MEETING OF THE STATE BOARD OF ADMINISTRATION

GOVERNOR DESANTIS AS CHAIR
CHIEF FINANCIAL OFFICER PATRONIS
ATTORNEY GENERAL MOODY

June 4, 2019

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AGENDA

ITEM 1. **APPROVAL OF MARCH 12, 2019 MEETING MINUTES**

(See Attachment 1)

ACTION REQUIRED

ITEM 2. **APPROVAL OF APRIL 2, 2019 MEETING MINUTES**

(See Attachment 2)

ACTION REQUIRED

ITEM 3. **A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $18,400,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES D (MARY BETHUNE HIGHRISE)**

(See Attachment 3)

ACTION REQUIRED

ITEM 4. **A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $14,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (PARRISH OAKS)**

(See Attachment 4)

ACTION REQUIRED

ITEM 5. **MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $11,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (PEMBROKE TOWER APARTMENTS)**

(See Attachment 25

ACTION REQUIRED

ITEM 6. **A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $55,000,000 STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION EVERGLADES RESTORATION REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)**

(See Attachment 6)

ACTION REQUIRED

ITEM 7. **A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $205,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)**

(See Attachment 7)

ACTION REQUIRED

ITEM 8. REQUEST APPROVAL OF CHANGES TO THE COMPREHENSIVE INVESTMENT PLANS FOR THE FLORIDA PREPAID COLLEGE BOARD, AS REQUIRED UNDER S. 1009.973, F.S.

The Comprehensive Investment Plans, required pursuant to s. 1009.973, F.S., are the principal vehicles through which the Florida Prepaid College Board establishes the investment objectives, strategies, goals and authorized investment types for the Florida Prepaid College Program and the Florida College Savings program.

At the March 27, 2019 Florida Prepaid College Board meeting, the Board unanimously agreed to amend the Florida Prepaid College and Florida College Savings programs' Comprehensive Investment Plans to authorize 144(a) securities within the collateralized securities asset class, authorize expected ratings within appropriate credit requirements, authorize the use of collateral loan obligations and provide for the ability to implement a Core Plus Fixed Income strategy. All policy changes would be effective upon final approval by the SBA Trustees.

(See Attachment 8)

ACTION REQUIRED

ITEM 9. REQUEST APPROVAL OF SBA QUARTERLY REPORT REQUIRED BY THE PROTECTING FLORIDA'S INVESTMENTS ACT (PFIA).

Pursuant to Sections 215.473 and 215.442, F.S., the SBA is required to submit a quarterly report that includes lists of "Scrutinized Companies" with activities in Sudan and Iran. The PFIA prohibits the SBA, acting on behalf of the Florida Retirement System Trust Fund, from investing in, and requires divestment from, companies involved in certain types of business activities in or with Sudan or Iran (i.e., the "Scrutinized Companies").

(See Attachment 9)

ACTION REQUIRED

ITEM 10. REQUEST APPROVAL OF THE STATE BOARD OF ADMINISTRATION'S PROPOSED BUDGETS FOR FISCAL YEAR 2019-2020: (1) STATE BOARD OF ADMINISTRATION; (2) FRS INVESTMENT PLAN; (3) FLORIDA HURRICANE CATASTROPHE FUND; (4) DIVISION OF BOND FINANCE; AND, (5) FLORIDA PREPAID COLLEGE BOARD.

(See Attachment 10)

ACTION REQUIRED

STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND CABINET

______________________________/

CABINET MEMBERS: GOVERNOR RON DESANTIS
ATTORNEY GENERAL ASHLEY MOODY
CHIEF FINANCIAL OFFICER JIMMY PATRONIS
COMMISSIONER OF AGRICULTURE NIKKI FRIED

DATE: TUESDAY, MARCH 12, 2019

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
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STATE BOARD OF ADMINISTRATION

GOVERNOR DESANTIS: SBA.

EXECUTIVE DIRECTOR WILLIAMS: Good morning, Governor.

GOVERNOR DESANTIS: Good morning.

EXECUTIVE DIRECTOR WILLIAMS: Trustees, Cabinet members.

As an opener, performance update, fiscal year to date as of the close on March 11, the Fund is plus 1.82 percent. That is 84 basis points ahead of target. The balance in the Fund is down 1.8 billion from the beginning of the fiscal year, and that is net of approximately $5.6 billion in benefit payment distributions.

I also wanted to share with you some information that came to us last Friday, I believe it was. We had a firm called Cost Effectiveness Management in. They are a private third-party cost analysis and performance analysis firm that covers pension funds across north America. And we have them in every year to analyze our cost structure and validate where we are in our efficiency relative to our peers and how our performance is in terms of value added relative to risk taken, et cetera.

And they gave us a trailing five-year number that breaks out as follow -- numbers and qualifications as follows: Five years trailing, net return, 9.8 percent; policy return target, which is if we had simply hit what our benchmarks provide for the exposures we choose and you approve, 8.8 percent for a net value added of 1.0 percent over five years.

The context on that is where the real message is. I'll read directly from the report: Your five-year net value added of 1.0 percent compares to a median of 0.1 percent for your peers --

Meaning other very large U.S. funds.

-- and 0.2 percent for the U.S. public fund universe.

That's all of the public pension funds in the U.S.

Your 1.0 percent five-year value added translates into approximately $9.3 billion of cumulative value added over five years or 7.7 billion more than if you had earned the U.S. public fund median of .2 percent.

So if we had performed like all of the other public funds in the country, we'd be 7.7 billion

poorer, is the conclusion I take from that. I just thought you might find that of interest.

So absent any questions, I'll go on into the agenda.

(NO RESPONSE).

EXECUTIVE DIRECTOR WILLIAMS: Item 1, a resolution of the State Board of Administration approving the fiscal sufficiency of an amount not exceeding $28 million, State of Florida, Department of Environmental Protection, Everglades restoration revenue refunding bonds.

Request approval.

GOVERNOR DESANTIS: Is there a motion?

CFO PATRONIS: So move.

GOVERNOR DESANTIS: Second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 2, a resolution of the State Board of Administration approving the fiscal sufficiency of an amount not exceeding $500 million, State of Florida, full faith and credit, State Board of

Education, public education capital outlay refunding bonds.

Request approval.

GOVERNOR DESANTIS: Is there a motion?

CFO PATRONIS: So move.

GOVERNOR DESANTIS: Second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any objections?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Items 3 and 4 are both appointments to the State Board of Administration's Investment Advisory Council or IAC.

The individuals who are here, Bobby Jones and Vinny Olmstead, are both serving currently and have done so with distinction and have extraordinarily strong backgrounds for this work. Both of them would be confirmed or appointed effective 12, March, and they're both subject to Senate confirmation.

I would request approval of both appointments.

GOVERNOR DESANTIS: A motion to approve both appointees?

CFO PATRONIS: So move.

GOVERNOR DESANTIS: Second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries for both Items 3 and 4.

Anything else?

EXECUTIVE DIRECTOR WILLIAMS: No, sir, we're good. Thank you.

GOVERNOR DESANTIS: All right. Thank you very much.

And that concludes today's Cabinet meeting.

Our next meeting is scheduled for Tuesday, April 2nd.

(WHEREUPON, THE MEETING WAS ADJOURNED).

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STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND CABINET

CABINET MEMBERS: GOVERNOR RON DESANTIS
ATTORNEY GENERAL ASHLEY MOODY
CHIEF FINANCIAL OFFICER JIMMY PATRONIS
COMMISSIONER OF AGRICULTURE NIKKI FRIED

DATE: APRIL 2, 2019

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
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STATE BOARD OF ADMINISTRATION

GOVERNOR DESANTIS: Ash Williams, good morning.

EXECUTIVE DIRECTOR WILLIAMS: Good morning Governor, Trustees, Cabinet members.

A couple of things for you this morning, let's open with an update on investment performance. As of the close on April Fools' Day, the Florida Retirement System Trust Fund is up 3.55 percent for the fiscal year. That's 45 basis points ahead of target. Fund balance is 160.6 billion. That's 200 million above where we started the year net of five to five and a half billion dollars in distributions.

So unless there are any questions about investment performance, I'll go ahead and move into today's agenda.

GOVERNOR DESANTIS: Go ahead.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 1, approval of the February 26 meeting minutes.

Request approval.

GOVERNOR DESANTIS: Move to approve.

Is there second?

CFO PATRONIS: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 2.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 2 is a resolution of the State Board of Administration. It's a fiscal sufficiency approving a bond amount not to exceed 25,700,000, State of Florida, Board of Governors, Florida International University parking facility revenue refunding bonds.

Request approval.

GOVERNOR DESANTIS: Move to approve.

Is there a second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 3.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 3 is another fiscal sufficiency. This for an amount of bonds not to exceed 640 million

State of Florida full faith and credit, Board of Education, public education capital outlay refunding bonds.

Request approval.

GOVERNOR DESANTIS: Is there a motion on the item?

CFO PATRONIS: So move.

GOVERNOR DESANTIS: Second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 4.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 4 is another resolution, this one a fiscal determination that the State Board would be making for the Florida Housing Finance Corporation. This is to authorize an amount -- an issuance amount not exceeding $450,000,000, Florida Housing Finance Corporation homeowner mortgage revenue bonds.

This -- the proceeds of this issue would be used to finance low, moderate, and middle income mortgage loans, or possibly to refi prior issues for that purpose by the Florida Housing Finance Corporation.

GOVERNOR DESANTIS: Is there a motion on the item?

CFO PATRONIS: So move.

GOVERNOR DESANTIS: Second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 5.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 5 is the annual Florida Hurricane Catastrophe Fund Reimbursement Premium Formula that we need to approve.

Let me give you a little background on this since this is the first time for two of you on this item.

The law requires that the Premium Formula be adopted annually, unanimously by the three trustees of the State Board of Administration. And that action is taken after several requirements of the Reimbursement Formula's construction are met.

The first of those is that it be actuarially

sound. The second is that the rate be certified as actuarially sound by an independent actuary. That actuary is with us this morning, and this is the same firm we've been working with since the very beginning of the Cat Fund. And the Cat Fund has had a very, very strong and positive experience over its years.

This will be the 26th hurricane season for which we have gone through this exercise. And given the standard of approving something as sensitive as a reimbursement formula -- this is essentially the contract between the Hurricane Catastrophe Fund and all the primary insurers who are our clients. We are a wholesale organization, not retail, so we don't deal with individual insureds.

One might think that might be a pretty sensitive exercise, and the bar of reaching unanimous consent on that formula every year would appear to be a very high bar. Yet in no year, in all the years we've been doing this -- and I've done this myself for, gosh, 16 of those years -- we've never had anything less than a unanimous vote. We've never even had what I would call a hard discussion.

Why is that? The reason is that the processes that precede our meeting today provide an extraordinary level of input, transparency, and validation of the recommendation that's before you this morning. So for example, on 19 March, we had two public events: One, a meeting of the Florida Hurricane Catastrophe Advisory Council, a body populated and required by statute to include representatives of virtually all the major constituencies of the Hurricane Catastrophe Fund. They meet in public regularly. They considered the formula and recommended it.

We also had a rule making workshop which, again, is open to the public, noticed, and an opportunity for anyone to raise any issues they may have about the rule. Both of those proceedings went very well, and both of them bring us to the point this morning with the rule before you.

In terms of the impact of the rule and what has changed since the prior -- well, I'll come back to the rule; this is just the formula. The subsequent item is approval to move forward with rulemaking on the formula which, again, provides yet another opportunity -- if any member of the public or any stakeholder in this process has

concerns, there's a rulemaking process there. And we all know the administrative process offers multiple points of attachment for people to be heard.

So what has changed this year? A couple of things: First of all, for the second consecutive year, the actual premium that the Cat Fund -- the underwritten premium the Cat Fund would charge is decreasing a little bit. So the cost of the product per unit is going down a bit, a little north of seven percent; and at the same time, we're seeing insurance companies elect to use more coverage. Insurance companies have a choice. This is not one size fits all.

Companies can buy 45 percent of their reinsurance through the Cat Fund, 75 percent, or 90 percent. It's totally up to them what they do.

And what we've seen since last year is a slight increase in what insurance companies are choosing to buy from the Cat Fund. So even though our rate has gone down, there's more product being sold. So the total amount goes up a little bit of what's being spent on the Cat Fund, and that's reflected in the formula.

And I think that illustrates something else that's really important. The purpose that the Cat Fund was created to fulfill is to be a stabilizing mechanism in Florida's insurance market. Private reinsurance comes and goes, based on where global capital chooses to be.

And the reason the Cat Fund was created was Florida found out the hard way, in the wake of Hurricane Andrew, that when insurers have huge losses in a concentrated geography, and the State of Florida is the biggest wind-risk territory in the world and always has been, then the reinsurance markets may simply say: Wow, we just lost a whole lot of money there; we're done with that game for a while. We're gone. And that's exactly what happened after Hurricane Andrew.

And in an economy like this where we depend still in large measure on real estate development and on our big commercial economy that requires insurance to be functional, that's not an acceptable variance risk for our economy. So the Legislature in its wisdom created this very forward-looking and unique mechanism in our country called the Florida Hurricane Catastrophe Fund.

In these 26 years later, guess what? We've had lots of storms. We went through a 500-year

storm event in '04/'05. The Cat Fund paid out over $9 billion in claims, not a dollar short or a day late on any one of them, and no audit issues on all that funding distributed, and our market has continued. And we've been through recently some pretty serious storms and some near brushes that could have been worse economic blows to our state, and the Cat Fund has been there and functioned as envisioned.

So our market is stable, it is working well. And part of the reason is the processes we have, as I described earlier, are open; they're transparent; they're logic based; and they've just served the purpose really well.

So I'm happy to answer any questions you may have about the Formula; and otherwise, would request approval.

GOVERNOR DESANTIS: Well, just what is your sense of how reinsurance has reacted since Irma and Michael?

EXECUTIVE DIRECTOR WILLIAMS: Great question.

So here's the single most unusual thing that relates to Irma and Michael, and it's actually the storm that preceded Irma; and here's the issue: The storm that preceded Irma created terrific flooding in Texas, and flooding is a persistent problem. Wind blows, it stops, and then the sun comes back out again. And there can be an awful, awful trail of the destruction that takes a long time to fix, but wind stops faster than floods abate. Flood waters take a long time to go away.

So the insurance adjustment industry was heavily concentrated in Texas, particularly in Houston, responding to Hurricane Harvey. And then Irma came along here a couple of weeks later and caused damage in Florida and other markets, and most insurance companies don't have enough adjusters on their own payroll to meet the need; so they have contracts with independent adjustment firms that require a certain number of man hours or person hours of adjusters to be available. You know, and they pre pay for that option, so to speak, a call on the adjustment resource.

Well, the adjusters were all still in Houston, and so the primary insurers were in the odd spot in the wake of Irma of having -- needing a lot of adjusters and being told by the adjustment firms: We don't have any; they're all in Texas. And by the way, we're not bringing them back. Some of those firms said, but Mr. Primary Insurance

Company, if you'd like to pay us some more money we'll consider it.

Well, that caused a real problem; it drove up a lot of costs for insurance companies, et cetera. And then along comes Hurricane Michael and absolutely devastates the Florida Panhandle and causes damage right on up into Georgia.

The aggregate impact of Irma and Michael, as severe as those storms were in Florida, has not in any way crimped the ability of the Cat Fund to meet the state's needs. Going into the current hurricane season with the resources we have on hand, our view is that if we have to go to the capital markets -- because the way this mechanism works is we first use up the cash and any pre-event borrowings we have on hand; and then after that, we can go into the insurance -- into the bond market, and we can borrow for a period of up to 30 years, and this would all be subject to your approval, and borrow the money that we need to meet whatever demand we have, up to our statutory limit of liability, which is $17 billion, and repay those bonds by using assessments on all lines of insurance sold in Florida with a handful of exceptions: Like medical malpractice, federal flood insurance, federal crop insurance. There may be one other one in that mix.

But at any rate, back when we created the Cat Fund in '93 after Hurricane Andrew, the reason we have that mechanism was in order to get tax-exempt status from the Internal Revenue Service -- and I'm the one who did that negotiation, I remember it pretty well -- we had to have a mechanism that effectively was a taxing authority with broad state impact so we look like an arm of government with taxing authority, not like a private reinsurance company. If we look like a private reinsurance company providing services to primary reinsurance -- or primary insurance companies who are for-profit businesses, we would not have a tax-exempt status now.

And when you look at the kind of revenue that we have, and even though we invest that revenue in a very safe and liquid form, just because of the size of the principal, even with very modest returns as percentages, you're talking about significant amounts of earnings per year. And our revenues are north of a billion dollars a year for the Cat Fund. So being tax exempt is one of the powerful ways we have of efficiently stabilizing

the market: Being tax exempt; being nonprofit; and also not having a cost of capital, because we don't have to pay investors for our capital, we're a public entity.

So we serve that public need very, very efficiently. And where I'm going with all of this is even net of Michael and Irma, if we had to access the capital markets because we were hit in the coming hurricane season to the maximum extent of our liability, we'd be going into the capital markets for around $5 billion.

Florida is a Triple A credit. The Hurricane Catastrophe Fund itself is a Double A credit. And we are well known in the capital markets. And one of the reasons we've been so successful there and we have been able to borrow money very, very efficiently, both on a pre-event basis and a post-event basis, is that we've been very stable over the years. Our rules, our statutes have not changed a great deal, very, very predictable, and that's what we want.

Every year in the Legislature there are various interest groups that have various things they want to bring forward and promote that reflect their company's economic position and will benefit them. We take a much more holistic view, play the long ball, and seek the most stable environment we can for Florida's insurance situation broadly.

GOVERNOR DESANTIS: Great.

So are we ready to -- is there a motion on the item for Item 5?

ATTORNEY GENERAL MOODY: I move Item 5.

GOVERNOR DESANTIS: Is there a second?

CFO PATRONIS: Second.

GOVERNOR DESANTIS: Hearing no objections, the motion carries.

Item 6.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 6 is the related and corresponding authority to go forward with a proposed rule to implement the formula that you just approved.

GOVERNOR DESANTIS: Is there a motion?

ATTORNEY GENERAL MOODY: So moved.

GOVERNOR DESANTIS: Second?

CFO PATRONIS: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

Item 7.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 7, request approval of the State Board's 2019 Corporate Governance Principles and Voting Standards.

Now, again, for the benefit of those who have not been through this before, we own securities all over the world, equity securities that in most cases carry with them proxy voting rights. And the history legally on fiduciary responsibility is that owners of shares who own them in a fiduciary capacity for the benefit of others have a responsibility to protect the value of those shares through a prudent exercise of their proxy authority.

That's a simple concept, but as recently as probably 25 years ago, most fiduciaries really didn't vote their proxies. The number of people who voted was limited to a handful of active investors.

That began to change back in the 1980s, when a lot of big public pension funds and other entities, corporate pension funds, labor funds, et cetera, started getting into this whole area of corporate governance. Florida was a leader in that area. We were one of the seven founding members of a group called the Council of Institutional Investors, which is the largest shareholder organization in the world today.

We have a long history of involvement there. I'm currently Chairman of the Board of the Council, and we've had -- I've been in that role when I was in this job back in the '90s; and we've had other people in this job in similar roles.

We vote probably -- well, definitely thousands and thousands of different share issues in dozens of different countries around the world. And what we do to guide those votes is set up a set of policies that demonstrably further the economic value of the shares relating to the proxies we are voting and to have clarity and transparency about what we're doing and why we're doing what we're doing on our proxy votes. We have proxy voting guidelines which are written documents that are approved in a public meeting every year by the trustees.

Important to note, before they come to you, they're reviewed and approved by the Investment Advisory Council of the State Board of Administration in a public meeting. The IAC met a few weeks ago. We did a detailed deep dive on the

proxy guidelines, and they were voted to come forward to you.

The changes this year are primarily to reflect the changes we've had relating to Venezuela and a few technical updates. There are no major changes in the guidelines, but that's basically what this is.

GOVERNOR DESANTIS: Great.

I move to approve the item.

Is there a second?

CFO PATRONIS: Second.

GOVERNOR DESANTIS: No comments or objections?

(NO RESPONSE).

GOVERNOR DESANTIS: The motion carries.

Item 8.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 8 is the quarterly reports required by Chapter 215 Florida Statutes.

These -- and I believe we've been through these with you before. But basically what these reports do is cover all of the information that you need to fulfill your fiduciary responsibility. And your staff have reviewed these; I'm sure you've looked at these as well.

These are all of the reports that came forward to the Investment Advisory Council in our meeting a week or ten days ago. And so we've been over all of these in public, but here are the key takeaways I would offer: Number 1, the control environment is sound; Number 2, there are no indications of any departure from investment policy or any execution issues that you should be aware of; Number 3, performance across all of our portfolios is very sound and ahead of benchmark for all meaningful periods, on an asset class specific basis and also on a total fund basis; and our long-term numbers continue to be among the best in the industry, and at the same time our costs continue to be very, very low.

So those are the high-level things; and the detail that's in here, on the control side, you'll see a report from our independent audit committee. We're the only entity in state government that has an independent audit committee. It's a best practice from corporate America.

You'll have a report from our Inspector General, which is a more state-government-like aspect of our control structure, belt and suspenders, if you will.

You'll also see a report from our internal

auditor as part of the Chief Audit Executive issues note; part of the audit committee report; and likewise, a general counsel's report. In addition to all of those, you will see detail reports on our performance for all the various funds we manage; and it's all, again, very transparent and a matter of public record.

GOVERNOR DESANTIS: Great.

Is there a motion on the item?

ATTORNEY GENERAL MOODY: So moved.

CFO PATRONIS: So moved.

GOVERNOR DESANTIS: Second?

ATTORNEY GENERAL MOODY: Second.

GOVERNOR DESANTIS: Any comments or objection?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion carries.

The CFO has a question for you.

CFO PATRONIS: Thank you, Governor.

Ash, thank you for your presentation.

It's ten years since one of the toughest times in Florida's history. Give us a snapshot of what we looked like then compared to now, briefly. I know it's -- our credit rating right now is pretty impressive. It didn't come overnight, but I'd like to just give you a little time to reflect on where we were.

EXECUTIVE DIRECTOR WILLIAMS: Well, I remember that time like it was yesterday.

I came back here in the fourth quarter of 2008, and there was no liquidity in the markets, I mean literally none. You could not have done a bond issue in those days short of paying a fortune for it and paying an arm and a leg for fees to save your life. And the question of who you'd pitch it to was even an open question simply because firms were disappearing.

Bear Stearns went away; they've been a major player in the capital markets. Lehman Brothers went away, a major player in the capital markets. Merrill Lynch was so handicapped they had to be acquired by another entity; Bank of America. And it just went on and on and on. Banks, financial institutions of every stripe were having huge problems all over the world, I mean life-threatening problems. That bled through to consumers. People were over levered. It was just one bad thing after another.

The stock market had, of course, collapsed by then and was still collapsing. I came down in late

October of 2008 from New York, and everybody said to me at the time: Good Lord, that's pretty intense to be taking over a big public pension fund in this environment. What do you think of this?

And I said, this is one of the best opportunities in the world; and here's why: This is a great institution. It's got a long-term view. It's got a terrific foundation of well -- well-reasoned investment policy that is adopted by the trustees in a public forum. You adopt our investment policy every year after the IAC has vetted it in a public meeting.

And that investment policy over 40 years of experience is honed to a level of wisdom, for lack of a better term, over the long-term. As long as we execute it properly and keep it current, we're going to be fine. We'll have some short-term blips up and down with the market, but long-term we're going to be rock solid.

And the reason is, and the reason I was so comfortable coming back here in late '08 is that if you can be liquid, meaning you have money when others don't -- and we do; we're a big pot of money. And back then we were a heck of a lot smaller pot than we are now. We were a little over

$80 billion in those days all in.

But if you have money to buy things when others don't -- remember Warren Buffett's rule? Be greedy when others are fearful, and be fearful when others are greedy. And when the world is in a state of utter meltdown and terror and panic and dislocation and you can be calm and deliberative and take a long-term view and, by the way, have a great big checkbook, boy, can you put money to work in a good way.

And that's exactly what we did. So we rebalanced into the equity market conveniently in hindsight within two or three months of the bottom, so we basically got the full bounce of the rebound in the equity markets, and then we did all kinds of other things on the private -- in the private markets: We bought real estate; we bought shares in various entities; we launched the Florida Growth Fund in June of 2009. That's now created thousands of jobs in Florida at roughly double the average wage and produced a kind of low-teens return for us net of cost, so it's worked pretty well.

But maybe the best summation is something we've put together internally, where we actually took the intra-month numbers from the 9th of March,

2009, which was the bottom of the market, and the balance in the Florida Retirement System Trust Fund then was 83,706,000,000 and change.

If you look at where it was at the 8th of March, ten years later, this year, it was 157,652,000,000 and change, so that sounds like a pretty good bump. That's a change in value of roughly $74 billion. But as they say on late night TV, wait, there's more.

At the same time, we had paid out benefits over that decade of just under $60 billion. So that net change you see of 73 nine isn't the total investment gain. The total investment gain, you've got to add back the benefits you paid out. So that gets you in a number of 133,671,000,000. And I don't care who you are, that's real money.

So if you look at 10 years, a whole lot of money has been earned in the investment portfolio. What that comes down to is the annualized return over that 10-year period that we actually accomplished net of cost was 11 percent annualized over a decade. And if you look at what our benchmark suggests we should have gotten, if we just captured what the markets did given the way we allocated our capital, that was a 10.2 percent annualized return.

So you have 70 basis points of value added annualized over a decade. If you roll that up into a cumulative number, it's a total of 18 percent because of the way the compounding works. So the value added net over that decade of the investment policies that you approve and the execution, the way we carried it out, was $11.8 billion. So it's a pretty good story.

And if you look at the three legs of any pension system, they are: Number 1, reasonable benefits. One of the things that was done during the prior Board's period in 2000 -- I guess it was in '11 -- Governor Scott took the lead on doing pension reforms that reduced long-term liability costs. Those included increased vesting periods, making the plan contributory to beneficiaries, and eliminating the cost-of-living adjustment for retiree benefits after July 1 of that subsequent year.

The second thing -- so I think our benefits are pretty reasonable, if you look at a lot of states and local governments that have gotten in trouble; and our benefits have been reasonable since the '70s. We never had the gold-plated

benefits that a lot of places had that have put them in a bad place today.

The second thing is responsible funding, and that's up to the Legislature. And the Florida Legislature has done a darn good job of that.

