

THE KEYS TO YOUR COUNTY FINANCES

MONROE COUNTY, FLORIDA CITIZEN'S FINANCIAL GUIDE



PREPARED BY THE CLERK & COMPTROLLER FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019



The Florida Keys

The Florida Keys are a coral cay archipelago located off the southern coast of Florida, forming the southernmost part of the continental United States. They begin at the southeastern coast of the Florida peninsula, about 15 miles (24 km) south of Miami, and extend in a gentle arc south southwest and then westward to Key West, the westernmost of the inhabited islands, and on to the uninhabited Dry Tortugas. The islands lie along the Florida Straits, dividing the Atlantic Ocean to the east from the Gulf of Mexico to the north-west, and defining one edge of Florida Bay.

INTRODUCTION 1

- 1 About this Guide

KEYS TO COUNTY GOVERNMENT 2-5

- 2 About Monroe County Government
- 3 Monroe County Elected Officials
- 4 About Your Clerk & Comptroller
- 5 Monroe County Demographics

KEYS TO COUNTY FUNDING 6-7

- 6 Where the Money Comes From
- 7 Where The Money Goes

KEYS TO COUNTY REVENUE 8-10

- 8 Property Tax Collections & Levies
- 9 One Cent Infrastructure Sales Surtax
- 10 Tourist Development Tax

KEYS TO COUNTY EXPENSES 11-12

- 11 Types of Expenditures
- 12 Investment in Capital Assets

KEYS TO FUNDAMENTAL FINANCIAL INFORMATION 13-15

- 13 Fund Types and Balances
- 14 Review of General Fund Balance
- 15 General Fund Operating Budget

KEYS TO MANAGING COUNTY DOLLARS 16-19

- 16 Investments
- 17 Keys to Financing a Natural Disaster
- 19 Debt

KEYS TO FAQs 20

KEYS TO TERMS 21-22

KEYS TO COUNTY CONTACTS 23

MESSAGE FROM CLERK MADOK

Dear Residents of Monroe County:

It is my honor to present to you The Keys To Your County Finances: The Citizen's Financial Guide for the fiscal year ending September 30, 2019. As the Monroe County Clerk of Circuit Court & Comptroller, I am committed to examining how your tax dollars are spent, informing the public about the County's financial activities, and promoting accountability in county government. My Office publishes this guide with the goal of providing residents with County financial information that is in a format that is easy to understand and transparent.

In addition to summarizing the information presented in the County's Comprehensive Annual Financial Report (CAFR), this Guide is meant to be your key to understanding the County's financial health and how your tax dollars were spent during the past fiscal year. Both the CAFR and the Citizen's Guide are available for public viewing at the Monroe County Clerk's Office and online at <http://www.clerk-of-the-court.com>.

I would be remiss if I did not acknowledge the hard work and dedication of our Finance Department team in development of this Guide.

It is my honor and privilege to serve as your Clerk & Comptroller. I look forward to continuing my work of bringing accountability and transparency to Monroe County's financial information.

Sincerely,

Kevin Madok, CPA
Monroe County Clerk of Circuit Court & Comptroller



Kevin Madok, CPA
Monroe County Clerk of
Circuit Court & Comptroller

ABOUT THIS GUIDE

The Keys To Your County Finances is part of the Monroe County Clerk's ongoing effort to keep you informed about the County's comptroller operations.

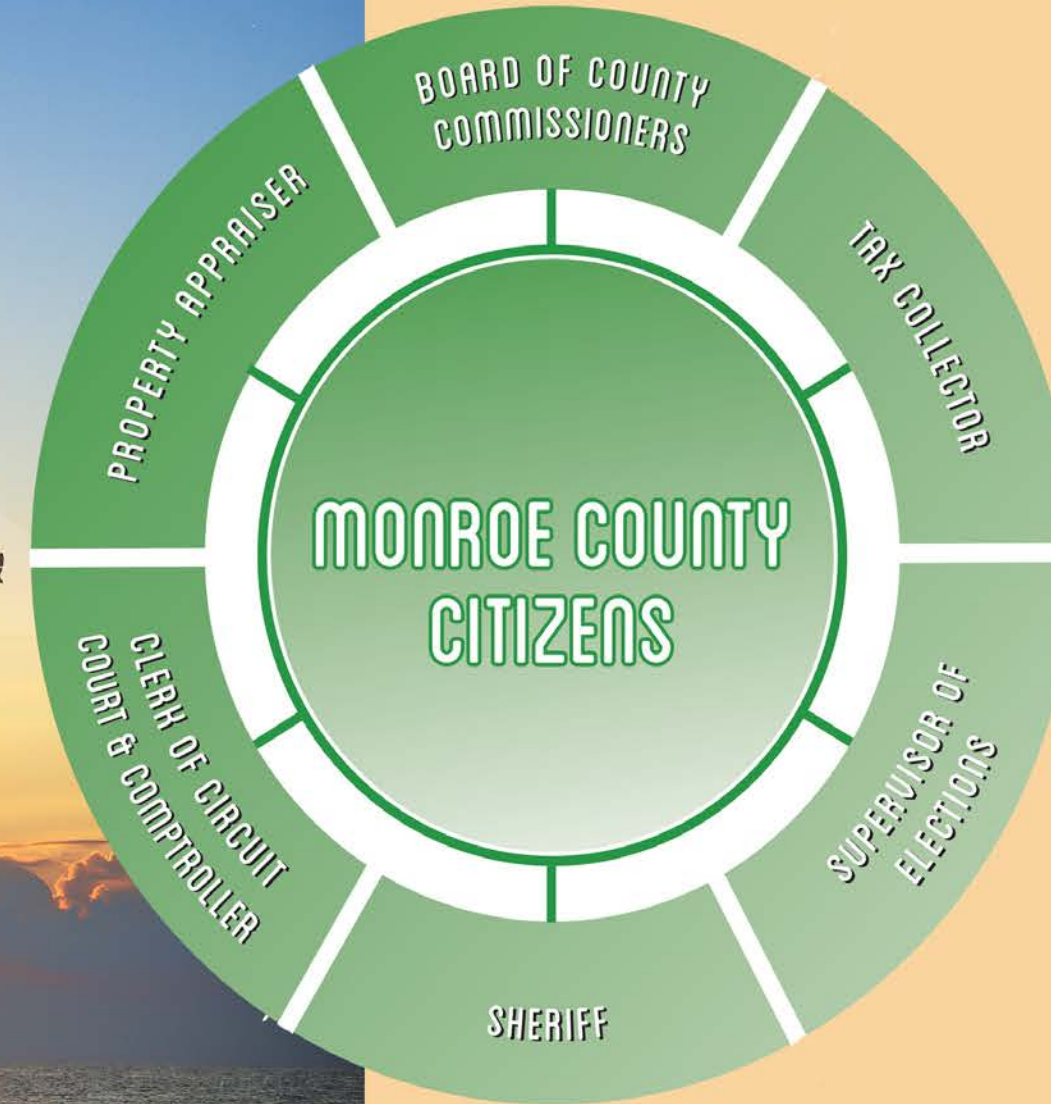
This Guide, which is also known as the Citizen's Financial Guide to County Finances, is an essential tool to help you understand how public money is being managed and spent.

Most of the information found in the Guide is drawn from Monroe County's 2019 Comprehensive Annual Financial Report (CAFR) prepared by the Clerk's Office.

The CAFR, which is almost 300 pages, is prepared in conformance with generally accepted accounting principles and includes the County's financial statements, notes, schedules, and reports audited by an outside audit firm, Cherry Bekaert, LLP.

Unlike the CAFR, this Guide is unaudited. Because it is a summary, the Guide does not conform to generally accepted accounting principles and reporting requirements of government entities. Additionally, the Guide does not include financial information on the Monroe County Land Authority since it is considered a legally separate entity from the County.

Visit <http://www.clerk-of-the-court.com> to view Monroe County's CAFR and Citizen's /Guide online.



ABOUT MONROE COUNTY GOVERNMENT

Established in 1823 as a political subdivision of the State of Florida, Monroe County is governed by the Board of County Commissioners (BOCC). The BOCC is composed of five commissioners each residing in a different district. The commissioners act as a local legislative and executive body, setting public policy, levying taxes and funding projects, programs and the operations for more than 20 County departments. An appointed county administrator carries out the policies and decisions made and approved by the BOCC.

Voters also elect five independent constitutional officers who are a check and balance on the BOCC: the Clerk & Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Florida Constitution intentionally makes these countywide offices separate and independent from the rest of County government to ensure that the entity that decides how to spend tax dollars (BOCC) is not the same entity that pays the County's bills (Clerk & Comptroller), assesses a property's taxable value (Property Appraiser), collects taxes (Tax Collector), protects its citizens (Sheriff), or oversees the election process (Supervisor of Elections). Similarly, these offices cannot set general public policy or levy taxes like the BOCC.

MONROE COUNTY ELECTED OFFICIALS

Elected Officials as of September 30, 2019



DANNY KOLHAGE
District 1
305-292-3440



MICHELLE COLDIRON
District 2
305-292-4512



SYLVIA MURPHY
District 5
Mayor
305-453-8787



HEATHER CARRUTHERS
District 3
305-292-3430



DAVID RICE
District 4
305-289-6000



DANISE D. HENRIQUEZ
Tax Collector
monroetaxcollector.com
305-295-5000



SCOTT P. RUSSELL, CFA
Property Appraiser
qpublic.net/fl/monroe
305-292-3420



KEVIN MADOK, CPA
Clerk of Circuit Court
& Comptroller
clerk-of-the-court.com
305-292-3550



RICK RAMSAY
Sheriff
keysso.net
305-289-2351
(non-emergency)



R. JOYCE GRIFFIN
Supervisor of Elections
keys-elections.org
305-292-3416

ABOUT YOUR CLERK & COMPTROLLER

The Clerk of the Circuit Court & Comptroller was established as a public trustee by the Florida Constitution in 1838. This elected constitutional officer sets in place, at the county level, a system of “checks and balances” that has proven to be successful for over 180 years.

