

THE CHIEF FINANCIAL OFFICER is the constitutional officer with the fiduciary responsibility over the Division of Treasury. As a core function of the Department of Financial Services, the Division of Treasury's goals are to be effective stewards of the operational monies and other financial assets of the State and to assist state employees with tools to help them prepare for financial security during their retirement years.

THE DIVISION OF TREASURY HAS THREE BUREAUS:

- The Bureau of Funds Management
- The Bureau of Collateral Management
- The Bureau of Deferred Compensation

THE BUREAU OF FUNDS MANAGEMENT operates a cash management system to maximize investments by speeding the flow of funds into the State Treasury. An emphasis on cash management consulting has identified potential cost reductions and interest earning opportunities for state agencies. The Bureau also performs standard treasury functions, such as, operating statewide receipts and payments posting systems.

THE BUREAU OF COLLATERAL MANAGEMENT is a centralized deposit location for specialized handling of regulatory collateral deposits. Regulatory collateral deposits are required of various entities by state agencies as a condition of doing business or acts of guarantee. Asset management staff is responsible for maintaining regulatory collateral deposits for 1,831 combined accounts that represent in excess of \$17.9 billion dollars. Program Administration staff is responsible for protecting more than \$33.9 billion in public funds deposited in 120 Qualified Public Depositories statewide. These deposits are protected by more than \$13.8 billion in pledged assets and a shared contingent liability managed by the Bureau.

THE BUREAU OF DEFERRED COMPENSATION manages the Deferred Compensation Plan, a voluntary pre-tax retirement program that supplements employee investment in the Florida Retirement System Pension and Investment Plans. The Deferred Compensation Plan provides employees of the State of Florida with tools to help prepare for financial security during retirement. To achieve this goal, the Bureau partners with three Investment Providers to offer excellent customer service and investment products at a reasonable cost. The Deferred Compensation Plan has more than 92,000 accounts and total assets over \$5.4 billion.

TREASURY INVESTMENT POOL

The Division manages a fixed income investment operation, the Treasury Investment Pool (Pool). The Pool consists of general revenue and trust funds in the Treasury, as well as funds of organizations participating in the Treasury Special Purpose Investment Accounts (SPIA). SPIA is an optional investment program open to all entities established by the Florida Constitution/ Statute.

The Treasury Investment Pool utilizes a combination of short and intermediate term fixed income investment strategies. The asset structure of the pool is designed to provide strong liquidity, preserve capital, and provide excess returns to the State. This is done through the use of short term, high-quality investments, as well as additional investment income using intermediate investments.

During the 2022-2023 fiscal year, the weighted average daily balance of investment holdings was \$62.6 billion, an increase of \$14.4 billion or approximately 30% from the prior year.

During this period, the Treasury allocated to the pool participants earnings of \$1.1 billion.

ITEMS OF SPECIAL INTEREST

Fiscal Year 2022-2023

INVESTMENT COST:

Balance June 30, 2023 \$67,475,912,293.51

PERCENT OF INVESTMENTS EARNING INTEREST AS OF JUNE 30, 2023 FOR:

| | |
|--|---------|
| General Revenue Fund | 69.396% |
| Trust Funds | 21.365% |
| Special Purpose Investment Accounts (SPIA) | 9.239% |

INVESTMENTS BY TYPE (1)

(WEIGHTED AVERAGE DAILY BALANCES)

| | | |
|---|--------------------------|--------------------------|
| Certificates of Deposit | | |
| Banks | \$ 177,342,465.75 | |
| Savings and Loans | 0.00 | |
| Subtotal | <u>177,342,465.75</u> | |
| Internal Liquidity Securities | | |
| Internal Short Duration Securities | 15,477,525,332.53 | |
| Internal Ultra Short Duration Securities | 6,336,298,641.26 | |
| Total Internal Securities | <u>14,191,683,994.94</u> | |
| | 36,005,507,968.72 | |
| Total Internal Investments | | 36,182,850,434.47 |
| External Intermediate Duration Securities | 8,296,173,488.93 | |
| External Long Duration Securities | 18,157,452,166.01 | |
| Total External Investments | | <u>26,453,625,654.94</u> |

