

FLORIDA MUNICIPAL PENSION TRUST FUND
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

**Florida Municipal Pension Trust Fund
Financial Statements
September 30, 2024**

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February 28, 2025

Independent Auditor's Report

To the Board of Trustees of the Florida
Municipal Pension Trust Fund:

Opinion

We have audited the accompanying financial statements of the Florida Municipal Pension Trust Fund, which comprise the statement of fiduciary net position as of September 30, 2024, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Florida Municipal Pension Trust Fund's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Florida Municipal Pension Trust Fund as of September 30, 2024, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Florida Municipal Pension Trust Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Florida Municipal Pension Trust Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Florida Municipal Pension Trust Fund's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

The accompanying statements are those of the Florida Municipal Pension Trust Fund, an external investment pool established for the purpose of funding the individually designed employee pension plans and certain other post-employment benefit plans of the participating Florida employers. These statements do not purport to present the financial status of the individual plans. Accordingly, these statements do not contain certain information on net pension liabilities, pension expense and other disclosures necessary for the fair presentation of the financial status of the individual plans in accordance with accounting principles generally accepted in the United States of America. Plan contributions, transfers and benefits to participants are recorded as they are received or paid.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Florida Municipal Pension Trust Fund's basic financial statements. The schedule of administrative expenses and the schedule of member balances by plan type are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of administrative expenses and the schedule of member balances by plan type are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Shostein + Shostein, P.A.

**Florida Municipal Pension Trust Fund
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

The following discussion and analysis will provide an overview of the financial activities of the Florida Municipal Pension Trust Fund for the fiscal year ended September 30, 2024. Please read this in addition to the financial statements, notes to the financial statements, and other supplementary information provided herein.

Financial Highlights

- Fiduciary net position increased \$217.8 million during FY 23-24, compared to an increase of \$86.2 million during FY 22-23. Fiduciary net position at September 30, 2024 was \$1.2 billion.
- Total additions to fiduciary net position for FY 23-24 were \$269.6 million, compared to additions of \$140.9 million for FY 22-23. This is an increase of \$128.7 million. Total deductions were \$51.7 million for FY 23-24 compared to \$54.7 million for FY 22-23, which is a decrease of \$3 million.
- The two main components of additions to fiduciary net position are investment earnings as well as contributions and transfers received from plans. Net investment earnings during FY 23-24 were \$204.1 million compared to investment earnings of \$86.7 million during FY 22-23, primarily due to a significant rebound in the financial markets over the previous fiscal year. For additional information regarding market factors that may have impacted investment earnings, please reference the Economic Factors section of the MD&A. During the year, the Fund also collected \$63.3 million in contributions and transfers, compared to \$52.2 million for the prior year. During FY 23-24, two new member plans joined the Fund, transferring assets and making new contributions totaling \$3.5 million.
- The two main deductions from fiduciary net position are benefits paid to participants and transfers to member plans leaving the Fund. During FY 23-24, \$49.5 million was paid out compared to \$52.6 million paid out during FY 22-23. During FY 23-24, no member plans left the Fund.
- Investments are recorded at fair value and comprise the largest single asset of the Fund. The Fund currently is invested in various portfolios of the Florida Municipal Investment Trust and in mutual funds held by Newport Trust Company. Balances at September 30, 2024 totaled nearly \$1.2 billion, compared to over \$972.5 million at September 30, 2023. Information on specific investments can be found in the footnotes to the financial statements.

**Florida Municipal Pension Trust Fund
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

Basic Financial Statements

The Florida Municipal Pension Trust Fund operates as a fiduciary fund under governmental accounting rules that require the Fund to prepare a series of financial statements. The Statement of Fiduciary Net Position provides information about the assets and liabilities at a specific point in time, in this case September 30, 2024. The Statement of Changes in Fiduciary Net Position provides information about revenues (additions to net position) and expenses (deductions from net position) recorded during the entire fiscal period from October 1, 2023 through September 30, 2024. Plan contributions, transfers, and benefit payments to participants are recorded when paid or received. All other changes in fiduciary net position are recorded when revenues have been earned and expenses have been incurred, regardless of whether or not cash has been received or paid.

The footnotes provide additional information essential to the understanding of the financial statements.

Supplementary information is more detailed and illustrates individual accounts that are combined in the Statement of Changes in Fiduciary Net Position.

**Florida Municipal Pension Trust Fund
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

Comparative Financial Information

Table 1
Fiduciary Net Position

| | <u>FY 23-24</u> | <u>FY 22-23</u> |
|--|-------------------------|-----------------------|
| Cash and Receivables | \$ 12,007,000 | \$ 9,864,700 |
| Investments | <u>1,188,236,800</u> | <u>972,503,300</u> |
| Total Assets | <u>1,200,243,800</u> | <u>982,368,000</u> |
| Accounts Payable | <u>413,200</u> | <u>358,000</u> |
| Total Liabilities | <u>413,200</u> | <u>358,000</u> |
| Net Position Restricted for Member Plans | <u>\$ 1,199,830,600</u> | <u>\$ 982,010,000</u> |

