

THE KEYS TO YOUR COUNTY FINANCES

MONROE COUNTY, FLORIDA
CITIZEN'S FINANCIAL GUIDE



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 northwest, and defining one edge of Florida Bay.

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MESSAGE FROM CLERK MADOK

Dear Residents of Monroe County:

I am pleased to present to you the third annual The Keys To Your County Finances: The Citizen's Financial Guide for the fiscal year ending September 30, 2021.

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 in a format that is easy to understand and is transparent.

In addition to summarizing the information presented in the County's Annual Comprehensive Financial Report (ACFR),

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 ACFR 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.

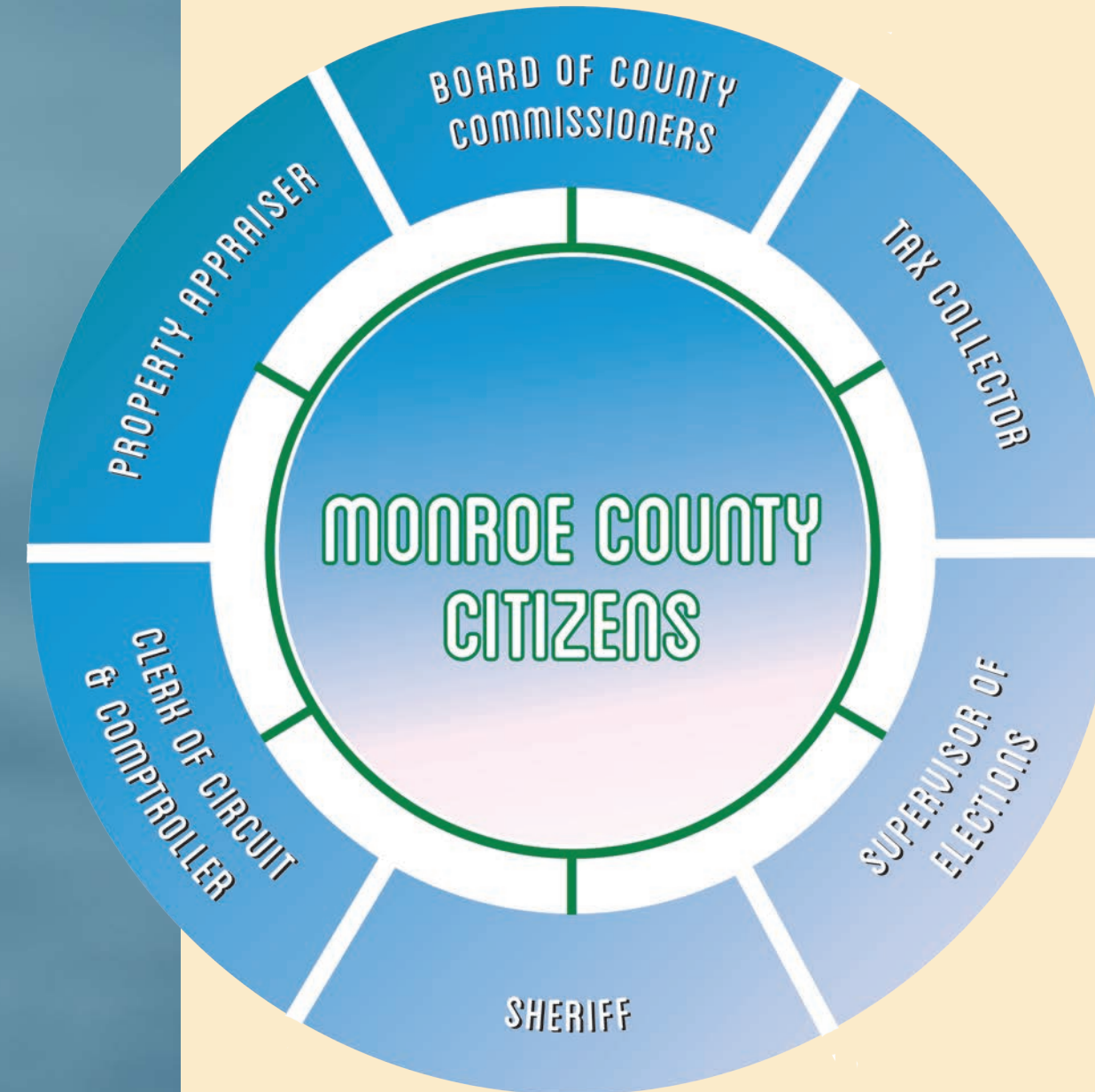
This Guide, which is also known as The Citizen's Financial Guide to County Finances, is an essential tool to help you understand how public money is being managed and spent.

Most of the information found in the Guide is drawn from Monroe County's 2021 Annual Comprehensive Financial Report (ACFR) prepared by the Clerk's Office.

The ACFR, 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 ACFR, 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 ACFR 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, 2021



CRAIG CATES
District 1
305-292-3440



MICHELLE COLDIRON
District 2
305-292-4512



JIM SCHOLL*
District 3
305-292-3430



DAVID RICE
District 4
305-289-6000



HOLLY RASCHEIN
District 5
305-453-8787



SAM STEELE
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
keyss.net
305-289-2351
(non-emergency)



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

* Appointed as District 3 Commissioner on April 29, 2022.

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
- Audits 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 2021¹

1. Ocean Reef Club.....\$149,794,463
2. Florida Keys Electric Co-op.....\$120,127,882
3. Passco Ocean DST.....\$ 86,903,302
4. Casa Marina A Waldorf Astoria.....\$ 85,688,742
5. Galleon Condominium Association.....\$ 81,149,432

¹Source: Monroe County Property Appraiser

• Monroe County's Top Private Employers In 2021²

1. Ocean Reef Club - 850
2. Publix Stores - 730
3. Ocean Properties - 550
4. Lower Keys Medical Center - 500
5. Spottswood Properties - 360

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

• Monroe County's 2021 Unemployment Rate³

- Monroe County Unemployment Rate - 2.5%
- State of Florida Unemployment Rate - 3.9%
- U.S. Unemployment Rate - 4.7%

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

• **County Estimated 2021 Population:** 82,874. Monroe County is Florida's 38th most populous county with 3.8% of Florida's population.

