

FLORIDA MUNICIPAL PENSION TRUST FUND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**Florida Municipal Pension Trust Fund  
Financial Statements  
September 30, 2020**

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March 2, 2021

**Independent Auditor's Report**

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

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, 2020, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

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, 2020, 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.

## **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 on pages 3-5 be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Florida Municipal Pension Trust Fund's basic financial statements. The schedule of administrative expenses on page 15 and the schedule of member balances by plan type on pages 16-19 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. Such 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.

*Shorstein + Shorstein, P.A.*

**Florida Municipal Pension Trust Fund**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2020**

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, 2020. 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 nearly \$60.6 million during FY 19-20, compared to an increase of \$21.8 million during FY 18-19. Fiduciary net position at September 30, 2020 was \$859.2 million.
- Total additions to fiduciary net position for FY 19-20 were \$111.8 million, compared to \$96.8 million for FY 18-19. This is an increase of \$15 million, or 15%. Total deductions were \$51.3 million for FY 19-20 compared to \$75 million for FY 18-19, which is a decrease of \$23.7 million or 31%.
- The two main components of additions to fiduciary net position are contributions and transfers received from plans and investment earnings. During the year, the Fund collected \$55.3 million in contributions and transfers, compared to \$54 million for the prior year. Net investment earnings during FY 19-20 were \$54.8 million compared to \$41 million during FY 18-19. During FY 19-20, eight new members and/or plans joined the Fund, transferring assets and making new contributions totaling nearly \$6.8 million.
- The two main deductions from fiduciary net position are benefits paid to participants and transfers to members leaving the Fund. During FY 19-20, \$49.6 million was paid out compared to \$73.3 million paid out during FY 18-19. During FY 19-20, three members and/or plans left the Fund taking out over \$14.6 million.
- 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, 2020 totaled nearly \$852.3 million, compared to over \$792.4 million at September 30, 2019. Information on specific investments can be found in the footnotes to the financial statements.

Basic Financial Statements

The 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, 2020. 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, 2019 through September 30, 2020. 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, 2020**

Comparative Financial Information

Table 1  
Fiduciary Net Position

	<u>FY 19-20</u>	<u>FY 18-19</u>
Cash and Receivables	\$ 7,242,100	\$ 6,489,700
Investments	<u>852,278,400</u>	<u>792,462,400</u>
Total Assets	<u>859,520,500</u>	<u>798,952,100</u>
Accounts Payable	<u>304,100</u>	<u>299,200</u>
Total Liabilities	<u>304,100</u>	<u>299,200</u>
Net Position Restricted for Member Plans	<u>\$ 859,216,400</u>	<u>\$ 798,652,900</u>

Changes in Fiduciary Net Position

	<u>FY 19-20</u>	<u>FY 18-19</u>
Contributions	\$ 55,322,500	\$ 53,997,500
Other Income	<u>56,492,900</u>	<u>42,764,700</u>
Total Additions	<u>111,815,400</u>	<u>96,762,200</u>
Transfers and Benefits	49,573,500	73,341,000
Other Expenses	<u>1,678,400</u>	<u>1,645,700</u>
Total Deductions	<u>51,251,900</u>	<u>74,986,700</u>
Change in Net Position Restricted for Member Plans	<u>\$ 60,563,500</u>	<u>\$ 21,775,500</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, 2020**