Changes in Fiduciary Net Position

| | <u>FY 23-24</u> | <u>FY 22-23</u> |
|--|-------------------------|-----------------------|
| Contributions | \$ 63,265,400 | \$ 52,230,200 |
| Investment and Other Income | <u>206,292,800</u> | <u>88,643,100</u> |
| Total Additions | <u>269,558,200</u> | <u>140,873,300</u> |
| Transfers and Benefits | 49,453,800 | 52,626,700 |
| Other Expenses | <u>2,283,800</u> | <u>2,049,600</u> |
| Total Deductions | <u>51,737,600</u> | <u>54,676,300</u> |
| Change in Net Position Restricted for Member Plans | 217,820,600 | 86,197,000 |
| Net Position, Beginning of Year | <u>982,010,000</u> | <u>895,813,000</u> |
| Net Position, End of Year | <u>\$ 1,199,830,600</u> | <u>\$ 982,010,000</u> |

Capital Asset and Long-Term Debt Activity

The Florida Municipal Pension Trust Fund has no capital assets or long-term debt.

**Florida Municipal Pension Trust Fund
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

Economic Factors

Economic and Market Update (Reported by Performance Consultant Asset Consulting Group)

The Fed kicked off monetary easing at the September FOMC meeting with a 50-bp cut to its benchmark rate. The large cut suggested confidence in inflation's trajectory and a shift in focus to maintaining a healthy labor market. While oil was down for the month and quarter, it ended September surging amid an escalation of conflict in the Middle East. Geopolitical tensions look likely to remain high, and could be magnified by the upcoming U.S. election, all of which are a potential source of market volatility in the coming months. Inflation data was mixed but remained benign enough to allow the Fed to maintain an easing trajectory. Core CPI, driven by sticky rent costs, was slightly above expectations and unchanged from the prior month at 3.2%, while Core PCE ticked slightly higher, from 2.6% to 2.7%. Lower inflation is giving U.S. consumers a greater sense of optimism about the economy, and consumer sentiment increased for the second month in a row. Consumer spending increased slightly less than expected last month but overall remains supportive of economic growth.

Global Equity – Equity markets were positive in September, with emerging markets outperforming on the strength of China's equity rally. U.S. small caps lagged other broad equity indices in September, having lost some momentum following a surge as the market priced in a Fed policy pivot in recent months. Performance over the last quarter has broadened out from the tech-focused U.S. large caps that led in the first half of 2024 as large cap value, small caps, and non-U.S. equities all outperformed the S&P 500 over the last three months. Central bank policy easing, falling inflation, and China's robust stimulus should help stabilize the global growth outlook and support equity markets. Valuations for U.S. large caps remain lofty, leaving them vulnerable to sudden shifts in sentiment.

Global Fixed Income – U.S. Treasury yields continued to trend lower with the largest declines on the front end of the curve. The curve steepening reversed the previously inverted 2-year/10-year yield curve for the first time in over two years. Fed Chair Jerome Powell has stressed that 50-bp cuts are not the new normal, suggesting traditional 25-bp moves are more likely going forward. The committee's forward guidance calls for two more cuts in 2024, and market pricing currently reflects an aggressive pace of Fed easing over the next year. Credit spreads ended the month modestly tighter as markets welcomed the Fed's 50-bp cut, with IG spreads 4 bps tighter and HY spreads 10 bps tighter. Spread levels leave little room for further contraction, but corporate fundamentals are healthy and will benefit from lower rates.

Global Real Assets & Private Markets – Returns for core real estate were positive in the 3rd quarter for the first time since the 3rd quarter of 2022. Property values still declined modestly, but the income component of returns more than made up the difference to generate a positive return overall. All sectors but Offices produced positive returns in the quarter. Cap rates have been under upward pressure in an environment of increased and sticky bond yields. With borrowing rates stabilizing and likely to fall, real estate transaction activity is picking up.

**Florida Municipal Pension Trust Fund
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2024**

Economic Factors (Continued)

State of Florida Update

The Florida Legislature Office of Economic and Demographic Research, in August of 2024, issued a report entitled "Florida: An Economic Overview." The report indicates the Economic Estimating Conference anticipates the state's economy expanded at a rate of 4.5% during the period from July 2023 through June 2024. It projects the state's economy will expand only by 2.1% during FY 25, "as businesses and consumers move from a high inflation and high interest rate environment to more normal conditions." Florida's GDP growth was ranked 6th in the nation during the first quarter of calendar year 2024. State personal income growth grew at an anticipated growth rate of 5.3% from July 2023 through June 2024. The state's personal income growth rate decreased from FY 23, stabilizing, but remaining high due to the continued wage growth. Going forward in the near term, annual growth rates are projected to stabilize around 4.9%. Florida's average annual wage data from 2023 indicates the average wage climbed to 91.8% of the U.S. average. Population growth is the state's primary engine of economic growth, fueling both employment and income growth. Florida's population growth is expected to be 1.61% from April 2023 through April 2024. However, population growth for Florida is expected to slow to a long-term average of 1.24% between 2024 and 2030. Florida's long-term growth rate between 1970 and 1995 was over 3% in comparison. Homeownership rates for 2023 remained close to the long-term average, posting 67.3% for the year. Data from the first two quarters of calendar year 2024 indicate that the rate may move above the long-term average. Florida's leisure and hospitality industry was strongly impacted by the pandemic-induced economic contraction, resulting in long-term economic consequences, but total visitors surpassed the pre-pandemic peak by June 2022. While the year-over-year growth in tourists during the period from July 2023 through June 2024 was 3.6%, the year-over-year growth in tourists during the period from July 2024 through June 2025 is expected to increase to 4.6%.