If you look at the states and localities that have had chronically failing pension plans, very, very consistently the Number 1 problem is funding. It's not investment failure; it's not excessive benefits. It's making promises and then not paying for them. And if you look at places like New Jersey, Connecticut, et cetera, that's what's gotten them into the ditches that they're in.

Florida's Legislature, on the other hand, has been very responsible in funding both what's called normal costs; and to the extent there's ever an unfunded liability, paying an actuarially indicated part of that. And the only time they did anything less than full funding of either or both of those, as applicable, was the three years immediately after the great financial crisis; and the reason was the state was broke.

The fund had actually been overfunded for a number of years, and then the balance had been deliberately drawn down over a period of a decade by providing member employers some relief on their contributions. And then when the collapse in equity markets came in the crisis, suddenly we went from being overfunded to being a little bit underfunded. And the Legislature, even in that crisis environment, funded full normal cost and still made a contribution to the actuarially indicated amount for unfunded liability.

So the one area that we're responsible for is the State Board and you, as trustees, is the investments. And we've just talked about how those have done. I think by any standard the State Board, under your leadership and your predecessors, has crafted prudent policy and carried it out in a way that's prudent and allowed us to have the same kind of consistency in policy and leadership and market presence in the SBA broadly that we just talked about in the Cat Fund. And being predictable and known in the markets gives you credibility, and that gives you access to deal flow and better everything. It's what I call a virtuous cycle of merit.

GOVERNOR DESANTIS: Great. Well, thank you so much.

That concludes today's meeting, if anyone has

anything else, otherwise we stand adjourned.

ATTORNEY GENERAL MOODY: Thank you, Governor.

(WHEREUPON, THE MEETING WAS CONCLUDED).

* * * *

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO:	Ash Williams
FROM:	Robert Copeland
SUBJECT:	Fiscal Determination
DATE:	May 22, 2019

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $18,400,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES D (MARY BETHUNE HIGHRISE)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding $18,400,000 Florida Housing Finance Corporation Multifamily Housing Revenue Bonds, 2019 Series D (the “Bonds") for the purpose of financing the acquisition and rehabilitation of a 150-unit senior residential housing development located in Tampa, Florida (Mary Bethune Highrise). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $18,400,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY HOUSING REVENUE BONDS, 2019 SERIES D (MARY BETHUNE HIGHRISE)

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding $18,400,000 Florida Housing Finance Corporation Multifamily Housing Revenue Bonds, 2019 Series D (the “Bonds") for the purpose of financing the acquisition and rehabilitation of a 150-unit senior residential housing development located in Tampa, Florida (Mary Bethune Highrise); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida (the “Board”) to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the “Florida Constitution”); and,

WHEREAS, the Bonds shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board’s determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Housing Revenue Bonds, 2019 Series D (Mary Bethune Highrise), in an amount not exceeding $18,400,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED June 4, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 4, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding $18,400,000 Florida Housing Finance Corporation Multifamily Housing Revenue Bonds, 2019 Series D (Mary Bethune Highrise).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 4th day of June 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

we make housing affordable™
Florida Housing
Finance Corporation

227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

May 20, 2019

VIA EMAIL

Mr. Ash Williams
Executive Director/Chief Investment Officer
State Board of Administration
P.O. Box 13300
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds
Not to Exceed $18,400,000 Tax-Exempt Bonds
Mary Bethune Highrise

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced bond issue prepared by the Bond Underwriter, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a Public Offering. We request that this item be placed on the agenda for approval at the State Board of Administration's June 4, 2019 Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,

Tim Kennedy

Tim Kennedy
Assistant Director of Multifamily Programs

TK/jg

$18,400,000.00
FHFC - Mary Bethune Highrise
Multifamily Housing Revenue Bonds, Series 2019
(Pass-Through)
CASHFLOW SUFFICIENCY REPORT

SHORT TERM BOND INFORMATION		
Principal Amount of Bonds Issued - $	$	2,200,000
Interest Rate		2.00%
Short Term Bond Maturity		06/01/2021

LONG TERM BOND INFORMATION		
Principal Amount of Bonds Issued	$	16,200,000
Interest Rate		3.40%
Balloon Date		12/01/2038

Par Amount of SLGS Purchased	$	2,200,000
Interest Rate on Investments		2.37%
Maturity Date of SLGS		06/01/2021

Par Amount of SLGS Purchased	$	16,200,000
Interest Rate on Investments		2.37%
Maturity Date of SLGS		06/01/2021

DEPOSIT TO BOND FUND - ACCRUED INTEREST PAID AT CLOSING	$28,087.78
ADDITIONAL DEPOSIT TO BOND FUND FOR NEGATIVE ARBITRAGE	$500,008.29
AMOUNT RELEASED UPON DELIVERY OF MBS SECURITY	$172,768.39

	FUNDS AVAILABLE TO PAY DEBT SERVICE						BOND DEBT SERVICE				COVERAGE RATIO		BOND FUND
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL AND REPAYMENT OF SHORT TERM INVESTMENT	CAPITALIZED INTEREST ACCOUNT "TAP"/(REPLENISHMENT)	TOTAL REVENUES	RELEASE OF BOND FUND BALANCE UPON MBS ORIGINATION	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE	NET REVENUE	PRINCIPAL AND INTEREST DEBT COVERAGE RATIO	Balance (including Accrued Interest paid at Closing)
06/18/2019	-										-		$528,096.07
07/01/2019	-	-	-	49,566.67	49,566.67	-	07/26/2019	49,566.67	-	49,566.67	-	1.00	478,529.40
08/01/2019	-	-	-	51,218.89	51,218.89	-	08/27/2019	51,218.89	-	51,218.89	-	1.00	427,310.51
09/01/2019	-	-	-	51,218.89	51,218.89	-	09/26/2019	51,218.89	-	51,218.89	-	1.00	376,091.62
10/01/2019	-	-	-	49,566.67	49,566.67	-	10/28/2019	49,566.67	-	49,566.67	-	1.00	326,524.95
11/01/2019	-	-	-	51,218.89	51,218.89	-	11/26/2019	51,218.89	-	51,218.89	-	1.00	275,306.06
12/01/2019	198,326.79	-	-	(148,760.13)	49,566.66	-	12/27/2019	49,566.67	-	49,566.67	-	1.00	424,066.19
01/01/2020	-	-	-	51,218.89	51,218.89	-	01/28/2020	51,218.89	-	51,218.89	-	1.00	372,847.30
02/01/2020	-	-	-	51,218.89	51,218.89	-	02/26/2020	51,218.89	-	51,218.89	-	1.00	321,628.41
03/01/2020	-	-	-	47,914.44	47,914.44	-	03/26/2020	47,914.44	-	47,914.44	-	1.00	273,713.97
04/01/2020	-	-	-	51,218.89	51,218.89	-	04/28/2020	51,218.89	-	51,218.89	-	1.00	222,495.08
05/01/2020	-	-	-	49,566.67	49,566.67	-	05/27/2020	49,566.67	-	49,566.67	-	1.00	172,928.41
06/01/2020	218,040.00	-	-	(166,821.11)	51,218.89	-	06/26/2020	51,218.89	-	51,218.89	-	1.00	339,749.52
07/01/2020	-	-	-	49,566.67	49,566.67	-	07/28/2020	49,566.67	-	49,566.67	-	1.00	290,182.85
08/01/2020	-	-	-	51,218.89	51,218.89	-	08/26/2020	51,218.89	-	51,218.89	-	1.00	238,963.96
09/01/2020	-	-	-	51,218.89	51,218.89	-	09/28/2020	51,218.89	-	51,218.89	-	1.00	187,745.07
10/01/2020	-	-	-	49,566.67	49,566.67	-	10/27/2020	49,566.67	-	49,566.67	-	1.00	138,178.40
11/01/2020	-	-	-	51,218.89	51,218.89	-	11/27/2020	51,218.89	-	51,218.89	-	1.00	86,959.51
12/01/2020	218,040.00	-	-	(168,473.33)	49,566.67	-	12/29/2020	49,566.67	-	49,566.67	-	1.00	255,432.84
01/01/2021	-	-	-	51,218.89	51,218.89	-	01/26/2021	51,218.89	-	51,218.89	-	1.00	204,213.95
02/01/2021	-	-	-	51,218.89	51,218.89	-	02/26/2021	51,218.89	-	51,218.89	-	1.00	152,995.06
03/01/2021	-	-	-	46,262.22	46,262.22	-	03/26/2021	46,262.22	-	46,262.22	-	1.00	106,732.84
04/01/2021	-	-	-	51,218.89	51,218.89	-	04/27/2021	51,218.89	-	51,218.89	-	1.00	55,513.95
05/01/2021	-	-	-	49,566.67	49,566.67	-	05/26/2021	49,566.67	-	49,566.67	-	1.00	5,947.28
06/01/2021	218,040.00	-	2,200,000.00	(166,821.11)	2,251,218.89	(172,768.39)	06/28/2021	51,218.89	2,200,000.00	2,251,218.89	-	1.00	-
07/01/2021	-	45,900.00	16,480.29	-	62,380.29	-	07/27/2021	45,900.00	16,480.29	62,380.29	-	1.00	-
08/01/2021	-	47,381.75	14,588.88	-	61,970.63	-	08/26/2021	47,381.75	14,588.88	61,970.63	-	1.00	-
09/01/2021	-	47,339.04	14,643.40	-	61,982.44	-	09/28/2021	47,339.04	14,643.40	61,982.44	-	1.00	-
10/01/2021	-	45,770.48	16,645.62	-	62,416.10	-	10/26/2021	45,770.48	16,645.62	62,416.10	-	1.00	-
11/01/2021	-	47,247.43	14,760.34	-	62,007.77	-	11/29/2021	47,247.43	14,760.34	62,007.77	-	1.00	-
12/01/2021	-	45,681.50	16,759.20	-	62,440.70	-	12/28/2021	45,681.50	16,759.20	62,440.70	-	1.00	-
01/01/2022	-	47,155.15	14,878.13	-	62,033.28	-	01/26/2022	47,155.15	14,878.13	62,033.28	-	1.00	-
02/01/2022	-	47,111.59	14,933.73	-	62,045.32	-	02/28/2022	47,111.59	14,933.73	62,045.32	-	1.00	-
03/01/2022	-	42,512.91	20,803.81	-	63,316.72	-	03/28/2022	42,512.91	20,803.81	63,316.72	-	1.00	-
04/01/2022	-	47,006.96	15,067.29	-	62,074.25	-	04/26/2022	47,006.96	15,067.29	62,074.25	-	1.00	-
05/01/2022	-	45,447.91	17,057.37	-	62,505.28	-	05/26/2022	45,447.91	17,057.37	62,505.28	-	1.00	-
06/01/2022	-	46,912.90	15,187.35	-	62,100.25	-	06/28/2022	46,912.90	15,187.35	62,100.25	-	1.00	-
07/01/2022	-	45,356.55	17,173.99	-	62,530.54	-	07/26/2022	45,356.55	17,173.99	62,530.54	-	1.00	-
08/01/2022	-	46,818.15	15,308.29	-	62,126.45	-	08/26/2022	46,818.15	15,308.29	62,126.45	-	1.00	-
09/01/2022	-	46,773.34	15,365.50	-	62,138.84	-	09/27/2022	46,773.34	15,365.50	62,138.84	-	1.00	-
10/01/2022	-	45,220.98	17,347.04	-	62,568.02	-	10/26/2022	45,220.98	17,347.04	62,568.02	-	1.00	-
11/01/2022	-	46,677.56	15,487.76	-	62,165.32	-	11/28/2022	46,677.56	15,487.76	62,165.32	-	1.00	-
12/01/2022	-	45,127.95	17,465.79	-	62,593.74	-	12/28/2022	45,127.95	17,465.79	62,593.74	-	1.00	-
01/01/2023	-	46,581.08	15,610.91	-	62,191.99	-	01/26/2023	46,581.08	15,610.91	62,191.99	-	1.00	-
02/01/2023	-	46,535.37	15,669.25	-	62,204.63	-	02/28/2023	46,535.37	15,669.25	62,204.63	-	1.00	-
03/01/2023	-	41,990.51	21,470.63	-	63,461.15	-	03/28/2023	41,990.51	21,470.63	63,461.15	-	1.00	-

	FUNDS AVAILABLE TO PAY DEBT SERVICE						BOND DEBT SERVICE				COVERAGE RATIO		BOND FUND
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL AND REPAYMENT OF SHORT TERM INVESTMENT	CAPITALIZED INTEREST ACCOUNT "TAP"/(REPLENISHMENT)	TOTAL REVENUES	RELEASE OF BOND FUND BALANCE UPON MBS ORIGINATION	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE	NET REVENUE	PRINCIPAL AND INTEREST DEBT COVERAGE RATIO	Balance (including Accrued Interest paid at Closing)
04/01/2023	-	46,426.64	15,808.05	-	62,234.69	-	04/26/2023	46,426.64	15,808.05	62,234.69	-	1.00	-
05/01/2023	-	44,884.21	17,776.91	-	62,661.12	-	05/26/2023	44,884.21	17,776.91	62,661.12	-	1.00	-
06/01/2023	-	46,328.31	15,933.57	-	62,261.88	-	06/27/2023	46,328.31	15,933.57	62,261.88	-	1.00	-
07/01/2023	-	44,788.70	17,898.83	-	62,687.53	-	07/26/2023	44,788.70	17,898.83	62,687.53	-	1.00	-
08/01/2023	-	46,229.25	16,060.01	-	62,289.26	-	08/28/2023	46,229.25	16,060.01	62,289.26	-	1.00	-
09/01/2023	-	46,182.23	16,120.03	-	62,302.26	-	09/26/2023	46,182.23	16,120.03	62,302.26	-	1.00	-
10/01/2023	-	44,646.81	18,079.95	-	62,726.76	-	10/26/2023	44,646.81	18,079.95	62,726.76	-	1.00	-
11/01/2023	-	46,082.10	16,247.84	-	62,329.94	-	11/28/2023	46,082.10	16,247.84	62,329.94	-	1.00	-
12/01/2023	-	44,549.55	18,204.10	-	62,753.65	-	12/27/2023	44,549.55	18,204.10	62,753.65	-	1.00	-
01/01/2024	-	45,981.24	16,376.59	-	62,357.83	-	01/26/2024	45,981.24	16,376.59	62,357.83	-	1.00	-
02/01/2024	-	45,933.29	16,437.80	-	62,371.09	-	02/27/2024	45,933.29	16,437.80	62,371.09	-	1.00	-
03/01/2024	-	42,924.83	20,278.01	-	63,202.84	-	03/26/2024	42,924.83	20,278.01	63,202.84	-	1.00	-
04/01/2024	-	45,825.79	16,575.01	-	62,400.81	-	04/26/2024	45,825.79	16,575.01	62,400.81	-	1.00	-
05/01/2024	-	44,300.58	18,521.90	-	62,822.48	-	05/29/2024	44,300.58	18,521.90	62,822.48	-	1.00	-
06/01/2024	-	45,723.04	16,706.18	-	62,429.21	-	06/26/2024	45,723.04	16,706.18	62,429.21	-	1.00	-
07/01/2024	-	44,200.77	18,649.31	-	62,850.08	-	07/26/2024	44,200.77	18,649.31	62,850.08	-	1.00	-
08/01/2024	-	45,619.52	16,838.31	-	62,457.83	-	08/27/2024	45,619.52	16,838.31	62,457.83	-	1.00	-
09/01/2024	-	45,570.23	16,901.24	-	62,471.46	-	09/26/2024	45,570.23	16,901.24	62,471.46	-	1.00	-
10/01/2024	-	44,052.33	18,838.78	-	62,891.12	-	10/28/2024	44,052.33	18,838.78	62,891.12	-	1.00	-
11/01/2024	-	45,465.59	17,034.81	-	62,500.39	-	11/26/2024	45,465.59	17,034.81	62,500.39	-	1.00	-
12/01/2024	-	43,950.69	18,968.53	-	62,919.22	-	12/27/2024	43,950.69	18,968.53	62,919.22	-	1.00	-
01/01/2025	-	45,360.18	17,169.36	-	62,529.54	-	01/28/2025	45,360.18	17,169.36	62,529.54	-	1.00	-
02/01/2025	-	45,309.91	17,233.52	-	62,543.43	-	02/26/2025	45,309.91	17,233.52	62,543.43	-	1.00	-
03/01/2025	-	40,879.51	22,888.80	-	63,768.31	-	03/26/2025	40,879.51	22,888.80	63,768.31	-	1.00	-
04/01/2025	-	45,192.44	17,383.47	-	62,575.91	-	04/28/2025	45,192.44	17,383.47	62,575.91	-	1.00	-
05/01/2025	-	43,685.37	19,307.20	-	62,992.57	-	05/28/2025	43,685.37	19,307.20	62,992.57	-	1.00	-
06/01/2025	-	45,085.02	17,520.59	-	62,605.61	-	06/26/2025	45,085.02	17,520.59	62,605.61	-	1.00	-
07/01/2025	-	43,581.02	19,440.40	-	63,021.42	-	07/28/2025	43,581.02	19,440.40	63,021.42	-	1.00	-
08/01/2025	-	44,976.80	17,658.72	-	62,635.53	-	08/26/2025	44,976.80	17,658.72	62,635.53	-	1.00	-
09/01/2025	-	44,925.10	17,724.72	-	62,649.82	-	09/26/2025	44,925.10	17,724.72	62,649.82	-	1.00	-
10/01/2025	-	43,425.69	19,638.68	-	63,064.36	-	10/28/2025	43,425.69	19,638.68	63,064.36	-	1.00	-
11/01/2025	-	44,815.71	17,864.35	-	62,680.06	-	11/26/2025	44,815.71	17,864.35	62,680.06	-	1.00	-
12/01/2025	-	43,319.43	19,774.31	-	63,093.74	-	12/29/2025	43,319.43	19,774.31	63,093.74	-	1.00	-
01/01/2026	-	44,705.51	18,005.02	-	62,710.53	-	01/27/2026	44,705.51	18,005.02	62,710.53	-	1.00	-
02/01/2026	-	44,652.80	18,072.30	-	62,725.10	-	02/26/2026	44,652.80	18,072.30	62,725.10	-	1.00	-
03/01/2026	-	40,283.77	23,649.24	-	63,933.01	-	03/26/2026	40,283.77	23,649.24	63,933.01	-	1.00	-
04/01/2026	-	44,530.65	18,228.23	-	62,758.88	-	04/28/2026	44,530.65	18,228.23	62,758.88	-	1.00	-
05/01/2026	-	43,042.53	20,127.77	-	63,170.30	-	05/27/2026	43,042.53	20,127.77	63,170.30	-	1.00	-
06/01/2026	-	44,418.35	18,371.57	-	62,789.92	-	06/26/2026	44,418.35	18,371.57	62,789.92	-	1.00	-
07/01/2026	-	42,933.45	20,267.01	-	63,200.45	-	07/28/2026	42,933.45	20,267.01	63,200.45	-	1.00	-
08/01/2026	-	44,305.22	18,515.97	-	62,821.20	-	08/26/2026	44,305.22	18,515.97	62,821.20	-	1.00	-
09/01/2026	-	44,251.01	18,585.17	-	62,836.19	-	09/28/2026	44,251.01	18,585.17	62,836.19	-	1.00	-
10/01/2026	-	42,770.90	20,474.49	-	63,245.39	-	10/27/2026	42,770.90	20,474.49	63,245.39	-	1.00	-
11/01/2026	-	44,136.66	18,731.15	-	62,867.80	-	11/27/2026	44,136.66	18,731.15	62,867.80	-	1.00	-
12/01/2026	-	42,659.82	20,616.28	-	63,276.10	-	12/29/2026	42,659.82	20,616.28	63,276.10	-	1.00	-
01/01/2027	-	44,021.46	18,878.20	-	62,899.65	-	01/26/2027	44,021.46	18,878.20	62,899.65	-	1.00	-
02/01/2027	-	43,966.18	18,948.75	-	62,914.93	-	02/26/2027	43,966.18	18,948.75	62,914.93	-	1.00	-
03/01/2027	-	39,661.28	24,443.83	-	64,105.11	-	03/26/2027	39,661.28	24,443.83	64,105.11	-	1.00	-
04/01/2027	-	43,839.14	19,110.92	-	62,950.06	-	04/27/2027	43,839.14	19,110.92	62,950.06	-	1.00	-
05/01/2027	-	42,370.83	20,985.18	-	63,356.00	-	05/26/2027	42,370.83	20,985.18	63,356.00	-	1.00	-
06/01/2027	-	43,721.75	19,260.76	-	62,982.51	-	06/28/2027	43,721.75	19,260.76	62,982.51	-	1.00	-
07/01/2027	-	42,256.80	21,130.73	-	63,387.53	-	07/27/2027	42,256.80	21,130.73	63,387.53	-	1.00	-
08/01/2027	-	43,603.49	19,411.72	-	63,015.21	-	08/26/2027	43,603.49	19,411.72	63,015.21	-	1.00	-
09/01/2027	-	43,546.66	19,484.26	-	63,030.92	-	09/28/2027	43,546.66	19,484.26	63,030.92	-	1.00	-
10/01/2027	-	42,086.72	21,347.83	-	63,434.55	-	10/26/2027	42,086.72	21,347.83	63,434.55	-	1.00	-
11/01/2027	-	43,427.11	19,636.86	-	63,063.97	-	11/29/2027	43,427.11	19,636.86	63,063.97	-	1.00	-
12/01/2027	-	41,970.60	21,496.06	-	63,466.65	-	12/28/2027	41,970.60	21,496.06	63,466.65	-	1.00	-
01/01/2028	-	43,306.68	19,790.58	-	63,097.27	-	01/26/2028	43,306.68	19,790.58	63,097.27	-	1.00	-
02/01/2028	-	43,248.74	19,864.55	-	63,113.29	-	02/28/2028	43,248.74	19,864.55	63,113.29	-	1.00	-
03/01/2028	-	40,404.09	23,495.65	-	63,899.75	-	03/28/2028	40,404.09	23,495.65	63,899.75	-	1.00	-
04/01/2028	-	43,121.79	20,026.59	-	63,148.38	-	04/26/2028	43,121.79	20,026.59	63,148.38	-	1.00	-
05/01/2028	-	41,674.02	21,874.62	-	63,548.65	-	05/26/2028	41,674.02	21,874.62	63,548.65	-	1.00	-
06/01/2028	-	42,999.11	20,183.19	-	63,182.30	-	06/27/2028	42,999.11	20,183.19	63,182.30	-	1.00	-
07/01/2028	-	41,554.86	22,026.73	-	63,581.59	-	07/26/2028	41,554.86	22,026.73	63,581.59	-	1.00	-
08/01/2028	-	42,875.53	20,340.93	-	63,216.47	-	08/28/2028	42,875.53	20,340.93	63,216.47	-	1.00	-
09/01/2028	-	42,815.98	20,416.95	-	63,232.93	-	09/26/2028	42,815.98	20,416.95	63,232.93	-	1.00	-
10/01/2028	-	41,376.97	22,253.80	-	63,630.77	-	10/26/2028	41,376.97	22,253.80	63,630.77	-	1.00	-
11/01/2028	-	42,691.05	20,576.42	-	63,267.47	-	11/28/2028	42,691.05	20,576.42	63,267.47	-	1.00	-
12/01/2028	-	41,255.62	22,408.71	-	63,664.33	-	12/27/2028	41,255.62	22,408.71	63,664.33	-	1.00	-