Economic Factors

The Florida Economic Estimating Conference met on July 17, 2020 to adopt a new forecast for the state's economy. The Conference downgraded the near- and long-term outlooks compared to the most recent report adopted in December 2019. The adjustments are a direct result of the coronavirus outbreak, the actions to contain it, and the pandemic-induced economic contraction that followed. The leisure and hospitality industry is expected to bear the brunt of the longer-term consequences. Any rebound will be constrained by the availability of an effective vaccine which is not anticipated to be widely available until the 2021-2022 fiscal year. One measure for assessing the state's economic health is the year-to-year change in real state gross domestic product. On July 7, 2020, the U.S. Department of Commerce released GDP data by state for the first quarter of 2020. Florida was ranked 24<sup>th</sup> in the country with a real growth rate of -4.9%, compared to the U.S. as a whole, which was reported at -5%. The new forecast shows a further decline of -4.3% in FY 20-21, a rebound of 4.2% in FY 21-22, and a gradual return to the 2% range thereafter. A second gauge used to measure a state's health is personal income growth. Florida's growth rate increased at an annual rate of 3% in the first quarter of 2020 ranking 13<sup>th</sup> in the country. The Conference estimates that the state's personal income declined -6.6% in the second quarter which reflects a decline in wage and property income that overwhelmed the federal stimulus payments. Because of the strength from previous quarters, growth remains positive at 3.3% for the year. Going forward, the Conference expects personal growth to decline by 0.5% in FY 21, recover to 3.1% in FY 22, and remain solidly above 4% thereafter. Key measures of employment are job growth and the unemployment rate. Florida's job market experienced an unprecedented contraction in the second quarter of 2020 when a large part of the economy was shut down and workers were sent home to slow the spread of the coronavirus. Employment dropped by 1.2 million jobs from February 2020 to April 2020. Protected by federal stimulus programs and a recovery in consumer demand, some of those jobs have returned. Given the unusual circumstances brought on by the pandemic, jobs in the leisure and hospitality sectors are not expected to reach pre-Covid-19 levels within the next ten years. Florida's unemployment rate was around 2.8% in February 2020. When the coronavirus outbreak occurred, the rate spiked to 13.8% in April 2020. The Conference predicts the unemployment rate to peak in early FY 21 and gradually drop to 7.8% by the last quarter of the fiscal year. Expectations are for the rate to slowly come down to 4% by FY 30. Lastly, Florida's tourism industry is particularly vulnerable to the longer-term effects of the pandemic. Until an effective vaccine is deployed and effective treatments developed, the forecast is not positive for the next few years.

The Fund realized an increase of \$15 million in additions to net position this year. Contributions and transfers were higher by \$1.3 million over the prior year and other income was higher by \$13.7 million with the majority coming from the increase in the Fund's investment income. The Fund recorded net investment earnings of \$54.8 million this year compared to \$41 million in the prior year. Deductions to net position were lower by \$23.7 million. Transfer and benefit expenses for the current year were \$23.7 million less than the prior year and other expenses were slightly higher by nearly \$33 thousand.

Since year-end, the Fund has accepted no new members/plans and had no members/plans terminate.

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, 2020**

ASSETS

Cash and Cash Equivalents		\$ 6,342,621
Receivables from Members and Participants		899,524
Investments at Fair Value		
Florida Municipal Investment Trust	\$ 722,500,223	
Mutual Funds Held by Newport Trust Company	<u>129,778,178</u>	<u>852,278,401</u>
 Total Assets		 859,520,546

LIABILITIES

Accounts Payable - Florida League of Cities, Inc.	249,743	
Accounts Payable - Other	<u>54,376</u>	
 Total Liabilities		 <u>304,119</u>

NET POSITION

Net Position Restricted for Member Plans	<u><u>\$ 859,216,427</u></u>
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\*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, 2020**

ADDITIONS

Contributions			
Transfers and Employer Contributions	\$	38,681,161	
Employee Contributions		11,875,638	
State Contributions		<u>4,765,737</u>	\$ 55,322,536
Investment Earnings:			
Net Increase in Fair Value of Investments		50,906,184	
Interest and Dividends		<u>4,342,129</u>	
Total		55,248,313	
Less: Investment Expenses		<u>(442,449)</u>	
Net Investment Income			54,805,864
Service and Maintenance Fee Income			<u>1,686,992</u>
Total Additions			111,815,392

DEDUCTIONS

Transfers and Benefits Paid to Participants	49,573,475	
Administrative Expenses	<u>1,678,397</u>	
Total Deductions		<u>51,251,872</u>
Change in Net Position Restricted for Member Plans		60,563,520
Net Position, Beginning of Year		<u>798,652,907</u>
Net Position, End of Year		<u>\$ 859,216,427</u>

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

**Florida Municipal Pension Trust Fund**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**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 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, 2020**

**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. FMLvT 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 include interest-bearing demand deposits in the amount of \$5,442,291 and short-term investments in the amount of \$900,330. The short-term investments are invested in the Florida State Board of Administration's Florida Prime Fund (\$330) and the Northern Institutional U.S. Government Portfolio Money Market Fund (\$900,000). Florida Prime was rated AAA by Standard & Poor's and had a weighted average maturity of 48 days at September 30, 2020. The U.S. Government Portfolio Money Market Fund was rated AAA by Moody's as well as Standard & Poor's and had a weighted average maturity of 52 days at September 30, 2020.

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, FMLvT 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.

FMLvT 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. FMLvT is not subject to SEC or other regulatory oversight. The FMLvT Board of Trustees provides oversight. The fair value of the positions in the FMLvT 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 FMLvT.