• **Per Capita Personal Income:** \$106,583

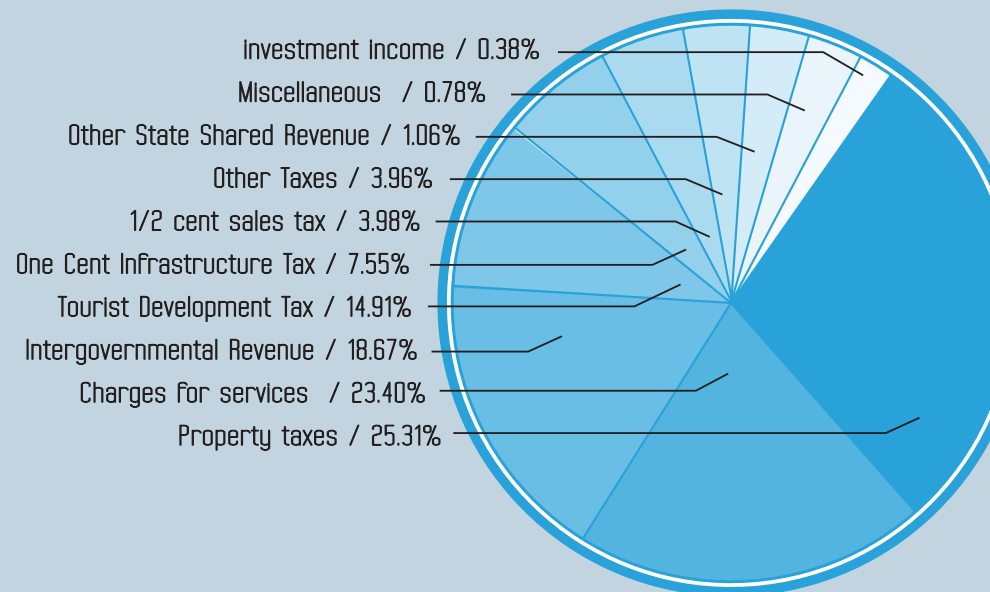
• **School Enrollment:** 9,125

• **Monroe County Housing:** Of the 53,892 total housing units, 31,850 or 59.1% are owner-occupied. The median monthly housing cost with a mortgage is \$2,721.

Sources: Monroe County, Florida Demographics and Housing 2020 Decennial Census | rgj.com
 Monroe County, Florida detailed profile - houses, real estate, cost of living, wages, work, agriculture, ancestries, and more (city-data.com)

WHERE THE MONEY COMES FROM

Sources of revenue	FY 2021	FY 2020	Increase (Decrease)	Percentage Change
Property Taxes	\$ 96,010,623	\$ 89,441,895	\$ 6,568,728	7.34%
Charges for Services	88,738,252	77,082,221	11,656,031	15.12%
Intergovernmental Revenue	70,808,675	69,806,735	1,001,940	1.44%
Tourist Development Tax	56,526,152	32,095,701	24,430,451	76.12%
One Cent Infrastructure Tax	28,613,899	19,863,169	8,750,730	44.06%
1/2 Cent Sales Tax	15,081,839	10,098,395	4,983,444	49.35%
Miscellaneous	2,966,905	7,501,506	(4,686,516)	-61.23%
Gasoline Tax	6,713,716	5,801,456	912,260	15.72%
Other State Shared Revenue	4,019,753	3,469,952	549,801	15.84%
Tourist Impact Tax	7,065,769	4,011,963	3,053,806	76.12%
Investment Income	1,441,301	6,002,298	(4,409,082)	-75.36%
Other Taxes	1,252,142	1,010,381	241,761	23.93%
Total Revenues	\$ 379,239,026	\$ 326,185,672	\$ 53,053,354	16.26%



Funding for County government and services comes from a variety of sources. The largest source of revenue in Fiscal Year (FY) 2021 is from property taxes. While this tax revenue increased, most other taxes also increased from FY 2020 as the County recovered from the effects of the COVID-19 pandemic. A large source of grant funding for Monroe County in both years was financial assistance received from the federal government to combat the economic impact of the pandemic.

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 \$480.2 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 \$28.6 million from this taxing source, a 49% increase from the previous year, attributed to the County's recovery from the COVID-19 pandemic as the tourism industry returned in FY 2021.

In FY 2021, revenue from the Tourist Development Tax and the Tourist Impact Tax also increased as the County recovered from the effects of the pandemic. In FY 2020, tourism was negatively impacted by the closing of US Highway 1 for over two months, and many hotels placed restrictions on room rentals as a response to the pandemic.

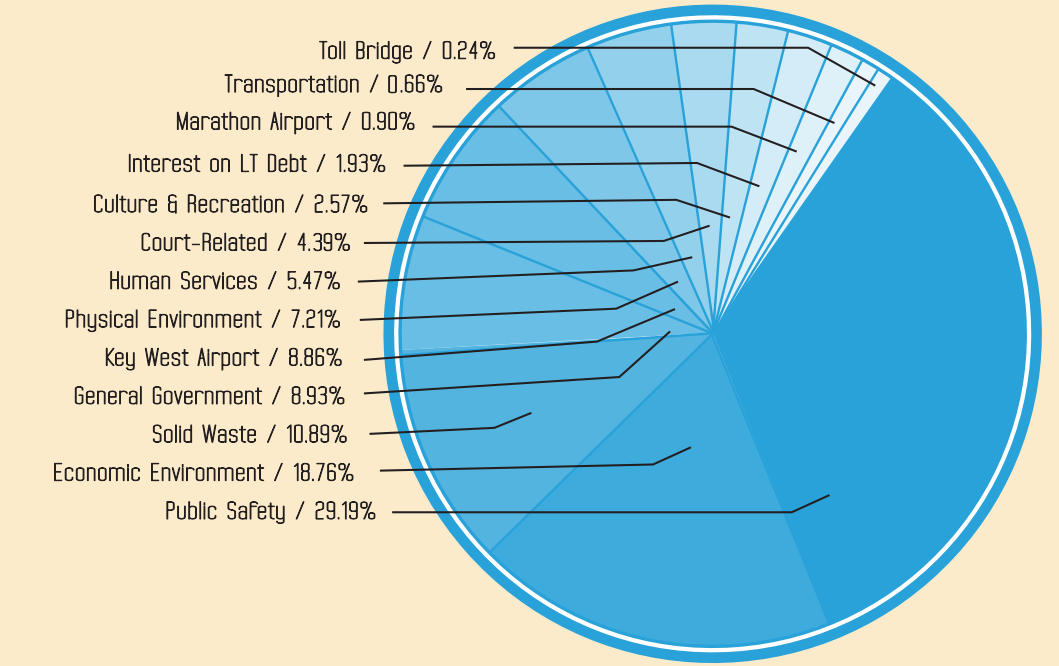
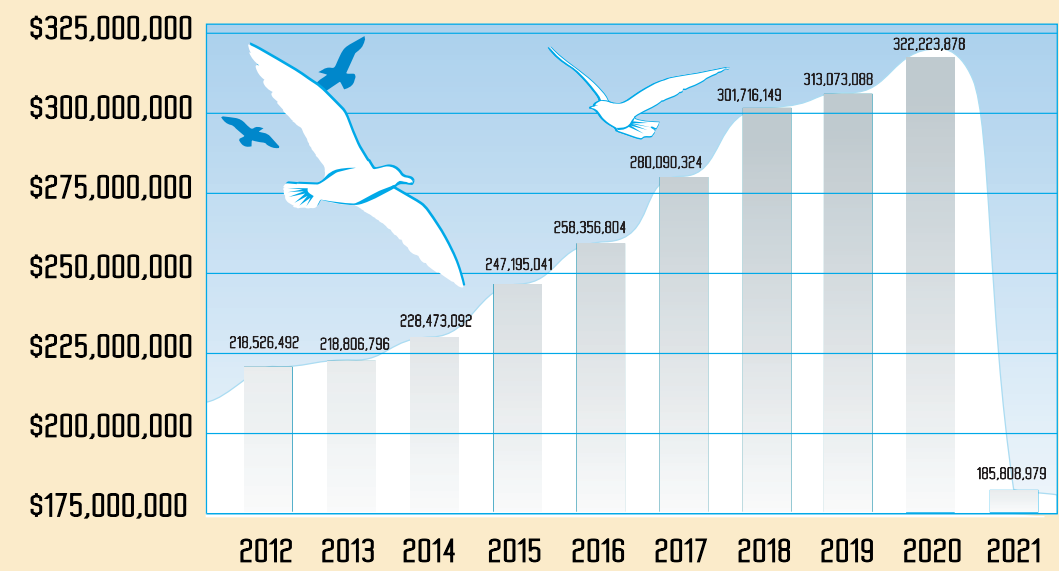
WHERE THE MONEY GOES