	FUNDS AVAILABLE TO PAY DEBT SERVICE						BOND DEBT SERVICE				COVERAGE RATIO		BOND FUND
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL AND REPAYMENT OF SHORT TERM INVESTMENT	CAPITALIZED INTEREST ACCOUNT "TAP"/(REPLENISHMENT)	TOTAL REVENUES	RELEASE OF BOND FUND BALANCE UPON MBS ORIGINATION	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE	NET REVENUE	PRINCIPAL AND INTEREST DEBT COVERAGE RATIO	Balance (including Accrued Interest paid at Closing)
01/01/2029	-	42,565.20	20,737.07	-	63,302.26	-	01/26/2029	42,565.20	20,737.07	63,302.26	-	1.00	-
02/01/2029	-	42,504.48	20,814.57	-	63,319.05	-	02/27/2029	42,504.48	20,814.57	63,319.05	-	1.00	-
03/01/2029	-	38,336.10	26,135.38	-	64,471.48	-	03/27/2029	38,336.10	26,135.38	64,471.48	-	1.00	-
04/01/2029	-	42,367.02	20,990.03	-	63,357.05	-	04/26/2029	42,367.02	20,990.03	63,357.05	-	1.00	-
05/01/2029	-	40,940.87	22,810.47	-	63,751.34	-	05/29/2029	40,940.87	22,810.47	63,751.34	-	1.00	-
06/01/2029	-	42,238.79	21,153.72	-	63,392.51	-	06/26/2029	42,238.79	21,153.72	63,392.51	-	1.00	-
07/01/2029	-	40,816.31	22,969.47	-	63,785.78	-	07/26/2029	40,816.31	22,969.47	63,785.78	-	1.00	-
08/01/2029	-	42,109.60	21,318.62	-	63,428.22	-	08/28/2029	42,109.60	21,318.62	63,428.22	-	1.00	-
09/01/2029	-	42,047.19	21,398.29	-	63,445.48	-	09/26/2029	42,047.19	21,398.29	63,445.48	-	1.00	-
10/01/2029	-	40,630.20	23,207.04	-	63,837.24	-	10/26/2029	40,630.20	23,207.04	63,837.24	-	1.00	-
11/01/2029	-	41,916.59	21,564.99	-	63,481.58	-	11/27/2029	41,916.59	21,564.99	63,481.58	-	1.00	-
12/01/2029	-	40,503.34	23,368.96	-	63,872.31	-	12/27/2029	40,503.34	23,368.96	63,872.31	-	1.00	-
01/01/2030	-	41,785.04	21,732.92	-	63,517.96	-	01/28/2030	41,785.04	21,732.92	63,517.96	-	1.00	-
02/01/2030	-	41,721.41	21,814.14	-	63,535.55	-	02/26/2030	41,721.41	21,814.14	63,535.55	-	1.00	-
03/01/2030	-	37,626.17	27,041.60	-	64,667.76	-	03/26/2030	37,626.17	27,041.60	64,667.76	-	1.00	-
04/01/2030	-	41,578.37	21,996.73	-	63,575.09	-	04/26/2030	41,578.37	21,996.73	63,575.09	-	1.00	-
05/01/2030	-	40,174.81	23,788.33	-	63,963.14	-	05/29/2030	40,174.81	23,788.33	63,963.14	-	1.00	-
06/01/2030	-	41,444.32	22,167.83	-	63,612.15	-	06/26/2030	41,444.32	22,167.83	63,612.15	-	1.00	-
07/01/2030	-	40,044.60	23,954.54	-	63,999.14	-	07/26/2030	40,044.60	23,954.54	63,999.14	-	1.00	-
08/01/2030	-	41,309.28	22,340.20	-	63,649.49	-	08/27/2030	41,309.28	22,340.20	63,649.49	-	1.00	-
09/01/2030	-	41,243.88	22,423.69	-	63,667.57	-	09/26/2030	41,243.88	22,423.69	63,667.57	-	1.00	-
10/01/2030	-	39,849.90	24,203.07	-	64,052.97	-	10/28/2030	39,849.90	24,203.07	64,052.97	-	1.00	-
11/01/2030	-	41,107.36	22,597.95	-	63,705.31	-	11/26/2030	41,107.36	22,597.95	63,705.31	-	1.00	-
12/01/2030	-	39,717.29	24,372.33	-	64,089.63	-	12/27/2030	39,717.29	24,372.33	64,089.63	-	1.00	-
01/01/2031	-	40,969.85	22,773.49	-	63,743.33	-	01/28/2031	40,969.85	22,773.49	63,743.33	-	1.00	-
02/01/2031	-	40,903.17	22,858.60	-	63,761.77	-	02/26/2031	40,903.17	22,858.60	63,761.77	-	1.00	-
03/01/2031	-	36,884.35	27,988.50	-	64,872.85	-	03/26/2031	36,884.35	27,988.50	64,872.85	-	1.00	-
04/01/2031	-	40,754.30	23,048.62	-	63,802.92	-	04/28/2031	40,754.30	23,048.62	63,802.92	-	1.00	-
05/01/2031	-	39,374.34	24,810.10	-	64,184.44	-	05/28/2031	39,374.34	24,810.10	64,184.44	-	1.00	-
06/01/2031	-	40,614.18	23,227.48	-	63,841.66	-	06/26/2031	40,614.18	23,227.48	63,841.66	-	1.00	-
07/01/2031	-	39,238.23	24,983.84	-	64,222.07	-	07/28/2031	39,238.23	24,983.84	64,222.07	-	1.00	-
08/01/2031	-	40,473.03	23,407.66	-	63,880.69	-	08/26/2031	40,473.03	23,407.66	63,880.69	-	1.00	-
09/01/2031	-	40,404.50	23,495.14	-	63,899.64	-	09/26/2031	40,404.50	23,495.14	63,899.64	-	1.00	-
10/01/2031	-	39,034.56	25,243.83	-	64,278.38	-	10/28/2031	39,034.56	25,243.83	64,278.38	-	1.00	-
11/01/2031	-	40,261.80	23,677.29	-	63,939.09	-	11/26/2031	40,261.80	23,677.29	63,939.09	-	1.00	-
12/01/2031	-	38,895.95	25,420.76	-	64,316.70	-	12/29/2031	38,895.95	25,420.76	64,316.70	-	1.00	-
01/01/2032	-	40,118.05	23,860.78	-	63,978.83	-	01/27/2032	40,118.05	23,860.78	63,978.83	-	1.00	-
02/01/2032	-	40,048.19	23,949.95	-	63,998.14	-	02/26/2032	40,048.19	23,949.95	63,998.14	-	1.00	-
03/01/2032	-	37,398.84	27,331.77	-	64,730.61	-	03/26/2032	37,398.84	27,331.77	64,730.61	-	1.00	-
04/01/2032	-	39,898.05	24,141.60	-	64,039.65	-	04/27/2032	39,898.05	24,141.60	64,039.65	-	1.00	-
05/01/2032	-	38,542.62	25,871.77	-	64,414.39	-	05/26/2032	38,542.62	25,871.77	64,414.39	-	1.00	-
06/01/2032	-	39,751.62	24,328.51	-	64,080.14	-	06/28/2032	39,751.62	24,328.51	64,080.14	-	1.00	-
07/01/2032	-	38,400.38	26,053.33	-	64,453.71	-	07/27/2032	38,400.38	26,053.33	64,453.71	-	1.00	-
08/01/2032	-	39,604.12	24,516.80	-	64,120.92	-	08/26/2032	39,604.12	24,516.80	64,120.92	-	1.00	-
09/01/2032	-	39,532.34	24,608.43	-	64,140.76	-	09/28/2032	39,532.34	24,608.43	64,140.76	-	1.00	-
10/01/2032	-	38,187.38	26,325.23	-	64,512.60	-	10/26/2032	38,187.38	26,325.23	64,512.60	-	1.00	-
11/01/2032	-	39,383.21	24,798.78	-	64,181.99	-	11/29/2032	39,383.21	24,798.78	64,181.99	-	1.00	-
12/01/2032	-	38,042.52	26,510.13	-	64,552.65	-	12/28/2032	38,042.52	26,510.13	64,552.65	-	1.00	-
01/01/2033	-	39,232.99	24,990.53	-	64,223.52	-	01/26/2033	39,232.99	24,990.53	64,223.52	-	1.00	-
02/01/2033	-	39,159.83	25,083.92	-	64,243.75	-	02/28/2033	39,159.83	25,083.92	64,243.75	-	1.00	-
03/01/2033	-	35,303.83	30,005.99	-	65,309.82	-	03/28/2033	35,303.83	30,005.99	65,309.82	-	1.00	-
04/01/2033	-	38,998.54	25,289.81	-	64,288.34	-	04/26/2033	38,998.54	25,289.81	64,288.34	-	1.00	-
05/01/2033	-	37,668.86	26,987.09	-	64,655.96	-	05/26/2033	37,668.86	26,987.09	64,655.96	-	1.00	-
06/01/2033	-	38,845.48	25,485.18	-	64,330.66	-	06/28/2033	38,845.48	25,485.18	64,330.66	-	1.00	-
07/01/2033	-	37,520.19	27,176.87	-	64,697.06	-	07/26/2033	37,520.19	27,176.87	64,697.06	-	1.00	-
08/01/2033	-	38,691.30	25,681.99	-	64,373.28	-	08/26/2033	38,691.30	25,681.99	64,373.28	-	1.00	-
09/01/2033	-	38,616.11	25,777.97	-	64,394.07	-	09/27/2033	38,616.11	25,777.97	64,394.07	-	1.00	-
10/01/2033	-	37,297.39	27,461.27	-	64,758.66	-	10/26/2033	37,297.39	27,461.27	64,758.66	-	1.00	-
11/01/2033	-	38,460.23	25,976.93	-	64,437.17	-	11/28/2033	38,460.23	25,976.93	64,437.17	-	1.00	-
12/01/2033	-	37,145.98	27,654.54	-	64,800.52	-	12/28/2033	37,145.98	27,654.54	64,800.52	-	1.00	-
01/01/2034	-	38,303.21	26,177.37	-	64,480.58	-	01/26/2034	38,303.21	26,177.37	64,480.58	-	1.00	-
02/01/2034	-	38,226.57	26,275.20	-	64,501.77	-	02/28/2034	38,226.57	26,275.20	64,501.77	-	1.00	-
03/01/2034	-	34,457.74	31,086.00	-	65,543.74	-	03/28/2034	34,457.74	31,086.00	65,543.74	-	1.00	-
04/01/2034	-	38,058.63	26,489.57	-	64,548.20	-	04/26/2034	38,058.63	26,489.57	64,548.20	-	1.00	-
05/01/2034	-	36,755.88	28,152.49	-	64,908.37	-	05/26/2034	36,755.88	28,152.49	64,908.37	-	1.00	-
06/01/2034	-	37,898.65	26,693.78	-	64,592.43	-	06/27/2034	37,898.65	26,693.78	64,592.43	-	1.00	-
07/01/2034	-	36,600.48	28,350.85	-	64,951.33	-	07/26/2034	36,600.48	28,350.85	64,951.33	-	1.00	-
08/01/2034	-	37,737.49	26,899.49	-	64,636.98	-	08/28/2034	37,737.49	26,899.49	64,636.98	-	1.00	-
09/01/2034	-	37,658.74	27,000.02	-	64,658.76	-	09/26/2034	37,658.74	27,000.02	64,658.76	-	1.00	-

	FUNDS AVAILABLE TO PAY DEBT SERVICE						BOND DEBT SERVICE				COVERAGE RATIO		BOND FUND
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL AND REPAYMENT OF SHORT TERM INVESTMENT	CAPITALIZED INTEREST ACCOUNT "TAP"/(REPLENISHMENT)	TOTAL REVENUES	RELEASE OF BOND FUND BALANCE UPON MBS ORIGINATION	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE	NET REVENUE	PRINCIPAL AND INTEREST DEBT COVERAGE RATIO	Balance (including Accrued Interest paid at Closing)
10/01/2034	-	36,367.44	28,648.33	-	65,015.76	-	10/26/2034	36,367.44	28,648.33	65,015.76	-	1.00	-
11/01/2034	-	37,495.81	27,207.99	-	64,703.80	-	11/28/2034	37,495.81	27,207.99	64,703.80	-	1.00	-
12/01/2034	-	36,209.18	28,850.34	-	65,059.52	-	12/27/2034	36,209.18	28,850.34	65,059.52	-	1.00	-
01/01/2035	-	37,331.68	27,417.49	-	64,749.18	-	01/26/2035	37,331.68	27,417.49	64,749.18	-	1.00	-
02/01/2035	-	37,251.41	27,519.96	-	64,771.37	-	02/27/2035	37,251.41	27,519.96	64,771.37	-	1.00	-
03/01/2035	-	33,573.66	32,214.50	-	65,788.16	-	03/27/2035	33,573.66	32,214.50	65,788.16	-	1.00	-
04/01/2035	-	37,076.52	27,743.20	-	64,819.72	-	04/26/2035	37,076.52	27,743.20	64,819.72	-	1.00	-
05/01/2035	-	35,801.90	29,370.22	-	65,172.12	-	05/29/2035	35,801.90	29,370.22	65,172.12	-	1.00	-
06/01/2035	-	36,909.31	27,956.65	-	64,865.95	-	06/26/2035	36,909.31	27,956.65	64,865.95	-	1.00	-
07/01/2035	-	35,639.47	29,577.55	-	65,217.02	-	07/26/2035	35,639.47	29,577.55	65,217.02	-	1.00	-
08/01/2035	-	36,740.86	28,171.66	-	64,912.52	-	08/28/2035	36,740.86	28,171.66	64,912.52	-	1.00	-
09/01/2035	-	36,658.38	28,276.95	-	64,935.33	-	09/26/2035	36,658.38	28,276.95	64,935.33	-	1.00	-
10/01/2035	-	35,395.73	29,888.68	-	65,284.41	-	10/26/2035	35,395.73	29,888.68	65,284.41	-	1.00	-
11/01/2035	-	36,488.08	28,494.33	-	64,982.41	-	11/27/2035	36,488.08	28,494.33	64,982.41	-	1.00	-
12/01/2035	-	35,230.31	30,099.83	-	65,330.14	-	12/27/2035	35,230.31	30,099.83	65,330.14	-	1.00	-
01/01/2036	-	36,316.53	28,713.30	-	65,029.84	-	01/28/2036	36,316.53	28,713.30	65,029.84	-	1.00	-
02/01/2036	-	36,232.47	28,820.61	-	65,053.08	-	02/26/2036	36,232.47	28,820.61	65,053.08	-	1.00	-
03/01/2036	-	33,815.95	31,905.22	-	65,721.17	-	03/26/2036	33,815.95	31,905.22	65,721.17	-	1.00	-
04/01/2036	-	36,054.67	29,047.56	-	65,102.23	-	04/28/2036	36,054.67	29,047.56	65,102.23	-	1.00	-
05/01/2036	-	34,809.32	30,637.22	-	65,446.54	-	05/28/2036	34,809.32	30,637.22	65,446.54	-	1.00	-
06/01/2036	-	35,879.93	29,270.61	-	65,150.54	-	06/26/2036	35,879.93	29,270.61	65,150.54	-	1.00	-
07/01/2036	-	34,639.58	30,853.88	-	65,493.46	-	07/28/2036	34,639.58	30,853.88	65,493.46	-	1.00	-
08/01/2036	-	35,703.90	29,495.31	-	65,199.21	-	08/26/2036	35,703.90	29,495.31	65,199.21	-	1.00	-
09/01/2036	-	35,617.54	29,605.54	-	65,223.09	-	09/26/2036	35,617.54	29,605.54	65,223.09	-	1.00	-
10/01/2036	-	34,384.71	31,179.22	-	65,563.93	-	10/28/2036	34,384.71	31,179.22	65,563.93	-	1.00	-
11/01/2036	-	35,439.58	29,832.71	-	65,272.29	-	11/26/2036	35,439.58	29,832.71	65,272.29	-	1.00	-
12/01/2036	-	34,211.84	31,399.88	-	65,611.72	-	12/29/2036	34,211.84	31,399.88	65,611.72	-	1.00	-
01/01/2037	-	35,260.30	30,061.55	-	65,321.85	-	01/27/2037	35,260.30	30,061.55	65,321.85	-	1.00	-
02/01/2037	-	35,172.29	30,173.90	-	65,346.19	-	02/26/2037	35,172.29	30,173.90	65,346.19	-	1.00	-
03/01/2037	-	31,688.73	34,620.56	-	66,309.29	-	03/26/2037	31,688.73	34,620.56	66,309.29	-	1.00	-
04/01/2037	-	34,982.59	30,416.05	-	65,398.63	-	04/28/2037	34,982.59	30,416.05	65,398.63	-	1.00	-
05/01/2037	-	33,767.94	31,966.51	-	65,734.45	-	05/27/2037	33,767.94	31,966.51	65,734.45	-	1.00	-
06/01/2037	-	34,799.94	30,649.18	-	65,449.13	-	06/26/2037	34,799.94	30,649.18	65,449.13	-	1.00	-
07/01/2037	-	33,590.53	32,192.97	-	65,783.50	-	07/28/2037	33,590.53	32,192.97	65,783.50	-	1.00	-
08/01/2037	-	34,615.96	30,884.04	-	65,500.00	-	08/26/2037	34,615.96	30,884.04	65,500.00	-	1.00	-
09/01/2037	-	34,525.53	30,999.46	-	65,525.00	-	09/28/2037	34,525.53	30,999.46	65,525.00	-	1.00	-
10/01/2037	-	33,323.98	32,533.21	-	65,857.19	-	10/27/2037	33,323.98	32,533.21	65,857.19	-	1.00	-
11/01/2037	-	34,339.53	31,236.90	-	65,576.42	-	11/27/2037	34,339.53	31,236.90	65,576.42	-	1.00	-
12/01/2037	-	33,143.29	32,763.85	-	65,907.14	-	12/29/2037	33,143.29	32,763.85	65,907.14	-	1.00	-
01/01/2038	-	34,152.15	31,476.08	-	65,628.23	-	01/26/2038	34,152.15	31,476.08	65,628.23	-	1.00	-
02/01/2038	-	34,059.99	31,593.71	-	65,653.70	-	02/26/2038	34,059.99	31,593.71	65,653.70	-	1.00	-
03/01/2038	-	30,680.31	35,907.77	-	66,588.09	-	03/26/2038	30,680.31	35,907.77	66,588.09	-	1.00	-
04/01/2038	-	33,862.36	31,845.98	-	65,708.34	-	04/27/2038	33,862.36	31,845.98	65,708.34	-	1.00	-
05/01/2038	-	32,679.80	33,355.49	-	66,035.29	-	05/26/2038	32,679.80	33,355.49	66,035.29	-	1.00	-
06/01/2038	-	33,671.47	32,089.65	-	65,761.12	-	06/28/2038	33,671.47	32,089.65	65,761.12	-	1.00	-
07/01/2038	-	32,494.37	33,592.18	-	66,086.55	-	07/27/2038	32,494.37	33,592.18	66,086.55	-	1.00	-
08/01/2038	-	33,479.16	32,335.12	-	65,814.29	-	08/26/2038	33,479.16	32,335.12	65,814.29	-	1.00	-
09/01/2038	-	33,384.49	32,455.97	-	65,840.46	-	09/28/2038	33,384.49	32,455.97	65,840.46	-	1.00	-
10/01/2038	-	32,215.62	33,948.00	-	66,163.62	-	10/26/2038	32,215.62	33,948.00	66,163.62	-	1.00	-
11/01/2038	-	33,190.08	32,704.13	-	65,894.21	-	11/29/2038	33,190.08	32,704.13	65,894.21	-	1.00	-
12/01/2038	-	32,026.77	11,303,565.31	-	11,335,592.08	-	12/28/2038	32,026.77	11,303,565.31	11,335,592.08	-	1.00	-
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TOTALS	**852,446.79**	**8,487,572.88**	**18,400,000.00**	**355,327.68**	**28,095,347.36**	**(172,768.39)**		**9,695,347.33**	**18,400,000.00**	**28,095,347.33**	**-**		
						-							

$2,200,000.00
FHFC - Mary Bethune Highrise
Multifamily Housing Revenue Bonds, Series 2019
(Pass-Through)
Cash Flows - Short Term Bond

Principal Amount of Bonds Issued - Short Term	$	2,200,000
Interest Rate		2.00%
Short Term Bond Maturity		06/01/2021

Investments: State and Local Government Series ("SLGS")

Par Amount of SLGS Purchased	$	2,200,000
Interest Rate on Investments		2.37%
SLGS Maturity Date		06/01/2021

	Interest Earnings on Investments			BOND DEBT SERVICE			
DATE	**Interest Earnings on Investments**	**Repayment of Principal in Invertment Account**	**Total Revenues**	**BOND PAYMENT DATE**	**BOND INTEREST**	**BOND PRINCIPAL**	**TOTAL DEBT SERVICE**
06/18/2019		-	-	06/18/2019	-	-	-
07/01/2019	-	-	-	07/26/2019	3,666.67	-	3,666.67
08/01/2019	-	-	-	08/27/2019	3,788.89	-	3,788.89
09/01/2019	-	-	-	09/26/2019	3,788.89	-	3,788.89
10/01/2019	-	-	-	10/28/2019	3,666.67	-	3,666.67
11/01/2019	-	-	-	11/26/2019	3,788.89	-	3,788.89
12/01/2019	23,712.99	-	23,712.99	12/27/2019	3,666.67	-	3,666.67
01/01/2020	-	-	-	01/28/2020	3,788.89	-	3,788.89
02/01/2020	-	-	-	02/26/2020	3,788.89	-	3,788.89
03/01/2020	-	-	-	03/26/2020	3,544.44	-	3,544.44
04/01/2020	-	-	-	04/28/2020	3,788.89	-	3,788.89
05/01/2020	-	-	-	05/27/2020	3,666.67	-	3,666.67
06/01/2020	26,070.00	-	26,070.00	06/26/2020	3,788.89	-	3,788.89
07/01/2020	-	-	-	07/28/2020	3,666.67	-	3,666.67
08/01/2020	-	-	-	08/26/2020	3,788.89	-	3,788.89
09/01/2020	-	-	-	09/28/2020	3,788.89	-	3,788.89
10/01/2020	-	-	-	10/27/2020	3,666.67	-	3,666.67
11/01/2020	-	-	-	11/27/2020	3,788.89	-	3,788.89
12/01/2020	26,070.00	-	26,070.00	12/29/2020	3,666.67	-	3,666.67
01/01/2021	-	-	-	01/26/2021	3,788.89	-	3,788.89
02/01/2021	-	-	-	02/26/2021	3,788.89	-	3,788.89
03/01/2021	-	-	-	03/26/2021	3,422.22	-	3,422.22
04/01/2021	-	-	-	04/27/2021	3,788.89	-	3,788.89
05/01/2021	-	-	-	05/26/2021	3,666.67	-	3,666.67
06/01/2021	26,070.00	2,200,000.00	2,226,070.00	06/28/2021	3,788.89	2,200,000.00	2,203,788.89
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						-	
						-	
						-	
						-	
TOTALS	**101,922.99**	**2,200,000.00**	**2,301,922.99**		**89,344.44**	**2,200,000.00**	**2,289,344.44**

$16,200,000.00
FHFC - Mary Bethune Highrise
Multifamily Housing Revenue Bonds, Series 2019
(Pass-Through)
Cash Flows - Long Term Bond

Principal Amount of Bonds Issued	$16,200,000.00
Interest Rate	3.40%
Balloon Date	12/01/2038

Par Amount of MBS	$16,200,000.00
MBS Pass Through Rate	3.40%
Balloon Date	12/01/2038

Investments: State and Local Government Series ("SLGS")

Par Amount of SLGS Purchased	$16,200,000.00
Interest Rate on Investments	2.37%
Maturity Date of Investment - End of Interest Only Period	06/01/2021

	Funds Available to Pay Debt Service				BOND DEBT SERVICE			
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL REPAYMENT	TOTAL REVENUES	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE
06/18/2019								
07/01/2019	-	-	-	-	07/26/2019	45,900.00	-	45,900.00
08/01/2019	-	-	-	-	08/27/2019	47,430.00	-	47,430.00
09/01/2019	-	-	-	-	09/26/2019	47,430.00	-	47,430.00
10/01/2019	-	-	-	-	10/28/2019	45,900.00	-	45,900.00
11/01/2019	-	-	-	-	11/26/2019	47,430.00	-	47,430.00
12/01/2019	174,613.81	-	-	174,613.81	12/27/2019	45,900.00	-	45,900.00
01/01/2020	-	-	-	-	01/28/2020	47,430.00	-	47,430.00
02/01/2020	-	-	-	-	02/26/2020	47,430.00	-	47,430.00
03/01/2020	-	-	-	-	03/26/2020	44,370.00	-	44,370.00
04/01/2020	-	-	-	-	04/28/2020	47,430.00	-	47,430.00
05/01/2020	-	-	-	-	05/27/2020	45,900.00	-	45,900.00
06/01/2020	191,970.00	-	-	191,970.00	06/26/2020	47,430.00	-	47,430.00
07/01/2020	-	-	-	-	07/28/2020	45,900.00	-	45,900.00
08/01/2020	-	-	-	-	08/26/2020	47,430.00	-	47,430.00
09/01/2020	-	-	-	-	09/28/2020	47,430.00	-	47,430.00
10/01/2020	-	-	-	-	10/27/2020	45,900.00	-	45,900.00
11/01/2020	-	-	-	-	11/27/2020	47,430.00	-	47,430.00
12/01/2020	191,970.00	-	-	191,970.00	12/29/2020	45,900.00	-	45,900.00
01/01/2021	-	-	-	-	01/26/2021	47,430.00	-	47,430.00
02/01/2021	-	-	-	-	02/26/2021	47,430.00	-	47,430.00
03/01/2021	-	-	-	-	03/26/2021	42,840.00	-	42,840.00
04/01/2021	-	-	-	-	04/27/2021	47,430.00	-	47,430.00
05/01/2021	-	-	-	-	05/26/2021	45,900.00	-	45,900.00
06/01/2021	191,970.00	-	-	191,970.00	06/28/2021	47,430.00	-	47,430.00
07/01/2021		45,900.00	16,480.29	62,380.29	07/27/2021	45,900.00	16,480.29	62,380.29
08/01/2021		47,381.75	14,588.88	61,970.63	08/26/2021	47,381.75	14,588.88	61,970.63
09/01/2021		47,339.04	14,643.40	61,982.44	09/28/2021	47,339.04	14,643.40	61,982.44
10/01/2021		45,770.48	16,645.62	62,416.10	10/26/2021	45,770.48	16,645.62	62,416.10
11/01/2021		47,247.43	14,760.34	62,007.77	11/29/2021	47,247.43	14,760.34	62,007.77
12/01/2021		45,681.50	16,759.20	62,440.70	12/28/2021	45,681.50	16,759.20	62,440.70
01/01/2022		47,155.15	14,878.13	62,033.28	01/26/2022	47,155.15	14,878.13	62,033.28
02/01/2022		47,111.59	14,933.73	62,045.32	02/28/2022	47,111.59	14,933.73	62,045.32
03/01/2022		42,512.91	20,803.81	63,316.72	03/28/2022	42,512.91	20,803.81	63,316.72
04/01/2022		47,006.96	15,067.29	62,074.25	04/26/2022	47,006.96	15,067.29	62,074.25
05/01/2022		45,447.91	17,057.37	62,505.28	05/26/2022	45,447.91	17,057.37	62,505.28
06/01/2022		46,912.90	15,187.35	62,100.25	06/28/2022	46,912.90	15,187.35	62,100.25
07/01/2022		45,356.55	17,173.99	62,530.54	07/26/2022	45,356.55	17,173.99	62,530.54
08/01/2022		46,818.15	15,308.29	62,126.45	08/26/2022	46,818.15	15,308.29	62,126.45
09/01/2022		46,773.34	15,365.50	62,138.84	09/27/2022	46,773.34	15,365.50	62,138.84
10/01/2022		45,220.98	17,347.04	62,568.02	10/26/2022	45,220.98	17,347.04	62,568.02
11/01/2022		46,677.56	15,487.76	62,165.32	11/28/2022	46,677.56	15,487.76	62,165.32
12/01/2022		45,127.95	17,465.79	62,593.74	12/28/2022	45,127.95	17,465.79	62,593.74
01/01/2023		46,581.08	15,610.91	62,191.99	01/26/2023	46,581.08	15,610.91	62,191.99
02/01/2023		46,535.37	15,669.25	62,204.63	02/28/2023	46,535.37	15,669.25	62,204.63
03/01/2023		41,990.51	21,470.63	63,461.15	03/28/2023	41,990.51	21,470.63	63,461.15
04/01/2023		46,426.64	15,808.05	62,234.69	04/26/2023	46,426.64	15,808.05	62,234.69
05/01/2023		44,884.21	17,776.91	62,661.12	05/26/2023	44,884.21	17,776.91	62,661.12
06/01/2023		46,328.31	15,933.57	62,261.88	06/27/2023	46,328.31	15,933.57	62,261.88
07/01/2023		44,788.70	17,898.83	62,687.53	07/26/2023	44,788.70	17,898.83	62,687.53
08/01/2023		46,229.25	16,060.01	62,289.26	08/28/2023	46,229.25	16,060.01	62,289.26
09/01/2023		46,182.23	16,120.03	62,302.26	09/26/2023	46,182.23	16,120.03	62,302.26
10/01/2023		44,646.81	18,079.95	62,726.76	10/26/2023	44,646.81	18,079.95	62,726.76
11/01/2023		46,082.10	16,247.84	62,329.94	11/28/2023	46,082.10	16,247.84	62,329.94
12/01/2023		44,549.55	18,204.10	62,753.65	12/27/2023	44,549.55	18,204.10	62,753.65
01/01/2024		45,981.24	16,376.59	62,357.83	01/26/2024	45,981.24	16,376.59	62,357.83
02/01/2024		45,933.29	16,437.80	62,371.09	02/27/2024	45,933.29	16,437.80	62,371.09
03/01/2024		42,924.83	20,278.01	63,202.84	03/26/2024	42,924.83	20,278.01	63,202.84

