, or to such other custodian as may be appointed by the Corporation, for the purpose of paying Project Costs.

I. *Tax-Exempt Bonds Covenants*. The Department covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on each Series of Bonds of the Corporation as to which there shall have been delivered an opinion of a firm of attorneys nationally-recognized in the field of municipal bonds ("bond counsel") to the effect that the interest on such Series of Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance: (i) apply the proceeds of the Bonds of each such Series to the governmental purpose of the borrowing; (ii) restrict the yield on investment property acquired with those proceeds where applicable; (iii) make timely rebate or penalty payments to the federal government where applicable; (iv) maintain books and records and make calculations and reports; and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chief Executive Officer and other appropriate officials are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Section 3. **Obligation to Pay Project Costs not General Obligations of the State; Non-Appropriation**. In compliance with the provisions of Section 287.0641, Florida Statutes, as amended, and other provisions of applicable law, the obligations of the Department under this Service Contract shall not constitute a general obligation of the State of Florida or any instrumentality or political subdivision thereof, nor a pledge of the faith and credit or taxing power of the State of Florida or any instrumentality or political subdivision thereof, nor shall such obligations be construed in any manner as obligations of the State Board of Administration or entities for which it invests funds, but shall be payable solely from amounts annually appropriated for payment from the available moneys deposited in the State Transportation Trust Fund as provided in the Act.

The State of Florida's performance and obligation to pay under this Service Contract is contingent upon an annual appropriation by the Legislature. This Service Contract shall terminate in the event the Legislature passes a budget that does not appropriate sufficient funds (without regard to any credits from earnings on funds of the Department) from moneys legally available for such purpose either in a line item or otherwise sufficiently identified to be used for purposes of this Service Contract to enable the Department to make all payments due under this Service Contract during the next Fiscal Year. In the event that the final budget of the Department for the ensuing Fiscal Year has not become law prior to the end of the then current Fiscal Year, this Service Contract shall be deemed renewed pending such final budget becoming law if (i) subject to the following paragraph, payments are due under this Service Contract during such period, if an interim budget or extension of the prior budget makes available to the Department moneys that may be legally used to make all payments of Debt Service due during such period, or (ii) there are sufficient funds available in the Reserve Fund to make all payments of Debt Service due during such period.

In the event that, despite compliance with the covenants of the Department hereunder, the Legislature does not approve a budget that appropriates sufficient funds for all payments due from the Department (and sufficiently identified to be used for purposes of this Service Contract) during the next Fiscal Year prior to the last day of the then current Fiscal Year (or if such final budget has not been passed by such time, prior to the last day of any extension hereof pursuant to the preceding paragraph), this Service Contract shall terminate on such last day and the Department shall not be obligated to make payment of any Department obligations under this Service Contract accruing or arising beyond such last day. The Department shall deliver immediate written notice to the Corporation, the Trustee and the Credit Facility Provider (if any) if (i) such a line item or other identification is not included in the proposed budget for any Fiscal Year, or (ii) such a line item or other identification is not included in the budget as adopted by the Legislature.

Any provision in the Master Resolution notwithstanding, in the event that a withdrawal from the Reserve Fund occurs for any reason, it shall not be an Event of Default, so long as the Department makes a request for an appropriation sufficient to replenish such withdrawal in the next ensuing Fiscal Year for which such a request may be made and such appropriation is a part of such budget that became law. The Department covenants to use its best efforts to request and obtain a supplemental appropriation for such amount, if and to the extent necessary, but failure to obtain a supplemental appropriation shall not constitute an Event of Default.

The provisions of Section 339.135(6)(a), Florida Statutes, as amended, are hereby incorporated into this Service Contract:

> The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000 and which have a term for a period of more than 1 year.

Section 4. **Bonds not Obligation of the State**. The Bonds of the Corporation shall not constitute a debt or obligation of the State of Florida or any instrumentality or political subdivision thereof, nor a pledge of the faith and credit or taxing power of the State but shall be payable solely from and secured by amounts received by the Corporation under this Service Contract.