TOTAL INVESTMENTS

\$ 62,636,476,089.41

99 % OF TOTAL AVERAGE DAILY TREASURY FUNDS ARE INVESTED

INTEREST EARNINGS

| | CASH | ACCRUAL |
|--|-----------------------|-----------------------|
| Certificates of Deposit | \$ 5,038,522.74 | \$ 7,209,460.26 |
| Internal Liquidity Securities | 370,591,148.93 | 497,083,225.35 |
| Internal Short Duration Securities | (52,851,756.91) | 20,084,407.14 |
| Internal Ultra Short Duration Securities | 101,509,462.92 | 259,953,733.14 |
| Total Internal Investments | <u>424,287,377.69</u> | <u>784,330,825.89</u> |
| External Intermediate Securities | 146,687,215.99 | 146,687,215.99 |
| External Long Duration Securities | <u>180,370,770.66</u> | <u>180,370,770.66</u> |
| Total External Investments | 327,057,986.65 | 327,057,986.65 |

TOTAL INTEREST EARNINGS

\$ 751,345,364.34

\$ 1,111,388,812.54

INTEREST DISTRIBUTION

| | CASH | ACCRUAL |
|---|-------------------|-------------------|
| General Fund | \$ 490,674,383.25 | \$ 723,806,742.88 |
| Trust Fund | 173,953,928.77 | 257,717,518.80 |
| Special Purpose Investment Account (SPIA) | 86,717,052.32 | 129,864,550.86 |

TOTAL

\$ 751,345,364.34

\$ 1,111,388,812.54

WEIGHTED AVERAGE YIELDS (%)

| | CASH | ACCRUAL |
|--|--------|---------|
| Certificates of Deposit | 2.84% | 4.07% |
| Internal Liquidity Securities | 2.39% | 3.21% |
| Internal Short Duration Securities | -0.83% | 0.32% |
| Internal Ultra Short Duration Securities | 0.72% | 1.83% |
| Total Internal Investments | 1.17% | 2.17% |
| External Intermediate Securities | 1.77% | 1.77% |
| External Long Duration Securities | 0.99% | 0.99% |
| Total External Investments | 1.24% | 1.24% |

TOTAL PORTFOLIO

1.20%

1.77%

(1) The securities classified as internal investments are managed by the Treasury Investment Section. The external investments are managed by investment management firms hired by the CFO's office.

**SUMMARY OF FUNDS OF DIVISION OF TREASURY SHOWING RECEIPTS,
DISBURSEMENTS, AND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| FUND NAME | BALANCE June 30, 2022 | DIRECT RECEIPTS | RECEIPTS BY TRANSFERS | DISBURSEMENTS BY WARRANTS | DISBURSEMENTS BY TRANSFERS | BALANCE PER TREASURY |
|--------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-----------------------------------|
| General Fund | \$ 27,046,048,099.46 | \$ 50,516,034,677.59 | \$ 3,600,209,767.01 | \$ 3,490,591,751.98 | \$ 46,666,427,016.75 | \$ 31,005,273,775.33 |
| Trust Fund | 23,815,960,963.25 | 101,900,087,396.68 | 204,700,700,179.36 | 140,316,149,546.13 | 162,044,481,929.62 | 28,056,117,063.54 |
| Budget Stabilization | <u>2,730,168,228.65</u> | <u>61,000.00</u> | <u>410,000,000.00</u> | <u>0.00</u> | <u>0.00</u> | <u>3,140,229,228.65</u> |
| TOTAL THREE FUNDS | <u>\$53,592,177,291.36</u> | <u>\$152,416,183,074.27</u> | <u>\$208,710,909,946.37</u> | <u>\$143,806,741,298.11</u> | <u>\$208,710,908,946.37</u> | <u>\$62,201,620,067.52</u> |