	Funds Available to Pay Debt Service				BOND DEBT SERVICE			
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL REPAYMENT	TOTAL REVENUES	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE
04/01/2024		45,825.79	16,575.01	62,400.81	04/26/2024	45,825.79	16,575.01	62,400.81
05/01/2024		44,300.58	18,521.90	62,822.48	05/29/2024	44,300.58	18,521.90	62,822.48
06/01/2024		45,723.04	16,706.18	62,429.21	06/26/2024	45,723.04	16,706.18	62,429.21
07/01/2024		44,200.77	18,649.31	62,850.08	07/26/2024	44,200.77	18,649.31	62,850.08
08/01/2024		45,619.52	16,838.31	62,457.83	08/27/2024	45,619.52	16,838.31	62,457.83
09/01/2024		45,570.23	16,901.24	62,471.46	09/26/2024	45,570.23	16,901.24	62,471.46
10/01/2024		44,052.33	18,838.78	62,891.12	10/28/2024	44,052.33	18,838.78	62,891.12
11/01/2024		45,465.59	17,034.81	62,500.39	11/26/2024	45,465.59	17,034.81	62,500.39
12/01/2024		43,950.69	18,968.53	62,919.22	12/27/2024	43,950.69	18,968.53	62,919.22
01/01/2025		45,360.18	17,169.36	62,529.54	01/28/2025	45,360.18	17,169.36	62,529.54
02/01/2025		45,309.91	17,233.52	62,543.43	02/26/2025	45,309.91	17,233.52	62,543.43
03/01/2025		40,879.51	22,888.80	63,768.31	03/26/2025	40,879.51	22,888.80	63,768.31
04/01/2025		45,192.44	17,383.47	62,575.91	04/28/2025	45,192.44	17,383.47	62,575.91
05/01/2025		43,685.37	19,307.20	62,992.57	05/28/2025	43,685.37	19,307.20	62,992.57
06/01/2025		45,085.02	17,520.59	62,605.61	06/26/2025	45,085.02	17,520.59	62,605.61
07/01/2025		43,581.02	19,440.40	63,021.42	07/28/2025	43,581.02	19,440.40	63,021.42
08/01/2025		44,976.80	17,658.72	62,635.53	08/26/2025	44,976.80	17,658.72	62,635.53
09/01/2025		44,925.10	17,724.72	62,649.82	09/26/2025	44,925.10	17,724.72	62,649.82
10/01/2025		43,425.69	19,638.68	63,064.36	10/28/2025	43,425.69	19,638.68	63,064.36
11/01/2025		44,815.71	17,864.35	62,680.06	11/26/2025	44,815.71	17,864.35	62,680.06
12/01/2025		43,319.43	19,774.31	63,093.74	12/29/2025	43,319.43	19,774.31	63,093.74
01/01/2026		44,705.51	18,005.02	62,710.53	01/27/2026	44,705.51	18,005.02	62,710.53
02/01/2026		44,652.80	18,072.30	62,725.10	02/26/2026	44,652.80	18,072.30	62,725.10
03/01/2026		40,283.77	23,649.24	63,933.01	03/26/2026	40,283.77	23,649.24	63,933.01
04/01/2026		44,530.65	18,228.23	62,758.88	04/28/2026	44,530.65	18,228.23	62,758.88
05/01/2026		43,042.53	20,127.77	63,170.30	05/27/2026	43,042.53	20,127.77	63,170.30
06/01/2026		44,418.35	18,371.57	62,789.92	06/26/2026	44,418.35	18,371.57	62,789.92
07/01/2026		42,933.45	20,267.01	63,200.45	07/28/2026	42,933.45	20,267.01	63,200.45
08/01/2026		44,305.22	18,515.97	62,821.20	08/26/2026	44,305.22	18,515.97	62,821.20
09/01/2026		44,251.01	18,585.17	62,836.19	09/28/2026	44,251.01	18,585.17	62,836.19
10/01/2026		42,770.90	20,474.49	63,245.39	10/27/2026	42,770.90	20,474.49	63,245.39
11/01/2026		44,136.66	18,731.15	62,867.80	11/27/2026	44,136.66	18,731.15	62,867.80
12/01/2026		42,659.82	20,616.28	63,276.10	12/29/2026	42,659.82	20,616.28	63,276.10
01/01/2027		44,021.46	18,878.20	62,899.65	01/26/2027	44,021.46	18,878.20	62,899.65
02/01/2027		43,966.18	18,948.75	62,914.93	02/26/2027	43,966.18	18,948.75	62,914.93
03/01/2027		39,661.28	24,443.83	64,105.11	03/26/2027	39,661.28	24,443.83	64,105.11
04/01/2027		43,839.14	19,110.92	62,950.06	04/27/2027	43,839.14	19,110.92	62,950.06
05/01/2027		42,370.83	20,985.18	63,356.00	05/26/2027	42,370.83	20,985.18	63,356.00
06/01/2027		43,721.75	19,260.76	62,982.51	06/28/2027	43,721.75	19,260.76	62,982.51
07/01/2027		42,256.80	21,130.73	63,387.53	07/27/2027	42,256.80	21,130.73	63,387.53
08/01/2027		43,603.49	19,411.72	63,015.21	08/26/2027	43,603.49	19,411.72	63,015.21
09/01/2027		43,546.66	19,484.26	63,030.92	09/28/2027	43,546.66	19,484.26	63,030.92
10/01/2027		42,086.72	21,347.83	63,434.55	10/26/2027	42,086.72	21,347.83	63,434.55
11/01/2027		43,427.11	19,636.86	63,063.97	11/29/2027	43,427.11	19,636.86	63,063.97
12/01/2027		41,970.60	21,496.06	63,466.65	12/28/2027	41,970.60	21,496.06	63,466.65
01/01/2028		43,306.68	19,790.58	63,097.27	01/26/2028	43,306.68	19,790.58	63,097.27
02/01/2028		43,248.74	19,864.55	63,113.29	02/28/2028	43,248.74	19,864.55	63,113.29
03/01/2028		40,404.09	23,495.65	63,899.75	03/28/2028	40,404.09	23,495.65	63,899.75
04/01/2028		43,121.79	20,026.59	63,148.38	04/26/2028	43,121.79	20,026.59	63,148.38
05/01/2028		41,674.02	21,874.62	63,548.65	05/26/2028	41,674.02	21,874.62	63,548.65
06/01/2028		42,999.11	20,183.19	63,182.30	06/27/2028	42,999.11	20,183.19	63,182.30
07/01/2028		41,554.86	22,026.73	63,581.59	07/26/2028	41,554.86	22,026.73	63,581.59
08/01/2028		42,875.53	20,340.93	63,216.47	08/28/2028	42,875.53	20,340.93	63,216.47
09/01/2028		42,815.98	20,416.95	63,232.93	09/26/2028	42,815.98	20,416.95	63,232.93
10/01/2028		41,376.97	22,253.80	63,630.77	10/26/2028	41,376.97	22,253.80	63,630.77
11/01/2028		42,691.05	20,576.42	63,267.47	11/28/2028	42,691.05	20,576.42	63,267.47
12/01/2028		41,255.62	22,408.71	63,664.33	12/27/2028	41,255.62	22,408.71	63,664.33
01/01/2029		42,565.20	20,737.07	63,302.26	01/26/2029	42,565.20	20,737.07	63,302.26
02/01/2029		42,504.48	20,814.57	63,319.05	02/27/2029	42,504.48	20,814.57	63,319.05
03/01/2029		38,336.10	26,135.38	64,471.48	03/27/2029	38,336.10	26,135.38	64,471.48
04/01/2029		42,367.02	20,990.03	63,357.05	04/26/2029	42,367.02	20,990.03	63,357.05
05/01/2029		40,940.87	22,810.47	63,751.34	05/29/2029	40,940.87	22,810.47	63,751.34
06/01/2029		42,238.79	21,153.72	63,392.51	06/26/2029	42,238.79	21,153.72	63,392.51
07/01/2029		40,816.31	22,969.47	63,785.78	07/26/2029	40,816.31	22,969.47	63,785.78
08/01/2029		42,109.60	21,318.62	63,428.22	08/28/2029	42,109.60	21,318.62	63,428.22
09/01/2029		42,047.19	21,398.29	63,445.48	09/26/2029	42,047.19	21,398.29	63,445.48
10/01/2029		40,630.20	23,207.04	63,837.24	10/26/2029	40,630.20	23,207.04	63,837.24
11/01/2029		41,916.59	21,564.99	63,481.58	11/27/2029	41,916.59	21,564.99	63,481.58
12/01/2029		40,503.34	23,368.96	63,872.31	12/27/2029	40,503.34	23,368.96	63,872.31
01/01/2030		41,785.04	21,732.92	63,517.96	01/28/2030	41,785.04	21,732.92	63,517.96
02/01/2030		41,721.41	21,814.14	63,535.55	02/26/2030	41,721.41	21,814.14	63,535.55
03/01/2030		37,626.17	27,041.60	64,667.76	03/26/2030	37,626.17	27,041.60	64,667.76
04/01/2030		41,578.37	21,996.73	63,575.09	04/26/2030	41,578.37	21,996.73	63,575.09
05/01/2030		40,174.81	23,788.33	63,963.14	05/29/2030	40,174.81	23,788.33	63,963.14
06/01/2030		41,444.32	22,167.83	63,612.15	06/26/2030	41,444.32	22,167.83	63,612.15
07/01/2030		40,044.60	23,954.54	63,999.14	07/26/2030	40,044.60	23,954.54	63,999.14
08/01/2030		41,309.28	22,340.20	63,649.49	08/27/2030	41,309.28	22,340.20	63,649.49
09/01/2030		41,243.88	22,423.69	63,667.57	09/26/2030	41,243.88	22,423.69	63,667.57
10/01/2030		39,849.90	24,203.07	64,052.97	10/28/2030	39,849.90	24,203.07	64,052.97
11/01/2030		41,107.36	22,597.95	63,705.31	11/26/2030	41,107.36	22,597.95	63,705.31

	Funds Available to Pay Debt Service				BOND DEBT SERVICE			
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL REPAYMENT	TOTAL REVENUES	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE
12/01/2030		39,717.29	24,372.33	64,089.63	12/27/2030	39,717.29	24,372.33	64,089.63
01/01/2031		40,969.85	22,773.49	63,743.33	01/28/2031	40,969.85	22,773.49	63,743.33
02/01/2031		40,903.17	22,858.60	63,761.77	02/26/2031	40,903.17	22,858.60	63,761.77
03/01/2031		36,884.35	27,988.50	64,872.85	03/26/2031	36,884.35	27,988.50	64,872.85
04/01/2031		40,754.30	23,048.62	63,802.92	04/28/2031	40,754.30	23,048.62	63,802.92
05/01/2031		39,374.34	24,810.10	64,184.44	05/28/2031	39,374.34	24,810.10	64,184.44
06/01/2031		40,614.18	23,227.48	63,841.66	06/26/2031	40,614.18	23,227.48	63,841.66
07/01/2031		39,238.23	24,983.84	64,222.07	07/28/2031	39,238.23	24,983.84	64,222.07
08/01/2031		40,473.03	23,407.66	63,880.69	08/26/2031	40,473.03	23,407.66	63,880.69
09/01/2031		40,404.50	23,495.14	63,899.64	09/26/2031	40,404.50	23,495.14	63,899.64
10/01/2031		39,034.56	25,243.83	64,278.38	10/28/2031	39,034.56	25,243.83	64,278.38
11/01/2031		40,261.80	23,677.29	63,939.09	11/26/2031	40,261.80	23,677.29	63,939.09
12/01/2031		38,895.95	25,420.76	64,316.70	12/29/2031	38,895.95	25,420.76	64,316.70
01/01/2032		40,118.05	23,860.78	63,978.83	01/27/2032	40,118.05	23,860.78	63,978.83
02/01/2032		40,048.19	23,949.95	63,998.14	02/26/2032	40,048.19	23,949.95	63,998.14
03/01/2032		37,398.84	27,331.77	64,730.61	03/26/2032	37,398.84	27,331.77	64,730.61
04/01/2032		39,898.05	24,141.60	64,039.65	04/27/2032	39,898.05	24,141.60	64,039.65
05/01/2032		38,542.62	25,871.77	64,414.39	05/26/2032	38,542.62	25,871.77	64,414.39
06/01/2032		39,751.62	24,328.51	64,080.14	06/28/2032	39,751.62	24,328.51	64,080.14
07/01/2032		38,400.38	26,053.33	64,453.71	07/27/2032	38,400.38	26,053.33	64,453.71
08/01/2032		39,604.12	24,516.80	64,120.92	08/26/2032	39,604.12	24,516.80	64,120.92
09/01/2032		39,532.34	24,608.43	64,140.76	09/28/2032	39,532.34	24,608.43	64,140.76
10/01/2032		38,187.38	26,325.23	64,512.60	10/26/2032	38,187.38	26,325.23	64,512.60
11/01/2032		39,383.21	24,798.78	64,181.99	11/29/2032	39,383.21	24,798.78	64,181.99
12/01/2032		38,042.52	26,510.13	64,552.65	12/28/2032	38,042.52	26,510.13	64,552.65
01/01/2033		39,232.99	24,990.53	64,223.52	01/26/2033	39,232.99	24,990.53	64,223.52
02/01/2033		39,159.83	25,083.92	64,243.75	02/28/2033	39,159.83	25,083.92	64,243.75
03/01/2033		35,303.83	30,005.99	65,309.82	03/28/2033	35,303.83	30,005.99	65,309.82
04/01/2033		38,998.54	25,289.81	64,288.34	04/26/2033	38,998.54	25,289.81	64,288.34
05/01/2033		37,668.86	26,987.09	64,655.96	05/26/2033	37,668.86	26,987.09	64,655.96
06/01/2033		38,845.48	25,485.18	64,330.66	06/28/2033	38,845.48	25,485.18	64,330.66
07/01/2033		37,520.19	27,176.87	64,697.06	07/26/2033	37,520.19	27,176.87	64,697.06
08/01/2033		38,691.30	25,681.99	64,373.28	08/26/2033	38,691.30	25,681.99	64,373.28
09/01/2033		38,616.11	25,777.97	64,394.07	09/27/2033	38,616.11	25,777.97	64,394.07
10/01/2033		37,297.39	27,461.27	64,758.66	10/26/2033	37,297.39	27,461.27	64,758.66
11/01/2033		38,460.23	25,976.93	64,437.17	11/28/2033	38,460.23	25,976.93	64,437.17
12/01/2033		37,145.98	27,654.54	64,800.52	12/28/2033	37,145.98	27,654.54	64,800.52
01/01/2034		38,303.21	26,177.37	64,480.58	01/26/2034	38,303.21	26,177.37	64,480.58
02/01/2034		38,226.57	26,275.20	64,501.77	02/28/2034	38,226.57	26,275.20	64,501.77
03/01/2034		34,457.74	31,086.00	65,543.74	03/28/2034	34,457.74	31,086.00	65,543.74
04/01/2034		38,058.63	26,489.57	64,548.20	04/26/2034	38,058.63	26,489.57	64,548.20
05/01/2034		36,755.88	28,152.49	64,908.37	05/26/2034	36,755.88	28,152.49	64,908.37
06/01/2034		37,898.65	26,693.78	64,592.43	06/27/2034	37,898.65	26,693.78	64,592.43
07/01/2034		36,600.48	28,350.85	64,951.33	07/26/2034	36,600.48	28,350.85	64,951.33
08/01/2034		37,737.49	26,899.49	64,636.98	08/28/2034	37,737.49	26,899.49	64,636.98
09/01/2034		37,658.74	27,000.02	64,658.76	09/26/2034	37,658.74	27,000.02	64,658.76
10/01/2034		36,367.44	28,648.33	65,015.76	10/26/2034	36,367.44	28,648.33	65,015.76
11/01/2034		37,495.81	27,207.99	64,703.80	11/28/2034	37,495.81	27,207.99	64,703.80
12/01/2034		36,209.18	28,850.34	65,059.52	12/27/2034	36,209.18	28,850.34	65,059.52
01/01/2035		37,331.68	27,417.49	64,749.18	01/26/2035	37,331.68	27,417.49	64,749.18
02/01/2035		37,251.41	27,519.96	64,771.37	02/27/2035	37,251.41	27,519.96	64,771.37
03/01/2035		33,573.66	32,214.50	65,788.16	03/27/2035	33,573.66	32,214.50	65,788.16
04/01/2035		37,076.52	27,743.20	64,819.72	04/26/2035	37,076.52	27,743.20	64,819.72
05/01/2035		35,801.90	29,370.22	65,172.12	05/29/2035	35,801.90	29,370.22	65,172.12
06/01/2035		36,909.31	27,956.65	64,865.95	06/26/2035	36,909.31	27,956.65	64,865.95
07/01/2035		35,639.47	29,577.55	65,217.02	07/26/2035	35,639.47	29,577.55	65,217.02
08/01/2035		36,740.86	28,171.66	64,912.52	08/28/2035	36,740.86	28,171.66	64,912.52
09/01/2035		36,658.38	28,276.95	64,935.33	09/26/2035	36,658.38	28,276.95	64,935.33
10/01/2035		35,395.73	29,888.68	65,284.41	10/26/2035	35,395.73	29,888.68	65,284.41
11/01/2035		36,488.08	28,494.33	64,982.41	11/27/2035	36,488.08	28,494.33	64,982.41
12/01/2035		35,230.31	30,099.83	65,330.14	12/27/2035	35,230.31	30,099.83	65,330.14
01/01/2036		36,316.53	28,713.30	65,029.84	01/28/2036	36,316.53	28,713.30	65,029.84
02/01/2036		36,232.47	28,820.61	65,053.08	02/26/2036	36,232.47	28,820.61	65,053.08
03/01/2036		33,815.95	31,905.22	65,721.17	03/26/2036	33,815.95	31,905.22	65,721.17
04/01/2036		36,054.67	29,047.56	65,102.23	04/28/2036	36,054.67	29,047.56	65,102.23
05/01/2036		34,809.32	30,637.22	65,446.54	05/28/2036	34,809.32	30,637.22	65,446.54
06/01/2036		35,879.93	29,270.61	65,150.54	06/26/2036	35,879.93	29,270.61	65,150.54
07/01/2036		34,639.58	30,853.88	65,493.46	07/28/2036	34,639.58	30,853.88	65,493.46
08/01/2036		35,703.90	29,495.31	65,199.21	08/26/2036	35,703.90	29,495.31	65,199.21
09/01/2036		35,617.54	29,605.54	65,223.09	09/26/2036	35,617.54	29,605.54	65,223.09
10/01/2036		34,384.71	31,179.22	65,563.93	10/28/2036	34,384.71	31,179.22	65,563.93
11/01/2036		35,439.58	29,832.71	65,272.29	11/26/2036	35,439.58	29,832.71	65,272.29
12/01/2036		34,211.84	31,399.88	65,611.72	12/29/2036	34,211.84	31,399.88	65,611.72
01/01/2037		35,260.30	30,061.55	65,321.85	01/27/2037	35,260.30	30,061.55	65,321.85
02/01/2037		35,172.29	30,173.90	65,346.19	02/26/2037	35,172.29	30,173.90	65,346.19
03/01/2037		31,688.73	34,620.56	66,309.29	03/26/2037	31,688.73	34,620.56	66,309.29
04/01/2037		34,982.59	30,416.05	65,398.63	04/28/2037	34,982.59	30,416.05	65,398.63
05/01/2037		33,767.94	31,966.51	65,734.45	05/27/2037	33,767.94	31,966.51	65,734.45
06/01/2037		34,799.94	30,649.18	65,449.13	06/26/2037	34,799.94	30,649.18	65,449.13
07/01/2037		33,590.53	32,192.97	65,783.50	07/28/2037	33,590.53	32,192.97	65,783.50

	Funds Available to Pay Debt Service				BOND DEBT SERVICE			
DATE	INTEREST EARNINGS ON SLGS	MBS PASS THRU INTEREST	MBS PRINCIPAL REPAYMENT	TOTAL REVENUES	BOND PAYMENT DATE	BOND INTEREST	BOND PRINCIPAL	TOTAL DEBT SERVICE
08/01/2037		34,615.96	30,884.04	65,500.00	08/26/2037	34,615.96	30,884.04	65,500.00
09/01/2037		34,525.53	30,999.46	65,525.00	09/28/2037	34,525.53	30,999.46	65,525.00
10/01/2037		33,323.98	32,533.21	65,857.19	10/27/2037	33,323.98	32,533.21	65,857.19
11/01/2037		34,339.53	31,236.90	65,576.42	11/27/2037	34,339.53	31,236.90	65,576.42
12/01/2037		33,143.29	32,763.85	65,907.14	12/29/2037	33,143.29	32,763.85	65,907.14
01/01/2038		34,152.15	31,476.08	65,628.23	01/26/2038	34,152.15	31,476.08	65,628.23
02/01/2038		34,059.99	31,593.71	65,653.70	02/26/2038	34,059.99	31,593.71	65,653.70
03/01/2038		30,680.31	35,907.77	66,588.09	03/26/2038	30,680.31	35,907.77	66,588.09
04/01/2038		33,862.36	31,845.98	65,708.34	04/27/2038	33,862.36	31,845.98	65,708.34
05/01/2038		32,679.80	33,355.49	66,035.29	05/26/2038	32,679.80	33,355.49	66,035.29
06/01/2038		33,671.47	32,089.65	65,761.12	06/28/2038	33,671.47	32,089.65	65,761.12
07/01/2038		32,494.37	33,592.18	66,086.55	07/27/2038	32,494.37	33,592.18	66,086.55
08/01/2038		33,479.16	32,335.12	65,814.29	08/26/2038	33,479.16	32,335.12	65,814.29
09/01/2038		33,384.49	32,455.97	65,840.46	09/28/2038	33,384.49	32,455.97	65,840.46
10/01/2038		32,215.62	33,948.00	66,163.62	10/26/2038	32,215.62	33,948.00	66,163.62
11/01/2038		33,190.08	32,704.13	65,894.21	11/29/2038	33,190.08	32,704.13	65,894.21
12/01/2038		32,026.77	11,303,565.31	11,335,592.08	12/28/2038	32,026.77	11,303,565.31	11,335,592.08
TOTALS	**750,523.81**	**8,487,572.88**	**16,200,000.00**	**25,438,096.69**		**9,606,002.88**	**16,200,000.00**	**25,806,002.88**

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO:	Ash Williams
FROM:	Robert Copeland
SUBJECT:	Fiscal Determination
DATE:	May 22, 2019

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $14,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (PARRISH OAKS)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding $14,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the "Bonds") for the purpose of financing the acquisition and construction of a 120-unit affordable housing community located in Manatee County, Florida (Parrish Oaks). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $14,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (PARRISH OAKS)

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding $14,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the "Bonds") for the purpose of financing the acquisition and construction of a 120-unit affordable housing community located in Manatee County, Florida (Parrish Oaks); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida (the "Board") to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

WHEREAS, the Bonds shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Parrish Oaks), in an amount not exceeding $14,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED June 4, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 4, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding $14,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Parrish Oaks).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 4th day of June 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

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Florida Housing
Finance Corporation
227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

May 21, 2019

VIA EMAIL

Mr. Ash Williams
Executive Director/Chief Investment Officer
State Board of Administration
P.O. Box 13300
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds
Not to Exceed $14,000,000 Tax-Exempt Bonds
Parrish Oaks

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced bond issue prepared by the Bond Underwriter, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a Public Offering. We request that this item be placed on the agenda for approval at the State Board of Administration's June 4, 2019 Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,

Tim Kennedy

Tim Kennedy
Assistant Director of Multifamily Programs

TK/rg

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Bonds
Parrish Oaks

Principal Amount of Bonds Issued:	$ 14,000,000
Interest Rate:	2.100%
Maturity:	01/01/2022

Investments: State and Local Government Series ("SLGS")	
Par Amount of Time Deposit SLGS Purchased	$ 14,000,000.00
Price of SLGS due 1/1/22 at 2.100%	100%
Cost of SLGS	$ 14,000,000.00

Deposit of Funds: It is assumed that the bond proceeds will be deposited at closing to the Project Fund and a combination of FHA and SAIL Loan Proceeds will be deposited to the Collateral Fund and the Capitalized Interest Account of the Bond Fund. Shortly after closing, bond proceeds will be used for construction of the development. Amounts on deposit in the Project Fund, Collateral Fund and Capitalized Interest Account will be invested in Eligible Investments.

Cash Flow Report

	Funds Available to Pay Debt Service (1)										
	SLGS Principal Amount	Interest Rate	Earnings on Investments	Total Assets On Deposit In Indenture		2.100% Interest Due on Bonds	Principal Due on Bonds	Total Debt Service & Fees Payable	Outstanding Bond Balance	Balance Remaining in Accounts	P&I Debt Coverage Ratio (DCR) (2)
Date		**2.100%**			**Date**						
07/01/19				$ 14,000,000.00	07/01/19				$ 14,000,000.00	$ 14,000,000.00	
01/01/20			$ 147,000.00	$ 14,147,000.00	01/01/20	$ 147,000.00		$ 147,000.00	$ 14,000,000.00	$ 14,000,000.00	96.24
07/01/20			$ 147,000.00	$ 14,147,000.00	07/01/20	$ 147,000.00		$ 147,000.00	$ 14,000,000.00	$ 14,000,000.00	96.24
01/01/21			$ 147,000.00	$ 14,147,000.00	01/01/21	$ 147,000.00		$ 147,000.00	$ 14,000,000.00	$ 14,000,000.00	96.24
07/01/21			$ 147,000.00	$ 14,147,000.00	07/01/21	$ 147,000.00		$ 147,000.00	$ 14,000,000.00	$ 14,000,000.00	96.24
01/01/22	$ 14,000,000.00		$ 147,000.00	$ 14,147,000.00	01/01/22	$ 147,000.00	$ 14,000,000.00	$ 14,147,000.00	$ -	$ -	1.00
Total	$ 14,000,000.00		$ 735,000.00			$ 735,000.00	$ 14,000,000.00	$ 14,735,000.00			

Notes:
(1) At the bond closing cash proceeds from the FHA and SAIL Loans will be deposit with the Trustee as pledged assets to fully collateralize the repayment of the Bonds as well as the payment of future anticipated debt service through to maturity.