The FY 2021 expenses of Monroe County government were \$185.4 million using a full accrual basis of accounting. Public safety operations comprised the largest expense category of 29% of expenses or \$54.2 million. Public safety activities include law enforcement, correction/detention facility, and emergency management. The total expenses of this function decreased over 63% in FY 2021 mainly due to resumption of normal activities, following additional activities and purchase of sanitary and other supplies to combat the pandemic in FY 2020. Transportation expenses for FY 2021 decreased by 85% because debris removal costs for Hurricane Irma recovery were completed in the previous year. In contrast, Physical Environment expenses for FY 2021 increased by 17% as improvement projects resumed following stoppages during the pandemic, and the County's completion of the Cudjoe Regional Wastewater Project. Both the Key West and Marathon Airport also experienced increases in operating expenses as travel began to return to normal levels as the pandemic restrictions were lifted in FY 2021.

The graph shows an unusual drop in FY 2021 expenditures compared to prior years. This significant drop is due to changes in actuarial assumptions made for calculating the county's Florida Retirement System liability. In addition, as the graph shows, the County's annual expenses decreased over 15% over the last ten years. Much of this decrease is due to the County's continued effort to return to normal as the tourist and travel industries rebounded from the pandemic. Prior to the pandemic, the County's annual expenses had continued to increase from year to year, mostly due to the County's wastewater capital projects, especially the building of the Cudjoe Regional Wastewater project that required an investment of \$212.3 million since FY 2015.



Total Expenses FY 2012 - FY 2021



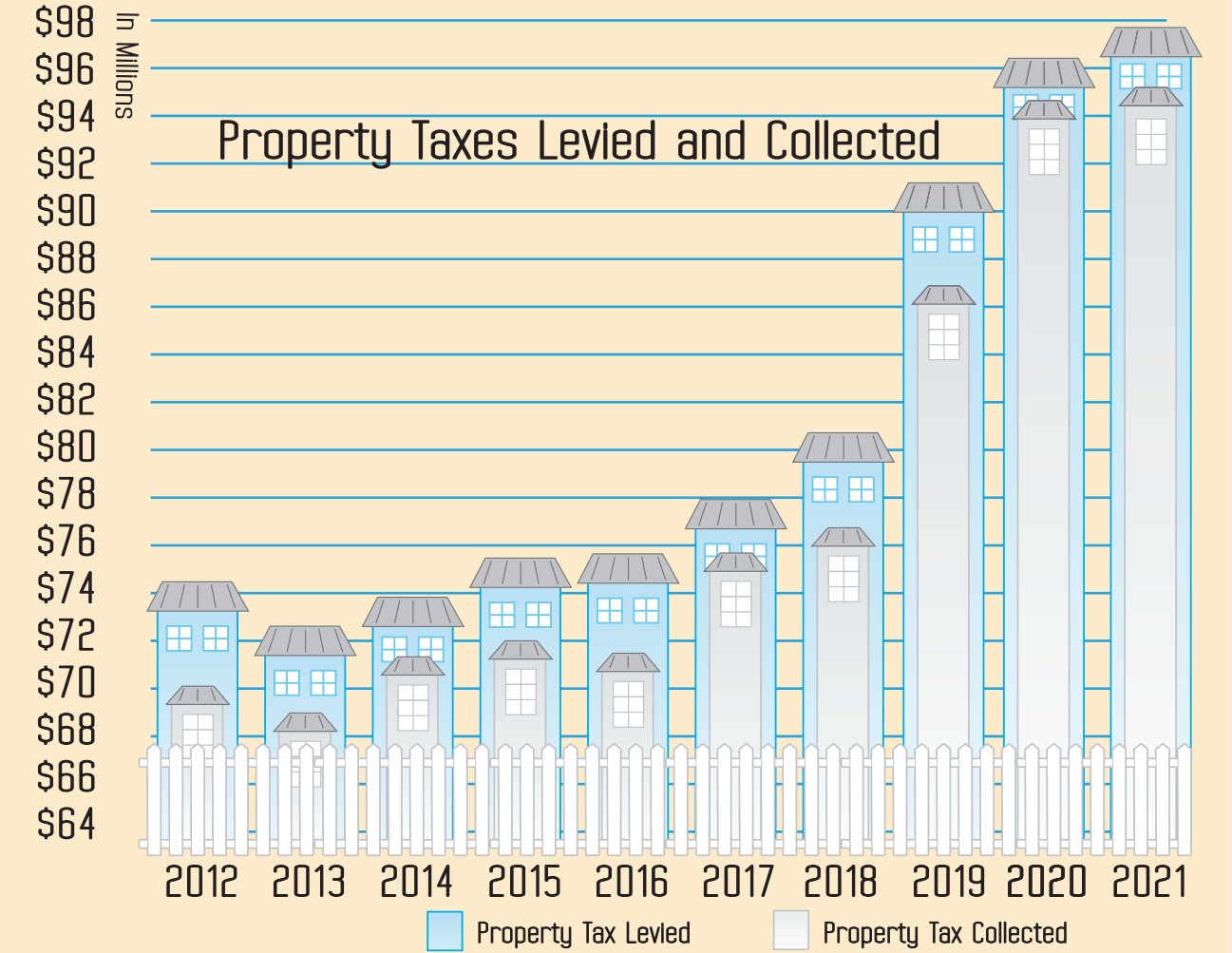
KEYS TO COUNTY REVENUE

The following pages provide detailed 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 2021, property taxes constituted 24% 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 2021 were levied in October 2020.



PRINCIPAL PROPERTY TAXPAYER Assessed Property Value in Millions.
Property Taxes Levied \$97.0 million, Property Taxes Collected \$95.1 million.

- Ocean Reef Club.....\$150
- FL Keys Electric Co-Op....\$120
- Passco Ocean DST.....\$87
- Casa Marina LLC.....\$86
- Galleon Condo Assoc.....\$81
- Key Largo Hospitality.....\$69
- Pebblebrook Hotel Trust...\$63
- SH3 Ltd.....\$62
- City of Key West.....\$61
- Windward Pointe LLC.....\$59

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 have increased since 2009 with a slight dip in 2018, due to the impact of Hurricane Irma, and a decrease in 2020, due to the impact of the COVID-19 pandemic.