Economic conditions and financial markets are important elements to consider for the Fund as well as the members throughout the state of Florida.

Request for Information

The information contained in this discussion was designed to provide readers with a general overview of the Florida Municipal Pension Trust Fund's existing and foreseeable financial condition. Questions or requests for additional information should be addressed to Jeannie Garner, Administrator for the Florida Municipal Pension Trust Fund, 301 South Bronough Street, Suite 300, Tallahassee, FL 32301.

Florida Municipal Pension Trust Fund
***STATEMENT OF FIDUCIARY NET POSITION**
September 30, 2024

ASSETS

| | | |
|--|----------------|---------------|
| Cash and Cash Equivalents | | \$ 10,401,351 |
| Receivables from Members and Participants | | 1,605,696 |
| Investments at Fair Value | | |
| Florida Municipal Investment Trust | \$ 977,792,042 | |
| Mutual Funds Held by Newport Trust Company | 210,444,730 | 1,188,236,772 |
| | | |
| Total Assets | | 1,200,243,819 |

LIABILITIES

| | | |
|---|---------|---------|
| Accounts Payable - Florida League of Cities, Inc. | 333,119 | |
| Accounts Payable - Other | 80,057 | |
| | | |
| Total Liabilities | | 413,176 |

NET POSITION

| | | |
|--|--|------------------|
| Net Position Restricted for Member Plans | | \$ 1,199,830,643 |
| | | 1,199,830,643 |

*The accompanying notes are an integral part of these financial statements.

Florida Municipal Pension Trust Fund
***STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
For the Year Ended September 30, 2024

ADDITIONS

| | | |
|---|------------------|------------------|
| Contributions | | |
| Transfers and Employer Contributions | \$ 39,052,752 | |
| Employee Contributions | 16,393,413 | |
| State Contributions | <u>7,819,231</u> | \$ 63,265,396 |
| Investment Earnings: | | |
| Net Increase in Fair Value of Investments | 197,777,925 | |
| Interest and Dividends | <u>6,951,601</u> | |
| Total | 204,729,526 | |
| Less: Investment Expenses | <u>(632,513)</u> | |
| Net Investment Income | | 204,097,013 |
| Service and Maintenance Fee Income | | <u>2,195,794</u> |
| Total Additions | | 269,558,203 |

DEDUCTIONS

| | | |
|--|------------------|--------------------------------|
| Transfers and Benefits Paid to Participants | 49,453,876 | |
| Administrative Expenses | <u>2,283,762</u> | |
| Total Deductions | | <u>51,737,638</u> |
| Change in Net Position Restricted for Member Plans | | 217,820,565 |
| Net Position, Beginning of Year | | <u>982,010,078</u> |
| Net Position, End of Year | | <u><u>\$ 1,199,830,643</u></u> |

*The accompanying notes are an integral part of these financial statements.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 1 - Organization and Significant Accounting Policies

- A. Organization and Purpose - The Florida Municipal Pension Trust Fund (Fund) is an external investment pool established for the purpose of funding the individually designed employee pension plans and certain other post-employment benefit plans of the participating municipalities, public agencies and political subdivisions of the State of Florida.
- B. Reporting Entity and Basis of Accounting - The Fund is an independent reporting entity accounted for as a fiduciary fund in accordance with accounting principles for governments generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB). These financial statements have been prepared utilizing accounting principles for governmental external investment pools.

These statements do not purport to present the financial status of the individual plans. Accordingly, these statements do not contain certain information on net pension liabilities, pension expense and other disclosures necessary for the fair presentation of the financial status of the individual plans in accordance with accounting principles generally accepted in the United States of America. Plan contributions, transfers and benefits to participants are recorded as they are received or paid. All other changes in fiduciary net position are recorded using the accrual method of accounting.

The Fund is not subject to U.S. Securities and Exchange Commission (SEC) or other regulatory oversight; the Fund's Board of Trustees provides oversight.

- C. The Fund is exempt from federal income taxes under Section 115 of the Internal Revenue Code.
- D. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- E. The Fund provides participant-directed accounts for the defined contribution and deferred compensation plans as well as the self-directed deferred retirement option plan (DROP) accounts through mutual funds offered by Newport Group, Inc. and held by Newport Trust Company. Participant-directed accounts are valued daily.

The assets of the defined benefit plans and other post-employment benefit plans are invested through the Florida Municipal Investment Trust (FMIvT), an external investment pool. Investment income is allocated to the individual plans monthly, based on beginning-of-the-month balances.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 1 - Organization and Significant Accounting Policies (Continued)

F. Investments are reported at fair value. The mutual funds are stated at fair value based on quoted market prices as provided by Newport Trust Company. FMIvT determines the fair value of its shares based on quoted market prices of the underlying securities. Net increase or decrease in the fair value of investments includes gains and losses on investments bought and sold as well as held during the year. Purchases and sales of investments are recorded on the trade-date basis. Interest and dividend income is recorded on the accrual basis.