(2) The DCR is provided to demonstrate the overall coverage of pledged assets against the total amount due at each Semi-Annual Bond Debt Service payment and upon final maturity when principal is due.

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Determination
DATE: May 22, 2019

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $11,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (PEMBROKE TOWER APARTMENTS)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding $11,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the “Bonds") for the purpose of financing the acquisition and rehabilitation of a 100-unit affordable housing community located in Broward County, Florida (Pembroke Tower Apartments). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING $11,000,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, 2019 (SERIES TO BE DESIGNATED) (PEMBROKE TOWER APARTMENTS)

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding $11,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (the “Bonds") for the purpose of financing the acquisition and rehabilitation of a 100-unit affordable housing community located in Broward County, Florida (Pembroke Tower Apartments); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida (the “Board”) to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the “Florida Constitution”); and,

WHEREAS, the Bonds shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board’s determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Pembroke Tower Apartments), in an amount not exceeding $11,000,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED June 4, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 4, 2019, making the fiscal determination in connection with the issuance of an amount not exceeding $11,000,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2019 (series to be designated) (Pembroke Tower Apartments).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 4th day of June 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

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850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

May 21, 2019

VIA EMAIL

Mr. Ash Williams
Executive Director/Chief Investment Officer
State Board of Administration
P.O. Box 13300
Tallahassee, Florida 32317-3300

RE: FHFC Multifamily Mortgage Revenue Bonds
Not to Exceed $11,000,000 Tax-Exempt Bonds
Pembroke Tower Apartments

Dear Mr. Williams:

On behalf of Florida Housing Finance Corporation ("Florida Housing or "FHFC"), I am submitting a cash flow analysis for the approval of fiscal determination of the above-referenced bond issue prepared by the Bond Underwriter, RBC Capital Markets. Florida Housing endorses this analysis and believes it will show sufficient coverage.

This bond issue will be a Public Offering. We request that this item be placed on the agenda for approval at the State Board of Administration's June 4, 2019 Cabinet meeting, due to financing and closing schedules.

Should you or your staff have any questions or concerns with respect to this transaction, please feel free to call me at (850) 488-4197. Thank you for your consideration.

Sincerely,

Tim Kennedy

Tim Kennedy
Assistant Director of Multifamily Programs

TK/rg

Florida Housing Finance Corporation
Multifamily Mortgage Revenue Bonds
Pembroke Tower Apartments

Principal Amount of Bonds Issued:	$ 11,000,000
Interest Rate:	2.0000%
Maturity:	10/01/2020

Investments: State and Local Government Series ("SLGS")	
Par Amount of Time Deposit SLGS Purchased	$ 11,000,000.00
Price of SLGS due 10/1/20 at 2.00%	100%
Cost of SLGS	$ 11,000,000.00

Deposit of Funds: It is assumed that the bond proceeds will be deposited at closing to the Project Fund and proceeds from the FHA and SAIL loans will be deposited to the Collateral Fund and the Capitalized Interest Account of the Bond Fund. Shortly after closing, bond proceeds will be used for construction of the development. Amounts on deposit in the Project Fund, Collateral Fund and Capitalized Interest Account will be invested in Eligible Investments.

Cash Flow Report

	Funds Available to Pay Debt Service (1)										
Date	SLGS Principal Amount	Interest Rate 2.000%	Earnings on Investments	Total Assets On Deposit in Indenture	Date	2.000% Interest Due on Bonds	Principal Due on Bonds	Total Debt Service & Fees Payable	Outstanding Bond Balance	Balance Remaining in Accounts	P&I Debt Coverage Ratio (DCR) (2)
07/01/19				$ 11,000,000.00	07/01/19				$ 11,000,000.00	$ 11,000,000.00	
10/01/19			$ 55,300.55	$ 11,055,300.55	01/01/20	$ 110,000.00		$ 110,000.00	$ 11,000,000.00	$ 10,945,300.55	100.50
04/01/20			$ 110,000.00	$ 11,055,300.55	07/01/20	$ 110,000.00		$ 110,000.00	$ 11,000,000.00	$ 10,945,300.55	100.50
10/01/20	$ 11,000,000.00		$ 110,000.00	$ 11,055,300.55	10/01/20	$ 55,000.00	$ 11,000,000.00	$ 11,055,000.00	$ -	$ 300.55	1.00
Total	$ 11,000,000.00		$ 275,300.55			$ 275,000.00	$ 11,000,000.00	$ 11,275,000.00			

Notes:

(1) At the bond closing cash proceeds from the FHA and SAIL Loans will be deposit with the Trustee as pledged assets to fully collateralize the repayment of the Bonds as well as the payment of future anticipated debt service through to maturity.

(2) The DCR is provided to demonstrate the overall coverage of pledged assets against the total amount due at each Semi-Annual Bond Debt Service payment and upon final maturity when principal is due.

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO:	Ash Williams
FROM:	Robert Copeland
SUBJECT:	Fiscal Sufficiency
DATE:	May 20, 2019

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $55,000,000 STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION EVERGLADES RESTORATION REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the Department of Environmental Protection of Florida, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $55,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all of the outstanding variable rate Everglades Restoration Revenue Bonds, Series 2007A and 2007B, and to pay costs associated with the issuance and sale of the Bonds. The Bonds will be issued as fixed-rate bonds in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on October 4, 2005, as amended on December 5, 2006, February 26, 2008, January 26, 2010, and August 5, 2015; and a resolution anticipated to be adopted by the Governor and Cabinet on June 4, 2019.

The Department of Environmental Protection has heretofore issued Everglades Restoration Revenue and Revenue Refunding Bonds, Series 2007A-B through 2019A, and Florida Forever Revenue and Revenue Refunding Bonds, Series 2010B through 2018A (collectively, the "Outstanding Bonds"). The State Board of Administration has previously approved the fiscal sufficiency of Everglades Restoration Revenue Bonds and Everglades Restoration Revenue Refunding Bonds, of which a total of $167,675,000 remains unissued. The Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the $167,675,000 of the previously authorized, but unissued Bonds. The proposed Bonds shall be issued on parity as to source and security for the payment with the Outstanding Bonds.

A study of this proposal and the estimates of revenue expected to accrue from the Pledged Revenues, indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $55,000,000 STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION EVERGLADES RESTORATION REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding $55,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), on behalf of and in the name of the State of Florida Department of Environmental Protection, for the purpose of refunding all of the outstanding variable rate Everglades Restoration Revenue Bonds, Series 2007A and 2007B, and to pay costs associated with the issuance and sale of the Bonds; and,

WHEREAS, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on October 4, 2005, as amended on December 5, 2006, February 26, 2008, January 26, 2010, and August 5, 2015; and a resolution anticipated to be adopted by the Governor and Cabinet on June 4, 2019 (together, the "Resolution"); and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73 and 375.051, Florida Statutes; and,

WHEREAS, the Department of Environmental Protection has heretofore issued Everglades Restoration Revenue and Revenue Refunding Bonds, Series 2007A-B through 2019A, and Florida Forever Revenue and Revenue Refunding Bonds, Series 2010B through 2018A (collectively, the "Outstanding Bonds"); and,

WHEREAS, the proposed Bonds shall be issued on parity as to source and security for the payment with the Outstanding Bonds; and,

WHEREAS, the State Board of Administration has previously approved the fiscal sufficiency of Everglades Restoration Revenue Bonds and Everglades Restoration Revenue Refunding Bonds, of which a total of $167,675,000 remains unissued; and,

WHEREAS, the Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the $167,675,000 of the previously authorized, but unissued Bonds; and,

WHEREAS, the proposed Bonds are secured by excise taxes required by law to be distributed pursuant to Section 201.15, Florida Statutes (the "Pledged Revenues"). The Bonds to be issued pursuant to the Resolution shall not constitute, directly or indirectly, a general obligation of the State of Florida, or any political subdivision thereof under the Constitution and laws of the State of Florida and shall not constitute a lien on any of the lands acquired from the proceeds of the Bonds, or any part thereof; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of the laws, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the Division, on behalf of Department of Environmental Protection, has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73 and 375.051, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Everglades Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding $55,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined) is hereby approved as to fiscal sufficiency. In addition, the approval of fiscal sufficiency with respect to the $167,675,000 unissued portion of previously authorized Everglades Restoration Revenue Bonds and Everglades Restoration Revenue Refunding Bonds is hereby rescinded

ADOPTED June 4, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 4, 2019, approving the fiscal sufficiency of an amount not exceeding $55,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined), and rescinding the approval of fiscal sufficiency with respect to $167,675,000 of previously authorized, but unissued Everglades Restoration Revenue Bonds and Everglades Restoration Revenue Refunding Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 4th day of June 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

STATE OF FLORIDA
DIVISION OF BOND FINANCE

J. BEN WATKINS III
DIRECTOR

May 14, 2019

Mr. Ashbel C. Williams
Executive Director & CIO
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $55,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73 Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting of June 4, 2019.

The proposed bonds will be secured by documentary stamp taxes required to be deposited in the Land Acquisition Trust Fund, consisting of the first money available from 100% of documentary stamp tax collections. The bonds will be issued on parity with the outstanding Everglades Restoration Revenue Bonds, Series 2007A through 2019A and the outstanding Florida Forever Revenue Bonds, Series 2010B through 2018A. The remaining $167,675,000 balance of Everglades Restoration Revenue Bonds and Everglades Restoration Revenue Refunding Bonds that were previously approved for fiscal sufficiency should be rescinded.

The proposed bonds will be issued as fixed-rate bonds to refund all of the outstanding variable rate Everglades Restoration Revenue Bonds, Series 2007A and 2007B, and to pay costs associated with the issuance and sale of the bonds.

The bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on October 4, 2005, as amended on December 5, 2006, February 26, 2008, January 26, 2010, and August 5, 2015; and a resolution anticipated to be adopted by the Governor and Cabinet on June 4, 2019, which will authorize the issuance and sale of the proposed refunding bonds. The October 4, 2005 resolution allows for the issuance of bonds as either fixed-rate bonds or variable-rate bonds, and the proposed bonds will be issued as fixed-rate bonds.

STATE BOARD OF ADMINISTRATION | 1801 HERMITAGE BOULEVARD, SUITE 200 | TALLAHASSEE, FLORIDA 32308
OFFICE (850) 488-4782 | FAX (850) 413-1315 | WEBSITE: WWW.SBAFLA.COM/BOND

The following documents are enclosed for your consideration:

Enclosure 1: an estimated coverage table based upon the March 2019 Revenue Estimating Conference documentary stamp tax projections;

Enclosure 2: an estimated debt service schedule for the proposed bonds;

Enclosure 3: the historical documentary stamp tax collections data provided by the Office of Economic and Demographic Research of the Florida Legislature; and

Enclosure 4: the forecast for documentary stamp tax collections from the March 2019 Revenue Estimating Conference.

Enclosure 5: a draft of the resolution anticipated to the adopted by the Governor and Cabinet on June 4, 2019, authorizing the issuance and sale of the proposed bonds.

A draft of the fiscal sufficiency resolution should be sent to Ryan Dugan and Charlie Yadon of this office for review. Should you have any questions please contact either myself, Ryan Dugan, or Charlie Yadon at 488-4782. Your consideration of this matter is appreciated.

Sincerely,

Kimberly J Nichols for
J. Ben Watkins III
Director

JBW/cy

Enclosures

cc: Janie Knight
Alexander Nottingham
Sharon Vice
Robert Copeland

NOT EXCEEDING $55,000,000
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
EVERGLADES RESTORATION REVENUE REFUNDING BONDS
SERIES [to be determined]

ESTIMATED DEBT SERVICE AND COVERAGE TABLE

Fiscal Year Ending June 30	Documentary Stamp Tax Collections (1)	Outstanding Everglades Debt Service (2)	Outstanding Florida Forever Debt Service (3) (4)	Less Federal Subsidy on BABs (5)	Total Outstanding Debt Service	Estimated Debt Service on $55,000,000 of Bonds Requested for Fiscal Sufficiency Approval at June 4, 2019 Meeting: Prinicpal	Interest	Total	Estimated Total Debt Service	Estimated Debt Service Coverage
2019	$ 2,633,000,000	$ 23,466,789	$ 140,906,963	$ (2,601,645)	$ 161,772,107	$ -	$ -	$ -	$ 161,772,107	16.28x
2020	2,742,600,000	16,031,813	134,910,350	-	150,942,163	5,760,000	2,750,000	8,510,000	159,452,163	17.20x
2021	2,850,000,000	16,029,313	134,918,600	-	150,947,913	6,050,000	2,462,000	8,512,000	159,459,913	17.87x
2022	2,952,300,000	16,036,063	113,377,100	-	129,413,163	6,350,000	2,159,500	8,509,500	137,922,663	21.41x
2023	3,056,500,000	16,038,513	102,330,600	-	118,369,113	6,665,000	1,842,000	8,507,000	126,876,113	24.09x
2024	3,161,500,000	16,035,263	82,149,850	-	98,185,113	7,000,000	1,508,750	8,508,750	106,693,863	29.63x
2025	3,266,600,000	16,032,263	82,137,850	-	98,170,113	7,350,000	1,158,750	8,508,750	106,678,863	30.62x
2026	3,375,000,000	9,464,613	65,211,100	-	74,675,713	7,720,000	791,250	8,511,250	83,186,963	40.57x
2027	3,483,600,000	9,462,413	44,781,850	-	54,244,263	8,105,000	405,250	8,510,250	62,754,513	55.51x
2028	3,591,700,000	9,461,563	34,908,600	-	44,370,163	-	-	-	44,370,163	80.95x
2029	3,699,400,000	9,466,988	15,356,250	-	24,823,238	-	-	-	24,823,238	149.03x
2030	3,699,400,000	6,927,606	-	-	6,927,606	-	-	-	6,927,606	534.01x
2031	3,699,400,000	6,926,281	-	-	6,926,281	-	-	-	6,926,281	534.11x
2032	3,699,400,000	6,927,031	-	-	6,927,031	-	-	-	6,927,031	534.05x
2033	3,699,400,000	3,432,650	-	-	3,432,650	-	-	-	3,432,650	1,077.71x
2034	3,699,400,000	3,428,025	-	-	3,428,025	-	-	-	3,428,025	1,079.16x
2035	3,699,400,000	3,431,025	-	-	3,431,025	-	-	-	3,431,025	1,078.22x
		$ 188,598,208	$ 950,989,113	$ (2,601,645)	$ 1,136,985,675	$ 55,000,000	$ 13,077,500	$ 68,077,500	$ 1,205,063,175	

(1) The figures in this column were based upon the March 2019 Revenue Estimating Conference for Documentary Stamp Tax forecast for fiscal years 2019-2029. The 2029 projection has been held constant thereafter. No assurance can be given that material differences between such projections and actual results will not occur.

(2) Includes debt service for the Everglades Bonds, Series 2007A-B through 2019A. Includes approximately $522,000 of accrued debt service on previously refunded bonds which will be called for redemption on July 1, 2019. Estimated future debt service payable on the Series 2007A-B variable rate bonds through July 1, 2019, is assumed at an interest rate of 3.25% and includes estimated annual remarketing agent fees, liquidity fees, tender agent fees, and administrative fees. Excludes debt service on the Everglades Series 2010B Build America Bonds maturing after July 1, 2019, which were economically defeased by the Everglades 2019A Bonds. Assumes that the Everglades Series 2007A-B variable rate bonds are refunded and called for redemption by the proposed bonds on July 1, 2019.

(3) Pursuant to Section 201.15(1)(a), Florida Statutes, the maximum amount that may be distributed from the documentary stamp tax collections for Florida Forever bond debt service is $300 million per year.

(4) Includes debt service for the Florida Forever Revenue Bonds, Series 2010A through 2018A. Includes approximately $270,000 of accrued debt service on previously refunded bonds which will be called for redemption on July 1, 2019.

(5) Total of expected federal subsidies equal to 35% of the interest payable on the Florida Forever 2010B and Everglades 2010B Taxable Build America Bonds, which are expected to be deposited in the sinking fund. The estimated subsidy payments include the expected reductions resulting from federal sequestration. The Florida Forever 2010B Build America Bonds maturing after July 1, 2019 have been legally defeased and will be called for redemption July 1, 2019. The Everglades 2010B Build America Bonds maturing after July 1, 2019 will be called for redemption on July 1, 2019.

BOND DEBT SERVICE

State of Florida, Department of Environmental Protection
Everglades Restoration Revenue Refunding Bonds
$55,000,000 Proposed Issuance

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2020	5,760,000	5.000%	2,750,000	8,510,000
07/01/2021	6,050,000	5.000%	2,462,000	8,512,000
07/01/2022	6,350,000	5.000%	2,159,500	8,509,500
07/01/2023	6,665,000	5.000%	1,842,000	8,507,000
07/01/2024	7,000,000	5.000%	1,508,750	8,508,750
07/01/2025	7,350,000	5.000%	1,158,750	8,508,750
07/01/2026	7,720,000	5.000%	791,250	8,511,250
07/01/2027	8,105,000	5.000%	405,250	8,510,250
	55,000,000		**13,077,500**	**68,077,500**

DOCUMENTARY STAMP TAX COLLECTIONS

Fiscal Year	Annual Collections	Annual Growth
2008-09	$ 1,122,800,000	(42.6)%
2009-10	1,078,600,000	(3.9)%
2010-11	1,156,500,000	7.2%
2011-12	1,261,600,000	9.1%
2012-13	1,643,400,000	30.3%
2013-14	1,812,500,000	10.3%
2014-15	2,120,800,000	17.0%
2015-16	2,276,870,000	7.4%
2016-17	2,417,760,000	6.2%
2017-18	2,510,020,000	3.8%

Source: Data obtained from Revenue Estimating Conferences of the Office of Economic and Demographic Research of the Florida Legislature.

Documentary Stamp Tax Collections and Distributions (Millions)
General Revenue Conference March 2019

Statutory %s	$ Cap	F.S Reference	Description	2017-18*	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
			Total Collection	2510.02	2633.00	2742.60	2850.00	2952.30	3056.50	3161.50	3266.60	3375.00	3483.60	3591.70	3699.40
		201.15	DOR Admin Cost	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80
			Remainder available for distribution	2497.60	2623.20	2732.80	2840.20	2942.50	3046.70	3151.70	3256.80	3365.20	3473.80	3581.90	3689.60
		(1)	Debt Service (deposited to LATF)	**165.55**	**162.21**	**158.96**	**158.77**	**137.40**	**126.43**	**106.28**	**106.33**	**82.93**	**62.53**	**45.10**	**25.55**
			- Florida Forever	*142.13*	*138.86*	*134.91*	*134.92*	*113.38*	*102.33*	*82.15*	*82.14*	*65.21*	*44.78*	*34.91*	*15.36*
			- Everglades Restoration Bonds Prior to July 1, 2016	*23.42*	*23.36*	*24.05*	*23.85*	*24.02*	*24.10*	*24.13*	*24.19*	*17.72*	*17.75*	*10.20*	*10.20*
		(2)	Land Acquisition Trust Fund (1+2+3+4+5+6)	**658.66**	**703.45**	**742.86**	**778.50**	**833.63**	**878.98**	**933.78**	**968.41**	**1027.59**	**1083.82**	**1136.93**	**1192.02**
25.00%	*200.00*	*375.041(3)(b)1.*	1. Everglades Projects / Comp Everglades Rest Plan	164.67	175.86	185.72	194.63	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
		375.041(3)(b)1.	*+++ South Florida Water Management District*	*32.00*	*32.00*	*32.00*	*32.00*	*32.00*	*32.00*	*32.00*					
76.50%	*100.00*	*375.041(3)(b)1.*	*+++ Planning, Engineering and Construction*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*			
		375.041(3)(b)1.	*+++ Remaining Everglades Purposes*	*32.67*	*43.86*	*53.72*	*62.63*	*68.00*	*68.00*	*68.00*	*100.00*	*100.00*	*200.00*	*200.00*	*200.00*
7.60%	*50.00*	*375.041(3)(b)2.*	2. Spring Restoration, Protection & Management	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
		375.041(3)(b)3.	3. Lake Apopka / St. Johns Water Management District	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00			
		375.041(3)(b)	4. Debt Service / Bonds Post July 1, 2016 [pursuant to 375.041(3)(b)]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	64.00	*375.041(3)(b)4.*	5. Everglades Trust Fund	34.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00
		Residual	6. Uncommitted Cash Based on Statutory Provisions	405.00	408.59	438.15	464.88	514.63	559.98	614.78	649.41	708.59	769.82	822.93	878.02
33.00%		(3)	Total to Land Acquisition Trust Fund	**824.21**	**865.66**	**901.82**	**937.27**	**971.03**	**1005.41**	**1040.06**	**1074.74**	**1110.52**	**1146.35**	**1182.03**	**1217.57**
			Remainder	1673.39	1757.54	1830.98	1902.93	1971.47	2041.29	2111.64	2182.06	2254.68	2327.45	2399.87	2472.03
8.00%		215.20(1)	General Revenue Service Charge	134.66	141.39	147.26	153.02	158.50	164.09	169.72	175.35	181.16	186.98	192.77	198.55
		201.15(4)	Net Available for Distribution	1538.73	1616.15	1683.72	1749.91	1812.97	1877.20	1941.92	2006.71	2073.52	2140.47	2207.10	2273.48
	75.00	(a)	State Economic Enhancement and Development Trust Fund (DEO)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24.18%	541.75	(a)	State Transportation Trust Fund	297.13	315.86	332.20	348.21	363.46	378.99	394.64	410.31	426.47	442.66	458.77	466.75
0.15%	3.25	(b)	Grants and Donations Trust Fund (DEO)	2.24	2.35	2.45	2.55	2.64	2.73	2.83	2.92	3.02	3.12	3.21	3.25
	35.00	(c)	State Economic Enhancement and Development Trust Fund (DEO)	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
5.62%		(c)	State Housing Trust Fund	68.98	73.33	77.13	80.84	84.39	88.00	91.64	95.28	99.03	102.79	106.54	110.27
5.62%		(c)	Local Government Housing Trust Fund	68.98	73.33	77.13	80.84	84.39	88.00	91.64	95.28	99.03	102.79	106.54	110.27
	40.00	(d)	State Economic Enhancement and Development Trust Fund (DEO)	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
1.62%		(d)	State Housing Trust Fund	19.87	21.12	22.21	23.28	24.30	25.34	26.39	27.43	28.51	29.60	30.67	31.75
11.31%		(d)	Local Government Housing Trust Fund	139.09	147.85	155.49	162.98	170.11	177.38	184.70	192.03	199.59	207.17	214.71	222.22
0.02%	0.30	(e)	General Inspection Trust Fund	0.26	0.27	0.29	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
			Total to Trust Funds (Except LATF)	671.55	709.11	741.90	774.00	804.59	835.74	867.14	898.55	930.95	963.43	995.74	1019.81
		(6)	Remainder To General Revenue Fund	867.19	907.04	941.82	975.91	1008.38	1041.46	1074.78	1108.16	1142.57	1177.04	1211.36	1253.67

* The actual FY 2017-18 distribution numbers do not add up to the total collection receipts due to timing issues related to transfers that occurred at the end of the fiscal year.

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO:	Ash Williams
FROM:	Robert Copeland
SUBJECT:	Fiscal Sufficiency
DATE:	May 21, 2019

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $205,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $205,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Bonds"), in one or more series, for the purpose of financing the acquisition of right-of-way and bridge construction for the Department of Transportation, and to pay costs associated with the issuance and sale of the Bonds. The Bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions, and a sale resolution expected to be adopted by the Governor and Cabinet on June 4, 2019.

The Bonds to be issued pursuant to Section 17 of Article VII of the State Constitution and Chapter 88-247, Laws of Florida, are to be secured by a pledge of and shall be payable primarily from motor fuel and special fuel taxes, except those defined in Section 9(c) of Article XII of the State Constitution, as provided by law (the "Pledged Gas Taxes"), and shall additionally be secured by the full faith and credit of the State. The Division has heretofore issued State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds and Refunding Bonds, Series 2009A through 2019A (the "Outstanding Bonds"). The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $285,000,000 Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series (to be determined) (the "Series 2019A Bonds") at its December 4, 2018, meeting of which $44,305,000 remains unissued. The Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the $44,305,000 remaining portion of the Series 2019A Bonds. The Bonds will be issued on a parity as to lien and security for payment from the Pledged Gas Taxes with the Outstanding Bonds.

A study of this proposal and the estimates of revenue expected to accrue from the Pledged Gas Taxes, indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $205,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding $205,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Bonds"), in one or more series, for the purpose of financing the acquisition of right-of-way and bridge construction for the Department of Transportation, and to pay costs associated with the issuance and sale of the Bonds; and,

WHEREAS, during the 1988 Legislative Session, the Florida Legislature passed and submitted to the electors of the State for approval or rejection at the general election held on November 8, 1988, Senate Joint Resolution 391, which created Section 17 of Article VII of the State Constitution, providing for the issuance of bonds pledging the full faith and credit of the State, without a vote of the electors, to finance or refinance the cost of acquiring real property or the rights to real property for State roads as defined by law, or to finance or refinance the cost of State bridge construction, and purposes incidental to such property acquisition or State bridge construction; and,

WHEREAS, the majority of the electors of the State approved the creation of Section 17 of Article VII of the State Constitution at the general election held on November 8, 1988; and,

WHEREAS, the Florida Legislature also enacted Chapter 88-247, Laws of Florida, which implements the provisions of Section 17 of Article VII of the State Constitution, providing for the issuance of the Bonds by the Division on behalf of the Department of Transportation; and,

WHEREAS, the Bonds to be issued pursuant to Section 17 of Article VII of the State Constitution and Chapter 88-247, Laws of Florida, are to be secured by a pledge of and shall be payable primarily from motor fuel and special fuel taxes, except those defined in Section 9(c) of Article XII of the State Constitution, as provided by law (the "Pledged Gas Taxes"), and shall additionally be secured by the full faith and credit of the State; and,

WHEREAS, the Bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a sale resolution expected to be adopted by the Governor and Cabinet on June 4, 2019; and,

WHEREAS, the Division has heretofore issued State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds and Refunding Bonds, Series 2009A through 2019A (the "Outstanding Bonds"); and,

WHEREAS, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $285,000,000 Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series (to be determined) (the "Series 2019A Bonds") at its December 4, 2018, meeting of which $44,305,000 remains unissued; and,

WHEREAS, the Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the $44,305,000 remaining unissued portion of the Series 2019A Bonds; and,

WHEREAS, the Bonds will be issued on a parity as to lien and security for payment from the Pledged Gas Taxes with the Outstanding Bonds; and,

WHEREAS, it appears and the Board so finds that this financing will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, in no State fiscal year will the annual debt service exceed ninety percent (90%) of the Pledged Gas Taxes available for payment of the annual debt service; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration of Florida to issue an amount not exceeding $205,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined), is hereby approved as to fiscal sufficiency. In addition, the approval of fiscal sufficiency with respect to the unissued portion of the $285,000,000 Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2019A approved on December 4, 2018, is hereby rescinded.