Section 5. **Investments**. The Corporation shall designate the Department as its custodian for the purpose of holding and investing the net proceeds of each Series of Bonds, in accordance with the terms and provisions of such Series of Bonds and the resolutions of the Corporation authorizing issuance thereof. The investment of said funds shall be directed by the Department within the prescribed limits authorized by law for investment of such funds.

Section 6. **Applicability of Service Contract**. This Service Contract shall be applicable to the payment of all obligations in connection with any and all Series of Bonds issued by the Corporation for the purposes herein described, whether heretofore or hereafter issued, including, without limitation, the 2025A Bonds, and for such purpose the amounts due hereunder shall be cumulative as to all such Series of Bonds, including, without limitation, the 2025A Bonds.

The Corporation shall allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119 and made or received by the Corporation in conjunction with this Service Contract.

Section 7. **Term of Service Contract**. (a) In compliance with the provisions of Section 339.0809(4), Florida Statutes, as amended, with respect to each Series of Bonds, the term of this Service Contract shall commence on the date of issuance of such Series of Bonds and shall continue in effect as to such Series of Bonds to and including the last maturity date of such Series of Bonds, but in no event shall the term of this Service Contract exceed 35 years with respect to any Series of Bonds, or such longer period as the parties may agree to if permitted under the Act; provided however, the State of Florida's performance and obligation in each Fiscal Year to pay under this Service Contract is contingent upon an annual appropriation by the Legislature. It is the intention of the parties that this Service Contract shall apply to and cover each and every Series of Bonds heretofore or hereafter issued by the Corporation, including, without limitation, the 2025A Bonds, so as to avoid a proliferation of service contracts that would result if the parties executed and delivered a separate service contract for each Series of Bonds when issued; however, the parties acknowledge the 35-year term limitation contained in Section 330.0809(4), Florida Statutes, as amended, and intend that such 35-year term be applied to each Series of Bonds as if this Service Contract had been executed and delivered on the date of issuance and delivery of such Series of Bonds.

(b) In order to implement the provisions of Section 7(a) hereof, Schedule A is attached hereto and made a part hereof. Schedule A is intended to track the issuance of each Series of Bonds and the date from which the 35-year term of this Service Contract shall run with respect to such Series of Bonds. In connection with the issuance of a new Series of Bonds by the Corporation, the Chief Executive Officer of the Corporation shall direct that Schedule A be revised to include the pertinent information for such Series of Bonds. Such revision of Schedule A, made upon the written direction of the Chief Executive Officer of the Corporation, shall not constitute an amendment of this Service Contract for purposes of Section 13 hereof.

Section 8. **No Waiver; Remedies**. No failure on the part of either party to exercise, and no delay in exercising any right under this Service Contract shall operate as a waiver of such right, and no single or partial exercise of any right under this Service Contract shall preclude any further exercise of such right or the exercise of any other right.

The remedies provided in this Service Contract are cumulative and not exclusive of any other remedies provided by law.

Section 9. **Severability**. Any provision of this Service Contract that is prohibited, unenforceable or not authorized shall be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions of this Service Contract or affecting the validity, enforceability or legality of such provision in any other jurisdiction where same may be enforceable.

Section 10. **Governing Law**. This Service Contract shall be governed by and construed and interpreted in accordance with the laws of the State of Florida, without giving application to the choice-of-law principles thereof.

Section 11. **Notices**. All notices, requests and other communications to any party hereunder shall be in writing and shall be given to such party, addressed to it, at its address set forth below, or such other address as such party may specify by notice to the other party. Each such notice, request or communication shall be effective (a) if given by mail, 10 days after such communication is deposited in the mails with first class postage pre-paid, addressed as described below; or (b) if given by any other means, when delivered at the address specified below, or such other address as either party may specify by notice to the other:

The Corporation:	Florida Department of Transportation Financing Corporation c/o Division of Bond Finance 1801 Hermitage Boulevard Tallahassee, Florida 32308 Attn: Chief Executive Officer
The Department:	Florida Department of Transportation 605 Suwannee St. Tallahassee, Florida 32399-0450 Attn: Secretary

Section 12. **No Limitation on Constitutional Officers**. This Service Contract shall not be construed to limit the powers of any member of the Board of Directors of the Corporation when acting other than as a member of the Board of Directors in his or her capacity as a constitutional officer of the State.