CAPITAL PROJECTS COMPLETED OR ON-GOING IN FY 2021 FUNDED WITH INFRASTRUCTURE SALES SURTAX

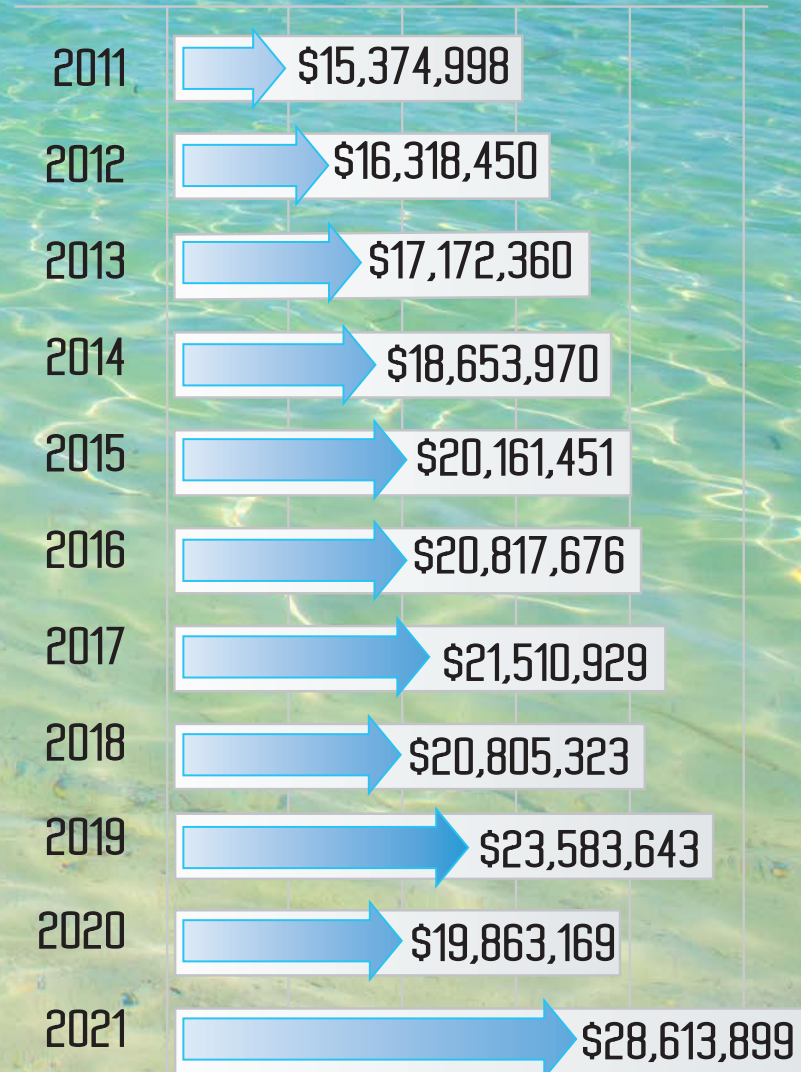
Completed:

- Cudjoe Regional Wastewater Project (totaling \$212.3 million)
- Higgs Beach and Reynold's Street Pier Rail (\$48k)

On-Going:

- Big Pine Swimming Hole
- Big Pine Key Koehn Subdivision – Road and Drainage Improvements
- Rowell's Park improvements
- University of Miami Canal Testing
- Road Paving throughout County
- Higgs Beach Improvements

One Cent Infrastructure Surtax Revenue



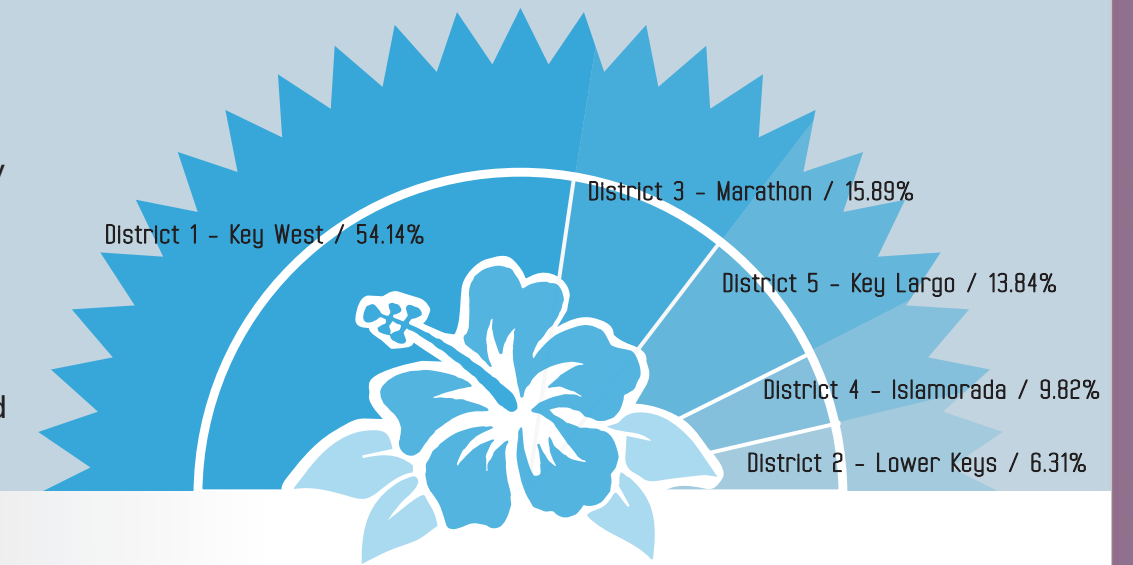
TOURIST DEVELOPMENT TAX

The Tourist Development Tax, or bed tax, is a 5% tax on total rental charges, leases, or lets for lodging that has a term of six months or less. As a part of Monroe County's status as an area of critical 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.

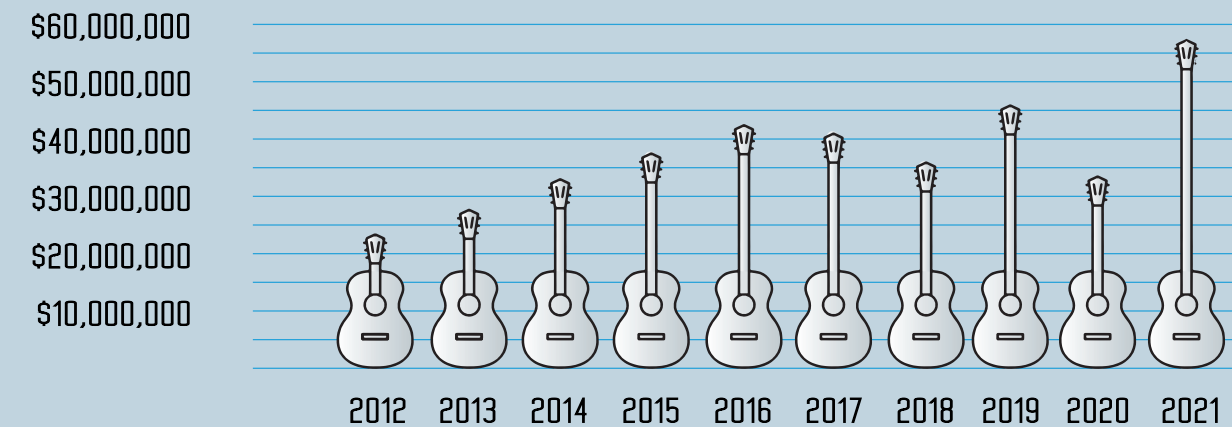
The Tourist Development Council (TDC), which manages these funds, must use them to promote tourism, to build convention and tourist bureaus, and to finance tourist-related capital projects such as beach improvements.