The Clerk’s role as an elected public trustee is one of the most important aspects of the position because he serves at the will of the people. It is the Clerk’s responsibility to serve as a “watchdog” for Monroe County citizens to ensure funds expended are only for a lawful public purpose and for the benefit of the public as a whole.

As a constitutional officer, the Clerk operates independently from other entities in county government. The Office of the Clerk of Circuit Court & Comptroller is governed by the state constitution and statutory authority in carrying out its duties and functions related to record keeping, information management, and financial management for both the judicial system and county government.

AS CLERK OF THE CIRCUIT AND COUNTY COURTS

- Maintains custody of court records
- Maintains custody of all related pleadings filed
- Secures evidence entered in court
- Summons prospective jurors
- Ensures integrity of court files is protected
- Collects and disburses court fines and assessments and court-ordered child support

AS RECORDER OF DEEDS

- Maintains Official Records of the County and ensures their integrity
- Documents such as mortgages, deeds, liens, judgments, and marriage licenses are recorded and digitally indexed into a computer system

AS CHIEF FINANCIAL OFFICER AND TREASURER

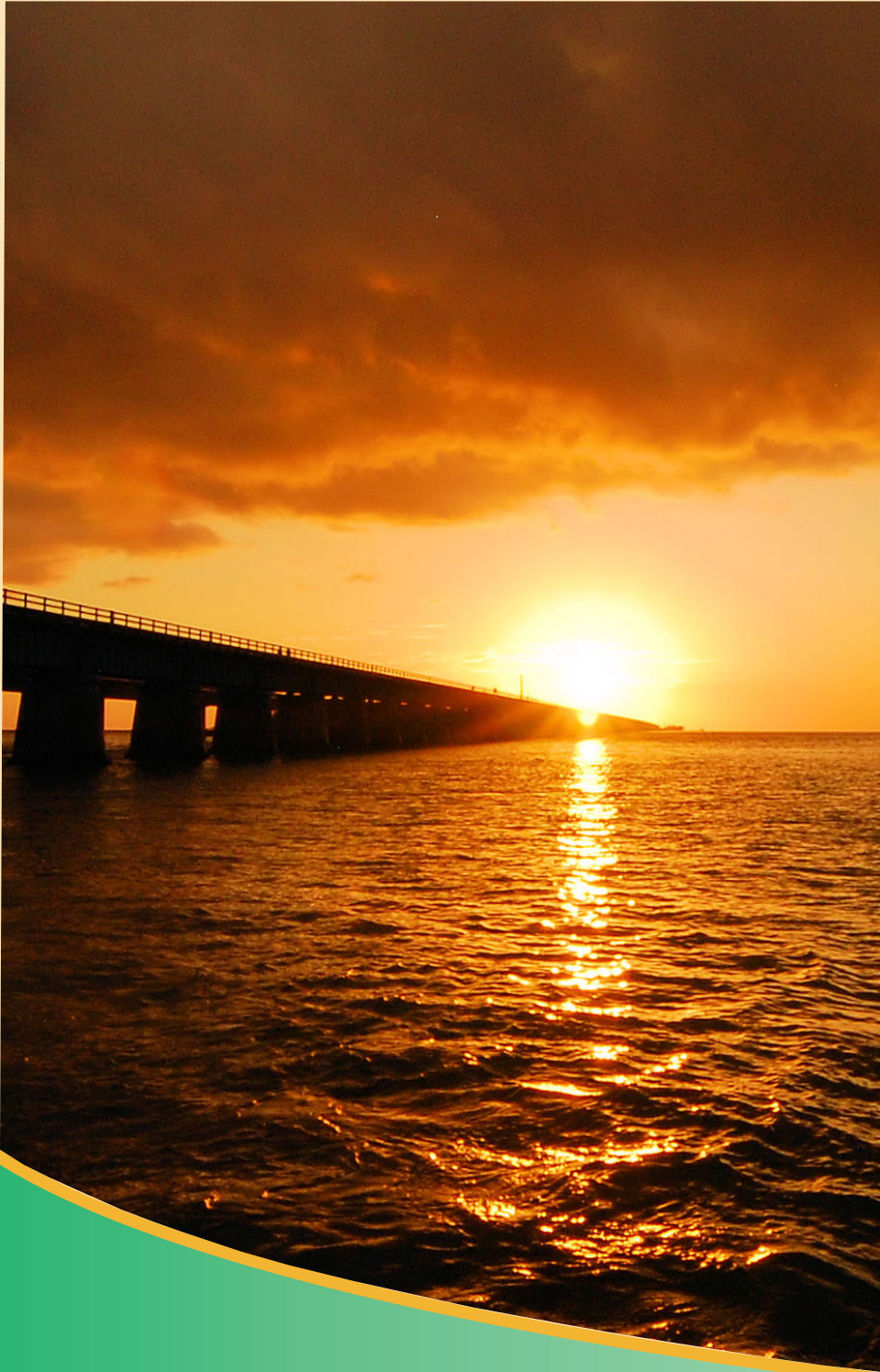
- Maintains the County’s financial records and prepares financial reports
- Receives and records the County’s revenues
- Invests the County’s funds
- Maintains the County’s automated financial accounting system
- Processes and pre-audits accounts payable, accounts receivable, and payroll transactions

AS CLERK TO BOARD OF COUNTY COMMISSIONERS

- Maintains the official records of the BOCC
- Administers the Value Adjustment Board to allow citizens to contest their property values

AS COUNTY AUDITOR

- Performs comptroller function by the pre-audit of invoices before payment
- Conducts independent risk-based and financial audits of county government
- Audit court-appointed guardianship cases
- Investigates cases of fraud, waste, and abuse of County government resources



MONROE COUNTY DEMOGRAPHICS

• Monroe County's Top Five Taxpayers for 2019¹

1. Ocean Reef Club	\$142,266,248
2. Florida Keys Electric Co-op	\$125,030,195
3. Passco Ocean DST	\$ 88,858,008
4. Pebblebrook Hotel Trust	\$ 87,205,974
5. Galleon Condominium Association	\$ 84,714,896

¹Source: Monroe County Property Appraiser

• Monroe County's Top Private Employers In 2019²

1. Ocean Reef Club 1,124
2. Publix Stores 670
3. Lower Keys Medical Center 492
4. Casa Marina Resort 477
5. Historic Tours of America 390

²Source: Key West Chamber of Commerce and Florida Research Economic Database

• Monroe County's 2019 Unemployment Rate³

Monroe County Unemployment Rate 2.3%

State of Florida Unemployment Rate 3.0%

U.S. Unemployment Rate 3.5%

³Source: U.S. Bureau of Labor Statistics, Rates not seasonally adjusted

• **County Estimated 2019 Population:** 76,212. Monroe County is Florida's 38th most populous county with 4% of Florida's population.

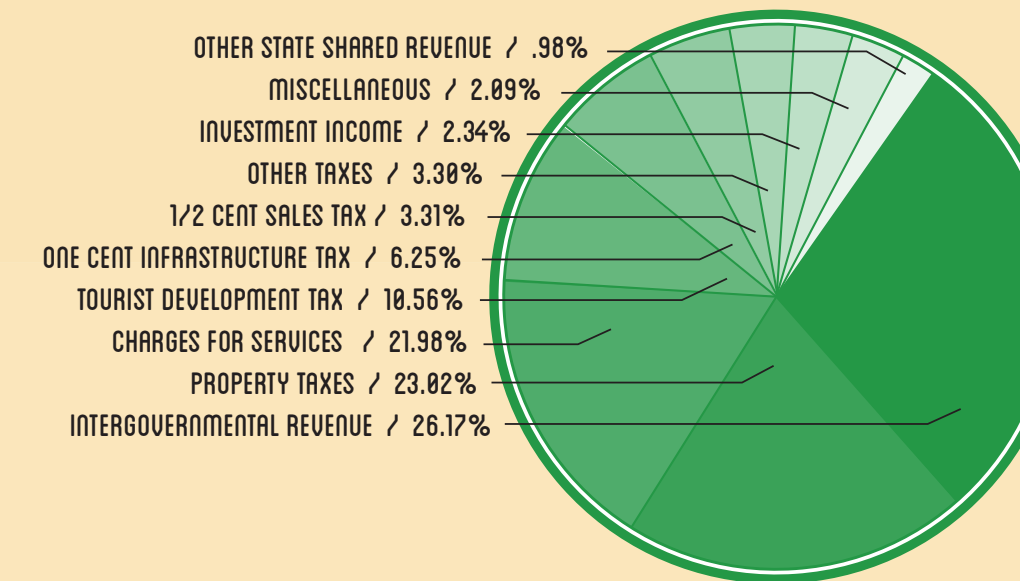
• **Per Capita Personal Income:** \$92,119

• **School Enrollment:** 8,967

• **Monroe County Housing:** Of the 52,764 total housing units, 18,501 or 35% are owner-occupied. The median monthly housing cost with a mortgage is \$2,410.