**Florida Municipal Pension Trust Fund**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

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, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (In Years)</u>
<u>Bond Funds</u>		
Broad Market High Quality Bond Fund	\$ 93,006,591	5.52
Core Plus Fixed Income Fund	95,024,658	3.35
<u>Equity Funds</u>		
Diversified Small to Mid (SMID) Cap Equity Portfolio	78,140,986	
International Equity Portfolio	121,031,502	
Diversified Large Cap Equity Portfolio	270,730,903	
<u>Real Estate Funds</u>		
Core Real Estate Portfolio	<u>64,565,583</u>	
Total	<u>\$722,500,223</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, 2020, 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, 2020**

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.

*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.

Participant-Directed Investments Held by Newport Trust Company at September 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (In Years)</u>
Money Market Fund	\$ 7,582,575	.29
<u>Bond and Hybrid Funds</u>		
Core Bond Funds	13,197,909	3.1 - 8.12
Balanced Funds	71,292,838	6.01 - 8.04
<u>Equity Funds</u>		
Domestic Equity Funds	33,411,365	
International Equity Funds	4,293,491	
Total	<u>\$129,778,178</u>	

**Florida Municipal Pension Trust Fund**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

Note 3 - Investments (Continued)

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.

The Fund has the following recurring fair value measurements as of September 30, 2020:

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	\$ 7,582,575	\$ 7,582,575	\$ -	\$ -
Bond Funds	272,521,996	84,490,747	93,006,591	95,024,658
Equity Portfolios	507,608,247	37,704,856	469,903,391	-
Real Estate	<u>64,565,583</u>	<u>-</u>	<u>-</u>	<u>64,565,583</u>
Total Investments	<u>\$852,278,401</u>	<u>\$129,778,178</u>	<u>\$562,909,982</u>	<u>\$159,590,241</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, 2020**

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 funds and equity portfolios classified as Level 2 are derived from market-corroborated data. The values of the bond funds and the Core Real Estate Portfolio classified as Level 3 are based on unobservable inputs. Those bond funds 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 funds 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 fund'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 fund'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 fund seeks to achieve this investment objective by generally investing in a portfolio of 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 funds 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 five 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, 2020**

**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>9/30/2020</u>	Unfunded <u>Commitments</u>	Redemption <u>Frequency</u>	Redemption <u>Notice Period</u>
Bonds	\$188,031,249	-	Monthly	5-15 Days
Equities	469,903,391	-	Monthly	1-3 Days
Real Estate	<u>64,565,583</u>	-	Quarterly	90 Days
Total	<u>\$722,500,223</u>			

**Note 4 - Net Increase 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	\$ 6,809,739
Diversified Small to Mid (SMID) Cap Equity Portfolio	(3,059,592)
International Equity Portfolio	13,898,356
Diversified Large Cap Equity Portfolio	27,359,861
Core Plus Fixed Income Fund	46,688
Core Real Estate Portfolio	694,595
Mutual Funds Held by Newport Trust Company*	<u>5,156,537</u>
Total	<u>\$ 50,906,184</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 \$1,100,084 were charged by the League during the year.

**Note 6 - Risks and Uncertainties**

The current worldwide pandemic, caused by the novel coronavirus known as COVID-19, has created widespread economic uncertainty. Management cannot estimate the economic impact, if any, of this uncertainty on the condition of the Fund. However, management does not believe there will be a material adverse effect on the financial condition of the Fund as reflected in these financial statements.



**Florida Municipal Pension Trust Fund**  
**SCHEDULE OF ADMINISTRATIVE EXPENSES**  
**For the Year Ended September 30, 2020**

Actuary Fees	\$ 230,325
Administrative and Service Fees - Florida League of Cities, Inc.	1,100,084
Administrative Fees - Newport Group, Inc.	180,304
Consulting Services	32,909
Audit Fees and Travel	69,650
Miscellaneous and Promotional	11,496
Insurance	40,000
Travel and Meetings Expense	4,892
Legal	5,337
Trustee Fees	<u>3,400</u>
Total Administrative Expenses	<u>\$ 1,678,397</u>