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

Percentage of Bed Tax Revenue by District



Tourist Development Taxes



TYPES OF EXPENDITURES

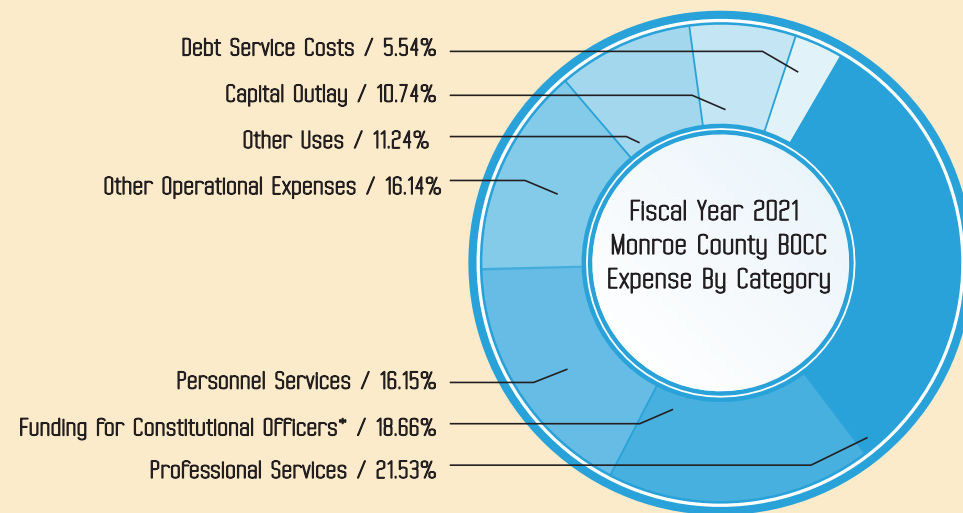
Monroe County follows the uniform accounting system (UAS) as promulgated by the Florida Department of Financial Services. The purpose of the UAS is so all Florida counties account for revenues and expenditures in a functionally equivalent manner to facilitate comparison and analysis.

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 2021	FY 2020	% Change
Personnel Services	\$ 63,664,599	\$ 67,086,445	-5.10%
Professional Services	84,874,763	76,685,295	10.68%
Other Operational Expenses	63,620,020	58,820,856	8.16%
Capital Outlay	42,340,566	42,054,176	0.68%
Debt Service	21,842,388	18,450,399	18.38%
Funding for Constitutional Officers	73,564,858	63,293,084	16.23%
Other Uses	44,329,601	60,651,133	-26.91%
Totals	\$ 394,236,795	\$ 387,041,388	1.86%

* Modified accrual basis of accounting



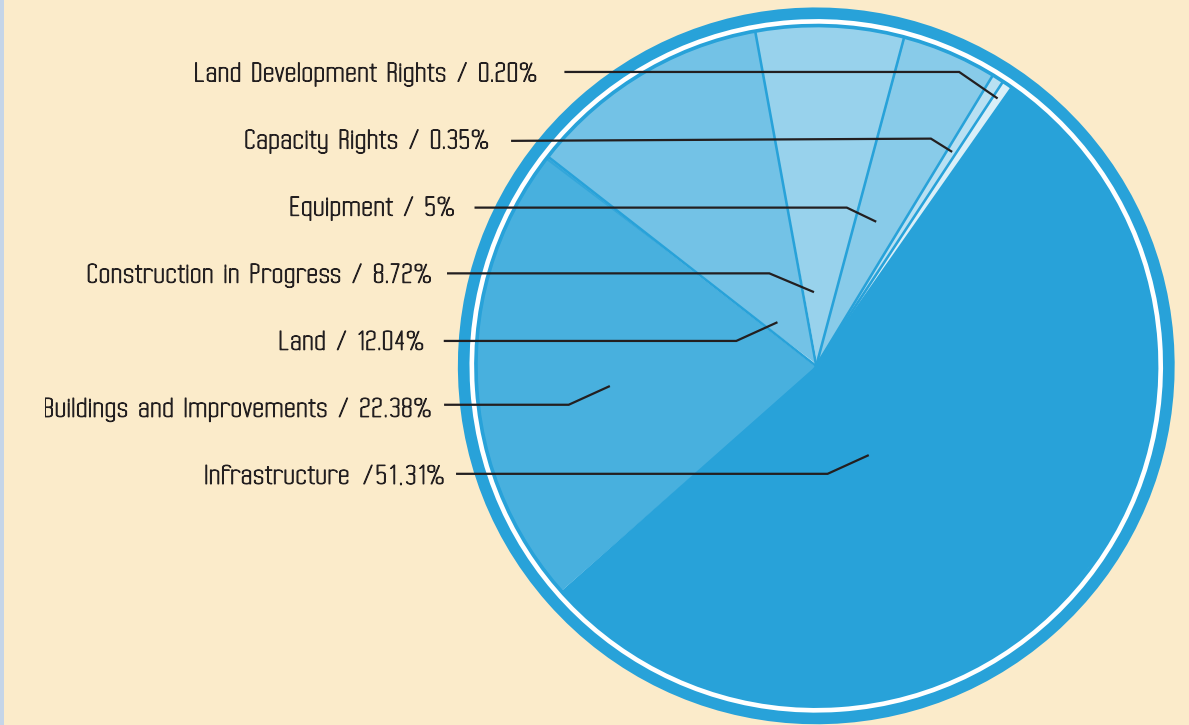
* Amounts are net of excess fees returned to the BOCC at fiscal year-end

INVESTMENT IN CAPITAL ASSETS

The County's investment in capital assets for its governmental and enterprise activities at the end of FY 2021 was \$750.8 million, net of accumulated depreciation. This investment in 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 4.52% from the prior fiscal year due to:

- Completion of the Cudjoe Regional Wastewater Project totaling \$212.3 million
- Completion of the Marathon Library totaling \$8.9 million
- Completion of the Cudjoe Fire Station totaling \$4.4 million
- Completion of the Key West Airport Customs totaling \$5.1 million
- Completion of the Key West Airport storage/maintenance building totaling \$3.2 million
- Completion of the Key West Airport baggage handling system totaling \$1.2 million
- Completion of the Key West Airport's department area remodel totaling \$1.7 million
- Completion of the Key West Airport's noise mitigation project totaling \$7.4 million.
- Additional projects included \$400,000 provided to the operations of Poinciana Gardens and \$500,000 to the College of the Florida Keys building project

Investment in Capital Assets



Capital Assets (Net of Depreciation)	FY 2021	FY 2020
Buildings and Improvements	\$ 168,035,128	\$ 146,674,011
Land	90,399,542	89,889,411
Land Development Rights	1,475,832	-
Infrastructure	385,296,271	393,426,141
Construction In Progress	65,497,137	53,091,423
Equipment	37,520,041	32,613,116
Capacity Rights	2,609,094	2,640,912
Total Capital Assets	\$ 750,833,045	\$ 718,335,014

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 2021, the ACFR, which incorporates the financial reporting of the BOCC and all five Constitutional Officers, included an accounting for 74 funds, 59 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 fees, 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.