No legally binding guarantees to support the value of shares were provided or obtained during the year.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents comprise interest-bearing demand deposits in the amount of \$10,401,351.

Florida Statutes require that all qualified public depositories holding public funds collateralize deposits in excess of F.D.I.C. insurance with the State Treasurer. Since the Fund uses only qualified public depositories, all demand deposits are fully insured or collateralized.

Note 3 - Investments

Non-Participant-Directed Investments

The Board of Trustees adopted an investment policy authorizing investments in a variety of fixed-income, domestic and international equity instruments, and real estate funds. Among the types of instruments the Fund is authorized to invest in are: common stock, preferred and convertible preferred stock, repurchase agreements, commingled governmental trusts, no-load investment funds, no-load mutual funds, FMIvT portfolios, obligations of the United States of America, its agencies and instrumentalities, corporate debt obligations, asset-backed securities and money market instruments and/or funds.

FMIvT is an external investment pool open to eligible units of local governments to invest in one or more investment portfolios under the direction and daily supervision of investment advisors. FMIvT is not subject to SEC or other regulatory oversight. The FMIvT Board of Trustees provides oversight. The fair value of the positions in the FMIvT portfolios is the same as the value of the portfolio shares. The Florida League of Cities, Inc. (League) serves as Administrator for the Fund and serves as Administrator, Investment Manager and Secretary-Treasurer for FMIvT.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 3 - Investments (Continued)

FMLvT is governed by a Board of Trustees consisting of the President (or his appointee) and Second Vice President of the League, one representative of the Florida Municipal Insurance Trust, one representative of the Fund, and up to three additional appointed members who are elected officials of the governmental entities who actively participate in FMLvT.

Investments Held in FMLvT at September 30, 2024:

| <u>Shares</u> | <u>Investment Type</u> | <u>Fair Value</u> | <u>Duration (In Years)</u> |
|-------------------|--|-----------------------|--------------------------------|
| | <u>Bonds</u> | | |
| 5,178,751 | Broad Market High Quality Bond Fund | \$ 131,527,098 | 5.10 |
| 11,483,468 | Core Plus Fixed Income Fund | 136,270,694 | 6.24 |
| | <u>Equities</u> | | |
| 831,652 | Diversified Small to Mid (SMID) Cap Equity Portfolio | 147,899,741 | |
| 10,677,358 | International Equity Portfolio | 206,929,292 | |
| 11,253,897 | Diversified Large Cap Equity Portfolio | 260,866,539 | |
| | <u>Real Estate</u> | | |
| <u>7,104,165</u> | Core Real Estate Portfolio | <u>94,298,678</u> | |
| <u>46,529,291</u> | Total | <u>\$ 977,792,042</u> | |

Interest Rate Risk: As a means of managing its exposure to fair value losses arising from increasing interest rates, the Fund allocates its investments in the various FMLvT portfolios as authorized by the investment policy.

Credit Risk: The Fund has no policy on credit risk in the FMLvT portfolios. As of September 30, 2024, the Broad Market High Quality Bond Fund was rated AA by Fitch Ratings. The Core Plus Fixed Income Fund was not rated. The equity and real estate portfolios are not rated.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 3 - Investments (Continued)

Participant-Directed Investments

The investments at Newport Trust Company are participant-directed investments. The Fund's investment policy is to make available a range of diversified investment options that have varying degrees of risk and return. These options include a money market fund, core bond funds, balanced funds, domestic equity funds and international equity funds. The investment policy describes the characteristics of the offered funds as follows:

- Money market funds invest in cash or cash equivalents.
- Core bond funds will generally invest in fixed-income securities with average credit ratings of BBB or better and with a range of effective duration positions that spans the intermediate to long-term time horizon.
- Balanced funds invest in a diversified mix of domestic and international equity and fixed-income securities with average credit ratings of BBB or better.
- Domestic equity funds invest in a range of large-company to small/mid-company stocks.
- International equity funds invest in equity securities of issuers located outside the United States.
- In addition to the offered funds governed by the Fund's investment policy, open architecture investment is available to plans with assets greater than \$10 million. Participating employers under open architecture investment are exempt from the provisions of the Fund's investment policy. Participating employers who select open architecture investment are responsible for selecting and overseeing investment options for participating employees, beneficiaries, and alternate payees which includes, among other matters, establishing default investment option(s), and which may also include establishing an investment policy, asset classes, and desired performance results. As of September 30, 2024, investments totaling \$501,667 were held in various open architecture funds.

Interest Rate Risk: The Fund does not limit the duration of the individual funds.