ADOPTED June 4, 2019

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 4, 2019, approving the fiscal sufficiency of an issue of an amount not exceeding $205,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined), and rescinding the approval of fiscal sufficiency with respect to the unissued portion of the $285,000,000 Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2019A approved on December 4, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 4th day of June 2019.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA
DIVISION OF BOND FINANCE

May 13, 2019

Mr. Ashbel C. Williams
Executive Director & CIO
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $205,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of June 4, 2019.

The bonds will be payable from pledged gas taxes, consisting of certain motor fuel and diesel fuel taxes, and are additionally secured by the full faith and credit of the State of Florida. The proposed bonds will be payable on a parity with the outstanding Series 2009A through 2019A Bonds. The remaining $44,305,000 unsold balance of bonds approved for fiscal sufficiency on December 4, 2018 should be rescinded. The proposed bonds are being issued to finance the acquisition of right-of-way and bridge construction for the Department of Transportation.

The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a sale resolution expected to be adopted by the Governor and Cabinet on June 4, 2019. Copies of the February 28, 1989 authorizing resolution and its subsequent supplemental resolutions have previously been provided to you.

The following documents are enclosed for your consideration:

Enclosure 1: an estimated coverage schedule based upon the estimated pledged revenues available for debt service;

Enclosure 2: an estimated debt service schedule for the proposed bonds;

Enclosure 3: a schedule showing the estimated Highway Fuel Sales Tax collections (the motor and diesel fuel taxes pledged) as projected by the Florida Consensus Estimating Conference at its March 2019 meeting; and,

Enclosure 4: a draft copy of the sale resolution expected to be adopted on June 4, 2019.

A draft of the fiscal sufficiency resolution should be sent to Whitney Langston and William Reynolds of this office for review. Should you have any questions, please contact either myself or William Reynolds at 488-4782. Your consideration of this matter is appreciated.

Very truly yours,

Kimberly J Nichols for

J. Ben Watkins III
Director

JBW:wr

Enclosures

cc: Robert Copeland
Janie Knight
Alex Nottingham
Sharon Vice

NOT EXCEEDING $205,000,000
STATE OF FLORIDA FULL FAITH AND CREDIT
DEPARTMENT OF TRANSPORTATION
RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS
SERIES (TO BE DETERMINED)
ESTIMATED SCHEDULE OF COVERAGE ON BONDS

Fiscal Year Ended June 30	Projected Motor & Diesel Fuel Sales Tax Available for Debt Service[1]	Outstanding Debt Service	Estimated Debt Service on $205,000,000 of Bonds Requested for Fiscal Sufficiency Approval at June 4, 2019 Meeting[2]			Estimated Total Debt Service	Debt Service Coverage[3]	Maximum Allowable Debt Service[4]	Pro Forma Debt Service Coverage[5]
			Principal	Interest	Total				
2019	$ 1,486,500,000	$ 176,416,516				$ 176,416,516	8.43x	$ 275,000,000	5.41x
2020	1,539,000,000	173,974,325	$ 3,085,000	$ 10,250,000	$ 13,335,000	187,309,325	8.22x	275,000,000	5.60x
2021	1,578,900,000	173,968,225	3,240,000	10,095,750	13,335,750	187,303,975	8.43x	275,000,000	5.74x
2022	1,624,100,000	170,886,425	3,400,000	9,933,750	13,333,750	184,220,175	8.82x	275,000,000	5.91x
2023	1,670,600,000	169,978,925	3,570,000	9,763,750	13,333,750	183,312,675	9.11x	275,000,000	6.07x
2024	1,723,000,000	166,469,675	3,750,000	9,585,250	13,335,250	179,804,925	9.58x	275,000,000	6.27x
2025	1,775,200,000	157,161,175	3,940,000	9,397,750	13,337,750	170,498,925	10.41x	275,000,000	6.46x
2026	1,820,800,000	153,884,175	4,135,000	9,200,750	13,335,750	167,219,925	10.89x	275,000,000	6.62x
2027	1,862,500,000	145,562,175	4,340,000	8,994,000	13,334,000	158,896,175	11.72x	275,000,000	6.77x
2028	1,912,100,000	128,131,625	4,560,000	8,777,000	13,337,000	141,468,625	13.52x	275,000,000	6.95x
2029	1,912,100,000	120,503,400	4,785,000	8,549,000	13,334,000	133,837,400	14.29x	275,000,000	6.95x
2030	1,912,100,000	120,478,213	5,025,000	8,309,750	13,334,750	133,812,963	14.29x	275,000,000	6.95x
2031	1,912,100,000	120,444,675	5,280,000	8,058,500	13,338,500	133,783,175	14.29x	275,000,000	6.95x
2032	1,912,100,000	111,965,975	5,540,000	7,794,500	13,334,500	125,300,475	15.26x	275,000,000	6.95x
2033	1,912,100,000	100,730,425	5,820,000	7,517,500	13,337,500	114,067,925	16.76x	275,000,000	6.95x
2034	1,912,100,000	83,357,825	6,110,000	7,226,500	13,336,500	96,694,325	19.77x	275,000,000	6.95x
2035	1,912,100,000	66,655,888	6,415,000	6,921,000	13,336,000	79,991,888	23.90x	275,000,000	6.95x
2036	1,912,100,000	66,619,769	6,735,000	6,600,250	13,335,250	79,955,019	23.91x	275,000,000	6.95x
2037	1,912,100,000	66,587,181	7,075,000	6,263,500	13,338,500	79,925,681	23.92x	275,000,000	6.95x
2038	1,912,100,000	58,402,488	7,425,000	5,909,750	13,334,750	71,737,238	26.65x	275,000,000	6.95x
2039	1,912,100,000	58,408,225	7,800,000	5,538,500	13,338,500	71,746,725	26.65x	275,000,000	6.95x
2040	1,912,100,000	47,318,275	8,185,000	5,148,500	13,333,500	60,651,775	31.53x	275,000,000	6.95x
2041	1,912,100,000	47,328,175	8,595,000	4,739,250	13,334,250	60,662,425	31.52x	275,000,000	6.95x
2042	1,912,100,000	41,412,925	9,025,000	4,309,500	13,334,500	54,747,425	34.93x	275,000,000	6.95x
2043	1,912,100,000	41,417,275	9,480,000	3,858,250	13,338,250	54,755,525	34.92x	275,000,000	6.95x
2044	1,912,100,000	41,419,325	9,950,000	3,384,250	13,334,250	54,753,575	34.92x	275,000,000	6.95x
2045	1,912,100,000	41,419,650	10,450,000	2,886,750	13,336,750	54,756,400	34.92x	275,000,000	6.95x
2046	1,912,100,000	41,421,575	10,970,000	2,364,250	13,334,250	54,755,825	34.92x	275,000,000	6.95x
2047	1,912,100,000	36,483,225	11,520,000	1,815,750	13,335,750	49,818,975	38.38x	275,000,000	6.95x
2048	1,912,100,000	14,456,000	12,095,000	1,239,750	13,334,750	27,790,750	68.80x	275,000,000	6.95x
2049	1,912,100,000	-	12,700,000	635,000	13,335,000	13,335,000	143.39x	275,000,000	6.95x
Total		$ 2,943,263,729	$ 205,000,000	$ 195,068,000	$ 400,068,000	$ 3,343,331,729			

1 The bonds are payable from the motor fuel and diesel fuel taxes pursuant to Sections 206.41(g) and 206.87(1)(e), Florida Statutes. The projected motor and diesel fuel tax collections for fiscal years 2019 through 2028 are as adopted by the Florida Consensus Estimating Conference on Transportation Revenues, March 2019. The fiscal year 2028 projections are held constant for future years. **The projections are based on the best information available when the estimates are made, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.**

2 Estimated interest calculated at 5%.

3 Coverage has been calculated by dividing the amount of Projected Motor and Diesel Fuel Sales Tax Available for Debt Service by the Estimated Total Debt Service.

4 Pursuant to Section 206.46(2), Florida Statutes, debt service cannot exceed the lesser of 7% of state revenues transferred to the STTF or $275 million.

5 Coverage has been calculated by dividing the amount of Projected Motor and Diesel Fuel Sales Tax Available for Debt Service by the Maximum Allowable Debt Service.

BOND DEBT SERVICE

State of Florida
Full Faith & Credit
Department of Transportation
Right-of-Way Acquisition and Bridge Construction Bonds, Series To Be Determined
Fiscal Sufficiency

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2020			5,125,000	5,125,000	
07/01/2020	3,085,000	5.000%	5,125,000	8,210,000	13,335,000
01/01/2021			5,047,875	5,047,875	
07/01/2021	3,240,000	5.000%	5,047,875	8,287,875	13,335,750
01/01/2022			4,966,875	4,966,875	
07/01/2022	3,400,000	5.000%	4,966,875	8,366,875	13,333,750
01/01/2023			4,881,875	4,881,875	
07/01/2023	3,570,000	5.000%	4,881,875	8,451,875	13,333,750
01/01/2024			4,792,625	4,792,625	
07/01/2024	3,750,000	5.000%	4,792,625	8,542,625	13,335,250
01/01/2025			4,698,875	4,698,875	
07/01/2025	3,940,000	5.000%	4,698,875	8,638,875	13,337,750
01/01/2026			4,600,375	4,600,375	
07/01/2026	4,135,000	5.000%	4,600,375	8,735,375	13,335,750
01/01/2027			4,497,000	4,497,000	
07/01/2027	4,340,000	5.000%	4,497,000	8,837,000	13,334,000
01/01/2028			4,388,500	4,388,500	
07/01/2028	4,560,000	5.000%	4,388,500	8,948,500	13,337,000
01/01/2029			4,274,500	4,274,500	
07/01/2029	4,785,000	5.000%	4,274,500	9,059,500	13,334,000
01/01/2030			4,154,875	4,154,875	
07/01/2030	5,025,000	5.000%	4,154,875	9,179,875	13,334,750
01/01/2031			4,029,250	4,029,250	
07/01/2031	5,280,000	5.000%	4,029,250	9,309,250	13,338,500
01/01/2032			3,897,250	3,897,250	
07/01/2032	5,540,000	5.000%	3,897,250	9,437,250	13,334,500
01/01/2033			3,758,750	3,758,750	
07/01/2033	5,820,000	5.000%	3,758,750	9,578,750	13,337,500
01/01/2034			3,613,250	3,613,250	
07/01/2034	6,110,000	5.000%	3,613,250	9,723,250	13,336,500
01/01/2035			3,460,500	3,460,500	
07/01/2035	6,415,000	5.000%	3,460,500	9,875,500	13,336,000
01/01/2036			3,300,125	3,300,125	
07/01/2036	6,735,000	5.000%	3,300,125	10,035,125	13,335,250
01/01/2037			3,131,750	3,131,750	
07/01/2037	7,075,000	5.000%	3,131,750	10,206,750	13,338,500
01/01/2038			2,954,875	2,954,875	
07/01/2038	7,425,000	5.000%	2,954,875	10,379,875	13,334,750
01/01/2039			2,769,250	2,769,250	
07/01/2039	7,800,000	5.000%	2,769,250	10,569,250	13,338,500
01/01/2040			2,574,250	2,574,250	
07/01/2040	8,185,000	5.000%	2,574,250	10,759,250	13,333,500
01/01/2041			2,369,625	2,369,625	
07/01/2041	8,595,000	5.000%	2,369,625	10,964,625	13,334,250
01/01/2042			2,154,750	2,154,750	
07/01/2042	9,025,000	5.000%	2,154,750	11,179,750	13,334,500
01/01/2043			1,929,125	1,929,125	
07/01/2043	9,480,000	5.000%	1,929,125	11,409,125	13,338,250
01/01/2044			1,692,125	1,692,125	
07/01/2044	9,950,000	5.000%	1,692,125	11,642,125	13,334,250
01/01/2045			1,443,375	1,443,375	
07/01/2045	10,450,000	5.000%	1,443,375	11,893,375	13,336,750
01/01/2046			1,182,125	1,182,125	
07/01/2046	10,970,000	5.000%	1,182,125	12,152,125	13,334,250
01/01/2047			907,875	907,875	
07/01/2047	11,520,000	5.000%	907,875	12,427,875	13,335,750
01/01/2048			619,875	619,875	
07/01/2048	12,095,000	5.000%	619,875	12,714,875	13,334,750
01/01/2049			317,500	317,500	
07/01/2049	12,700,000	5.000%	317,500	13,017,500	13,335,000
	205,000,000		195,068,000	400,068,000	400,068,000

Revenue Estimating Conference
Revenues to State Transportation Trust Fund
Forecast
March 5, 2019

Table 1
Revenue Summary

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Previous Forecast											
December 6, 2018											
Highway Fuel Sales Tax	1426.3	1472.5	1530.7	1575.8	1620.2	1666.7	1715.7	1758.8	1804.0	1844.9	1893.4
SCETS Tax	811.5	842.6	874.4	899.8	921.0	949.0	976.1	1002.2	1027.3	1052.0	1076.9
Off-Highway Fuel Sales Tax	13.3	15.7	16.0	16.3	16.5	16.7	16.8	17.0	17.2	17.4	17.6
Aviation Fuel Tax	34.6	36.4	20.2	12.8	12.7	12.9	13.1	13.3	13.4	13.6	13.7
Fuel Use Tax and Fees	8.1	8.2	8.4	8.5	8.7	8.8	8.9	9.0	9.1	9.1	9.2
Natural Gas Fuel Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.6	0.6	0.6	0.6
MVL -Related Amount (From HSMV Conference)											
Motor Vehicle Licenses	636.4	653.7	665.4	675.9	686.0	696.0	705.6	713.3	721.0	728.9	736.8
Initial Registration Fee	229.1	234.1	235.2	236.0	237.9	239.2	240.1	242.4	244.6	246.9	249.1
Title Fees	311.3	313.5	314.2	314.8	315.4	316.3	317.3	318.4	319.5	320.6	321.7
Motor Vehicle Compliance Penalties	13.2	13.9	14.0	14.2	14.3	14.4	14.6	14.7	14.8	15.0	15.1
Subtotal	1190.0	1215.2	1228.8	1240.9	1253.6	1265.9	1277.6	1288.8	1299.9	1311.4	1322.7
Rental Car Surcharge	138.4	142.5	146.2	148.6	150.8	153.4	156.2	158.9	161.4	163.9	166.2
Local Option Distribution	45.7	47.0	47.5	47.9	48.2	48.4	48.7	48.8	48.9	49.0	49.1
Total	3668.0	3780.1	3872.2	3950.6	4031.7	4121.8	4213.3	4297.4	4381.8	4461.9	4549.4
New Forecast											
March 5, 2019											
Highway Fuel Sales Tax	1426.3	1486.5	1539.0	1578.9	1624.1	1670.6	1723.0	1775.2	1820.8	1862.5	1912.1
SCETS Tax	811.5	849.3	877.7	900.6	930.1	958.0	985.1	1012.0	1037.3	1062.6	1088.2
Off-Highway Fuel Sales Tax	13.3	16.6	17.0	17.1	17.7	18.0	18.2	18.5	18.8	19.0	19.3
Aviation Fuel Tax	34.6	39.7	23.3	16.1	15.9	16.2	16.4	16.5	16.6	16.8	17.3
Fuel Use Tax and Fees	8.1	8.3	8.5	8.6	8.8	8.9	9.1	9.2	9.3	9.3	9.4
Natural Gas Fuel Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.6	0.6	0.6	0.6
MVL -Related Amount (From HSMV Conference)											
Motor Vehicle Licenses	636.4	657.0	668.7	679.0	688.8	698.4	707.8	715.9	724.1	732.4	740.7
Initial Registration Fee	229.1	231.5	233.3	235.0	236.7	238.4	240.0	242.3	244.7	247.1	249.5
Title Fees	311.3	313.0	313.7	314.3	315.0	316.1	317.4	318.5	319.7	320.9	322.0
Motor Vehicle Compliance Penalties	13.2	14.5	14.5	14.5	14.5	14.5	14.5	14.7	14.8	15.0	15.1
Subtotal	1190.0	1216.0	1230.2	1242.8	1255.0	1267.4	1279.7	1291.4	1303.3	1315.4	1327.3
Rental Car Surcharge	138.4	142.3	145.6	148.3	150.8	153.8	157.2	160.3	163.0	165.5	167.6
Local Option Distribution	45.7	47.3	47.8	48.3	48.6	48.9	49.1	49.2	49.3	49.4	49.5
Total	3668.0	3806.0	3889.1	3960.7	4051.0	4141.8	4238.0	4332.9	4419.0	4501.1	4591.3
Difference		25.9	16.9	10.1	19.3	20.0	24.7	35.5	37.2	39.2	41.9
Cumulative Difference		25.9	42.8	52.9	72.2	92.2	116.9	152.4	189.6	228.8	270.7

STATE BOARD OF ADMINISTRATION
OF FLORIDA

1801 HERMITAGE BOULEVARD, SUITE 100
TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

To: Ash Williams, Executive Director & CIO

From: John Benton, Senior Investment Policy Officer JB

Date: April, 23, 2019

Subject: Review of Proposed Changes to Comprehensive Investment Plans for the Florida College Savings Program and the Stanley G. Tate Florida Prepaid College Program

The Florida Prepaid College Board is responsible for creating Comprehensive Investment Plans for the oversight and administration of the Florida College Savings Program and the Florida Prepaid College Program. Per Section 1009.973, Florida Statutes, the Comprehensive Investment Plans for both the savings and the prepaid programs are subject to approval by the State Board of Administration.

Background

Comprehensive Investment Plans (CIPs) specify the investment objectives and strategies (i.e., "Investment Policy") to be utilized by the Florida Prepaid College Board (the "Board") in its administration of each program. In addition, CIPs define authorized investment securities, broad investment restrictions, monitoring and reporting, risk management and compliance requirements. The Board is responsible for approving CIPs. Investment Guidelines specify how investment policy is to be implemented, monitored and reported by the Board's staff and investment managers. The Board's staff have been delegated the responsibility to execute and administer the Board's Investment Guidelines.

The Board is proposing: (1) updates requested by investment managers that enhance and/or clarify current CIP and Investment Guideline requirements and restrictions; and (2) an update to allow expansion into Core Plus fixed income. Specifically, the investment manager proposed updates to the current CIPs and/or Investment Guidelines are:

1) Add 144(a) securities to the other collateralized securities section of CIPs and Investment Guidelines
2) Add language to CIPs to allow for "expected ratings" if stated requirements are met
3) Clarify dollar-denominated is "U.S." dollars in CIPs and Investment Guidelines
4) Add CLOs to the other collateralized securities section of CIPs and Investment Guidelines
5) Update Investment Guidelines for manager benchmark changes
6) Updated Investment Guidelines' RMBS limits – Focus limits on riskier securities

7) Update Investment Guidelines' Credit limits - Decrease for municipal/foreign bonds to better align with benchmark

Changes to CIPs to allow the Board to expand into Core Plus fixed income are:

1) Remove credit and US dollar denomination requirements for corporate and foreign bonds
2) Add convertible, preferred and Collateralized Mortgage Obligation (CMO) securities
3) Limit below investment grade securities to 20% of Core Plus fixed income
4) Limit non-U.S. dollar denominated securities to 20% of Core Plus fixed income
5) Limit the combined holding of below investment grade and non-U.S. dollar denominated fixed income securities to 30% of Core Plus fixed income.

The proposed changes have been thoroughly vetted by the Board's investment consultant (Callan). The Board's Investment Committee met and approved the proposed changes to the CIPs on March 27, 2019.

Recommendation

State Board of Administration Staff have reviewed the new CIPs have found them to be comprehensive and thorough investment plans and guidelines. Staff recommends that the State Board of Administration approve the new CIPs.

COMPREHENSIVE INVESTMENT PLAN
STANLEY G. TATE FLORIDA PREPAID COLLEGE PROGRAM

Effective Date: ~~December 5, 2018~~Date approved by Trustees

I. OVERVIEW

The Stanley G. Tate Florida Prepaid College Program (Program) was created pursuant to Section 1009.98, Florida Statutes, to provide a medium through which the cost of enrollment in a state postsecondary institution may be paid in advance at a rate lower than the projected corresponding cost at the time of actual enrollment. Payments are combined and invested in a manner that yields, at a minimum, sufficient earnings to generate the difference between the prepaid amount and the cost of enrollment. Program funds are held in the Florida Prepaid College Trust Fund (Fund), established by Section 1009.972, Florida Statutes, within the State Board or Administration. The Fund may be invested pursuant to Section 215.47, Florida Statutes. Pursuant to Section 1009.972(4), Florida Statutes, the Fund is exempt from the investment requirements of Section 17.57.

II. GOVERNANCE

The Program is administered by the Florida Prepaid College Board (Board) which was created pursuant to Section 1009.97, Florida Statutes.

In accordance with Section 1009.973, Florida Statutes, the Board has established this Comprehensive Investment Plan (CIP), subject to approval by the State Board of Administration. This CIP formally documents the investment policy and strategies employed by the Board to meet the projected Program liabilities.

The Board has the necessary powers and duties to carry out the provisions of Section 1009.97, Florida Statutes. This includes, but is not limited to, the responsibility to administer the Program in an actuarially sound manner to defray its obligations and invest funds not required for immediate disbursement in accordance with this CIP. The Board may delegate responsibility for administration of this CIP to a committee of the Board or to a person duly chosen by the Board.

The Executive Director serves at the pleasure of the Board as the chief administrative and operational officer of the Board. The Executive Director is responsible for managing and executing the investment and debt responsibilities of the Board. This includes developing and implementing Investment Guidelines, as approved by the Board, which reflect the goals and objectives of this CIP.

III. CONTRACTUAL RELATIONSHIPS

The Executive Director shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board.

Pursuant to Section 1009.971, Florida Statutes, the Board solicits proposals and contracts for investment consultant, trustee, and investment management services. The Board also contracts for actuarial services. There may be more than one provider for each service; their respective responsibilities are summarized below.

<u>Actuary</u>

The Actuary shall perform periodic valuations of the Program to determine actuarial soundness and provide projections for future asset and liability patterns. The Actuary also conducts special experience and other Program studies to support Program valuation assumptions and policy considerations.

Investment Consultant

The Investment Consultant shall review the performance of the Investment Managers and advise the Board on investment management, performance matters, portfolio design and structure, asset allocation issues, and investment policy, including the contents of this CIP and the Investment Guidelines.

Trustee

The Trustee is responsible for the safekeeping of Program investment assets and management of the securities lending program.

Pursuant to Section 1009.971(5)(c), the Trustee shall agree to meet the obligations of the Board to qualified beneficiaries if moneys in the Fund fail to offset the obligations of the Board as a result of imprudent selection or supervision of investment programs by the Trustee.

Investment Managers

The Board may hire one or more investment managers for each investment option. Investment managers will be selected as a result of a competitive procurement process as required by Section 287, Florida Statutes. Selection will be based on best value to the Board. Evaluation areas for best value shall include, but not be limited to, experience, strategy, performance and fees. ~~will hire duly qualified investment managers to carry out the daily investment responsibilities.~~ Investment Managers will have investment discretion as to security selection within the requirements expressed in the CIP and Investment Guidelines.

The Investment Managers shall invest Program assets, as specified by the Board, with care, skill, prudence, and diligence. This includes promptly voting all proxies solicited in connection with securities under the investment manager's supervision and maintaining detailed records of the voting of proxies and related actions. The Investment Manager shall evidence superior performance while maintaining strict compliance with all applicable provisions of law and may exercise discretion within the bounds of this CIP and the Investment Guidelines.

Pursuant to Section 1009.971(5)(d), the Investment Manager shall:

- Be limited to authorized insurers as defined in Section 624.09, banks as defined in Section 658.12, associations as defined in Section 665.012, authorized Securities and Exchange Commission investment advisers, and investment companies as defined in the Investment Company Act of 1940.
- Have their principal place of business and corporate charter located and registered in the United States.
- Agree to meet the obligations of the Board to qualified beneficiaries if moneys in the Fund fail to offset the obligations of the Board as a result of imprudent investing by the Investment Manager.

IV. CONFLICTS OF INTEREST

The Board, its designees, and any service provider operating on behalf of the Board has a duty and obligation to disclose conflicts of interest. The Board shall require timely and sufficient disclosure of conflicts of interest that may exist between the Board, service providers, potential service providers, investments, potential investments, and other entities or transactions.

The Investment Consultant and the Trustee shall annually certify that no conflicts of interest exist relative to the services provided for the Program.

V. INVESTMENT OBJECTIVE AND STRATEGY

The principal objective of the Fund is to meet the projected liability obligations of the Program while earning incremental income on the funds that exceed the liabilities. To achieve this, the Fund is divided into two segments: Liability and Actuarial Reserve.

The liability segment employs a liability driven investment strategy that (1) mitigates the risk of funding status deficiency and (2) maintains appropriate liquidity to address projected Program liability cash flows.

The actuarial reserve segment is invested to seek incremental yield within appropriate risk levels.

VI. INVESTMENT GOALS

To support the Fund objective, the Board has established the following investment goals, listed in order of priority.

Safety
The primary investment priority is to position the Program to meet future liabilities. The Fund shall be maintained with sufficient diversification among security issues and market sectors such that the performance of one security or sector will not have an excessive impact on the Fund.

Liquidity
Program investments must provide adequate liquidity to meet the future liabilities of the Program. Consideration will be given to investment maturities, investment income, and fund receipts.