Section 13. **Amendments**. No amendment or waiver of any provision of this Service Contract shall be effective unless the same shall be in writing, shall be signed by the parties hereto, and shall have no material adverse effect on the interest of the Registered Owners of any Bonds issued pursuant to the Master Resolution, and then such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which given. Any amendments or modification may be incorporated into an entire amended and restated Service Contract. The revision and replacement of Schedule A as provided in Section 7(b) hereof shall not constitute or be deemed to constitute an amendment of this Service Contract.

Section 14. **No Personal Liability.** No covenant, stipulation, obligation or agreement of the Corporation contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future Board member, officer, agent or employee of the Corporation or the Department, in other than that person's official capacity. Neither the members, officers, agents or employees of the Board nor any officials or employees of the Department shall be subject to any personal liability or accountability by reason of execution of this Service Contract.

Section 15. **Counterparts**. This Service Contract may be signed in any number of counterpart copies, and all such copies shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the Department and the Corporation have duly executed this Service Contract as of the 7th day of October, 2025.

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

By ______________________
Secretary

[SEAL]

ATTEST:

By: _____________________
Name: __________________
Title: ___________________

FLORIDA DEPARTMENT OF
TRANSPORTATION FINANCING
CORPORATION

By_______________________________
Chief Executive Officer/President

[SEAL]

ATTEST:

By: _____________________
Name: __________________
Title: ___________________

[Signature Page to Second Amended and Restated Service Contract dated as of October 7, 2025]

SCHEDULE A

OUTSTANDING SERIES OF BONDS AND RELATED TERMS OF SERVICE CONTRACT*

Series of Bonds	Date of Issuance	Final Maturity of Bonds	Applicable Service Contract	Term of Applicable Service Contract
2018	September 20, 2018	July 1, 2033	Original Service Contract	35 Years from September 20, 2018
2020	December 16, 2020	July 1, 2035	Original Service Contract	35 Years from December 16, 2020
2022	December 15, 2022	July 1, 2037	First Amended and Restated Service Contract	35 Years from December 15, 2022
2025A	October 7, 2025	July 1, 2045	Second Amended and Restated Service Contract	35 Years from October 7, 2025

* To be revised pursuant to Section 7 of the Second Amended and Restated Service Contract in connection with the issuance of each Series of Bonds subsequent to the issuance of the 2025A Bonds.

APPENDIX G
FORM OF APPROVING OPINION OF BOND COUNSEL

Upon delivery of the Series 2025A Bonds, Greenberg Traurig, P.A. is prepared to render its opinion as Bond Counsel with respect to the Series 2025A Bonds in substantially the following form.

October 7, 2025

Florida Department of Transportation Financing Corporation
Hermitage Centre
1801 Hermitage Boulevard, Suite 200
Tallahassee, FL 32308

$69,205,000
FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION
REVENUE BONDS, SERIES 2025A

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the issuance and sale by the Florida Department of Transportation Financing Corporation (the "Corporation") of its $69,205,000 aggregate principal amount of Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2025A (the "Series 2025A Bonds"), initially issued and delivered on this date pursuant to the Constitution and laws of the State of Florida, including particularly, Section 339.0809, Florida Statutes, as amended (hereinafter collectively referred to as the "Act"), and pursuant to the Florida Department of Transportation Financing Corporation Master Bond Resolution duly adopted by the Board of Directors of the Corporation (the "Board") on April 11, 2018, as amended and supplemented (the "Master Resolution"), as supplemented by that certain resolution adopted by the Board on August 20, 2025 (the "2025 Series Resolution" and, together with the Master Resolution, the "Resolution").