Credit Risk: The Fund does not require the funds to be rated, and the funds are not rated.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 3 - Investments (Continued)

Participant-Directed Investments Held by Newport Trust Company at September 30, 2024:

| <u>Shares</u> | <u>Investment Type</u> | <u>Fair Value</u> | <u>Duration (In Years)</u> |
|-------------------|------------------------------|-----------------------|--------------------------------|
| 10,913,658 | Money Market Fund | \$ 10,913,658 | .16 |
| | <u>Bond and Hybrid Funds</u> | | |
| 7,713,464 | Core Bond Funds | 12,370,822 | 3.1 - 7.23 |
| 4,072,996 | Balanced Funds | 125,278,174 | 5.42 - 6.92 |
| | <u>Equity Funds</u> | | |
| 569,606 | Domestic Equity Funds | 55,987,145 | |
| 169,202 | International Equity Funds | 5,894,931 | |
| <u>23,438,926</u> | Total | <u>\$ 210,444,730</u> | |

All Investments

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three-tier hierarchy of inputs is summarized in the three broad levels below:

- Level 1 includes unadjusted quoted prices for identical investments in active markets;
- Level 2 includes other significant observable inputs such as quoted prices for similar investments, quoted prices in inactive markets, adjusted quoted prices in active markets and other market-corroborated inputs; and
- Level 3 includes significant unobservable inputs, which are used only when relevant Level 1 and Level 2 inputs are unavailable.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 3 - Investments (Continued)

The Fund has the following recurring fair value measurements as of September 30, 2024:

Investments by Fair

| <u>Value Level</u> | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|--------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Money Market Funds | \$ 10,913,658 | \$ 10,913,658 | \$ - | \$ - |
| Bonds | 405,446,788 | 137,648,996 | 131,527,098 | 136,270,694 |
| Equities | 677,577,648 | 61,882,076 | 615,695,572 | - |
| Real Estate | 94,298,678 | - | - | 94,298,678 |
| Total Investments | <u>\$ 1,188,236,772</u> | <u>\$ 210,444,730</u> | <u>\$ 747,222,670</u> | <u>\$ 230,569,372</u> |

The funds classified as Level 1 are valued based on unadjusted quoted prices for identical assets in active markets as provided by Newport Trust Company.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 3 - Investments (Continued)

The remaining investments are valued at the net asset values provided by FMIvT, which are based upon the values of the underlying assets of the various funds and portfolios. The values of the bond and equity portfolios classified as Level 2 are derived from market-corroborated data. The values of the bond portfolios and the Core Real Estate Portfolio classified as Level 3 are based on unobservable inputs. Those bond portfolios classified as Level 2 invest in U.S. Treasury and agency securities, asset-backed securities and corporate bonds and notes. The investment objective of these portfolios is to meet or exceed the return of its benchmark. The Core Plus Fixed Income Fund is classified as Level 3 and includes securities for which exchange quotations are not readily available, and therefore the values are based on various valuation methodologies and are ultimately determined in good faith by the portfolio's management. The Core Real Estate Portfolio is also classified as Level 3 and holds securities which own real property, mortgages and notes receivable and interests in partnerships and operating companies. The values are determined based on various valuation techniques, including real property appraisals, and are ultimately determined in good faith by the portfolio's management.

The Core Plus Fixed Income Fund is designed to provide an investment alternative to members seeking a broadly diversified portfolio of fixed-income securities to maximize total investment return through a combination of interest income, capital appreciation and currency gains. The portfolio seeks to achieve this investment objective by generally investing in fixed- and floating-rate debt securities across the fixed-income opportunity set.

The Core Real Estate Portfolio invests in a single underlying fund, the shares of which are not publicly quoted. The portfolio is an open-ended commingled real estate investment fund diversified by property type and location that is designed to provide a stable, income-driven rate of return over the long term with potential for growth of income and appreciation of value.

The equity portfolios invest in domestic and foreign stocks. The investment objective of these portfolios is to meet or exceed the return of its benchmark.

Depending on the fund or portfolio, withdrawals can be made on a monthly or quarterly basis. All funds and portfolios require one to fifteen days' notice, with the exception of the Core Real Estate Portfolio, which can be made on the last business day of each quarter with a minimum notice of ninety days.

Florida Municipal Pension Trust Fund
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 3 - Investments (Continued)

Investments measured at the net asset value per share (or its equivalent) are presented in the following table:

| | Fair Value <u>9/30/2024</u> | Unfunded <u>Commitments</u> | Redemption <u>Frequency</u> | Redemption <u>Notice Period</u> |
|-------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|
| Bonds | \$267,797,792 | \$ - | Monthly | 5-15 Days |
| Equities | 615,695,572 | - | Monthly | 1-3 Days |
| Real Estate | <u>94,298,678</u> | - | Quarterly | 90 Days |
| Total | <u>\$977,792,042</u> | | | |

Note 4 - Net Change in Fair Value of Investments

The Fund's investments experienced the following net increases (decreases) in fair value during the year:

| | |
|--|-----------------------|
| Broad Market High Quality Bond Fund | \$ 12,207,709 |
| Diversified Small to Mid (SMID) Cap Equity Portfolio | 36,853,315 |
| International Equity Portfolio | 40,420,448 |
| Diversified Large Cap Equity Portfolio | 62,866,785 |
| Core Plus Fixed Income Fund | 17,069,424 |
| Core Real Estate Portfolio | (3,795,072) |
| Mutual Funds Held by Newport Trust Company* | <u>32,155,316</u> |
| Total | <u>\$ 197,777,925</u> |

*Participant-Directed Accounts

Note 5 - Service Contracts

The Fund has contracted with the League to serve as Administrator. This contract renews annually unless written notice of termination is given by either party not less than sixty days prior to year-end. Administrative and service fees in the amount of \$1,511,717 were charged by the League during the year.