| MONTH | RECEIPTS (in thousands) | DISBURSEMENTS (in thousands) | NET RECEIPTS OR (NET DISBURSEMENTS) (in thousands) |
|--------------|----------------------------|---------------------------------|--|
| July | 11,971,386 | 11,179,985 | 791,401 |
| August | 11,906,509 | 11,840,227 | 66,283 |
| September | 12,187,692 | 11,539,121 | 648,571 |
| October | 11,104,364 | 11,437,216 | (332,852) |
| November | 11,186,101 | 10,444,277 | 741,824 |
| December | 13,539,830 | 12,601,137 | 938,693 |
| January | 12,219,127 | 10,765,583 | 1,453,544 |
| February | 12,324,526 | 12,220,423 | 104,103 |
| March | 15,401,268 | 15,062,233 | 339,035 |
| April | 13,753,399 | 11,395,005 | 2,358,393 |
| May | 11,673,168 | 12,601,131 | (927,963) |
| June | 15,148,815 | 12,720,403 | 2,428,411 |
| TOTAL | 152,416,183 | 143,806,741 | 8,609,442 |

STATEMENT OF ASSETS AND LIABILITIES

| | | ASSETS | |
|--|-----|----------------------------|----------------------------|
| | | June 30, 2023 | June 30, 2022 |
| Currency and Coins | | 0.00 | 0.00 |
| Unemployment Compensation Investments | (1) | \$2,807,439,345.12 | \$1,437,776,399.96 |
| Due From U.S Treasury -Unemployment TF | | | |
| Deferred Compensation Assets | (2) | 5,413,067,738.66 | 5,108,186,892.21 |
| Bank Accounts | (3) | (769,652,884.72) | (136,223,645.12) |
| Consolidated Revolving Account | (4) | 561,554.89 | 226,363.95 |
| Total Cash, Receivables, and Other Assets | | \$7,451,415,753.95 | \$6,409,966,011.00 |
| Certificates of Deposit | | 402,000,000.00 | 2,000,000.00 |
| Securities | (6) | 67,073,912,293.51 | 60,549,972,702.78 |
| Total Investments | | \$67,475,912,293.51 | \$60,551,972,702.78 |
| Total Assets of the Division of Treasury | | \$74,927,328,047.46 | \$66,961,938,713.78 |

| | | LIABILITIES | |
|---|-----|----------------------------|----------------------------|
| | | June 30, 2023 | June 30, 2022 |
| Due to: | | | |
| General Revenue Fund | | 31,005,273,775.33 | 27,046,048,099.46 |
| Trust Fund | (7) | 28,056,117,063.54 | 23,815,960,963.25 |
| Budget Stabilization Fund | | 3,140,229,228.65 | 2,730,168,228.65 |
| Total State Liabilities | | \$62,201,620,067.52 | \$53,592,177,291.36 |
| Interest Payable and Securities Liability | (8) | 671,580,673.56 | 1,148,873,457.70 |
| Post Month Clearing | (9) | 492,739,752.55 | - |
| Due to Special Purpose Investment Accounts | (5) | 6,147,758,260.28 | 7,112,474,708.56 |
| Due to Deferred Compensation Participants and/or Program | (2) | 5,413,067,738.66 | 5,108,186,892.21 |
| Due to Consolidated Revolving Account Agency Participants | (4) | 561,554.89 | 226,363.95 |
| Total Liabilities of the Division of Treasury | | \$74,927,328,047.46 | \$66,961,938,713.78 |

STATEMENT OF ASSETS AND LIABILITIES

- (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 \$22,879,051.51 as of June 30, 2023, with receipted items in transit of \$330,342,062.07 and disbursed items in transit of (\$318,985,165.73), which nets to \$11,356,896.34. These items have cleared the bank but have not been posted to the state ledger. The Total Bank Accounts figure does not include \$234,488,299.11 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, 2023, is \$8,647,957.56. Of this, \$561,554.89 is in a financial institution account and \$8,086,402.67 is 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 \$7,239,235.96.
- (7) Included in the Trust Fund Balance is \$14,131,603,227.90 earning interest for the benefit of Trust Funds; Unemployment Trust Fund balance of \$2,807,439,345.12; the remaining balance of \$11,117,074,490.52 earning interest for General Revenue.
- (8) Represents \$10,629,736.06 in interest not yet receipted to State Accounts and Securities Liability Cost of \$660,950,937.50 which settles July 3, 2023.
- (9) Difference between Total Assets and Total Liabilities is from an adjustment within Florida PALM, Clearing in a later accounting period.