**Florida Municipal Pension Trust Fund**  
**SCHEDULE OF MEMBER BALANCES BY PLAN TYPE**  
**September 30, 2020**

<u>Plan Name</u>	<u>401(a) Defined Benefit/OPEB*</u>	<u>401(a) Defined Contribution</u>	<u>457(b) Deferred Compensation</u>	<u>Total</u>
Alachua County OPEB*	\$ 2,124,379	\$ -	\$ -	2,124,379
Avon Park	-	641,372	175,993	817,365
Belle Isle	-	867,141	89,339	956,480
Belleair Beach	-	524,173	602,565	1,126,738
Belleair Bluffs	-	283,362	97,065	380,427
Boca Raton Housing Authority	3,513,424	-	-	3,513,424
Boca Raton Management Plan	52,290,543	-	-	52,290,543
Broward Metropolitan Planning Organization	-	-	628,537	628,537
Bushnell	-	340,002	540,065	880,067
Callaway	-	-	206,581	206,581
Cape Canaveral	-	2,496,042	948,380	3,444,422
Cedar Hammock Fire OPEB*	2,069,452	-	-	2,069,452
Cedar Key	-	157,639	-	157,639
Cedar Key Sewer & Water	-	423,138	101,010	524,148
Cinco Bayou	-	45,334	47,904	93,238
Clermont	273,580	-	-	273,580
Cocoa Beach OPEB*	2,043,062	-	-	2,043,062
Cooper City Management	5,081,123	-	-	5,081,123
Coral Springs OPEB*	5,761,826	-	-	5,761,826
Cottondale	-	149,008	102,376	251,384
Dade City	-	1,719,089	825,196	2,544,285
Dania Beach OPEB*	10,504,634	-	-	10,504,634
Davie General & Management	87,068,827	-	-	87,068,827
Davie OPEB*	2,644,922	-	-	2,644,922
Daytona Beach	-	-	1,593,494	1,593,494
Daytona Beach Shores	-	262,717	2,223,372	2,486,089
Deland OPEB*	851,600	-	-	851,600
Dunnellon	-	646,760	377,455	1,024,215
Dunnellon Fire & Police	3,113,044	-	-	3,113,044
Eagle Lake	-	213,573	810,396	1,023,969
Eatonville	-	213,561	71,863	285,424
Emerald Coast Utilities	-	1,128,400	-	1,128,400
Estero Fire District	34,184,978	2,293,467	5,501,651	41,980,096
Estero Village	-	298,591	276,762	575,353
Flagler County Sheriff	-	205,678	351,569	557,247
Florida Atlantic Research	-	97,950	153,174	251,124
Fort Meade Firefighters	400,058	-	-	400,058
Fort Meade General	5,291,515	-	-	5,291,515
Fort Meade Police Officers	1,195,031	-	-	1,195,031
Fort White	-	31,328	28,334	59,662
Frostproof General	1,629,265	-	-	1,629,265
Greater Boca Beach & Park District	-	13,918	26,606	40,524
Green Cove Springs Fire & Police	6,709,588	-	121,656	6,831,244

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**September 30, 2020**

<u>Plan Name</u>	<u>401(a) Defined Benefit/OPEB*</u>	<u>401(a) Defined Contribution</u>	<u>457(b) Deferred Compensation</u>	<u>Total</u>
Greenacres	\$ -	\$ 3,654,147	\$ 2,326,184	\$ 5,980,331
Greenacres Fire & Police	45,670,444	-	-	45,670,444
Greenwood	-	21,259	16,317	37,576
Gulf Breeze	-	2,718,520	463,419	3,181,939
Gulf Breeze Police	5,731,703	-	-	5,731,703
High Springs	-	970	-	970
Holly Hill	-	129,656	685,782	815,438
Howey-in-the-Hills Police	1,917,811	-	-	1,917,811
Indianalantic General	1,642,318	-	-	1,642,318
Indian Harbour Beach Police	356,480	-	-	356,480
Indian River Shores	1,247,797	511,437	372,658	2,131,892
Indian River Shores OPEB*	2,144,514	-	-	2,144,514
Inverness	-	291,456	150,614	442,070
Jacksonville Electric Authority OPEB*	33,999,140	-	-	33,999,140
Jennings	-	-	46,399	46,399
Joshua Water Control District	-	35,333	171,340	206,673
Juno Beach	-	816,078	1,232,974	2,049,052
Jupiter Inlet Colony	-	262,707	12,151	274,858
Jupiter Inlet District	-	314,896	289,056	603,952
Key West Housing Authority	-	-	10,204	10,204
Keys Energy Services	-	207,348	1,967,813	2,175,161
LaBelle	-	-	30,285	30,285
LaBelle Fire	1,976,561	-	-	1,976,561
Lake Alfred General	5,822,193	154,096	158,582	6,134,871
Lake Hamilton	-	54,145	128,656	182,801
Lake Helen Police	1,498,566	-	-	1,498,566
Lantana	-	5,293,169	2,627,720	7,920,889
Lighthouse Point Police & Fire	27,552,506	-	-	27,552,506
Longwood	-	3,208,838	678,232	3,887,070
Longwood Fire & Police	22,048,227	-	-	22,048,227
Macclenny	-	-	12,546	12,546
Macclenny Housing Authority	-	85,985	-	85,985
Malone	-	91,722	31,486	123,208
Marathon Fire	10,910,139	-	-	10,910,139
Marianna General	-	1,049,995	1,236,105	2,286,100
Marianna Health & Rehab	-	947,086	576,304	1,523,390
McIntosh	-	65,415	-	65,415
Mexico Beach	-	9,829	42,255	52,084
Micanopy	-	-	282,432	282,432
Midway Fire District Firefighters	7,492,436	-	-	7,492,436
Mulberry	-	862,838	297,543	1,160,381
North Miami Beach Management	20,737,058	-	-	20,737,058
North Miami Beach OPEB*	4,197,792	-	-	4,197,792