Florida Municipal Pension Trust Fund
SCHEDULE OF ADMINISTRATIVE EXPENSES
For the Year Ended September 30, 2024

| | |
|--|----------------------------|
| Actuary Fees | \$ 305,175 |
| Administrative and Service Fees - Florida League of Cities, Inc. | 1,511,717 |
| Administrative Fees - Newport Group, Inc. | 229,961 |
| Consulting Services | 67,500 |
| Audit Fees and Travel | 89,938 |
| Miscellaneous and Promotional | 2,620 |
| Insurance | 60,003 |
| Trustee Fees, Trustee Travel and Meetings Expense | <u>16,848</u> |
| Total Administrative Expenses | <u><u>\$ 2,283,762</u></u> |

Florida Municipal Pension Trust Fund
SCHEDULE OF MEMBER BALANCES BY PLAN TYPE
September 30, 2024

| <u>Plan Name</u> | 401(a) Defined Benefit/OPEB* | 401(a) Defined Contribution | 457(b) Deferred Compensation | Self-Directed DROP | <u>Total</u> |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------|--------------|
| Alachua County OPEB* | \$ 2,854,403 | \$ - | \$ - | \$ - | \$ 2,854,403 |
| Avon Park | - | 1,034,654 | 246,313 | - | 1,280,967 |
| Belle Isle | - | 2,272,839 | 319,274 | - | 2,592,113 |
| Belleair Beach | - | 649,059 | 739,884 | - | 1,388,943 |
| Belleair Bluffs | - | 502,302 | 178,079 | - | 680,381 |
| Belleview | - | 2,130,048 | 1,500,641 | - | 3,630,689 |
| Boca Raton Excess | 66,180 | - | - | - | 66,180 |
| Boca Raton Housing Authority | 4,293,917 | - | - | - | 4,293,917 |
| Boca Raton Management Plan | 68,687,463 | - | - | 1,808,328 | 70,495,791 |
| Bradenton Beach | - | 4,997 | - | - | 4,997 |
| Bradenton Beach General | 241,514 | - | - | - | 241,514 |
| Bradenton Beach Police | 368,217 | - | - | - | 368,217 |
| Brow ard Metropolitan Planning Organization | - | - | 1,918,750 | - | 1,918,750 |
| Bushnell | - | 874,042 | 739,646 | - | 1,613,688 |
| Callaw ay | - | - | 492,432 | - | 492,432 |
| Cape Canaveral | - | 4,227,713 | 1,776,582 | - | 6,004,295 |
| Cedar Hammock Fire OPEB* | 2,841,704 | - | - | - | 2,841,704 |
| Cedar Key | - | 288,579 | - | - | 288,579 |
| Cedar Key Sew er & Water | - | 123,978 | 7,028 | - | 131,006 |
| Cinco Bayou | - | 87,604 | 174,116 | - | 261,720 |
| Clermont | 220,123 | - | - | - | 220,123 |
| Clew iston Fire | 510,569 | - | - | - | 510,569 |
| Cocoa Beach OPEB* | 3,325,571 | - | - | - | 3,325,571 |
| Cooper City Management | 4,682,516 | - | - | - | 4,682,516 |
| Coral Springs OPEB* | 8,387,185 | - | - | - | 8,387,185 |
| Cottdonale | - | 145,227 | 123,781 | - | 269,008 |
| Dade City | - | 3,228,854 | 1,182,734 | - | 4,411,588 |
| Dania Beach OPEB* | 14,356,940 | - | - | - | 14,356,940 |
| Davie General & Management | 120,478,024 | - | - | - | 120,478,024 |
| Davie OPEB* | 3,518,227 | - | - | - | 3,518,227 |
| Daytona Beach | - | - | 3,336,911 | - | 3,336,911 |
| Daytona Beach Shores | - | 211,349 | 1,835,430 | - | 2,046,779 |
| Deland OPEB* | 1,142,758 | - | - | - | 1,142,758 |
| Dunnellon | - | 787,975 | 379,738 | - | 1,167,713 |
| Dunnellon Fire & Police | 4,087,779 | - | - | - | 4,087,779 |
| Eagle Lake | - | 484,162 | 1,171,947 | - | 1,656,109 |
| Eatonville | - | 305,304 | 132,445 | - | 437,749 |
| Emerald Coast Utilities | - | 924,156 | - | - | 924,156 |
| Ester o Fire District | 50,306,855 | 3,077,254 | 10,234,778 | - | 63,618,887 |
| Ester o Village | - | 771,973 | 797,235 | - | 1,569,208 |
| Flagler County Sheriff | - | 558,494 | 787,591 | - | 1,346,085 |
| Florida Atlantic Research | - | 237,912 | 373,491 | - | 611,403 |
| Fort Meade Firefighters | 498,606 | - | - | - | 498,606 |