WHERE THE MONEY COMES FROM

SOURCES OF REVENUE	FY 2019	FY 2018	INCREASE (DECREASE)	PERCENTAGE CHANGE
PROPERTY TAXES	\$ 86,857,839	\$ 81,472,461	\$ 5,385,378	6.61%
CHARGES FOR SERVICES	82,957,957	73,330,385	9,627,572	13.13%
INTERGOVERNMENTAL REVENUE	98,743,676	66,608,262	32,135,414	48.25%
TOURIST DEVELOPMENT TAX	39,850,299	32,763,679	7,086,621	21.63%
ONE CENT INFRASTRUCTURE TAX	23,583,643	20,805,323	2,778,320	13.35%
1/2 CENT SALES TAX	12,498,403	11,043,667	1,454,736	13.17%
MISCELLANEOUS	7,904,979	6,719,449	1,185,530	17.64%
GASOLINE TAX	6,410,690	6,160,380	250,310	4.06%
OTHER STATE SHARED REVENUE	3,680,786	4,633,569	(952,783)	-20.56%
TOURIST IMPACT TAX	4,981,287	4,095,460	885,827	21.63%
INVESTMENT INCOME	8,805,513	4,296,311	4,509,202	104.96%
OTHER TAXES	1,077,006	1,145,385	(68,379)	-5.97%
TOTAL REVENUES	\$ 377,352,078	\$ 313,074,331	\$ 64,277,748	20.53%



Funding for County government and services comes from a variety of sources. Typically, the largest source of revenue is from property taxes. However, in Fiscal Year (FY) 2019, the County's largest source of revenue was from State and Federal grant funding. The largest sources of grant funding for Monroe County in FY 2019 was from grant programs assisting in the County's recovery from Hurricane Irma. Hurricane Irma made landfall in September 2017.

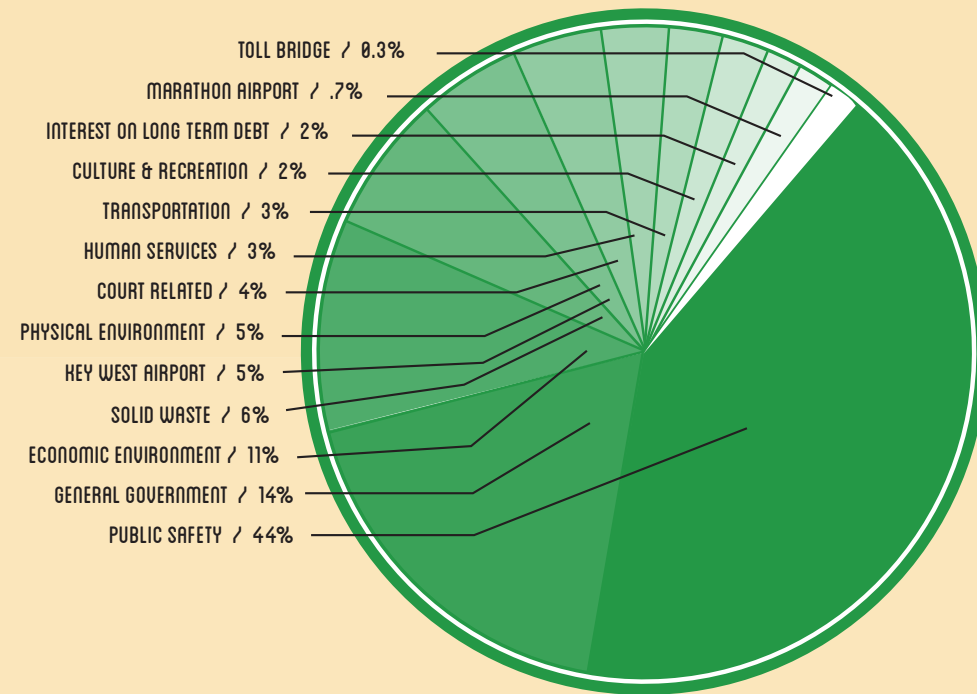
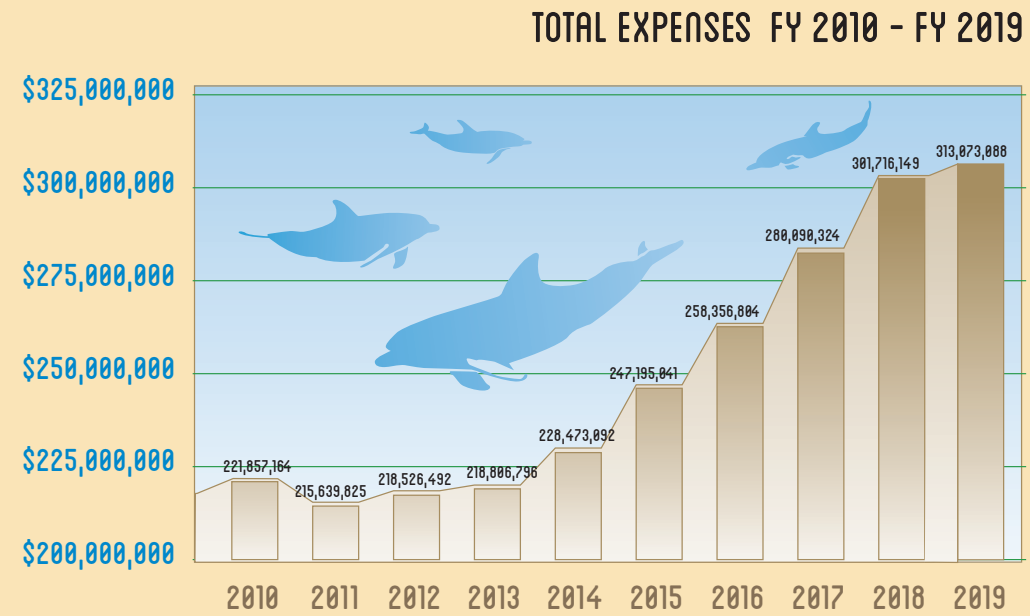
A large revenue source for capital projects is derived from the One Cent Infrastructure Surtax. The tax, maintained in a separate fund, allows for the imposition on both residents and visitors a one percent tax on most purchases in the County. This revenue source has generated over \$431.7 million since its 1990 inception. In FY 2012, Monroe County residents approved a referendum providing an extension of the One Cent Infrastructure Sales Surtax to FY 2033. During the past fiscal year, the County collected \$23.6 million from this taxing source which is an almost 15% increase from the previous year.

In FY 2019, the Tourist Development Tax and the Tourist Impact Tax also continued its strong recovery after being negatively impacted for months following Hurricane Irma. Many tourists spots were forced to close following the hurricane and re-opened to the public throughout FY 2019.

WHERE THE MONEY GOES

The FY 2019 expenses of Monroe County government were \$313.1 million with public safety operations comprising the largest expense category of 44% of expenses or \$137.2 million. Public safety activities include law enforcement, correction/detention facilities, and emergency management. The total expenses of this function increased over 11% from FY 2018 mainly due to continued emergency mitigation efforts as part of the recovery from Hurricane Irma. In contrast, Solid Waste expenses for FY 2019 decreased over 54% because the debris removal costs for Hurricane Irma recovery were accounted for during 2018 in this fund. The hurricane land debris removal costs recorded in Solid Waste exceeded \$20 million.

As the graph shows, the County's annual expenses increased over 41% over the last ten years. Much of this increase is due to the County's wastewater capital projects, especially the building of the Cudjoe Regional Wastewater Project that required an investment of \$207 million since FY 2015.



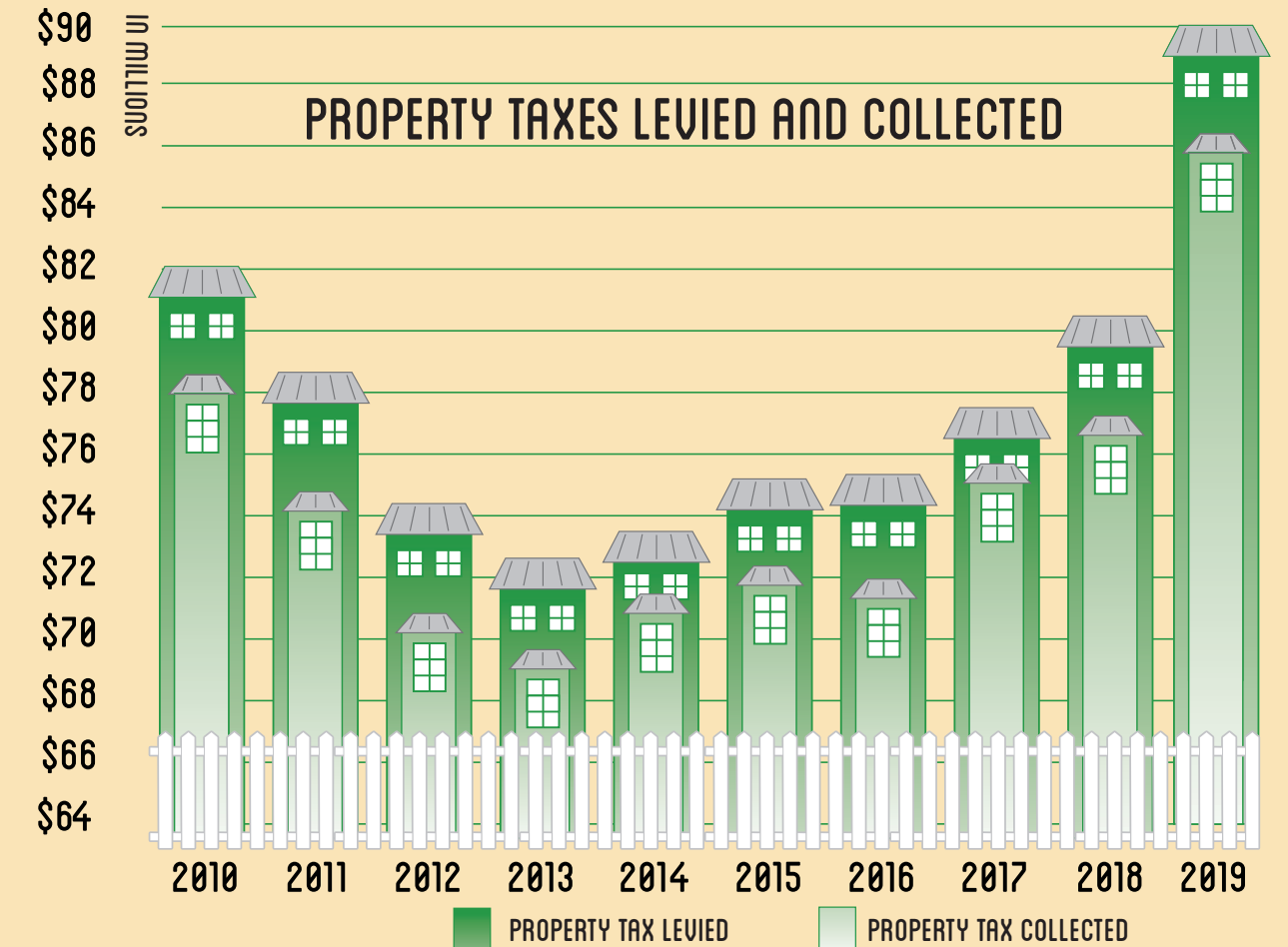
KEYS TO COUNTY REVENUE

The following provides more insight to the most critical sources of funds that support the County's primary government operations and capital projects.