Yield
After meeting safety and liquidity requirements, the Board aims to maximize investment returns within appropriate levels of risk.

VII. COMPREHENSIVE INVESTMENT PLAN

The Comprehensive Investment Plan (CIP) includes the investment policies utilized by the Board in its administration of the Program. Investment policies included in the CIP provide direction intended to set the framework for the Program's investments. Per Section 1009.973, Florida Statutes, the CIP is subject to the approval of the State Board of Administration.

VIII. INVESTMENT GUIDELINES

Investment Guidelines are intended to set forth the specific investment strategies, limitations and targets necessary to implement the CIP. Investment Guidelines are subject to the approval of the Board.

IX. ASSET/LIABILITY STUDY

An asset/liability study shall be conducted at least once every five years. The asset/liability study will provide a fundamental review of the strategic relationship between the overall investment program and the liabilities for which they serve. The focus will be to provide the Board with the information required to manage the risk associated with the Prepaid Plan. It will relate the risk/reward trade-offs of various investment programs to the liabilities relative to the interest rate risk and tuition inflation scenarios. The process will guide the Board to an investment structure which balances the objective of surplus growth with the concern for surplus volatility.

X. ASSET ALLOCATION

Asset allocation refers to the strategic deployment of assets among investment types. Assets are allocated to Fund Segments to meet the primary investment goal of positioning the Fund to meet future liabilities.

The board may maintain up to 5% of the Funds balance in cash for operating purposes. The cash shall be invested in 2a7 (actual or like) money market vehicles such as Florida Prime or an equivalent sweep vehicle provided by the Trustee.

The remaining funds shall be allocated as follows:

Fund Segment	Allocation
Liability Segment	100% of Net Actuary projected Program liabilities
Actuarial Reserve Segment	Remaining funds

XI. LIABILITY SEGMENT

The Liability Segment is established to match participant payments and future investment returns with Program liabilities as projected by the Actuary. The segment allocation shall not be less than future Program liabilities, net of projected participant payments.

The Liability Segment shall utilize an immunized fixed income investment strategy which is reconstituted periodically using the liability profile determined by the Actuary.

<u>Authorized investment vehicles for the Liability Segment</u>:

Cash or Cash Equivalent – Maximum allocation 10% of the Liability Segment

1. Deposit accounts and certificates of deposit in banks
2. 2a7 (actual or like) money market funds
3. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government
4. Commercial paper of prime quality
    - Must be rated the highest letter and numerical rating provided by at least two nationally recognized rating service

Obligations of the United States Treasury or Agencies – Maximum allocation 100% of the Liability Segment

1. United States Treasury bonds and notes
2. Interest and principal strips of Treasury securities
3. Treasury Inflation Protection Securities (TIPS)
4. Agencies of the United States Government
    - Not restricted to full-faith and credit obligations

Municipal securities – Maximum allocation of 20% of the Liability Segment

1. General Obligation or Revenue bonds
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
2. Build America Bonds (BABs) are permitted, but limited to 10% of the Liability Segment

- Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Corporate debt obligations – Maximum allocation of 40% of the Liability Segment

1. Registered Bonds
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
    - Convertible securities are not permitted
2. 144(a) securities (with and without registration rights) are permitted
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Residential Mortgage Backed Securities – Maximum allocation of 20% of the Liability Segment

1. United States Agency Mortgage backed securities
2. Privately Issued Mortgage Backed securities
    - Includes but is not limited to real estate mortgage investment conduits
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
3. Mortgage To Be Announced (TBA) securities
    - Requires a cash equivalent set aside for future settlement of the forward agreement

Other Collateralized Securities – Maximum allocation of 10% of the Liability Segment

1. Asset-backed securities
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
2. 144(a) securities (with and without registration rights) are permitted
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

~~2.~~3. Commercial Mortgage Backed Securities
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Foreign Debt Securities – Maximum allocation of 10% of the Liability Segment

1. Supranational Debt Obligations
    - Must be U.S. dollar-denominated
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
2. Sovereign Debt Obligations
    - Must be U.S. dollar-denominated
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
3. Foreign Debt Obligations
    - Must be U.S. dollar-denominated
    - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Commingled Investment Funds

1. Exchange Traded Funds (ETF's) traded on domestic exchanges
    - Primarily invested in authorized investment vehicles for the Liability Segment
    - Compliance and monitoring shall be reviewed relative to the commingled investment funds' prospectus or participation agreement
2. Commingled investment funds and mutual funds
    - Primarily invested in authorized investment vehicles for the Liability Segment
    - Compliance and monitoring shall be reviewed relative to the commingled investment funds' prospectus or participation agreement

Derivatives

1. The following uses of derivatives are authorized:
    - Substitute for physical securities
    - Duration management
    - Risk control

The Program does not engage in short selling of securities.

The Board approves the target allocation for the Liability Segment. Target allocations and benchmarks are set forth in the Investment Guidelines.

Debt obligations with expected ratings are permissible as long as the rating is in compliance with the applicable rating requirement.

Securities included in an approved benchmark that are not specifically identified above are authorized with a limit of 2% above the benchmark weighting.

XII. ACTUARIAL RESERVE SEGMENT

Any amount in the Fund that exceeds the Liability Segment is the Actuarial Reserve Segment. The Actuarial Reserve Segment is invested to seek incremental yield within appropriate risk levels based on how the Program is operating. Items to consider are market conditions, tuition pricing, product offerings, etc.

Authorized investment vehicles for the Actuarial Reserve Segment:

Cash or Cash Equivalent

1. Deposit accounts and certificates of deposit in banks
2. 2a7 (actual or like) money market funds
3. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government
4. Commercial paper of prime quality
    - Must be rated the highest letter and numerical rating provided by at least two nationally recognized rating service

Obligations of the United States Treasury or Agencies

1. United States Treasury bonds and notes
2. Interest and principal strips of Treasury securities
3. Treasury Inflation Protection Securities (TIPS)
4. Agencies of the United States Government without restriction to full-faith and credit obligations

Municipal securities

1. General Obligation or Revenue bonds.
   - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
2. Build America Bonds (BABs) are permitted, but limited to 10% of the Liability Segment
   - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Corporate debt obligations

1. Registered Bonds
   - ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~
2. 144(a) securities (with and without registration rights) are permitted
3. Convertible and preferred securities

~~2.~~

- ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~

Residential Mortgage Backed Securities

1. United States Agency Mortgage backed securities
2. Privately Issued Mortgage Backed securities
   - Includes but is not limited to real estate mortgage investment conduits
   - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
3. Mortgage To Be Announced (TBA) securities.
   - Requires a cash equivalent set aside for future settlement of the forward agreement

Other Collateralized Securities

1. Asset-backed securities
   - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
2. 144(a) securities (with and without registration rights) are permitted
   - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

~~2.~~3. Commercial Mortgage Backed Securities
   - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher
4. Collateralized Loan Obligations and Collateralized Mortgage Obligations
   - Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Foreign Debt Securities

1. Supranational Debt Obligations
   - ~~Must be dollar-denominated~~
   - ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~
2. Sovereign Debt Obligations
   - ~~Must be dollar-denominated~~
   - ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~
3. Foreign Debt Obligations
   - ~~Must be dollar-denominated~~
4.

- ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~

Common Stock

1. Domestic Equities
   - Traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets
2. American Depositary Receipts
   - Traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets
3. Foreign Equities
   - Foreign-domiciled companies traded on domestic or non-U.S. exchanges, including over-the-counter markets

Commingled Investment Funds

1. Exchange Traded Funds (ETF's) traded on domestic exchanges,
   - Primarily invested in authorized investment vehicles for the Actuarial Reserve Segment
   - Compliance and monitoring shall be reviewed relative to the commingled investment funds' prospectus or participation agreement
2. Commingled investment funds and mutual funds
   - Primarily invested in authorized investment vehicles for the Actuarial Reserve Segment
   - Compliance and monitoring shall be reviewed relative to the commingled investment funds' prospectus or participation agreement

Derivatives

1. The following uses of derivatives are authorized:

    - Substitute for physical securities
    - Duration management
    - Risk control
    - Foreign currency hedging

The Program does not engage in short selling of securities.

~~The Board approves the target allocation for the Actuarial Reserve Segment. Target allocations and benchmarks are set forth in the Investment Guidelines.~~

Debt obligations with expected ratings are permissible as long as the rating is in compliance with the applicable rating requirement.

Securities included in an approved benchmark that are not specifically identified above are authorized with a limit of 2% above the benchmark weighting.

The Board approves the target allocation for the Actuarial Reserve Segment. Target allocations and benchmarks are set forth in the Investment Guidelines.

XIII. ALLOCATION MONITORING AND REBALANCING

The Board shall review the Segment and Security Type allocations not less than quarterly. The Board shall adopt guidelines for rebalancing the Segment and Security Types in the Investment Guidelines.

XIV. COMPLIANCE

At a minimum, each Investment Manager shall certify compliance with this CIP and the Investment Guidelines at least quarterly. In the event of noncompliance, exceptions shall be reported to the Board with proposed actions to bring the portfolio into compliance.

XV. NON-COMPLIANT INVESTMENTS

Any investment that is not in compliance with the CIP and/or Guidelines at the time of purchase must be sold immediately. Any loss on the sale will be the responsibility of the Investment Manager.

Investments that are in compliance with the CIP and/or Guidelines at time of purchase but fall out of compliance due to a rating downgrade are not required to be immediately sold. The Investment Manager must notify the Board of such securities within 10 days of the downgrade. If an Investment Manager believes that it is in the best interest of the Board to hold the security, the Investment Manager can present a recommendation to hold the investment along with justification in writing to the Board.

If determined to be in the best interest of the Board, downgraded securities can be required to be sold immediately.

XVI. PERFORMANCE MEASUREMENT

The Investment Consultant shall calculate official performance results for the Board monthly, pursuant to the recommended guidelines of the CFA Institute, currently Global Investment Performance Standards (GIPS), where applicable, and in accordance with the Investment Guidelines.

XVII. REPORTING

The Executive Director shall create, or cause to be created, quarterly reports for the Board of investment matters including, but not limited to, investment management, investment performance, asset allocation, and rebalancing.

XVIII. SECURITIES LENDING

The Board may loan one or more securities held in the Fund. Loans must be collateralized at no less than 102% of the market value of the borrowed securities or 105% if the borrowed securities and collateral are denominated in different currencies. Collateral shall be obtained at the time the transaction is executed and maintained throughout the term of the loan. At no time, shall the market value of collateral be less than the market value of the loan.

<u>Authorized non-cash collateral:</u>

1. Obligations issued or guaranteed by the U.S. Government or its agencies

<u>Authorized investment vehicles for reinvestment of cash collateral</u>:

Cash or Cash Equivalent

1. Deposit accounts and certificates of deposit in banks
2. 2a7 (actual or like) money market funds
3. Repurchase agreements with the following collateral types:
    - Obligations of the United States Treasury or agencies of the United States Government
    - Equity securities
    - corporate bonds
    - Commercial paper and certificates of deposit
4. Commercial paper of prime quality
    - Must have a short term rating in the highest rating category by at least two nationally recognized rating services, or if only rated by one nationally recognized rating service, rated in the highest rating category
5. Asset-backed commercial paper
    - Excludes structured investment vehicles, extendable commercial notes and liquidity notes
    - Must have a short term rating in the highest rating category by at least two nationally recognized rating services, or if only rated by one nationally recognized rating service, rated in the highest rating category

Obligations of the United States Treasury or Agencies

1. United States Treasury bonds and notes
2. Interest and principal strips of Treasury securities
3. Treasury Inflation Protection Securities (TIPS)
4. Agencies of the United States Government

- Not restricted to full-faith and credit obligations

Municipal securities

1. General Obligation or Revenue bonds
   - Must be rated by at least two nationally recognized rating services A-/A3 or higher. If rated by only one nationally recognized rating service, then the rating must be AA-/Aa3 or higher
2. Build America Bonds (BABs) are permitted, but limited to 10% of the cash collateral
   - Must be rated by at least two nationally recognized rating services A-/A3 or higher. If rated by only one nationally recognized rating service, then the rating must be AA-/Aa3 or higher

Short Term Corporate debt obligations

1. Registered Bonds
   - Must have a short term rating in the highest rating category by at least two nationally recognized rating services, or if only rated by one nationally recognized rating service, rated in the highest rating category
2. 144(a) securities (with and without registration rights) are permitted
   - Must have a short term rating in the highest rating category by at least two nationally recognized rating services, or if only rated by one nationally recognized rating service, rated in the highest rating category

Short Term Foreign Debt Securities

1. Supranational Debt Obligations
   - Must be U.S. dollar-denominated and registered with the SEC
   - Must have a short term rating in the highest rating category by at least two nationally recognized rating services, or if only rated by one nationally recognized rating service, rated in the highest rating category

1. Sovereign Debt Obligations
   - Must be U.S. dollar-denominated and registered with the SEC
   - Must have a short term rating in the highest rating category by at least two nationally recognized rating services, or if only rated by one nationally recognized rating service, rated in the highest rating category
2. Foreign Debt Obligations
   - Must be U.S. dollar-denominated and registered with the SEC
   - Must have a short term rating in the highest rating category by at least two nationally recognized rating services, or if only rated by one nationally recognized rating service, rated in the highest rating category

COMPREHENSIVE INVESTMENT PLAN
FLORIDA COLLEGE SAVINGS PROGRAM

Effective Date: Date approved by Trustees~~December 5, 2018~~

I. OVERVIEW

The Florida College Savings Program ("Savings Program" or "Program") is a program created to provide a medium through which families and individuals may save for qualified educational expenses. The Savings Program is intended to be an alternative to the Prepaid Program, though participants in the Savings Program do have the option to enroll a qualified beneficiary in the Savings Program, the Prepaid Program, or both.

II. GOVERNANCE

The Program is administered by the Florida Prepaid College Board which was created pursuant to Section 1009.981 of the Florida Statutes.

In accordance with Section 1009.973, Florida Statutes, the Board has established this Comprehensive Investment Plan (CIP), subject to approval by the State Board of Administration. This CIP formally documents the investment policy and strategies employed by the Board to meet the projected Program liabilities.

The Board has the necessary powers and duties to carry out the provisions of Section 1009.97, Florida Statutes. The Board may delegate responsibility for administration of this CIP to a committee of the Board or to a person duly chosen by the Board.

The Executive Director serves at the pleasure of the Board as the chief administrative and operational officer of the Board. The Executive Director is responsible for managing and executing the investment and debt responsibilities of the Board. This includes developing and implementing Investment Guidelines, as approved by the Board, which reflect the goals and objectives of this CIP.

III. CONTRACTUAL RELATIONSHIPS

The Executive Director shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board.

Pursuant to Section 1009.971, Florida Statutes, the Board solicits proposals and contracts for investment consultant, trustee, and investment management services. There may be more than one provider for each service; their respective responsibilities are summarized below.

Investment Consultant

The Investment Consultant shall review the performance of the Investment Managers and advise the Board on investment management, performance matters, portfolio design and structure, asset allocation issues, and investment policy, including the contents of this CIP and the Investment Guidelines.

Trustee

The Trustee is responsible for the safekeeping of Program investment assets. Pursuant to Section 1009.971(5)(c), the Trustee shall agree to meet the obligations of the Board to qualified beneficiaries if moneys in the Fund fail to offset the obligations of the Board as a result of imprudent selection or supervision of investment programs by the Trustee.

Investment Managers

The Board may hire one or more investment managers for each investment option. Investment managers will be selected as a result of a competitive procurement process as required by Section 287, Florida Statutes. Selection will be based on best value to the Board. Evaluation areas for best value shall include, but not be limited to, experience, strategy, performance and fees. ~~will hire duly qualified investment managers to carry out the daily investment responsibilities.~~ Investment Managers will have investment discretion as to security selection within the requirements expressed in the CIP and Investment Guidelines.

The Investment Managers shall invest Program assets, as specified by the Board, with care, skill, prudence, and diligence. This includes promptly voting all proxies solicited in connection with securities under the investment manager's supervision and maintaining detailed records of the voting of proxies and related actions. The Investment Manager shall evidence superior performance while maintaining strict compliance with all applicable provisions of law and may exercise discretion within the bounds of this CIP and the Investment Guidelines.

Pursuant to Section 1009.971(5)(d), the Investment Manager shall:

- Be limited to authorized insurers as defined in Section 624.09, banks as defined in Section 658.12, associations as defined in Section 665.012, authorized Securities and Exchange Commission investment advisers, and investment companies as defined in the Investment Company Act of 1940.
- Have their principal place of business and corporate charter located and registered in the United States.
- Agree to meet the obligations of the Board to qualified beneficiaries if moneys in the Fund fail to offset the obligations of the Board as a result of imprudent investing by the Investment Manager.

IV. CONFLICTS OF INTEREST

The Board, its designees, and any service provider operating on behalf of the Board has a duty and obligation to disclose conflicts of interest. The Board shall require timely and sufficient disclosure of conflicts of interest that may exist between the Board, service providers, potential service providers, investments, potential investments, and other entities or transactions.

The Investment Consultant and the Trustee shall annually certify that no conflicts of interest exist relative to the services provided for the Program.

V. INVESTMENT OBJECTIVE AND STRATEGY

The principal objective of the Program is to enable Account Owners to contribute funds that are combined and invested to pay the subsequent higher education expenses of a Beneficiary.

The investment strategy is for the Board to provide a sufficient range of investment options for Account Owners, with various investment knowledge and risk, return, and cost objectives, to save for future college expenses.

VI. COMPREHENSIVE INVESTMENT PLAN

The Comprehensive Investment Plan (CIP) includes the investment policies utilized by the Board in its administration of the Program. Investment policies included in the CIP provide direction intended to set the framework for the Program's investments. Per Section 1009.973, Florida Statutes, the CIP is subject to the approval of the State Board of Administration.

VII. INVESTMENT GUIDELINES

Investment Guidelines are intended to set forth the specific investment strategies, limitations and targets necessary to implement the CIP. Investment Guidelines are subject to the approval of the Board.

VIII. AUTORIZED INVESTMENTS

Cash or Cash Equivalent

1. Deposit accounts and certificates of deposit in banks
2. 2a7 (actual or like) money market funds
3. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government.
4. Commercial paper of prime quality
    - Rated the highest letter and numerical rating provided by at least two nationally recognized rating service.

Obligations of the United States Treasury or Agencies

1. United States Treasury bonds and notes
2. Interest and principal strips of Treasury securities
3. Treasury Inflation Protection Securities (TIPS)
4. Agencies of the United States Government
    - Not restricted to full-faith and credit obligations

Municipal securities

1. General Obligation or Revenue bonds
    - Rated by at least one nationally recognized rating services BBB-/Baa3 or higher
2. Build America Bonds (BABs)
    - Rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Corporate debt obligations

1. Registered Bonds
    - ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~
    - ~~Convertible securities are not permitted~~
2. 144(a) securities (with and without registration rights)
    - ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~
3. Convertible and preferred securities

Residential Mortgage Backed Securities

1. United States Agency Mortgage backed securities

2. Privately Issued Mortgage Backed securities

- Includes but is not limited to real estate mortgage investment conduits
- Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

3. Mortgage To Be Announced (TBA) securities

- Require a cash equivalent set aside for future settlement of the forward agreement

Other Collateralized Securities

1. Asset-backed securities

- Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

2. 144(a) securities (with and without registration rights) are permitted

- Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

~~2.~~3. Commercial Mortgage Backed Securities

- Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

4. Collateralized Loan Obligations and Collateralized Mortgage Obligations

- Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher

Foreign Debt Securities

1. Supranational Debt Obligations

- ~~Must be . dollar-denominated~~
- ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~

2. Sovereign Debt Obligations

- ~~Must be dollar-denominated~~
- ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~

3. Foreign Debt Obligations

- ~~Must be dollar-denominated~~
- ~~Must be rated by at least one nationally recognized rating services BBB-/Baa3 or higher~~

Commingled Investment Funds

1. Exchange Traded Funds (ETF's) traded on domestic exchanges,

- Primarily invested in authorized investment vehicles for the Investment Option
- Compliance and monitoring shall be reviewed relative to the commingled investment funds' prospectus or participation agreement

2. Commingled investment funds and mutual funds

- Primarily invested in authorized investment vehicles for the Investment Option

- Compliance and monitoring shall be reviewed relative to the commingled investment funds' prospectus or participation agreement

Common Stock

1. Domestic Equities
    - Traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets
2. American Depositary Receipts
    - Traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets
3. Foreign Equities
    - Foreign-domiciled companies traded on domestic or non-U.S. exchanges, including over-the-counter markets

Derivatives

1. The following uses of derivatives are authorized:
    - Substitute for physical securities
    - Duration management
    - Risk control
    - Foreign currency hedging

The Program does not engage in short selling of securities.

~~The Board approves the target allocations for the Program. Target allocations and benchmarks are set forth in the Investment Guidelines.~~

Debt obligations with expected ratings are permissible as long as the rating is in compliance with the applicable rating requirement.

Securities included in an approved benchmark that are not specifically identified above are authorized with a limit of 2% above the benchmark weighting.

The Board approves the target allocations for the Program. Target allocations and benchmarks are set forth in the Investment Guidelines.

IX. COMPLIANCE

At a minimum, each Investment Manager shall certify compliance with this CIP and the Investment Guidelines at least quarterly. In the event of noncompliance, exceptions shall be reported to the Board with proposed actions to bring the portfolio into compliance.

X. NON-COMPLIANT INVESTMENTS

Any investment that is not in compliance with the CIP and/or Guidelines at the time of purchase must be sold immediately. Any loss on the sale will be the responsibility of the Investment Manager.

Investments that are in compliance with the CIP and/or Guidelines at time of purchase but fall out of compliance due to a rating downgrade are not required to be immediately sold. The Investment Manager must notify the Board of such securities within 10 days of the downgrade. If an Investment Manager believes that it is in the best interest of the Board to hold the security, the Investment Manager can present a recommendation to hold the investment along with justification in writing to the Board. The Board will review each request and approve or deny them. Requests can be subject to further Board review and any point after approval.

If determined to be in the best interest of the Board, downgraded securities can be required to be sold immediately.

XI. PERFORMANCE MEASUREMENT

The Investment Consultant shall calculate official performance results for the Board monthly, pursuant to the recommended guidelines of the CFA Institute, currently Global Investment Performance Standards (GIPS), where applicable, and in accordance with the Investment Guidelines.

XII. REPORTING

The Executive Director shall create, or cause to be created, quarterly reports for the Board of investment matters including, but not limited to, investment management, investment performance, asset allocation, and rebalancing.

Global Governance Mandates

June 4, 2019

Florida Statutes

Protecting Florida's Investments Act (PFIA)
Scrutinized Companies that Boycott Israel
MacBride Principles and Northern Ireland
Cuba/Syria Proxy Voting Safeguards
Venezuela Prohibited Investments

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Table of Contents

About the State Board of Administration

The statutory mandate of the State Board of Administration (SBA) is to invest, manage and safeguard assets of the Florida Retirement System (FRS) Trust Fund and a variety of other funds for state and local governments. FRS Trustees are dedicated to ensuring that the SBA invests assets and discharges its duties in accordance with Florida law, guided by strict policies and a code of ethics to ensure integrity, prudent risk management and top-tier performance. The SBA is an investment fiduciary under law, and subject to the stringent fiduciary duties and standards of care defined by the Employee Retirement Income Security Act of 1974 (ERISA), as incorporated into Florida law. The SBA has three Trustees: the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary.

The FRS Pension Plan provides defined pension benefits to 1.1 million beneficiaries and retirees. The strong long-term performance of the FRS Pension Plan, the fourth-largest public pension fund in the nation, reflects our commitment to responsible fiscal management.

The SBA's mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.

We encourage you to review additional information about the SBA and FRS on our website at www.sbafla.com.

Section 1: Protecting Florida's Investments Act (PFIA)

Summary

On June 8, 2007, the PFIA was signed into law. The PFIA requires the State Board of Administration ("SBA"), acting on behalf of the Florida Retirement System Trust Fund (the "FRSTF"), to assemble and publish a list of "Scrutinized Companies" that have prohibited business operations in Sudan and Iran. Once placed on the list of Scrutinized Companies, the SBA and its investment managers are prohibited from acquiring those companies' securities and are required to divest those securities if the companies do not cease the prohibited activities or take certain compensating actions. The implementation of the PFIA by the SBA will not affect any FRSTF investments in U.S. companies. The PFIA will solely affect foreign companies with certain business operations in Sudan and Iran involving the petroleum or energy sector, oil or mineral extraction, power production or military support activities. This quarterly report is developed pursuant to Section 215.473 (4), Florida Statutes. Scrutinized activity in Sudan is defined by the Statutes as occurring within the "Government of Sudan," or the Republic of the Sudan that has its capital in Khartoum, Sudan. Note, the PFIA only applies to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

Primary Requirements of the PFIA

The PFIA created new reporting, engagement, and investment requirements for the SBA, including:

1. Quarterly reporting to the Board of Trustees of every equity security in which the SBA has invested for the quarter, along with its industry category. This report is posted on the SBA website.

2. Quarterly presentation to the Trustees of a Scrutinized Companies list for both Sudan and Iran for their approval. Scrutinized Company lists are available on the SBA's website, along with information on the FRSTF direct and indirect holdings of Scrutinized Companies.

3. Written notice to external investment managers of all PFIA requirements. Letters request that the managers of actively managed commingled vehicles (i.e., those with FRSTF and other clients' assets) consider removing Scrutinized Companies from the product or create a similar actively managed product that excludes such companies. Similar written requests must be provided to relevant investment managers within the defined contribution plan.

4. Written notice to any company with inactive business operations in Sudan or Iran, informing the company of the PFIA and encouraging it to continue to refrain from reinitiating active business operations. Such correspondence continues semiannually.

5. Written notice to any Scrutinized Company with active business operations, informing the company of its Scrutinized Company status and that it may become subject to divestment. The written notice must inform the company of the opportunity to clarify its Sudan-related or Iran-related activities and encourage the company, within 90 days, to cease its scrutinized business operations or convert such operations to inactive status.

6. A prohibition on further investment on behalf of the FRSTF in any Scrutinized Company once the Sudan and Iran scrutinized lists have been approved by the Trustees. All publicly traded securities of Scrutinized Companies must be divested within 12 months after the company's initial (and continued) appearance on the Scrutinized Companies list. Divestment does not apply to indirect holdings in actively managed commingled investment funds—i.e., where the SBA is not the sole investor in the fund. Private equity funds are considered to be actively managed.