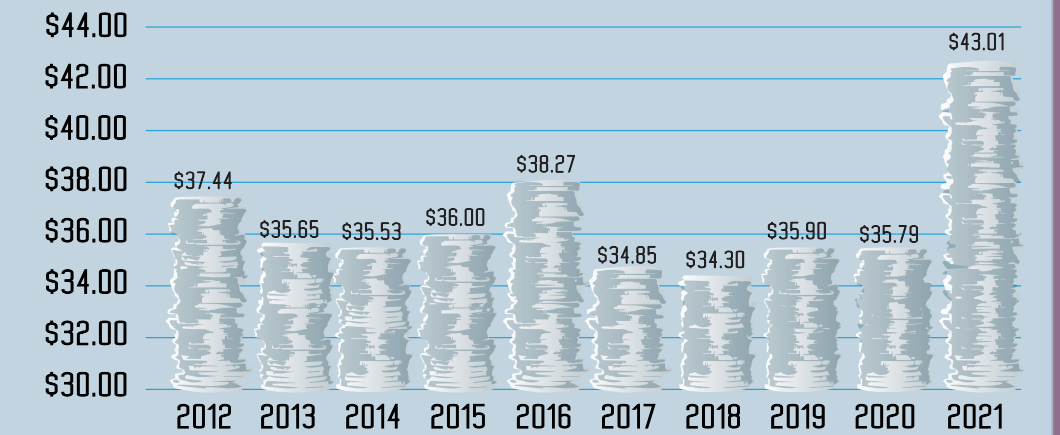
REVIEW OF GENERAL FUND BALANCE

The General Fund is the chief operating fund of the County. The ending fund balance as of September 30, 2021 was \$43.01 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:

- **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 2021	FY 2020	FY 2019	FY 2018	FY 2016
Nonspendable	\$ 22,521	\$ 44,694	\$ 116,368	\$ 1,212,963	\$ 3,728
Committed	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Assigned	10,058,026	7,229,638	9,722,793	10,841,907	12,779,394
Unassigned	22,926,844	18,514,102	16,063,448	12,248,363	15,490,123
Fund Balance	\$ 43,007,391	\$ 35,788,434	\$ 35,902,609	\$ 34,303,233	\$ 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 2021.

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 17.2% of FY 2021 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 33% 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 General Fund's balance in FY2021 increased by \$7.2 million.



Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Taxes	\$ 27,976,547	\$ 27,976,547	\$ 29,924,191	\$ 1,947,644
Intergovernmental revenue	12,701,046	12,704,159	17,107,022	4,402,863
Charges for services	4,416,934	4,416,934	5,540,455	1,136,599
Fines & Forfeitures	5,000	5,000	4,039	(961)
Investment Income	358,400	358,400	201,611	(156,789)
Miscellaneous	629,400	636,711	1,174,757	538,046
Total Revenues	\$ 46,087,327	\$ 46,097,751	\$ 53,952,075	\$ 7,867,402
Expenditures				
General Government	\$ 38,985,253	\$ 40,415,536	\$ 35,358,297	\$ 5,072,141
Public Safety	54,158,841	54,276,381	52,086,005	2,162,397
Physical Environment	938,642	866,642	506,541	360,101
Transportation	98,781	43,781	49,809	(6,028)
Economic Environment	796,760	796,760	734,691	62,069
Human Services	8,102,537	8,208,537	8,110,800	97,737
Culture & Recreation	3,874,436	4,083,131	3,753,857	329,274
Court-Related	5,217,703	5,202,332	4,481,273	721,059
Total Expenditures	\$ 112,172,953	\$ 113,893,100	\$ 105,081,273	\$ 8,798,750
Excess of Revenues over expenditures	\$ (60,085,626)	\$ (67,795,349)	\$ (51,129,198)	\$ 16,666,152
Other Financing Sources (Uses)				
RESERVE FOR CONTINGENCIES	\$ (1,454,540)	\$ (106,500)	-	\$ 106,500
RESERVE FOR CASH BALANCE	(4,322,552)	(4,322,552)	-	4,322,552
TRANSFERS IN	67,155,379	67,473,988	60,370,870	(6,521,698)
TRANSFERS OUT	(2,452,100)	(2,409,026)	(2,022,715)	(195,110)
TOTAL OTHER FINANCING SOURCES (USES)	58,926,187	60,635,910	58,348,155	(2,287,756)
NET CHANGE IN FUND BALANCE	(7,159,439)	(7,159,439)	7,218,957	14,378,396
FUND BALANCE AT BEGINNING OF YEAR	7,159,439	7,159,439	35,788,434	28,628,995
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 43,007,391	\$ 43,007,391

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.

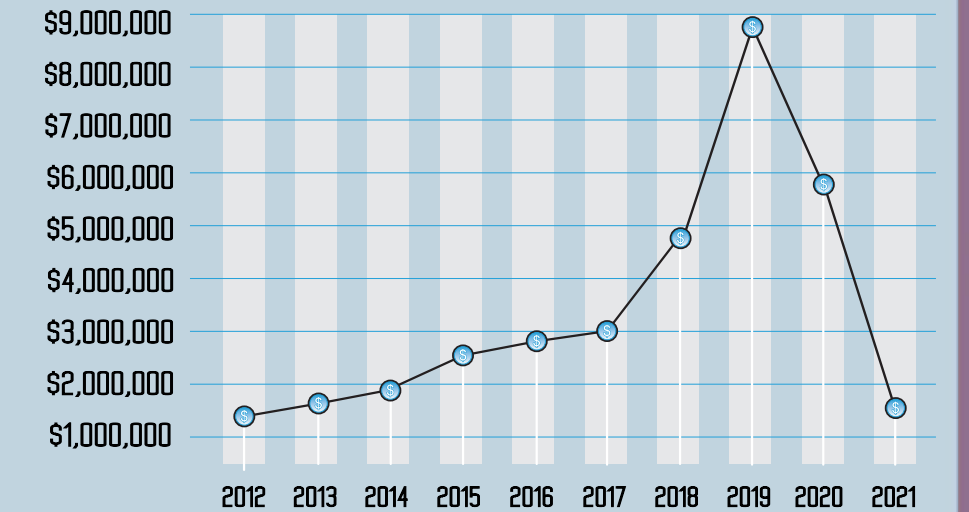
In accordance with Monroe County's Investment Policy (BOCC Resolution 032-2019), all cash and investments held or controlled by the Clerk on behalf of the County (with the exception of pension funds or funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds) are consolidated into a pool in order to maximize investment earnings. Cash and investments totaled \$320.7 million as of September 30, 2021.

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 \$82.8 million. Investments consist of U.S. Treasury Securities, U.S. Treasury Bills, municipal bonds, commercial paper, federal agency bonds and notes, and investments in various local government investment pools.