PROPERTY TAX COLLECTIONS & LEVIES

Monroe County's primary source of revenue for supporting General Government operations is Ad Valorem Taxes, or Property Taxes. Property taxes are levied on both real and personal property. For FY 2019, property taxes constituted 23% of the total county's governmental funds revenue sources. Taxable values for all property are established on January 1, which is the date of the lien, for the fiscal year beginning on October 1.

Property tax revenues recognized for FY 2019 were levied in October 2018. All taxes are due and payable on November 1 or as soon as the assessments roll is certified and delivered to the Tax Collector. Discounts are given for early payment at the rate of 4% in November; 3% in December; 2% in January; and 1% in February. Taxes paid in March do not receive a discount. The amount of property taxes collected is always lower than the amount levied because of these discounts.



PRINCIPAL PROPERTY TAXPAYER Assessed Property Value in Millions.
Property Taxes Levied 90.8 million, Property Taxes Collected \$86.8 million.

- Ocean Reef Club—\$142
- FL Keys Electric Co-Op—\$125
- Passco Ocean DST—\$89
- Pebblebrook Hotel Trust—\$87
- Galleon Condo Assoc—\$85
- Casa Marina LLC—\$80
- Windward Pointe LLC—\$77
- Key Largo Hospitality—\$69
- SH5 Ltd—\$66
- KHP IV Key West—\$62

ONE CENT INFRASTRUCTURE SALES SURTAX

In 2012, Monroe County's voters elected, via referendum, to extend the levy of a one cent sales surtax until the year 2033. Generally, the proceeds from this surtax must be expended to finance, plan, and construct infrastructure or to acquire land for public recreation, conservation, or protection of natural resources. In addition, the County may use up to 10% of the surtax proceeds for any public purpose provided the County's debt service obligations are met; the County's comprehensive plan is in compliance with the Growth Management Act; and the County adopted an amendment to the ordinance levying the surtax.

As the graph illustrates, revenue collections for the One Cent Infrastructure Sales Tax has increased since 2009 with a slight dip in 2018, which was due to the impact of Hurricane Irma.

CAPITAL PROJECTS COMPLETED OR ONGOING IN FY 2019 FUNDED WITH INFRASTRUCTURE SALES TAX

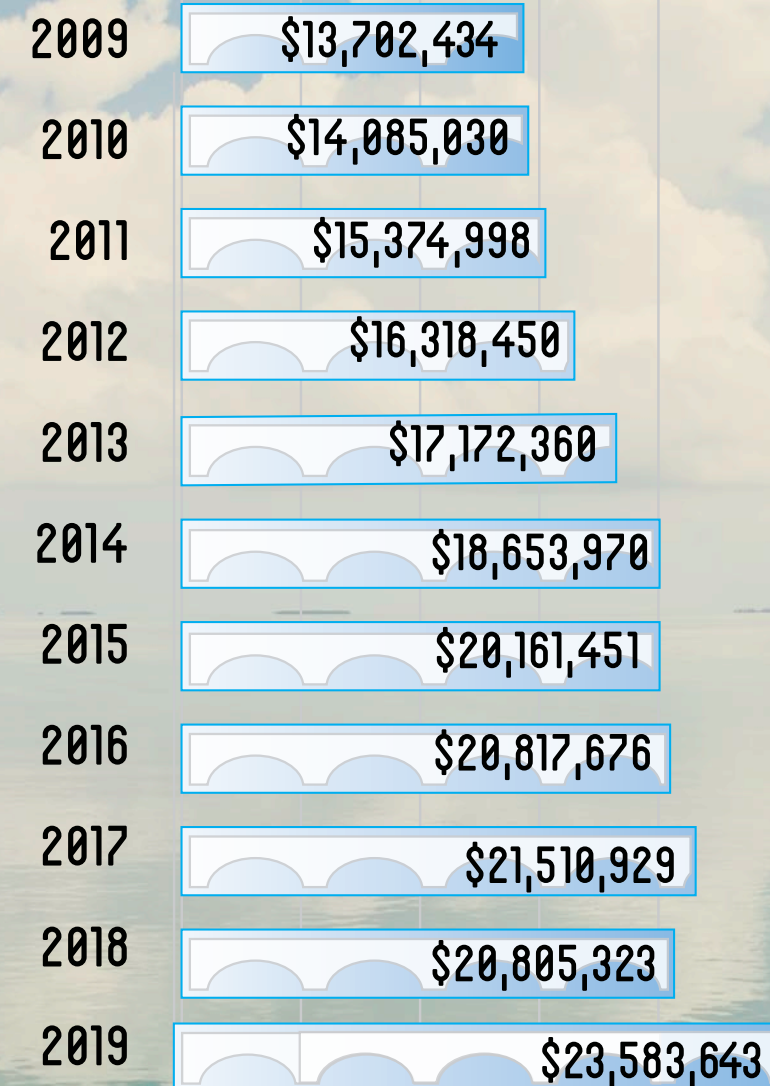
Completed:

- Bernstein Park (\$8.2 million)
- Sexton Cove Road & Drainage Project (\$1.4 million)
- Key West International Airport Customs (\$1.9 million)

On-Going:

- Plantation Key Judicial Courthouse & Detention Facility
- Harry Harris Park Improvements
- Marathon & Key West Libraries
- Cudjoe Fire Station

ONE CENT INFRASTRUCTURE SURTAX REVENUE



TOURIST DEVELOPMENT TAX

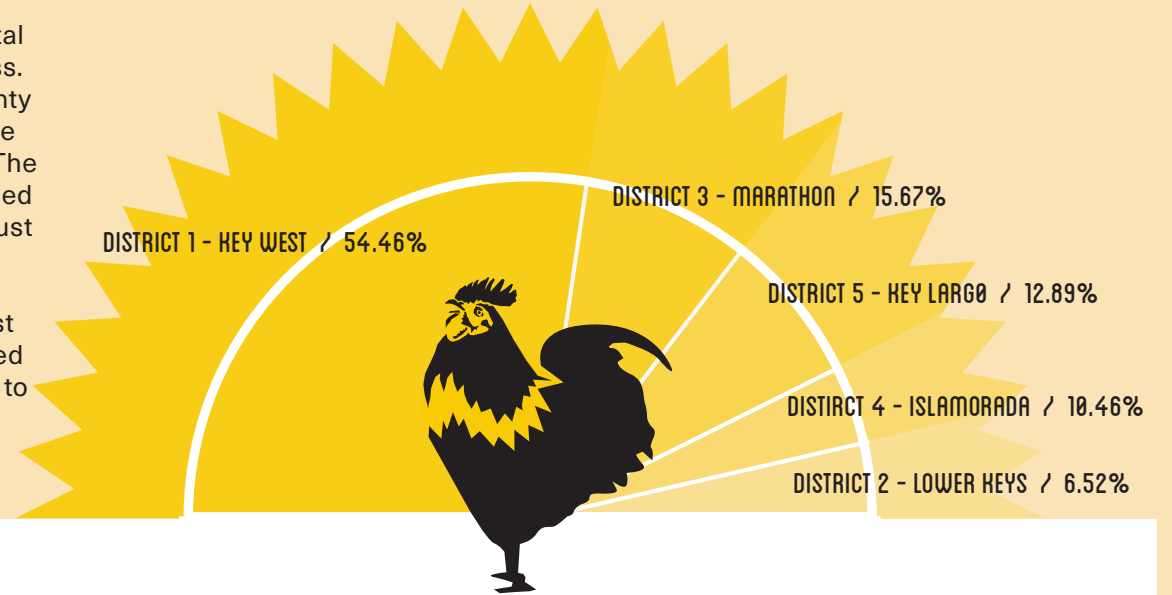
The Tourist Development Tax, or bed tax, is a 5% tax on total rental charges, leases, or lets for tourists for a term of six months or less. Since Monroe County is a critical area of state concern, the County is allowed by statute to split 1% of the bed tax evenly between the Monroe County Land Authority and the County's General Fund. The Land Authority uses its funding to purchase property as prescribed by ordinance while the monies deposited to the General Fund must be used for ad valorem tax containment.

The remaining 4% of the bed tax goes to Monroe County's Tourist Development Council (TDC) where these funds must be dedicated to promote tourism, to build convention and tourist bureaus, and to finance beach improvements.