Florida Municipal Pension Trust Fund
SCHEDULE OF MEMBER BALANCES BY PLAN TYPE
September 30, 2024

| <u>Plan Name</u> | <u>401(a) Defined Benefit/OPEB*</u> | <u>401(a) Defined Contribution</u> | <u>457(b) Deferred Compensation</u> | <u>Self-Directed DROP</u> | <u>Total</u> |
|---------------------------------------|---|--|---|-------------------------------|--------------|
| Fort Meade General | \$ 6,317,521 | \$ - | \$ - | \$ - | \$ 6,317,521 |
| Fort Meade Police Officers | 1,290,341 | - | - | - | 1,290,341 |
| Fort White | - | 23,375 | 22,963 | - | 46,338 |
| Frostproof General | 2,151,724 | - | - | - | 2,151,724 |
| Greater Boca Beach & Park District | - | 123,152 | 218,325 | - | 341,477 |
| Green Cove Springs Police | 10,686,258 | - | 181,003 | - | 10,867,261 |
| Greenacres | - | 5,858,632 | 3,312,526 | - | 9,171,158 |
| Greenacres Fire & Police | 75,735,582 | - | - | - | 75,735,582 |
| Greenwood | - | 30,021 | 17,858 | - | 47,879 |
| Gulf Breeze | - | 3,956,821 | 819,677 | - | 4,776,498 |
| Gulf Breeze Police | 9,106,212 | - | - | - | 9,106,212 |
| High Springs | - | 304 | - | - | 304 |
| Holly Hill | - | 164,149 | 2,434,956 | - | 2,599,105 |
| Howey-in-the-Hills Police | 2,912,798 | - | - | - | 2,912,798 |
| Indianalantic General | 2,218,075 | - | - | - | 2,218,075 |
| Indian Harbour Beach Police | 503,650 | - | - | - | 503,650 |
| Indian River Shores | 1,809,641 | 743,020 | 372,249 | - | 2,924,910 |
| Indian River Shores OPEB* | 2,642,594 | - | - | - | 2,642,594 |
| Inverness | - | 187,878 | 102,528 | - | 290,406 |
| Jacksonville Electric Authority OPEB* | 41,101,780 | - | - | - | 41,101,780 |
| Jennings | - | - | 7,726 | - | 7,726 |
| Joshua Water Control District | - | 47,367 | 11,797 | - | 59,164 |
| Juno Beach | - | 1,110,789 | 1,468,551 | - | 2,579,340 |
| Jupiter Inlet Colony | - | 361,301 | 75,060 | - | 436,361 |
| Jupiter Inlet District | - | 73,653 | - | - | 73,653 |
| Key West Housing Authority | - | - | 141,004 | - | 141,004 |
| LaBelle | - | - | 28,733 | - | 28,733 |
| LaBelle Fire | 2,886,758 | - | - | - | 2,886,758 |
| Lake Alfred General | 6,984,568 | 894,769 | 784,227 | - | 8,663,564 |
| Lake Hamilton | - | 101,103 | 251,226 | - | 352,329 |
| Lake Helen Police | 1,912,357 | - | - | - | 1,912,357 |
| Lantana | - | 8,443,688 | 5,020,013 | - | 13,463,701 |
| Lighthouse Point Police & Fire | 31,354,599 | - | - | - | 31,354,599 |
| Longwood | - | 5,128,127 | 2,382,218 | - | 7,510,345 |
| Longwood Fire & Police | 33,522,676 | - | - | - | 33,522,676 |
| Macclenny Housing Authority | - | 187,379 | - | - | 187,379 |
| Malone | - | 134,063 | 45,142 | - | 179,205 |
| Marathon Fire | 17,222,681 | - | - | - | 17,222,681 |
| Marianna General | - | 1,305,570 | 1,393,300 | - | 2,698,870 |
| Marianna Health & Rehab | - | 781,440 | 654,860 | - | 1,436,300 |
| McIntosh | - | 55,254 | - | - | 55,254 |
| Mexico Beach | - | 10,985 | 51,951 | - | 62,936 |
| Micanopy | - | - | 78,822 | - | 78,822 |

Florida Municipal Pension Trust Fund
SCHEDULE OF MEMBER BALANCES BY PLAN TYPE
September 30, 2024