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**September 30, 2020**

<u>Plan Name</u>	<u>401(a) Defined Benefit/OPEB*</u>	<u>401(a) Defined Contribution</u>	<u>457(b) Deferred Compensation</u>	<u>Total</u>
Oakland Park	\$ 42,191,516	\$ 3,933,150	\$ 3,418	\$ 46,128,084
Oldsmar	-	5,179,386	1,825,710	7,005,096
Oldsmar Fire	7,665,869	-	-	7,665,869
Orange Park General	11,827,845	-	-	11,827,845
Pace Fire Rescue District	134,726	-	-	134,726
Pahokee	-	554,666	153,125	707,791
Palm Beach Gardens General	2,875,022	-	-	2,875,022
Palm Beach TPA	-	-	50,180	50,180
Palm Coast Firefighters	4,766,611	-	-	4,766,611
Panama City Management	3,615,535	-	-	3,615,535
Panama City Port Authority	-	2,461,068	200,177	2,661,245
Parkland Police	2,348,891	-	-	2,348,891
Penney Farms	-	107,428	9,456	116,884
Plant City	-	19,956,816	3,164,675	23,121,491
Ponce Inlet	-	8,897	114,976	123,873
Redington Beach	-	138,775	33,266	172,041
Redington Shores	-	255,179	39,887	295,066
Royal Palm Beach Police	388,547	-	-	388,547
Safety Harbor Fire	11,947,491	-	-	11,947,491
San Carlos Park Fire	24,992,051	-	-	24,992,051
Sanibel	-	1,790,205	480,463	2,270,668
Sarasota Bay Estuary Program	-	-	73,845	73,845
Sarasota County OPEB*	7,872,915	-	-	7,872,915
Satellite Beach General	8,084,440	-	-	8,084,440
Satellite Beach Police & Fire	21,495,363	-	-	21,495,363
South Central Regional Wastewater	-	1,481,095	1,058,782	2,539,877
Sebring	-	4,093	114,066	118,159
Shalimar	-	-	166,113	166,113
South Bay	-	17,487	17,165	34,652
South Indian River Water Control District	-	627,088	107,650	734,738
South Pasadena	-	853,827	-	853,827
South Seminole	-	125,633	-	125,633
Southern Manatee Fire & Rescue District	52,516,624	-	2,639,511	55,156,135
Southern Manatee Fire & Rescue District General	3,842,393	-	-	3,842,393
Space Florida	-	-	1,393,080	1,393,080
Springfield	-	7,344	58,093	65,437
St. Leo	-	12,186	-	12,186
St. Marks	-	88,339	60,908	149,247
Tamarac Executive & Professional	60,873,599	-	-	60,873,599
Tampa	-	-	8,118,658	8,118,658
Umatilla	-	-	195,816	195,816
Umatilla Police	2,245,053	-	-	2,245,053
Valparaiso	-	1,448,981	959,619	2,408,600

**Florida Municipal Pension Trust Fund**  
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<u>Plan Name</u>	401(a) Defined <u>Benefit/OPEB*</u>	401(a) Defined <u>Contribution</u>	457(b) Deferred <u>Compensation</u>	<u>Total</u>
Valparaiso Fire & Police	\$ 3,287,289	\$ -	\$ -	\$ 3,287,289
Wauchula General	20,206,933	-	-	20,206,933
Wauchula OPEB*	583,272	-	-	583,272
Wauchula Police	3,378,011	-	-	3,378,011
Welaka	-	165,587	52,605	218,192
Wellington	-	2,347	5,107,092	5,109,439
Wellington OPEB*	1,840,239	-	-	1,840,239
Wewahitchka	-	474,263	114,089	588,352
Williston General	4,829,607	-	-	4,829,607
Williston Police	2,800,083	-	-	2,800,083
Winter Garden	-	585,513	-	585,513
Zolfo Springs	-	191,135	188,030	379,165

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