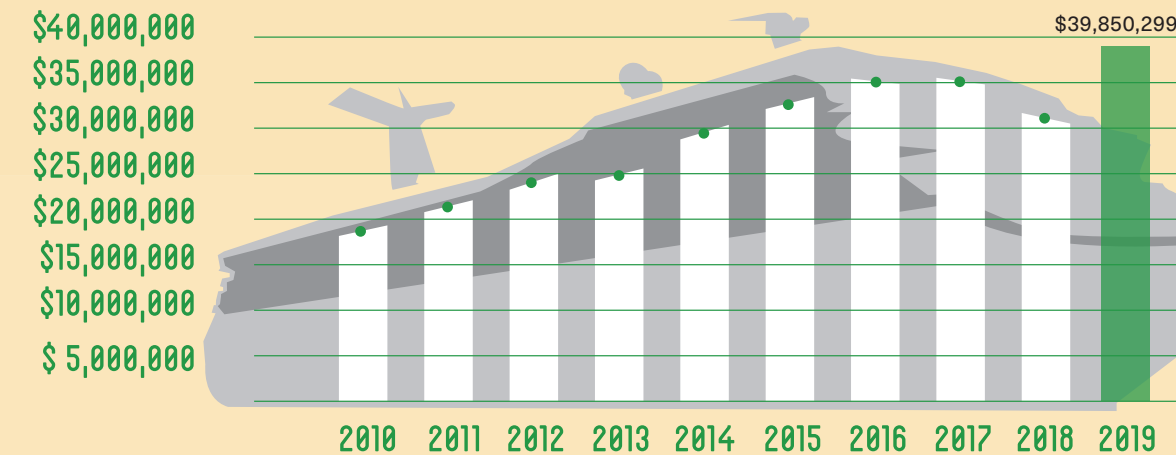
Tourist development taxes are collected by TDC's five districts:

- | | |
|-----------------------|-----------------------|
| District 1—Key West | District 4—Islamorada |
| District 2—Lower Keys | District 5—Key Largo |
| District 3—Marathon | |

PERCENTAGE OF BED TAX REVENUE BY DISTRICT



TOURIST DEVELOPMENT TAXES

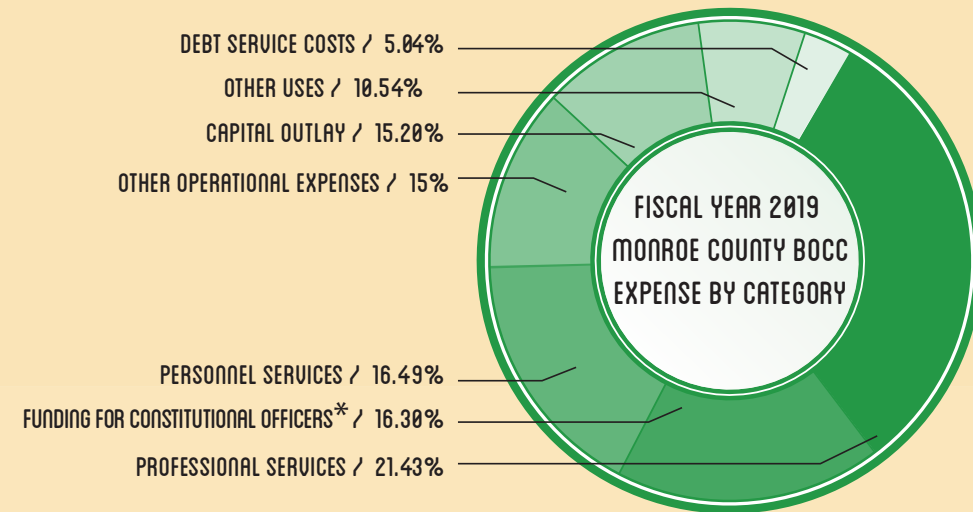


TYPES OF EXPENDITURES

Monroe County follows the uniform accounting system (UAS) as promulgated by the Florida Department of Financial Services. The purpose of the UAS is so all Florida counties account for revenues and expenditures in a functionally equivalent manner to facilitate comparison and analysis. In addition to being classified into functional groupings (e.g., general government, public safety, transportation, culture & recreation, etc.), the UAS further breaks down expenditures so they are categorized as:

- Personnel Services: salaries, wages, and related employee benefits.
- Professional Services: legal, medical, engineering, architectural, appraisal, technological, and other like professional services.
- Other Operating Expenditures: expenses incurred for operating county government such as postage, promotional activities, repairs and maintenance, insurance, office supplies, etc.
- Capital Outlay: purchase of land, buildings, equipment, infrastructure, construction-in-progress, and depreciation.
- Debt Service Costs: payment of principal, interest, and other costs related to debt service.
- Funding for Constitutional Officers: funding provided to the County's constitutional officers to fund their operations.
- Other Uses: intra-governmental transfers, reserves for contingencies, building and planning refunds.

BOCC ONLY EXPENDITURE BY CATEGORY	FY 2019	FY 2018	% CHANGE
PERSONNEL SERVICES	\$61,137,317	\$61,026,282	0.18%
PROFESSIONAL SERVICES	79,450,074	107,481,566	-26.08%
OTHER OPERATIONAL EXPENSES	55,619,607	50,890,433	9.29%
CAPITAL OUTLAY	56,353,550	31,228,217	80.46%
DEBT SERVICE COST	10,671,159	10,160,689	83.76%
FUNDING FOR CONSTITUTIONAL OFFICERS	60,415,471	52,416,197	15.26%
OTHER USES	39,073,737	41,989,338	-6.94%
TOTALS	\$370,720,915	\$355,192,723	4.37%



* Amounts are net of excess fees returned to the BOCC at fiscal year-end

INVESTMENT IN CAPITAL ASSETS

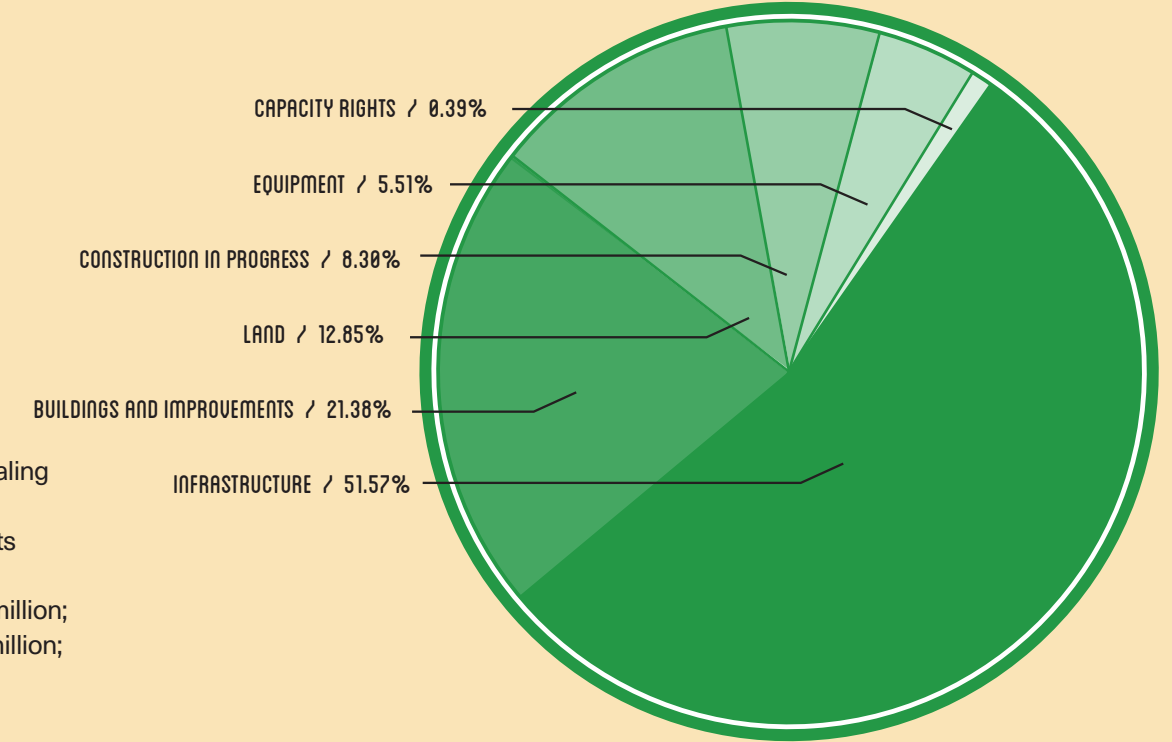
The County's investment in capital assets for its governmental and enterprise activities at the end of FY 2019 was \$680 million, net of accumulated depreciation. This investment of capital assets includes land, land improvements, infrastructure, machines, equipment, roads, bike paths, sidewalks as well as construction in progress.

The County's investment in capital assets increased almost 6.79% from the prior fiscal year due to:

- The capitalization of \$13.3 million for the County's wastewater collection systems that are now substantially completed;
- The completion of Stock Island's roadway and drainage project totaling \$4.5 million;
- The completion of various Key Largo roadway and drainage projects totaling \$4.5 million;
- The completion of the Harry Harris Park's boat ramp totaling \$1.5 million;
- The completion of the Key West Airport's apron project total \$9.5 million;
- The completion of the Key West Airport's drainage project totaling \$2.5 million; and
- The completion of the Solid Waste's transfer stations project totaling over \$1 million.

CAPITAL ASSETS (NET OF DEPRECIATION)	FY 2019	FY 2018
BUILDINGS AND IMPROVEMENTS	\$145,459,460	\$142,097,671
LAND	87,396,422	82,946,267
INFRASTRUCTURE	350,789,452	324,606,704
CONSTRUCTION IN PROGRESS	56,469,109	49,636,751
EQUIPMENT	37,449,271	35,022,623
CAPACITY RIGHTS	2,672,730	2,704,548
TOTAL CAPITAL ASSETS	\$680,236,444	\$637,014,564

INVESTMENT IN CAPITAL ASSETS



FUND TYPES AND BALANCES

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is unique to the public sector (i.e. state and local governments, etc.) and requires separate self-balancing accounting entries to track each fund's revenues and expenditures.

Funds are used to account for resources that are typically restricted in use by laws or local ordinances to ensure that the funds are used for their intended purposes. Funds are created for various reasons and are further separated into fund types which dictate the accounting rules that apply. Expenditures for each fund are authorized through the County's budget process.

In FY 2019, the CAFR, which incorporates the financial reporting of the BOCC and all five Constitutional Officers, included an accounting for 71 funds, 57 of which are funds specific to the BOCC's operations.