The Series 2025A Bonds are dated and mature on the dates and in the principal amounts and bear interest at the rates determined pursuant to the Resolution and are issuable only as fully registered bonds without coupons in denominations of $1,000 or any integral multiple thereof. Principal and redemption price of and interest on the Series 2025A Bonds will be paid by U.S. Bank Trust Company, National Association, Orlando, Florida, as paying agent, or by any alternate or successor paying agent, to the registered owners or registered assigns thereof. The Series 2025A Bonds are subject to redemption by the Corporation prior to maturity at the times, in the manner and upon the terms provided in the Series 2025A Bonds and determined pursuant to the Resolution.

The Corporation has covenanted in the Resolution to apply the proceeds of the Series 2025A Bonds to (i) finance a portion of the capital costs of construction of the Series 2025A Project (as defined in the 2025 Series Resolution) and (ii) pay certain costs associated with the issuance of the Series 2025A Bonds.

The Series 2025A Bonds shall be payable solely from and secured as to the payment of the principal and redemption price thereof and interest thereon, on a parity with the Outstanding Bonds (as defined in the Official Statement dated September 16, 2025 relating to the Series 2025A Bonds) and any Additional Bonds (as defined in the Resolution) hereafter issued under and secured by the Resolution, by the Pledged Revenues and the Pledged Funds (each as defined in the Resolution and as described below) in accordance with the terms and provisions of the Resolution. The Series 2025A Bonds shall not constitute a general obligation of the State of Florida or any political subdivision thereof, nor shall the full faith and credit of the State of Florida or any political subdivision thereof be pledged to the payment of the principal or redemption price of the Series 2025A Bonds or the interest on the Series 2025A Bonds.

The Pledged Revenues consist of the revenues received by the Corporation under that certain Second Amended and Restated Service Contract dated as of October 7, 2025, as the same may be amended from time to time (the "Service Contract") between the Corporation and the Florida Department of Transportation (the "Department"). The Pledged Funds consist of certain funds held by the Trustee and the Custodian (each as defined in the Resolution) under the Resolution. The availability of Pledged Revenues will depend on annual appropriations by the Florida Legislature to the Department for payment of amounts due under the Service Contract.

The Corporation is authorized under the Act and the Resolution to issue Additional Bonds in addition to the Series 2025A Bonds, upon the terms and conditions set forth in the Resolution, and such bonds, when issued, shall, with the Series 2025A Bonds, the Outstanding Bonds and with all other Additional Bonds hereafter issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

In connection with the issuance of the Series 2025A Bonds, we have examined the Act, the Resolution, certified copies of certain proceedings of the Corporation and such other documents, instruments, proceedings and opinions as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Corporation furnished to us, without undertaking to verify such representations by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Corporation is a nonprofit corporation created by the Florida Legislature for the purpose of financing or refinancing projects for the Department as permitted under the Act. Pursuant to the Act, the Corporation is empowered to issue the Series 2025A Bonds.

2. The Resolution has been duly adopted by the Board, is valid and binding upon the Corporation and is in full force and effect and enforceable in accordance with its terms. The Series 2025A Bonds are entitled to the benefits and security of the Resolution for the payment thereof in accordance with the terms of the Resolution.

3. The Series 2025A Bonds have been duly authorized, executed and issued in accordance with the Act and the Resolution. The Series 2025A Bonds represent valid and binding obligations of the Corporation, enforceable in accordance with their terms and the terms of the Resolution. The Series 2025A Bonds are payable solely from the sources and in the manner described in the Resolution, and are secured by a valid and binding lien on the Pledged Revenues and the Pledged Funds.

4. The Series 2025A Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes imposed by Chapter 198, Florida Statutes, as amended, and taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

5. The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Corporation and the Department must continue to meet after the issuance of the Series 2025A Bonds in order that interest on the Series 2025A Bonds not be included in gross income for federal income tax purposes. The failure by the Corporation or the Department to meet these requirements may cause interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Corporation and the Department have covenanted in the Resolution and in the Service Contract, respectively, to comply with the requirements of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds. Assuming continuing compliance by the Corporation and the Department with the tax covenants described above, under existing statutes, regulations, rulings and court decisions, interest on the Series 2025A Bonds (i) is excluded from gross income for federal income tax purposes, and (ii) is not an item of preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025A Bonds is not excluded from the determination of adjusted financial statement income.