| | June 30, 2023 | June 30, 2022 |
|---|----------------------------|----------------------------|
| Note: Total Market Value of all Investments held by the Treasury | \$64,663,321,086.02 | \$57,199,049,301.03 |

BUREAU OF COLLATERAL MANAGEMENT

*Collateral in Custody of, Pledged to, or Held by Custodians
for the State Chief Financial Officer as of June 30, 2023*

COLLATERAL IN CUSTODY OF CFO

■ **CASH**

ENVIRONMENTAL PROTECTION, Department of

Waste Management, Division of.....\$17,523,520.20

South Florida Water Management District.....\$13,774,703.76

FINANCIAL SERVICES Commission

Financial Regulation, Office of..... \$1,202,217.64

Insurance Regulation, Office of..... \$161,899,933.48

FINANCIAL SERVICES, Department of

Treasury, Division of.....\$212,870,100.92

HEALTH, Department of

Emergency Preparedness and Community Support, Division.....\$49,326.36

TRANSPORTATION, Department of

Comptroller, Office of.....\$3,445,758,304.28

VETERANS AFFAIRS, Department of

Comptroller, Office of.....\$30,048,044.05

Total Cash..... \$3,883,126,150.69

■ **CERTIFICATES OF DEPOSIT**

FINANCIAL SERVICES Commission

Financial Regulation, Office of..... \$1,275,000.00

Insurance Regulation, Office of..... \$9,034,547.82

LOTTERY, Department of

General Accounting, Division of..... \$1,674,400.85

Total Certificates of Deposit \$11,983,948.67

■ **LETTERS OF CREDIT**

FINANCIAL SERVICES Commission

Insurance Regulation, Office of..... \$1,932,229.00

FINANCIAL SERVICES, Department of

Treasury, Division of.....\$2,916,500,000.00

Total Letters of Credit.....\$2,918,432,229.00

■ **TOTAL COLLATERAL IN CUSTODY OF CFO**

Cash, Certificates of Deposit, Letters of Credit\$6,813,542,328.36

COLLATERAL HELD BY CUSTODIANS

CUSTODIAL ACCOUNTS (SECURITIES)

| | |
|---|----------------------------|
| FINANCIAL SERVICES Commission | |
| Financial Regulation, Office of..... | \$37,183,113.83 |
| Insurance Regulation, Office of..... | \$393,002,341.46 |
| FINANCIAL SERVICES, Department of | |
| Treasury, Division of..... | \$10,650,182,292.33 |
| Total Custody Accounts (Book-entry)..... | \$11,080,367,747.62 |

CUSTODIAL ACCOUNTS (CASH)

| | |
|---|-----------------------|
| FINANCIAL SERVICES Commission | |
| Financial Regulation, Office of..... | \$1,000,000.00 |
| FINANCIAL SERVICES, Department of | |
| Treasury, Division of..... | \$1,000,000.00 |
| Total Custody Accounts (Cash)..... | \$2,000,000.00 |

TOTAL COLLATERAL HELD BY CUSTODIANS

| | |
|--------------------------------|----------------------------|
| Custodial Accounts..... | \$11,082,367,747.62 |
|--------------------------------|----------------------------|

GRAND TOTALS OF COLLATERAL IN CUSTODY OF, PLEDGED TO, OR HELD BY CUSTODIANS FOR THE STATE CHIEF FINANCIAL OFFICER

| | |
|-------------------------------------|----------------------------|
| GRAND TOTAL (ALL OTHER)..... | \$17,895,910,075.98 |
|-------------------------------------|----------------------------|