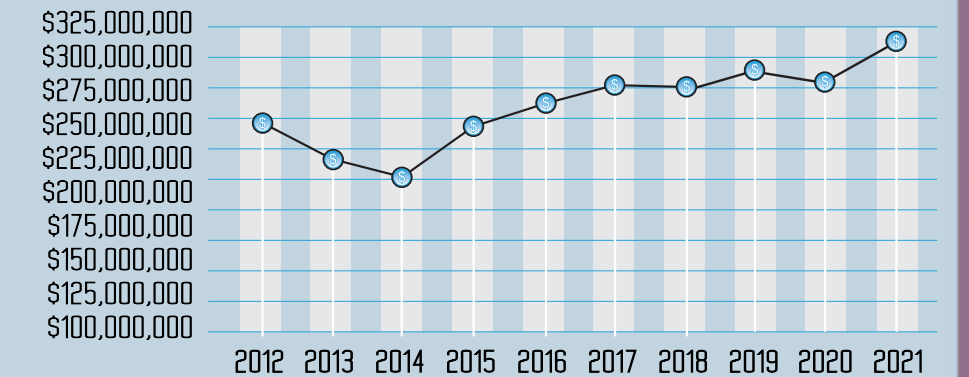
FY 2021 experienced a decrease in investment earnings in response to the pandemic's overall effect on the financial markets.

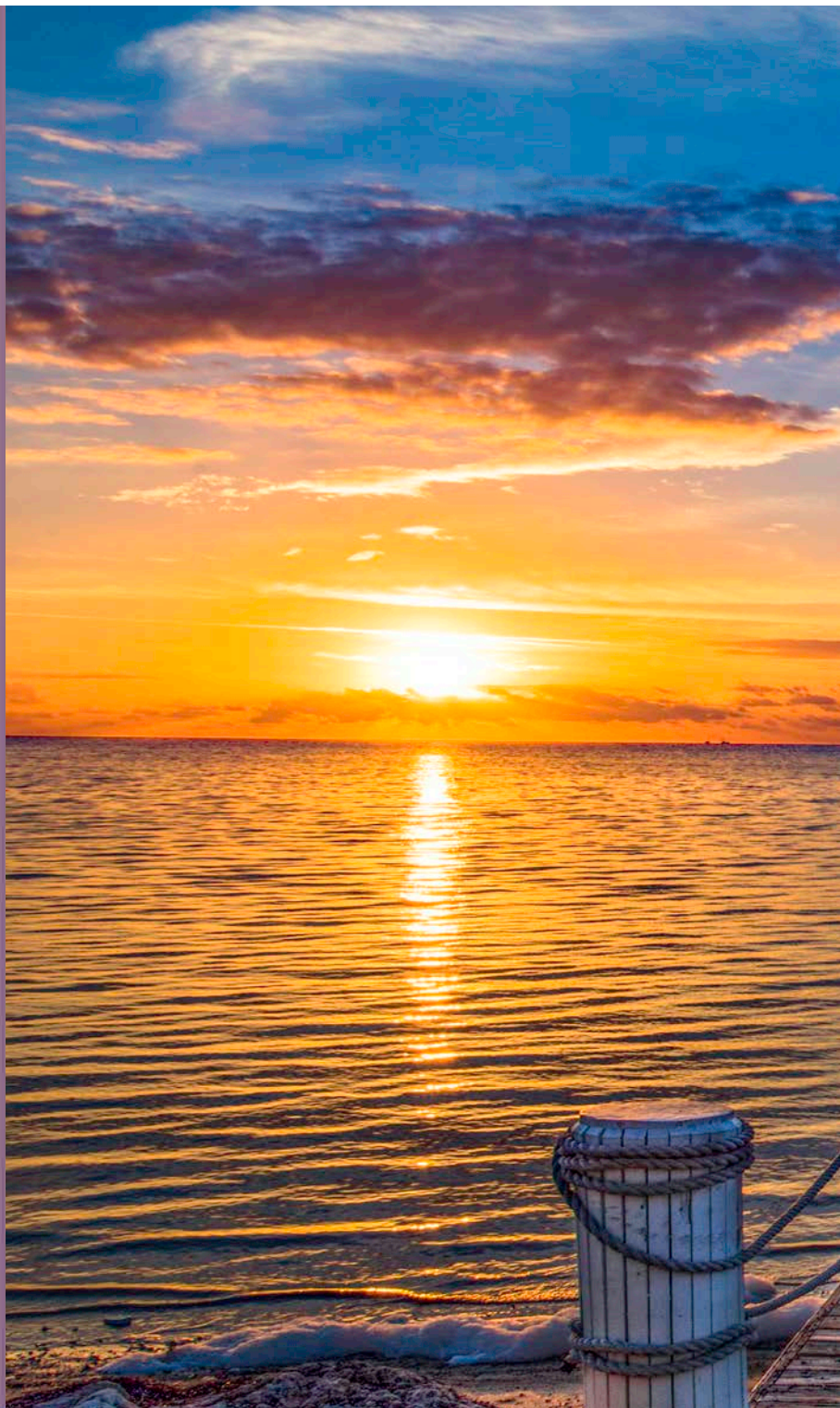
Cash & Investments	Fair Value At 9/30/21	Percent of Portfolio
Demand Time Deposits	\$ 82,827,806	25.82%
Florida Class Investment	30,824,717	9.61%
Florida PALM	54,237,989	16.91%
Asset-Backed Securities	9,038,643	2.82%
Municipal Bonds	4,851,772	1.51%
Corporate Notes	36,161,922	11.27%
Commercial Paper	38,800,599	12.10%
Federal Agency (FHLMC)	3,492,297	1.09%
Federal Agency Collateralized Mortgage Obligation	4,501,751	1.41%
Federal Agency Mortgage-Backed Security	6,693,479	2.09%
U.S. Treasury	49,298,801	15.37%
Total FY 2021 Cash & Investments	\$ 320,729,777	100%

Investment Earnings
Fiscal Year 2012 - 2021



Cash and Investment Balances
Fiscal Year 2012 - 2021





KEYS TO THE COUNTY'S INVESTMENTS

As the County's Comptroller, the Clerk is responsible for investing County funds. During FY 2021 the portfolio generated almost \$1.4 million in investment income and increased investment balances over 7% to \$320.7 million for the benefit of the residents and taxpayers of Monroe County.

During FY 2021, the County's investment portfolio ranged from \$253.8 to \$320.7 million. Although most of this money is obligated to various projects, it is invested to provide interest income that is budgeted as a revenue source. The Clerk invests this money according to the Board's written investment policy and state statutes. The policy dictates how the County's funds may be invested to ensure the following objectives are met (in order of importance):

- **Safety** Investments at minimum risk. The primary objective is to keep capital losses to a minimum. Diversification is used to control the risk of loss from over concentration of assets in a specific maturity, issuer, instrument, dealer, or financial institution. Although sometimes higher interest rates are bypassed to do this, the primary concern is to prevent any principal being lost through unsafe investments.
- **Liquidity** Investments are made to ensure that sufficient cash is available as needed to pay bills. Periodic cash flow analyses are completed to verify that funds are positioned to provide sufficient liquidity.
- **Yield** Select those investments that provide the County a competitive yield or interest rate. While return on investment is of least importance compared to Safety and Liquidity objectives, yield is maximized through active management. The Clerk accomplishes this by working closely with the County's investment adviser using a total return strategy which includes both realized and unrealized gains and losses within the portfolio.

Both the Clerk and its contracted investment adviser use the Prudent Person standard for managing the County's investments. What this means is that investments are made with judgment and care consistent with a prudent person who exercises discretion and intelligence when managing their own affairs. A prudent person invests, not for speculation, but for investment, while balancing both the safety of the capital as well as the probable income to be derived from the investment.