Any surplus revenue in excess of expenditures at the end of the fiscal year is classified as a Fund Balance within that particular fund. Fund Balance from any fund may be re-appropriated for future use through the budget process, but the ongoing restrictions on that particular fund continues to apply to the re-appropriated monies.

To maintain financial stability, the County requires sufficient fund balances be maintained to fund the County's cash flows, to provide reserves for unanticipated expenditures and/or revenue shortfalls, to provide funds for the disparity in timing between collection and distribution of revenue, and to secure and maintain investment grade bond ratings.

FUND TYPES

General Fund: Primary operating fund that pays for general government operations that are not required to be accounted for in a separate fund.

Special Revenue Funds: Accounts for proceeds of specific revenue sources that are legally restricted or have been restricted for specific purposes (e.g., tourist development taxes, grants, impact taxes, etc.).

Debt Service Fund: Cash reserves transferred to fund the County's annual debt service (e.g., principal and interest payments).

Capital Projects Funds: Accounts for financial resources used for construction and/or acquisition of major capital facilities or infrastructure (e.g., major road improvements, public safety and parks improvements, land acquisition, etc.).

Enterprise Funds: The County's business-type activities/operations (airports, Card Sound toll bridge, solid waste collection) that are self-sustaining whereby expenses are recovered through fees charged to users.

Internal Service Funds: Accounts for the financing of workers' compensation insurance, health insurance, general liability insurance, and fleet maintenance services provided by one County department to another or to other governmental units on a cost reimbursement basis.

REVIEW OF GENERAL FUND BALANCE

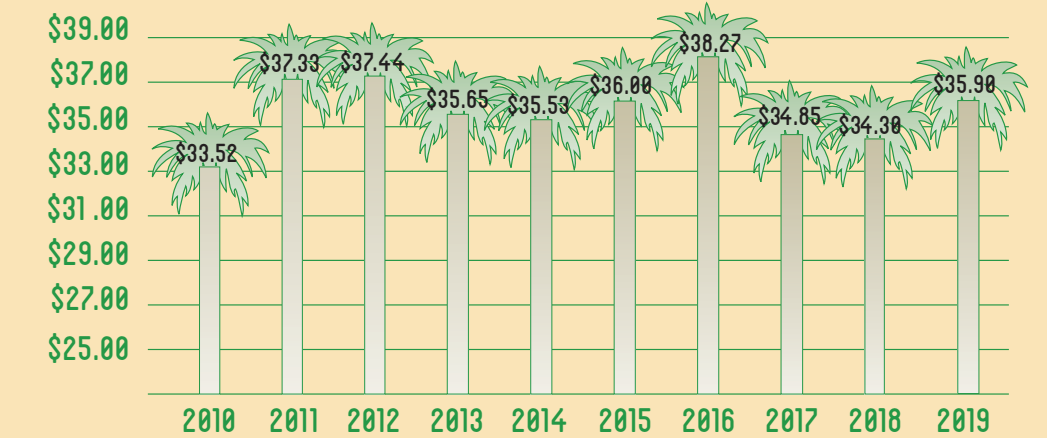
The General Fund is the chief operating fund of the County. The ending fund balance as of September 30, 2019 was \$35.9 million.

In 2011, the BOCC implemented the Governmental Accounting Standard Board (GASB) Statement 54. The objective of Statement 54 is to provide clearer fund balance classifications that are more consistently applied. In addition, Statement 54 clarified the existing governmental fund type definitions.

The five fund balance classifications:

- **Nonspendable:** Amounts that cannot be spent because they are not in spendable form (i.e., inventory, prepaid items, and advances made to other funds).
- **Restricted:** Use of the resources is based on constraints imposed by external parties such as creditors, guarantors contributors, or laws and regulations.
- **Committed:** Amounts that only can be used for a specific purpose by approval of a County ordinance (e.g., setting aside a portion of fund balance in the event of a critical incident).
- **Assigned:** Amounts that the BOCC has designated for specific purposes (e.g., encumbered funds brought forward to the new year, fund balance appropriated in the new year, etc.).
- **Unassigned:** The residual classification of the General Fund and includes all spendable amounts not contained in the other classifications.

GENERAL FUND BALANCE TREND AS OF SEPTEMBER 30 (IN MILLIONS)



FUND BALANCE COMPARISON	FY 2019	FY 2018	FY 2017	FY 2016
NONSPENDABLE	\$ 116,368	\$ 1,212,963	\$ 28,175	\$ 3,728
COMMITTED	10,000,000	10,000,000	5,111,583	10,000,000
ASSIGNED	9,722,793	10,041,907	14,226,382	12,779,394
UNASSIGNED	16,063,448	12,248,363	15,479,357	15,490,123
FUND BALANCE	\$ 35,902,609	\$ 34,303,233	\$ 34,845,497	\$ 38,273,245

The BOCC has defined Unrestricted General Fund balance as the amount of fund balance that the BOCC has placed constraints on its use (committed or assigned fund balance) plus the fund balance that does not have any specific purpose identified (unassigned fund balance).

Monroe County's policy for the General Fund Balance is to achieve and maintain an Unassigned General Fund balance equal to between four to six months of budgeted expenditures. The BOCC considers a balance of less than four months to be a cause for concern, barring unusual or deliberate circumstances, and a balance of more than six months as excessive.

GENERAL FUND OPERATING BUDGET

This statement shows the original and the final amended budget for the General Fund for FY 2019.

The General Fund's primary revenue source is taxes (property and sales taxes) while the intergovernmental revenue represents the amounts received from state shared revenue programs.

Almost 33% of FY 2019 General Fund expenditures were spent on General Government operations. The majority of these expenditures are funding for the operations of the County's Constitutional Officers and the County Administrator's Office. Over 49% of expenditures were spent on Public Safety for supporting the operations of the County's law enforcement and fire and rescue operations as well as emergency management.

The net change in the General Fund's balance in FY2019 increased by \$1.9 million.

REVENUES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
TAXES	\$ 25,056,207	\$ 25,056,207	\$ 24,738,700	\$ (317,527)
INTERGOVERNMENTAL REVENUE	14,893,998	14,893,998	15,740,724	846,726
CHARGES FOR SERVICES	4,021,989	4,021,989	4,406,536	384,547
FINES & FORFEITURES	8,000	8,000	19,450	11,450
INVESTMENT INCOME	131,100	131,100	1,228,939	1,097,839
MISCELLANEOUS	637,100	710,860	933,544	222,684
TOTAL REVENUES	\$ 44,748,474	\$ 44,822,234	\$ 47,067,953	\$ 2,245,719
EXPENDITURES				
GENERAL GOVERNMENT	\$ 33,899,740	\$ 35,528,419	\$ 30,066,130	\$ 5,462,289
PUBLIC SAFETY	50,148,249	51,006,163	50,807,071	199,092
PHYSICAL ENVIRONMENT	929,822	929,822	516,070	413,752
TRANSPORTATION	259,586	259,586	112,901	146,685
ECONOMIC ENVIRONMENT	815,245	835,244	733,196	102,048
HUMAN SERVICES	8,708,373	8,879,015	8,392,222	486,793
CULTURE & RECREATION	3,704,301	3,967,846	3,503,185	464,661
COURT-RELATED	4,964,723	4,964,723	4,300,341	504,382
TOTAL EXPENDITURES	\$ 103,510,039	\$ 106,370,018	\$ 98,511,196	\$ 7,859,622
EXCESS OF REVENUES OVER EXPENDITURES	\$ (58,761,565)	\$ (61,548,504)	\$ (51,443,243)	\$ 10,105,341
OTHER FINANCING SOURCES (USES)				
RESERVE FOR CONTINGENCIES	\$ (806,496)	\$ (25,959)	\$ -	\$ 25,959
RESERVE FOR CASH BALANCE	(5,000,077)	(5,000,077)	-	5,000,077
TRANSFERS IN	57,053,923	60,125,903	58,005,408	(1,320,415)
TRANSFERS OUT	(2,946,890)	(4,012,388)	(5,762,069)	(1,750,481)
TOTAL OTHER FINANCING SOURCES (USES)	48,299,660	51,088,679	53,042,619	1,955,940
NET CHANGE IN FUND BALANCE	(10,461,905)	(10,461,905)	1,599,376	12,061,201
FUND BALANCE AT END OF YEAR	10,461,905	10,461,905	34,303,233	23,841,328
FUND BALANCE AT BEGINNING OF YEAR	\$ -	\$ -	\$ 35,902,609	\$ 35,902,609

INVESTMENTS

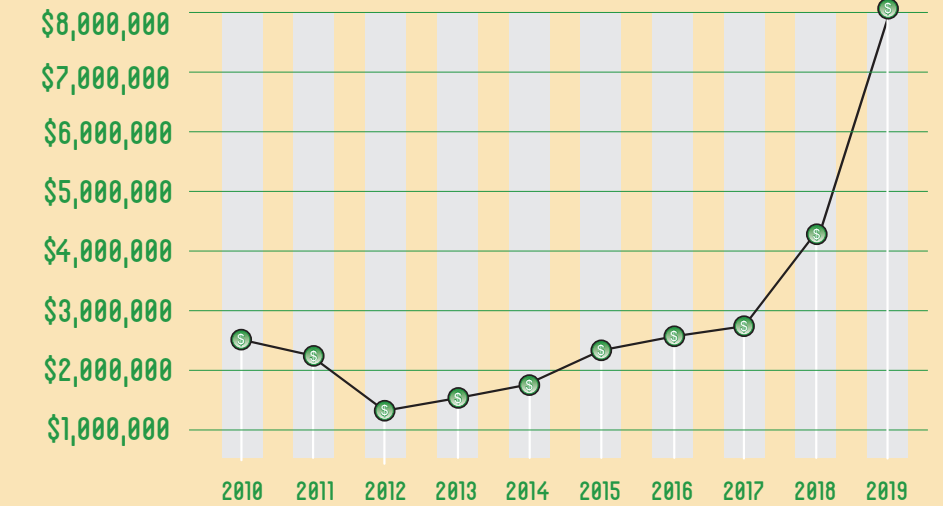
The Clerk manages the County's investment portfolio with the primary objectives of safeguarding principal, ensuring liquidity to meet daily cash needs, and maximizing investment earnings within statutory and fiduciary constraints. The investment types are either allowed by s.218.45, F.S., the County's adopted investment policy, or various bond covenants.