Except as set forth in numbered paragraphs 4. and 5. above, we express no opinion regarding other tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of the Series 2025A Bonds.

We have examined the form of the Series 2025A Bonds and, in our opinion, the form of the Series 2025A Bonds is regular and proper.

It should be noted that (i) we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2025A Bonds and we express no opinion relating thereto, and (ii) we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Series 2025A Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2. and 3. hereof are qualified to the extent that the enforceability of the Resolution and the Series 2025A Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Respectfully submitted,

[To be signed "Greenberg Traurig P.A."]

ACTIVE 714518220v2

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Florida Department of Transportation Financing Corporation (the "Corporation") and the State of Florida, Department of Transportation (the "Department") in connection with the issuance of $69,205,000 Florida Department of Transportation Financing Corporation Revenue Bonds, Series 2025A (the "Bonds"). This Disclosure Agreement is being executed and delivered pursuant to Section 6.02 of the 2025 Series Resolution adopted by the Board of Directors of the Corporation on August 20, 2025, providing for the issuance and sale of the Bonds. The Corporation and the Department covenant and agree as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Corporation and the Department 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 Corporation, the Department, the Registered Owners, the Beneficial Owners and the Participating Underwriters.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the 2025 Series Resolution and the Master Resolution of the Corporation adopted on April 11, 2018, as amended and supplemented (collectively, the "Resolution"), 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 Corporation and Department assume all responsibilities for any continuing disclosure as described below. In order to comply with the Rule, the Corporation and the Department hereby agree 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 State Transportation Trust Fund Revenues;
(b) State Transportation Trust Fund Revenues Less Maximum Legally Permissible Prior Lien Obligations;
(c) STTF Revenues Available for Service Contract Payments as Percentage of Gross STTF Revenues;
(d) Average Cash Balance of STTF;
(e) Debt Service Coverage;
(f) Investment of Funds;
(g) Five Year History of Trust Fund and General Revenues;
(h) Operating and Fixed Capital Outlay Budget by Program Area; and
(i) Schedule of Outstanding Bonds.

(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;
(c) unscheduled draws on debt service reserves 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 Corporation or the Department to provide the information required by paragraphs (A)(1) or (A)(2) of this Section will be provided in a timely manner.

(b) The Corporation and the Department acknowledge that their 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 Corporation's and the Department's obligations hereunder.

(B) Methods of Providing Information.

(1) (a) Annual financial information and operating data described in paragraph 3(A)(1) and the audited financial statements described in paragraph 3(A)(2) shall be transmitted to the Municipal Securities Rulemaking Board (hereafter "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 paragraph 3(A)(3) and notices described in paragraph 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 Corporation's and the Department's obligations hereunder shall continue until such time as the Bonds are no longer Outstanding or until the Corporation 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 Corporation and the Department choose to include additional information not specifically required by this Disclosure Agreement, the Corporation and the Department shall have no obligation under this Disclosure Agreement to update such information or include it in any such future submission.

Dated this 7th day of October, 2025.

FLORIDA DEPARTMENT OF TRANSPORTATION
FINANCING CORPORATION

By____
J. Ben Watkins, III
Chief Executive Officer/President

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

By__________________________________
Jared W. Perdue, P.E.
Secretary

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 FLORIDA DEPARTMENT OF TRANSPORTATION FINANCING CORPORATION (THE "CORPORATION") BELIEVES TO BE RELIABLE; HOWEVER, THE CORPORATION 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 Corporation 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 or the Corporation, 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 Corporation or Bond Registrar/Paying Agent and discharging its responsibilities with respect thereto under applicable law. The Corporation 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 Corporation 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 Corporation 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 Corporation 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 National Association, New York, New York, 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 Series of Bond to the Bond Registrar/Paying Agent together with a written instrument of transfer (if so required) satisfactory in form to the Corporation 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 Corporation 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 Corporation 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.