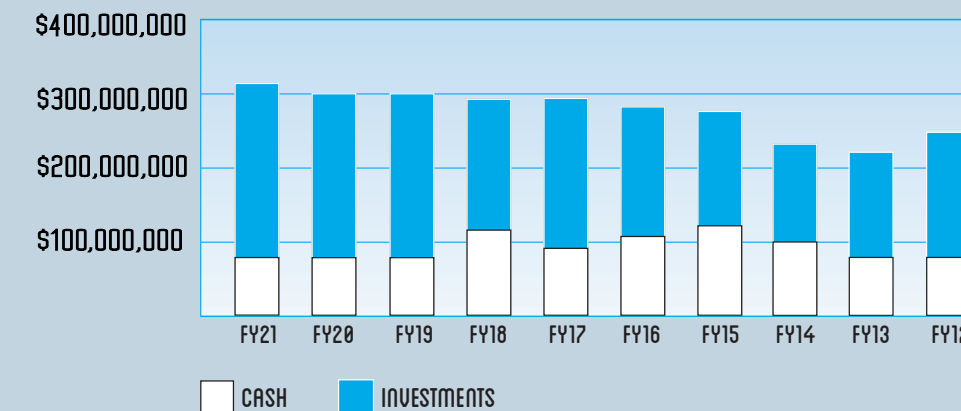
The Clerk invests frequently, diversifying the portfolio to generate the highest yield possible. During FY 2021, the investments made by the Clerk earned an average of 1.5490% and generated \$1.4 million in investment earnings. The chart below is a breakdown of the portfolio at fair value, by types of investments.

To maximize investment earnings, the County's cash and investments from all the County's various funds are consolidated into a pool. Earnings from investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed so all participating funds deposit and withdraw cash as if they were demand deposit accounts. Investments which are held separately from the pools, those which are highly liquid (including restricted assets), which have an original maturity or remaining maturity of 90 days or less, are classified as cash equivalents.

The drop in investment earnings during FY 2021 can be primarily attributed to the decrease in interest rates intended to combat economic conditions created by the global pandemic that started in the first quarter of calendar year 2020 and lasted throughout calendar year 2021. Given the activity of the Federal Reserve, the expectation is that calendar year 2022 will experience higher yields.

The Board's formal written investment policy sets forth the investment objectives and parameters for management and investment of funds. This policy does not apply to any funds held on behalf of the Constitutional Officers.

MONROE COUNTY CASH & INVESTMENT BALANCES BY FISCAL YEAR



DEBT

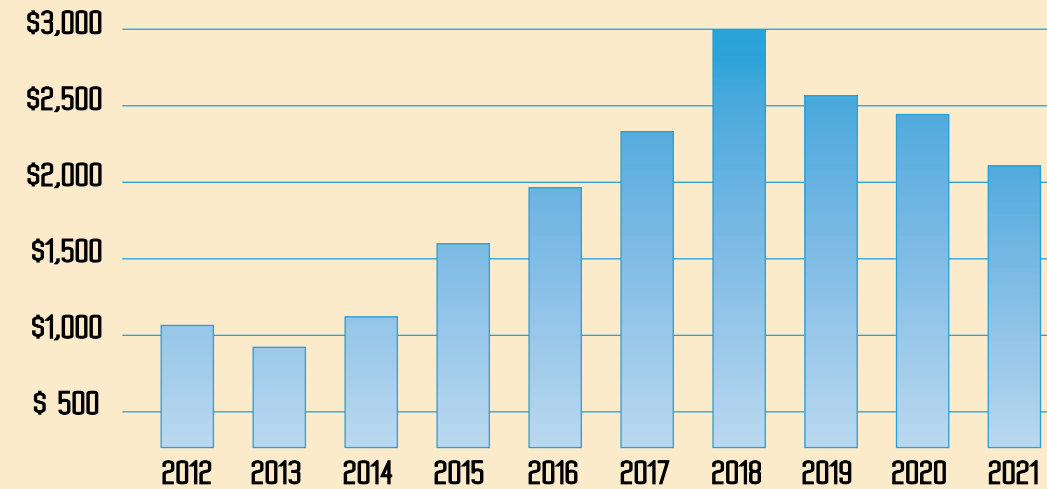
Monroe County borrows money or issues bonds to fund projects or significant capital purchases. The bonds are sold or “issued” allowing the County to spread repayment over a long period of time, sharing the cost with current and future taxpayers.

The County has earned a healthy bond rating thus allowing it to borrow at lower interest rates, ultimately saving the taxpayers money. At the end of FY 2021, the County had \$174 million in outstanding long-term debt. This debt is mainly comprised of certain 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, 2021, the County must repay \$128.1 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 2021	FY 2020
Infrastructure sales surtax revenue bonds series 2014	\$ 12,260,000	\$ 16,160,000
Infrastructure sales surtax revenue bonds series 2016	13,270,000	14,150,000
Total Revenue Bonds	\$ 25,530,000	\$ 30,310,000
Revenue Notes		
Clean Water State Revolving Fund Construction Loan Agreement 2010	\$ 5,146,369	\$ 5,678,011
Clean Water State Revolving Fund Construction Loan Agreement 2014	130,838,951	133,768,625
Tax Exempt Master Revenue Note, Series 2018 (Hurricane Irma Recovery)	-	8,400,804
Special Obligation Refunding Revenue Note, Series 2020 Project	3,560,000	4,000,000
Total Revenue Notes	\$ 139,545,320	\$ 151,847,440
Mayfield Agreement – Key Largo Wastewater Treatment District	8,875,000	11,000,000
Total Long Term Borrowed Debt	\$ 173,950,320	\$ 193,157,440

Debt Per Capita
Fiscal Year 2012 – 2021



FREQUENTLY ASKED QUESTIONS

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

As the Chief Financial Officer for Monroe County, the Clerk and 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 <http://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 Annual Comprehensive Financial Report (ACFR)?**

Annually the Clerk prepares both BOCC financial statements and the County's ACFR. The audited BOCC financial statements reports on the fiscal year financial activity of the BOCC and the County Administrator, the BOCC's principal executive officer. Conversely, the ACFR is a county-wide annual financial report that combines the financial statements of the Board 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 Board 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 and 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 issue a line of credit or bank term loans 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 Monroe County's surplus funds?**

As custodian of county funds, the Clerk invests surplus public funds to produce the best and safest possible returns, ensuring that tax dollars are protected, ultimately reducing the burden of taxpayers. An investment professional proactively manages the county's portfolio in compliance with the BOCC-approved 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 disaster and, in response, 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 with 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 full 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 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 full 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 Sam Steele
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.keyssso.net
5525 College Road • Key West, FL 33040
305.292.7116



BOARD OF COUNTY COMMISSIONERS:

Honorable Craig Cates, *District 1*
500 Whitehead Street, Suite 102 • Key West, FL 33040
305.292.3440

Honorable Michelle Coldiron, *District 2*
243 Key Deer Boulevard • Big Pine Key, FL 33043
305.292.4512

Honorable Jim Scholl, *District 3*
530 Whitehead Street, Suite 102 • Key West, FL 33040
305.292.3430

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

Honorable Holly Raschein, *District 5*
10205 Overseas Highway, Suite 234 • 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
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