In accordance with Monroe County's Investment Policy (BOCC Resolution 032-2019), all cash and investments held or controlled by the Clerk on behalf of the County (with the exception of pension funds or funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds) are consolidated into a pool in order to maximize investment earnings. Cash and investments totaled \$301.6 million as of September 30, 2019. Cash reported on the financial statements include bank deposits and all other highly liquid investments with maturities of ninety days or less when purchased. Total cash was \$78.1 million. Investments consist of U.S. Treasury Securities, U.S. Treasury Bills, municipal bonds, federal agency bonds and notes, and investments in various local government investment pools.

CASH & INVESTMENTS	FAIR VALUE AT 9/30/19	PERCENT OF PORTFOLIO
DEMAND TIME DEPOSITS	\$ 78,275,074	25.95%
FLORIDA CLASS INVESTMENT	30,426,640	10.09%
FLORIDA PALM	32,357,122	10.73%
ASSET-BACKED SECURITIES	10,262,922	6.06%
MUNICIPAL BONDS	4,750,607	1.50%
CORPORATE NOTES	7,009,555	2.32%
FEDERAL AGENCY BOND/NOTE	16,961,839	5.63%
FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION	6,894,200	2.29%
FEDERAL AGENCY MORTGAGE-BACKED SECURITY	12,919,220	4.28%
U.S. TREASURY	93,701,340	31.07%
TOTAL FY 2019 CASH & INVESTMENTS	\$ 301,566,607	100%

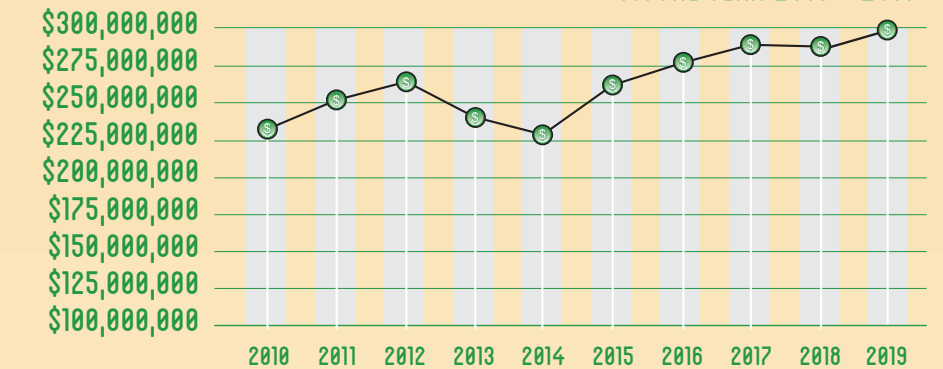
INVESTMENT EARNINGS

FISCAL YEAR 2010 - 2019



CASH AND INVESTMENT BALANCES

FISCAL YEAR 2010 - 2019



KEYS TO FINANCING A NATURAL DISASTER

Natural disasters are a fact of life. By their nature and scope, a natural disaster can easily overwhelm the ability of a community to cope and recover, both from a manpower perspective and from a financial perspective.

For these reasons, the Federal Government has established the Federal Emergency Management Agency (FEMA). One aspect of FEMA's mission is to provide Public Assistance, or financial aid, in helping communities pay for and recover from natural disasters. The cost of natural disasters is borne by a combination of Federal, State, and local governments.

Broadly speaking, FEMA will pay between 75% and 100% of certain disaster costs. State and local governments generally split the remainder equally.

The impacts on County finances by Hurricane Irma provide a current and relevant illustration of FEMA's Public Assistance Program and how the local governments pay for disasters.

Hurricane Irma was a Category 4 storm that caused county-wide catastrophic damage. The storm resulted in substantial expenditures on protective and security measures, debris clean-up, and repairs to county buildings and facilities. Since the storm's impact in September 2017, Monroe County has spent \$82.3 million as of September, 2019 to recover from Hurricane Irma. To put that figure in perspective, the BOCC's annual operating expenditures in the General Fund average approximately \$46 million.

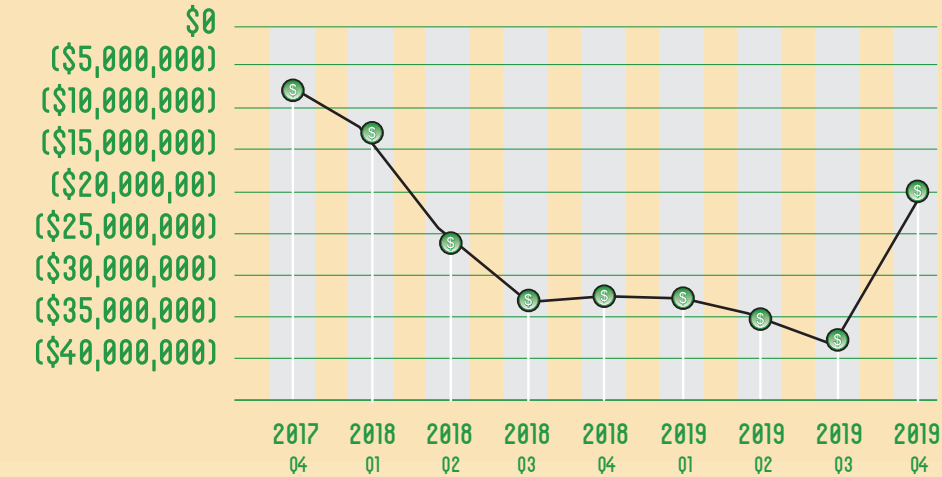
FEMA's Public Assistance Program operates on a reimbursement basis. To complicate matters, reimbursements can, at times, occur a year or more after expenditures are made.

One way the County financially prepares for disasters is to annually set aside \$10 million in its General Fund budget as an emergency reserve. This amount is not intended to be adequate for all disasters but only to provide initial liquidity while the scope of the disaster is determined.

In the days and weeks following Hurricane Irma's landfall, Clerk and County staff worked to determine the amount of financial resources needed to cover the costs of disaster response while waiting for the eventual FEMA reimbursement. A \$40 million line of credit was secured to temporarily fund these costs. Without this liquidity measure, property taxes would have been significantly impacted while the FEMA reimbursement process took place.

The following graph demonstrates the line of credit usage as cash expenditures occurred before reimbursements.

**HURRICANE IRMA CASH OUTLAYS
NET OF PUBLIC ASSISTANCE RECEIPTS**



The County pledged to repay the line-of-credit as FEMA reimbursements are received. As of March 2020, the County has repaid \$28.2 million of the \$40 million line-of-credit. It is expected the remaining \$11.8 million will be repaid by the end of Fiscal Year 2020.

The local share of the storm is funded by a combination of reserves and local property taxes. The table to the left breaks out these costs by year.

WHO PAYS? HURRICANE IRMA EXPENDITURES INCURRED THROUGH SEPTEMBER 30, 2019

FISCAL YEAR	2019	2018	2017	TOTALS
FEDERAL & STATE SHARE	\$ 32,846,134	\$ 25,666,601	\$ 7,542,048	\$ 66,054,783
LOCAL PROPERTY TAXES*	3,917,714	6,855,626	0	10,773,340
STATE WATER QUALITY GRANT REDIRECTED TO LOCAL SHARE	0	5,500,000	0	5,500,000
TOTALS	\$ 36,763,848	\$ 38,022,227	\$ 7,542,048	\$ 82,328,123

*This figure is an estimate only of the local share as of September 30, 2019. Subsequent to that date, FEMA revised the local share percentage so the County's actual share will likely be substantially lower. The above represents the local share under normal circumstances.



DEBT

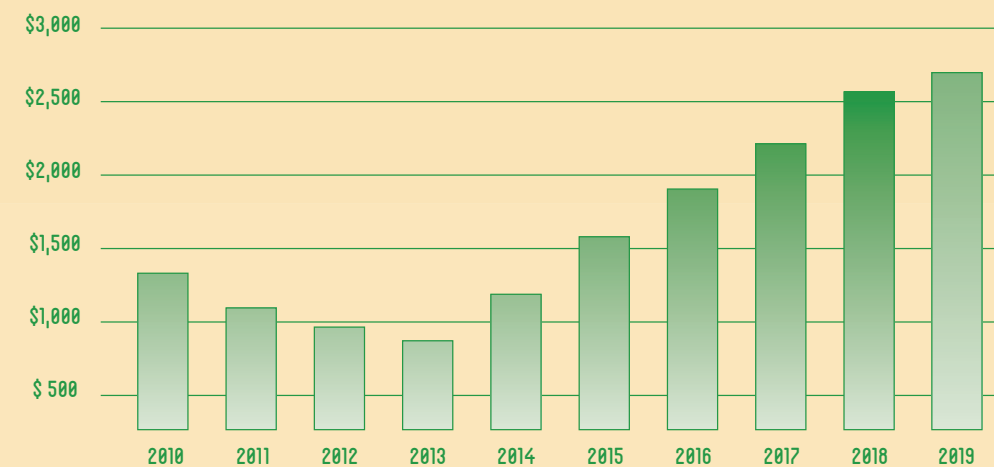
Monroe County borrows money or issues bonds to fund projects or purchases. The bonds are sold or “issued” allowing the County to spread repayment over a long period of time, sharing the cost with current and future taxpayers.