| <u>Plan Name</u> | <u>401(a) Defined Benefit/OPEB*</u> | <u>401(a) Defined Contribution</u> | <u>457(b) Deferred Compensation</u> | <u>Self-Directed DROP</u> | <u>Total</u> |
|---|---|--|---|-------------------------------|---------------|
| Midway Fire District Firefighters | \$ 13,397,984 | \$ - | \$ - | \$ - | \$ 13,397,984 |
| Montverde | - | 191,883 | 162,214 | - | 354,097 |
| Mulberry | - | 2,332,208 | 955,903 | - | 3,288,111 |
| North Miami Beach Management | 21,778,321 | - | - | - | 21,778,321 |
| North Miami Beach OPEB* | 6,254,312 | - | - | - | 6,254,312 |
| Oakland | - | 3,248,307 | 988,905 | - | 4,237,212 |
| Oakland Park | 44,609,836 | 5,311,406 | 330,544 | - | 50,251,786 |
| Oldsmar | - | 8,605,446 | 2,845,857 | - | 11,451,303 |
| Oldsmar Fire | 11,427,954 | - | - | - | 11,427,954 |
| Orange Park General | 14,150,512 | - | - | - | 14,150,512 |
| Pace Fire Rescue District | 2,125,421 | - | - | - | 2,125,421 |
| Pahokee | - | 726,537 | 208,416 | - | 934,953 |
| Palm Beach Gardens General | 3,582,246 | - | - | - | 3,582,246 |
| Palm Beach TPA | - | - | 378,711 | - | 378,711 |
| Palm Coast Firefighters | 7,026,067 | - | - | - | 7,026,067 |
| Panama City Management | 4,336,238 | - | - | - | 4,336,238 |
| Panama City Port Authority | - | 2,754,412 | 360,306 | - | 3,114,718 |
| Parkland Police | 2,271,533 | - | - | - | 2,271,533 |
| Penney Farms | - | 177,627 | 2,243 | - | 179,870 |
| Pensacola and Perdido Bays EP | - | 35,199 | 465 | - | 35,664 |
| Plant City | - | 25,822,091 | 7,649,214 | - | 33,471,305 |
| Pomona Park | - | 5,327 | 5,519 | - | 10,846 |
| Ponce Inlet | - | 12,027 | 60,801 | - | 72,828 |
| Redington Beach | - | 126,932 | 8,689 | - | 135,621 |
| Redington Shores | - | 55,855 | - | - | 55,855 |
| Royal Palm Beach Police | 119,230 | - | - | - | 119,230 |
| Safety Harbor Fire | 17,873,319 | - | - | - | 17,873,319 |
| San Carlos Park Fire | 40,943,295 | - | - | - | 40,943,295 |
| Sanibel | - | 3,936,665 | 821,561 | - | 4,758,226 |
| Sarasota Bay Estuary Program | - | - | 10,852 | - | 10,852 |
| Sarasota County OPEB* | 7,810,112 | - | - | - | 7,810,112 |
| Satellite Beach | 8,400,800 | 3,320,871 | 880,766 | - | 12,602,437 |
| Satellite Beach Police & Fire | 29,228,722 | - | - | - | 29,228,722 |
| Sebring | - | 3,254 | 157,593 | - | 160,847 |
| Shalimar | - | - | 351,866 | - | 351,866 |
| South Bay | - | 134,566 | 133,895 | - | 268,461 |
| South Central Regional Wastewater | - | 1,878,878 | 1,483,614 | - | 3,362,492 |
| South Indian River Water Control District | - | 662,578 | 89,247 | - | 751,825 |
| South Pasadena | - | 1,241,893 | - | - | 1,241,893 |
| Southern Manatee Fire & Rescue District | 76,015,132 | - | 5,813,473 | - | 81,828,605 |
| Southern Manatee Fire & Rescue District General | 4,439,141 | - | - | - | 4,439,141 |
| Space Florida | - | - | 2,528,403 | - | 2,528,403 |
| Springfield | - | 11,690 | 78,994 | - | 90,684 |

Florida Municipal Pension Trust Fund
SCHEDULE OF MEMBER BALANCES BY PLAN TYPE
September 30, 2024

| <u>Plan Name</u> | <u>401(a) Defined Benefit/OPEB*</u> | <u>401(a) Defined Contribution</u> | <u>457(b) Deferred Compensation</u> | <u>Self-Directed DROP</u> | <u>Total</u> |
|----------------------------------|---|--|---|-------------------------------|--------------|
| St. Leo | \$ - | \$ 69,596 | \$ 21,714 | \$ - | \$ 91,310 |
| St. Marks | - | 124,990 | 71,779 | - | 196,769 |
| Tamarac Executive & Professional | 81,224,816 | - | - | - | 81,224,816 |
| Tampa | - | - | 16,511,548 | - | 16,511,548 |
| Umatilla | - | - | 437,179 | - | 437,179 |
| Umatilla Police | 3,082,050 | - | - | - | 3,082,050 |
| Valparaiso | - | 1,900,696 | 1,396,488 | - | 3,297,184 |
| Valparaiso Fire & Police | 4,643,258 | - | - | - | 4,643,258 |
| Wauchula General | 24,975,444 | - | - | - | 24,975,444 |
| Wauchula OPEB* | 697,273 | - | - | - | 697,273 |
| Wauchula Police | 3,953,037 | - | - | - | 3,953,037 |
| Welaka | - | 217,930 | 48,869 | - | 266,799 |
| Wellington OPEB* | 2,531,272 | - | - | - | 2,531,272 |
| Wewahitchka | - | 420,600 | 136,569 | - | 557,169 |
| Williston General | 5,618,008 | - | - | - | 5,618,008 |
| Williston Police | 3,762,893 | - | - | - | 3,762,893 |
| Winter Garden | - | 385,272 | - | - | 385,272 |
| Zolfo Springs | - | 227,535 | 214,308 | - | 441,843 |

*Identification of Other Post-Employment Benefits plans participating in the Fund