The County has earned a healthy bond rating allowing it to borrow money at lower interest rates, ultimately saving the taxpayers money. At the end of FY2019, the County had \$202 million in outstanding long-term debt. This debt is mainly comprised of revenue bonds and notes secured by pledges of revenues. The County has no general obligation debt.

The County’s largest debt relates to the building of the Cudjoe Regional Wastewater System. As of September 30, 2019, the County must repay \$136 million to the State under its Clean Water State Revolving Fund Program. The County began repayment of this loan in December 2019.

REVENUE BONDS	FY 2019	FY 2018
INFRASTRUCTURE SALES SURTAX REVENUE BONDS SERIES 2014	\$ 19,970,000	\$ 23,695,000
INFRASTRUCTURE SALES SURTAX REVENUE BONDS SERIES 2016	15,015,000	15,865,000
TOTAL REVENUE BONDS	34,985,000	39,560,000
REVENUE NOTES		
CLEAN WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT 2010	6,195,533	6,699,310
CLEAN WATER STATE REVOLVING FUND CONSTRUCTION LOAN AGREEMENT 2014	134,093,589	130,858,646
TAX EXEMPT MASTER REVENUE NOTE, SERIES 2019 (HURRICANE IRMA RECOVERY)	13,724,481	40,000,000
TOTAL REVENUE NOTES	154,013,603	177,557,956
MAYFIELD AGREEMENT - KEY LARGO WASTEWATER TREATMENT DISTRICT	13,125,000	15,250,000
TOTAL LONG TERM BORROWED DEBT	\$ 202,123,603	\$ 232,367,956

DEBT PER CAPITA
FISCAL YEAR 2010 - 2019



FREQUENTLY ASKED QUESTIONS

• ***Where can I find the County’s financial reports?***

As the Chief Financial Officer for Monroe County, the Clerk & Comptroller oversees the preparation and presentation of financial statements in accordance with guidelines established by the Government Accounting Standards Board, and other authoritative bodies. Audited annual financial reports may be viewed online at <https://minutes.monroe-clerk.com/WebLink/Browse.aspx?id=240568&dbid=0&repo=Monroe-County-Clerk-of-the-Court>.

• ***What is the difference between the BOCC’s audited financial statements and the County’s Comprehensive Annual Financial Report (CAFR)?***

Annually the Clerk prepares both BOCC financial statements and the County’s CAFR. The audited BOCC financial statements report on the fiscal year financial activity of the BOCC and the County Administrator, the BOCC’s principal executive officer. Conversely, the CAFR is a county-wide annual financial report that combines the financial statements of the BOCC with its blended component unit (Monroe County Industrial Development Authority), the County’s five constitutional officers (Clerk, Tax Collector, Sheriff, Property Appraiser, and the Supervisor of Elections), along with providing a discrete presentation of the financial activity of the Monroe County Land Authority.

• ***How does the County ensure that expenditures stay within budget?***

Throughout the fiscal year the County Administrator acts on intradepartmental budget changes that do not alter the total revenue or expenditures budgeted to a cost center. A cost center represents a particular area of BOCC operations or a department. All other budget changes (whether they are transfers between cost centers or alterations of total revenues and expenditures in a fund) are approved by the BOCC. Budgeted-to-actual expenditure reports are used by the County’s Office of Management & Budget (OMB) as a tool to monitor expenditure activity throughout the fiscal year.

• ***How does the County adjust if revenues do not meet projections?***

Like expenditures, OMB is responsible for monitoring revenue activity throughout the fiscal year to ensure that revenue projections are being met.

OMB will submit to the BOCC any needed revenue budget revisions throughout the fiscal year for their approval. The Clerk’s Office makes every effort to timely record revenue in the BOCC’s accounting records so OMB is able to assess revenue projections on a timely basis.

• ***What is debt administration?***

From time to time, Monroe County borrows money to pay for the construction, replacement, expansion or acquisition of a capital asset. This allows the County to repay the debt over the life of the assets and its use. A majority of the County’s debt is in the form of bonds issued or low-interest loans from the State of Florida (State Revolving Fund). However the County may also take on a line of credit or a term loan for debt expected to be paid down during a shorter time frame. The Clerk actively participates in the issuance and monitoring of the County’s debt.

• ***Why does the Clerk, as the County Comptroller, invest the Monroe County’s surplus funds?***

As custodian of County funds, the Clerk invests surplus public funds to produce the best possible returns with the safety of principal as a top priority. The Clerk ensures that tax dollars are protected and investment earnings can ultimately be used to reduce the burden on taxpayers. A professional investment adviser advises the Clerk in the management of the County’s portfolio within the BOCC approval investment policy.

• ***How does the Clerk’s Office ensure there is sufficient cash in the event of an emergency?***

It is the BOCC’s responsibility to respond to an emergency or disaster and, therefore, has committed \$10 million in the General Fund’s fund balance as disaster reserve funds to ensure adequate cash flow is available in post disaster situations. The Clerk works closely with the County Administrator and his staff to ensure sufficient cash is available to allow the County to move forward expediently on its recovery efforts without creating a financial emergency within the County.

KEY TO TERMS

Assets: What is owned by the County. Includes such items as cash and investments, receivables, internal balances, inventories, prepaid items, and deferred charges.

Capital Assets: Includes such items as county land, construction in progress, equipment, infrastructure, and buildings and improvements net of depreciation.

Capital Grants/Contributions: State, federal, other government and private contributions to fund capital projects.

Debt Per Capita: A measure of how much debt a government has per citizen.

Deferred Inflows of Resources: Represents an acquisition of net position that applies to future period(s) and will not be recognized as a revenue until then.

Deferred Outflows of Resources: Represents a consumption of net position that applies to future period(s) and will not be recognized as an expense until then.

Fund Balance: The difference between a fund's assets, deferred outflows of resources, liabilities, and deferred inflows of resources reported in the balance sheet of a governmental fund.

General Revenues: All of the revenues that are not required to be reported as program revenues in the government-wide financial statement of activities. General revenues include property taxes, sales and use taxes, state-shared revenues, as well as other county-levied taxes, investment income, rent, and the sale of surplus property.

Government-Wide Reporting: Provides an aggregate view of the County's financial activities by consolidating both the governmental and enterprise activities using the accrual basis of accounting.

Liabilities: Debts and obligations of the County.

Long-Term Liabilities: Includes such items as bonds, notes, compensated absences, and other County obligations.

Modified Accrual Basis of Accounting: The method of accounting used in governmental funds where revenues are not recognized until they are both measurable and available. Expenditures are recognized in the period when the liability is liquidated rather than incurred.

Net Investment in Capital Assets: Represents amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.

Net Position: Net worth of the County calculated as the difference between total assets plus deferred outflows of resources, less total liabilities and deferred inflows of resources.

Operating Grants/Contributions: State, federal, other government and private contributions to fund specific programs.

Primary Government: Includes all of the governmental and enterprise activities belonging to the County but excludes fiduciary funds.

Program Revenues: Term used in the statement of activities, which includes charges for services, operating grants, and capital grants.

Restricted: Funds set aside for a specific purpose due to legal or external requirements.

Statement of Activities: Reports both governmental and enterprise activities using the accrual basis of accounting from program revenues and general revenues.

Unrestricted: Funds available for the County to use for general operations.

KEY COUNTY CONTACTS

COUNTY ELECTED OFFICIALS:

Clerk of the Circuit Court & Comptroller

Honorable Kevin Madok, CPA
www.clerk-of-the-court.com
Monroe County Courthouse
500 Whitehead Street • Key West, FL 33040
305.292.3550

Property Appraiser

Honorable Scott P. Russell, CFA
www.qpublic.net/Monroe/index.html
500 Whitehead Street • Key West, FL 33040
305.292.3420

Tax Collector

Honorable Danise D. Henriquez
www.monroetaxcollector.com
1200 Truman Avenue, Suite 101 • Key West, FL 33040
305.295.5000

Supervisor of Elections

Honorable R. Joyce Griffin
www.keys-elections.org
530 Whitehead Street • Key West, FL 33040
305.292.3416

Sheriff

Sheriff Rick Ramsay
www.keysso.net
5525 College Road • Key West, FL 33040
305.292.7116

BOARD OF COUNTY COMMISSIONERS: (AS OF SEPTEMBER 30, 2019)

Honorable Danny Kolhage, *District 1*
530 Whitehead Street • Key West, FL 33040
305.292.3440

Honorable Michelle Coldiron, *District 2*
25 Ships Way • Big Pine Key, FL 33043
305.292.4512

Honorable Heather Carruthers, *District 3*
500 Whitehead Street • Key West, FL 33040
305.292.3430

Honorable David Rice, *District 4*
9400 Overseas Highway, Suite 210 • Marathon, FL 33050
305.289.6000

Honorable Sylvia Murphy, *District 5*
102050 Overseas Highway • Key Largo, FL 33037
305.453.8787

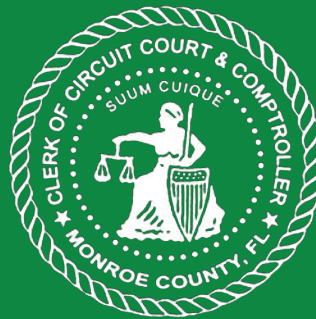
MONROE COUNTY'S STATE ELECTED OFFICIALS:

State Attorney

Honorable Dennis Ward
www.keyssao.org
530 Whitehead Street, Suite 301 • Key West, FL 33040
305.294.7707

Public Defender

Honorable Robert Lockwood
www.robertlockwood.org
1111 12th Street • Key West, FL 33040
305.295.3100



KEY WEST

500 Whitehead Street
Key West, FL 33040
305.294.4641

MARATHON

3117 Overseas Highway
Marayhon, Florida 33050
305-296-6027

PLANTATION KEY

88820 Overseas Highway
Plantation Key, Florida 33070
305-852-7145

PK/ROTH BUILDING

50 High Point Road
Plantation Key, Florida 33070
305-852-7145