7. Reporting to each member of the Board of Trustees, the President of the Senate, and the Speaker of the House of Representatives of Scrutinized Company lists within 30 days of creation, and public disclosure of each list.

8. Quarterly reporting of the following to each member of the Board of Trustees, the President of the Senate, the Speaker of the House of Representatives, the United States Presidential Special Envoy to Sudan, and the United States Presidential Special Envoy to Iran. The report is made publicly available and posted to the SBA's website.

    a. A summary of correspondence with engaged companies;
    b. A listing of all investments sold, redeemed, divested, or withdrawn;
    c. A listing of all prohibited investments;
    d. A description of any progress related to external managers offering PFIA compliant funds; and
    e. A list of all publicly traded securities held directly by the State.

9. Adoption and incorporation into the FRSTF Investment Policy Statement (IPS) of SBA actions taken in accordance with the PFIA. Changes to the IPS are reviewed by the Investment Advisory Council (IAC) and approved by the Trustees.

10. Relevant Sudan portions of the PFIA are discontinued if the United States revokes all sanctions imposed against the government of Sudan, or if the Congress or President of the United States affirmatively and unambiguously states, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that:
    a. The Darfur genocide has been halted for at least 12 months; <u>or</u>
    b. The government of Sudan has honored its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons; <u>or</u>
    c. Mandatory divestment of the type provided for by the PFIA interferes with the conduct of U.S. foreign policy.

11. Relevant Iran portions of the PFIA are discontinued <u>if either</u> of the following occurs:
    a. The Congress or President of the United States affirmatively and unambiguously states, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism; <u>or</u>
    b. The United States revokes all sanctions imposed against the government of Iran.

12. Cessation of divestment and/or reinvestment into previously divested companies may occur if the value of all FRSTF assets under management decreases by 50 basis points (0.5%) or more as a result of divestment. If cessation of divestment is triggered, the SBA is required to provide a written report to each member of the Board of Trustees, the President of the Senate, and the Speaker of the House of Representatives prior to initial reinvestment. Such condition is required to be updated semiannually.

13. In 2009, the Florida Legislature approved a bill requiring the SBA to identify and offer, by March 1, 2010, at least one terror-free investment product for the FRS Investment Plan. The product must allocate its funds among securities not subject to divestiture, as provided in F.S. 215.473.

14. As of July 1, 2014, Florida Statute 624.449 requires that a domestic insurer shall provide to the Office of Insurance Regulation on an annual basis a list of investments that the insurer has in companies included on the "Scrutinized Companies with Activities in Sudan List" and the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List." Additionally, F.S. 215.473(3)(e)(2) now exempts Exchange Traded Funds from the provisions of the PFIA.

15. As of July 1, 2014, Florida Statutes clarify that the recently created "Government of South Sudan" means the Republic of South Sudan, which has its capital in Juba, South Sudan. Scrutinized activity refers to the

"Government of Sudan," which means the Republic of the Sudan that has its capital in Khartoum, Sudan. Within this report, "Sudan" refers to the latter.

16. As of July 1, 2016, the requirements for the expiration of PFIA divestment protocol were amended and new quarterly reporting requirements were implemented. Florida Statutes eliminated the following criteria for discontinuing Iran portions of the PFIA: The Congress or President of the United States affirmatively and unambiguously declares, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that mandatory divestment of the type provided for in this section interferes with the conduct of United States foreign policy.

Definition of a Scrutinized Company

The following is a brief review of the criteria on which the active business operations of companies must be judged, in accordance with subsection (1)(t) of Section 215.473, F.S.

Sudan:

1. Have a material business relationship with the government of Sudan or a government-created project involving oil related, mineral extraction, or power generation activities, or
2. Have a material business relationship involving the supply of military equipment, or
3. Impart minimal benefit to disadvantaged citizens that are typically located in the geographic periphery of Sudan, or
4. Have been complicit in the genocidal campaign in Darfur.

Iran:

1. Have a material business relationship with the government of Iran or a government-created project involving oil related or mineral extraction activities, or
2. Have made material investments with the effect of significantly enhancing Iran's petroleum sector.

Affiliates of companies with scrutinized business operations are also subject to the requirements of the PFIA. An affiliated company is generally defined as any other company that either directly or indirectly controls, is controlled by or is under common control with the company conducting scrutinized active business operations. Control generally means the power to exercise a controlling influence over the management or policies of a company. As well, many companies have parent-subsidiary relationships whereby a parent company may own several other companies. In such cases, the SBA has included any known parent and/or subsidiaries that can be clearly linked to a company with scrutinized active business operations. The SBA has used a 50 percent ownership threshold in determining whether companies are affiliated, examining parent company-subsidiary ownership on a pro rata basis.

The SBA views companies which have explicit plans and activities related to discontinuation of active business operations as meeting the PFIA definition of substantial action. For all identified companies, the SBA will request information detailing what a company has actually done, if anything, to discontinue its active business operations or if it has pursued humanitarian efforts (applicable to Sudan only).

SBA Scrutinized Companies Identification Methodology

The SBA has developed two lists (the Sudan List and the Iran List) of Scrutinized Companies with active business operations. The lists are developed by principally relying on the research and findings of our "External Research Providers." Below is a brief description of our External Research Providers, which are maintained to provide input from multiple sources.

1. **EIRIS Conflict Risk Network (CRN).** In May 2013, the Conflict Risk Network became part of EIRIS, a global provider of environmental, social, governance, and ethical performance of companies. EIRIS provides services to more than 150 asset owners and managers globally, with a staff of over 60, based primarily in London. CRN was formerly known as the Sudan Divestment Task Force (SDTF).

2. **MSCI ESG Research (MSCI).** MSCI delivers corporate governance analysis and research to institutional investors. Through its ESG Research unit, MSCI offers screening services with specific and unique components of state law pertaining to investments in sanctioned countries, including Sudan and Iran.

3. **ISS-Ethix (formerly IW Financial or IWF).** On January 5, 2017, Institutional Shareholder Services (ISS) announced its acquisition of IW Financial. Going forward, ISS-Ethix will be the ESG arm of ISS, providing environmental and social research for responsible investing. IWF, in partnership with Conflict Securities Advisory Group (CSAG), has been a long-time provider of information on the business ties of publicly traded companies in Sudan and Iran.

4. **Sustainalytics, Inc.** Sustainalytics provides environmental, social and governance research and analysis, sustainability benchmarks, and investment services, and is the result of the merger between Jantzi Research, Inc. and Sustainalytics in 2009. Sustainalytics' company database, "Sustainalytics Global Platform," covers business operations in both Iran and Sudan.

Staff members within the Investment Programs & Governance unit, as well as other senior investment staff, review the assessments of the External Research Providers and other publicly available information. The SBA has utilized the following sources to evaluate over 400 companies and affiliates with reported links to Sudan or Iran:

<u>Company disclosures:</u>
- SEC filings (DEF 14A Proxy Statements, 10-K & 20-F Annual Reports, etc.)
- Investor Relations/company websites
- Industry publications and analyst research

<u>Investment/Finance Organizations:</u>
- Other Institutional Investors/Private Investors

<u>U.S. Government Agencies:</u>
- U.S. Department of State
- U.S. Treasury, Office of Foreign Asset Control (OFAC)
- U.S. Government Accountability Office (GAO)
- Dept. of Energy, Energy Information Administration (EIA)
- Congressional Research Service (CRS), Library of Congress

<u>Other Sources:</u>
- SBA External Investment Managers
- U.S. Federal Sanctions Laws covering State Sponsors of Terror
- Non-Governmental Organizations (NGOs)

Using the previous information sources, the SBA has developed two separate categorizations of a company's involvement in Sudan and/or Iran.

1. **"Scrutinized"** — Information provided by several External Research Providers indicates that a company meets the classification of a Scrutinized Company as defined by the PFIA as set forth in Section 215.473 (1)(t)1., 2., or 3, Florida Statutes [Sudan] or Section 215.473 (4)(t)1, Florida Statutes [Iran]. Upon SBA review, no other information sources clearly contradict the conclusions of the External Research Providers.

2. **"Continued Examination"** — At least one External Research Provider indicates that a company meets the classification of a Scrutinized Company as defined by the PFIA as set forth in Section 215.473, (1)(t)1., 2., or 3, Florida Statutes [Sudan] or Section 215.473, (4)(t)1, Florida Statute [Iran]. In other words, the External Research Providers do not agree on the status of a company and the SBA is unable to definitively categorize the company's activities as scrutinized without further research to resolve the differences. For companies classified as "Continued Examination," the SBA will begin an engagement process to clarify each firm's current business relationships.

***SUDAN* Changes since the Previous PFIA Quarterly Report**

(see the following page for IRAN changes)

Companies *added* to the **Sudan** Scrutinized List this quarter:

- **Al-Enmaa Real Estate Co** (added as a subsidiary of a scrutinized company, Energy House Holding Company)

- **AviChina Industry & Technology**
  - AviChina Industry & Technology's parent company (a privately held company owned by the Chinese government) sold military jets and equipment to Sudan
- **AVIC International** (added as a subsidiary of AviChina Industry & Technology)
- **China Avionics Systems** (added as a subsidiary of AviChina Industry & Technology)
- **FACC AG** (added as a subsidiary of AviChina Industry & Technology)

- **Siemens AG**
  - (Siemens provides operations, maintenance, and advisory services for power generating assets (turbines) associated with the Government of Sudan)
- **Siemens Financieringsmaatschappij NV** (added as a subsidiary of Siemens AG)
- **Siemens Gamesa Renewable Energy SA** (added as a subsidiary of Siemens AG)
- **Siemens Healthineers AG** (added as a subsidiary of Siemens AG)
- **Siemens Limited** (added as a subsidiary of Siemens AG)
- **Siemens Pakistan Engineering Co Ltd** (added as a subsidiary of Siemens AG)

Companies *removed* from the **Sudan** Scrutinized List this quarter:

- None

Companies *added* to the **Sudan** Continued Examination List this quarter:

- None

Companies *removed* from the **Sudan** Continued Examination List this quarter:

- **Siemens AG** (moved to the Sudan Scrutinized List)

Recent Developments in Sudan

On April 11, 2019, Sudan President Omar al-Bashir was overthrown in a military coup, ending his 30-year rule in Sudan. The International Criminal Court has charged al-Bashir with war crimes and genocide linked to the Darfur conflict in the 2000s. Reaction to these war crimes led to Sudan-targeted divestment statutes such as the PFIA. A successful transition away from the al-Bashir government could lead to the elimination of Sudan-targeted divestment.

<u>IRAN</u> Changes since the Previous PFIA Quarterly Report

(see the previous page for SUDAN changes)

Companies *<u>added</u>* to the **Iran** Scrutinized List this quarter:

- **Gazprom Promgaz** (added as a subsidiary of a scrutinized company, Gazprom)
- **GPN Capital SA** (issues bonds for scrutinized companies, Gazprom Neft and Gazprom)
- **Territorial Generating Company No 1** (added as a subsidiary of a scrutinized company, Gazprom)

Companies *<u>removed</u>* from the **Iran** Scrutinized List this quarter:

- None

Companies *<u>added</u>* to the **Iran** Continued Examination List this quarter:

- None

Companies *<u>removed</u>* from the **Iran** Continued Examination List this quarter:

- None

Quarterly Status Update Regarding Potential IRAN Expiration
Florida Statutes, 215.473 (5) EXPIRATION (b) subparagraphs 1. and 2.

Florida Statutes require a quarterly update on events relating to the status of expiration clauses 1 and 2, which are copied below in their entirety:

(b) If either of the following occurs, the board may no longer scrutinize companies according to subparagraph (1)(v)4., may no longer assemble the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, and shall cease engagement, investment prohibitions, and divestment:

1. The Congress or President of the United States affirmatively and unambiguously states, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism;

Update:

On March 22, 2019, the United States imposed additional sanctions on 14 people and 17 entities connected to Iran's Organization of Defensive Innovation and Research (SPND), a body it said had played a central role in Iran's past nuclear weapons effort.

Or

2. The United States revokes all sanctions imposed against the government of Iran.

Update:

On May 8, 2019, President Trump issued a new executive order, increasing sanctions against Iran.

"Imposing Sanctions with Respect to the Iron, Steel, Aluminum, and Copper Sectors of Iran". https://www.whitehouse.gov/presidential-actions/executive-order-imposing-sanctions-respect-iron-steel-aluminum-copper-sectors-iran/

Table 1: Scrutinized Companies with Activities in SUDAN

New companies on the list are shaded and in bold.

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Al-Enmaa Real Estate Co	**Kuwait**	**June 4, 2019**
AviChina Industry & Technology	**China**	**June 4, 2019**
AVIC International	**China**	**June 4, 2019**
Bank of Kunlun Co Ltd	China	March 7, 2018
Chennai Petroleum Corp Ltd	India	September 19, 2007
China Avionics Systems	**China**	**June 4, 2019**
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Petroleum Engineering Corp	China	March 7, 2018
CNPC Capital Company Limited	China	June 14, 2017
CNPC General Capital Ltd	China	June 26, 2012
CNPC HK Overseas Capital Ltd	China	June 16, 2011
Daqing Huake Group Co Ltd	China	March 25, 2008
Egypt Kuwait Holding Co. SAE	Kuwait	January 13, 2009
Energy House Holding Company	Kuwait	July 28, 2009
Engen Botswana	Botswana	March 24, 2015
FACC AG	**Austria**	**June 4, 2019**
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Harbin Electric Co. Ltd.	China	September 19, 2007
Hindustan Petroleum Corporation Ltd	India	June 13, 2018
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
Jiangxi Hongdu Aviation	China	September 19, 2007
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd	Hong Kong	September 19, 2007
Kunlun Financial Leasing Co Ltd	China	March 7, 2018
Kuwait Finance House	Kuwait	April 14, 2009
Lanka IOC Ltd	India	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Managem SA	Morocco	November 9, 2010
Mangalore Refinery & Petrochemicals Ltd	India	September 19, 2007
MISC Bhd	Malaysia	September 19, 2007
Oil India Ltd	India	September 18, 2012
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Mangalore Petrochemicals Ltd	India	March 7, 2018
ONGC Videsh Limited (OVL)	India	March 18, 2014

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Orca Gold Inc.	Canada	December 9, 2014
PetroChina	China	September 19, 2007
Petroliam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Siemens AG	**Germany**	**June 4, 2019**
Siemens Financieringsmaatschappij NV	**Netherlands**	**June 4, 2019**
Siemens Gamesa Renewable Energy SA	**Spain**	**June 4, 2019**
Siemens Healthineers AG	**Germany**	**June 4, 2019**
Siemens Limited	**India**	**June 4, 2019**
Siemens Pakistan Engineering Co Ltd	**Pakistan**	**June 4, 2019**
Sinopec Capital 2013 Ltd	China	September 24, 2013
Sinopec Engineering Group Co Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2014 Ltd	China	March 7, 2018
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2012 Ltd	China	March 7, 2018
Sinopec Kantons Holdings Ltd	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation	China	April 14, 2009
Sinopec Oilfield Service Corp	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
Société Nationale d'Investissement	Morocco	December 6, 2016
Societe Metallurgique D'imiter	Morocco	November 9, 2010
# of Sudan Scrutinized Companies	**62**	

The following companies were **removed** from the **SUDAN Scrutinized List** during the quarter:

Removed Company	*Country of Incorporation*
No companies removed this quarter.	

Table 2: Continued Examination Companies with Activities in SUDAN

New companies on the list are shaded and in bold. (No companies added this quarter.)

Continued Examination Company: Sudan	**Country of Incorporation**
Bharat Heavy Electricals, Ltd	India
China Gezhouba Group Company Ltd	China
China North Industries Group Corp (CNGC/Norinco)	China
Dongfeng Motor Group Co Ltd	China
Dongan Motor (aka Harbin Dongan Auto Engine)	China
ENGIE SA	France
Glencore Xstrata PLC	Switzerland
Infotel Broadband Services Ltd	India
JX Holdings Inc.	Japan
KMCOB Capital Bhd	Malaysia
LS Industrial Systems	South Korea
Nippo Corporation	Japan
Power Construction Corporation of China Ltd. (fka Sinohydro)	China
Shanghai Electric Group Co.	China
Statesman Resources Ltd	Canada
Wartsila Oyj	Finland
# of Sudan Continued Examination Companies	**16**

The following companies were **removed** from the **SUDAN Continued Examination List** during the quarter:

Removed Company	***Country of Incorporation***
Siemens AG	***Germany***

Table 3: <u>Scrutinized</u> Companies with Activities in the IRAN Petroleum Energy Sector

New companies on the list are shaded and in bold. (No companies added this quarter.)

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Bank of Kunlun Co Ltd	China	March 7, 2018
China BlueChemical Ltd.	China	March 19, 2013
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Petroleum Engineering Corp	China	March 7, 2018
China Oilfield Services Ltd.	China	June 16, 2011
CNOOC Ltd.	China	June 16, 2011
CNOOC Curtis Funding No.1 Pty Ltd	Australia	October 17, 2017
CNOOC Finance Limited	China	September 24, 2013
CNOOC Nexen Finance	Canada	October 17, 2017
CNPC Capital Company Limited	China	June 14, 2017
CNPC General Capital Ltd	China	December 6, 2016
CNPC HK Overseas Capital Ltd.	China	June 16, 2011
COSL Finance (BVI) Limited	China	September 24, 2013
COSL Singapore Capital Ltd	Singapore	December 4, 2018
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Gazprom	Russia	September 19, 2007
Gazprom Neft	Russia	September 16, 2008
Gazprom Promgaz	**Russia**	**June 4, 2019**
GPN Capital SA	**Luxembourg**	**June 4, 2019**
Hindustan Petroleum Corporation Ltd	India	June 13, 2018
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd.	Hong Kong	September 19, 2007
Kunlun Financial Leasing Co Ltd	China	March 7, 2018
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013
MISC Bhd	Malaysia	September 19, 2007
Mosenergo	Russia	September 16, 2008
Offshore Oil Engineering Co	China	June 14, 2017
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Mangalore Petrochemicals Ltd	India	March 7, 2018
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Petroliam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd.	China	March 18, 2014
Sinopec Engineering Group Co Ltd.	China	March 18, 2014
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2014 Ltd	China	March 7, 2018
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2012 Ltd	China	March 7, 2018
Sinopec Kantons Holdings Ltd.	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation	China	September 29, 2015
Sinopec Oilfield Service Corp	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
Territorial Generating Company No 1	**Russia**	**June 4, 2019**
# of Iran Scrutinized Companies	**53**	

The following companies were **removed** from the **IRAN Scrutinized List** during the quarter:

Removed Company	***Country of Incorporation***
No companies removed this quarter	

Table 4: <u>Continued Examination</u> Companies with Petroleum Energy Activities in IRAN

New companies on the list are shaded and in bold. (No companies added this quarter.)

Continued Examination Company: Iran	Country of Incorporation
Anton Oilfield Services Group	China
China Nonferrous Metal Industry's Foreign Engineering and Construction	China
GS Engineering & Construction Corp.	South Korea
GS Holdings	South Korea
Maire Tecnimont SpA	Italy
Oil India Ltd.	India
Petronet LNG Ltd.	India
Total SA	France
# of Iran Continued Examination Companies	**8**

The following companies were **<u>removed</u>** from the **IRAN Continued Examination List** during the quarter:

Removed Company	*Country of Incorporation*
No companies removed this quarter.	

Table 5: Correspondence & Engagement Efforts with Scrutinized Companies

In accordance with Section 215.473(3)(a), F.S., the SBA began to engage companies on the September 19, 2007 Scrutinized Company lists. The SBA sent letters to each Scrutinized Company that was owned and held as of September 19, 2007, per the requirements of the law.

The SBA also sent written communication to other scrutinized firms since the initial company engagement effort in September 2007. Each letter encouraged the company to cease any active business operations within 90 days or convert such operations to inactive status to avoid qualifying for divestment by the SBA. In addition, the SBA sent a second letter to scrutinized companies on January 25, 2008, again requesting companies to provide all information necessary to avoid divestment.

On September 30, 2008, the SBA sent a follow-up letter to all Scrutinized Companies. Although, these companies are no longer held by the SBA, the September 30, 2008 letter was intended to once again provide notice of the requirements of the PFIA. Since our original correspondence, several companies on the scrutinized list have replied with valuable information. Each company's response and classification status is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Status
ABB	Yes; January 29, 2009	Removed from Sudan Scrutinized List
Alstom	Yes; October 1, 2007 and October 25, 2011	Removed from Sudan Scrutinized and CE Lists
Bharat Heavy Electricals Limited	Yes; October 4, 2007	Moved to Sudan Continued Examination List
Bow Valley Energy	Yes; October 22, 2008	Removed from Iran Scrutinized List
Chennai Petroleum Corporation Limited	Yes; October 16, 2008	Sudan Scrutinized Classification Continues
China Petroleum & Chemical Corp (Sinopec)	No	Iran & Sudan Scrutinized Classification Continues
CNOOC Ltd	Yes; October 28, 2008	Iran Scrutinized Classification Continues
Daelim Industrial Co Ltd.	Yes, November 13, 2018	Removed from Iran Scrutinized List
Dongfeng Motor Group Co. Ltd.	No	Moved to Sudan Continued Examination List
Electricity Generating Public Co	No	Removed from Sudan Scrutinized List
ENI	Yes; February 13, 2008 and May 13, 2011	Removed from Iran Scrutinized and CE Lists
GAIL (India) Limited, aka GAIL Ltd.	Yes; October 5, 2010	Removed from Iran Scrutinized and CE Lists
Gazprom	Yes; November 1, 2007 and August 18, 2014	Iran Scrutinized Classification Continues
Gazprom Neft	Yes; August 15, 2013	Iran Scrutinized as subsidiary of Gazprom
Harbin Electric Co. (fka Harbin Power Equipment)	No	Sudan Scrutinized Classification Continues
Indian Oil Corp Ltd (IOCL)	No	Iran & Sudan Scrutinized Classification Continues
Inpex Corp.	Yes; October 15, 2007 and July 11, 2011	Removed from Iran Scrutinized List
Kencana Petroleum	Yes; October 31, 2008	Removed from Sudan Scrutinized and CE Lists
Korea Electric Power (and subsidiaries, KEPCO Plant/Korea Plant)	Yes; December 27, 2011	Removed from Sudan Scrutinized List
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Yes; October 5, 2007 and May 24, 2008	Iran & Sudan Scrutinized Classification Continues

Company	Company Responsive to SBA Communications	Status
Lukoil OAO	Yes; October 8, 2007	Removed from Iran Scrutinized and CE Lists
Lundin Petroleum AB	Yes; October 17, 2008	Removed from Sudan Scrutinized List
Lundin International SA	No	Removed from Sudan Scrutinized List
Malaysia Marine & Heavy Engineering Holdings Bhd	Yes; November 14, 2014	Iran & Sudan Scrutinized Classification Continues
Mangalore Refinery & Petrochemicals Ltd	Yes; March 8, 2013	Iran & Sudan Scrutinized Classification Continues
MISC Bhd	Yes; August 23, 2018; Jan 10, 2019	Iran & Sudan Scrutinized Classification Continues
Norsk Hydro	Yes; November 30,2007	Removed from Iran Scrutinized List
Oil & Natural Gas Corp (ONGC)	Yes; July 23, 2014	Iran & Sudan Scrutinized Classification Continues
OMV AG	Yes; November 6, 2007 and April 14, 2010	Removed from Iran Scrutinized and CE Lists
PetroChina	Yes; December 22, 2008	Iran & Sudan Scrutinized Classification Continues
Petroleo Brasileiro (Petrobras)	Yes; January 13, 2010	Removed from Iran Scrutinized List
Petroliam Nasional (Petronas)	Yes; July 6, 2015	Iran & Sudan Scrutinized Classification Continues
Putrajaya Management Sdn Bhd	Yes; September 5, 2014	Iran & Sudan Scrutinized Classification Continues
Ranhill Bhd	Yes; October 22, 2008	Removed from Sudan Scrutinized List
Repsol YPF	Yes; October 15, 2007; January 2013	Removed from Iran Scrutinized and CE Lists
Royal Dutch Shell PLC	Yes; October 5, 2007; January 27, 2011; April 13, 2011	Removed from Iran Scrutinized and CE Lists
Siemens AG	Yes; October 22, 2009 October 8, 2010 November 7, 2018; March 2019	Removed from Iran CE List in 2010; Added to Sudan CE List 6/13/2018 Added to Sudan Scrutinized List 6/4/19
Sinopec Kantons Holdings Ltd.	No	Iran & Sudan Scrutinized Classification Continues
Sinopec Shanghai Petrochemical Company	No	Iran & Sudan Scrutinized Classification Continues
Snam Rete Gas	Yes; October 9, 2008	Removed from Iran Scrutinized Classification
Statoil ASA (fka: StatoilHydro)	Yes; February 4, 2008; January 24, 2011; June 16, 2011	Removed from Iran Scrutinized and CE Lists
Total Capital	Yes; January 26, 2011 and April 25, 2011	Removed from Iran Scrutinized and CE Lists
Total SA	Yes; October 12, 2007; October 29, 2010; April 25, 2011	Removed from Iran Scrutinized List
Wärtsilä Oyj	Yes; December 4, 2007	Moved to Sudan Continued Examination List

Table 6: Correspondence & Engagement Efforts with Continued Examination Companies

In addition to Scrutinized Companies, the SBA engaged companies on our initial September 19, 2007 Continued Examination company lists. The SBA also sent written communication to firms added to the Continued Examination list since the initial company engagement effort in September 2007. Such companies were asked to provide information to the SBA in order to assist us in determining the extent of their activities, if any, in Sudan and Iran. The SBA sent a follow-up letter to all companies on September 30, 2008. Each company's response and classification is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Continued Examination Status
Actividades de Construccion y Servicios S.A.(ACS)	No	Removed from Iran List
Aggreko PLC	Yes; January 28, 2008	Removed from Iran List
Air Liquide	Yes; November 30, 2007 January 28, 2008	Removed from Iran List
Aker Solutions ASA (fka Aker Kvaerner ASA)	No	Removed from Iran List
AREF Investment Group	No	Removed from Sudan List
Areva SA	Yes; October 27, 2008 December 29, 2009	Removed from Sudan List
Bauer Aktiengesellschaft	Yes; March 13, 2008	Removed from Sudan List
BG Group	Yes; November 23, 2007	Removed from Iran List
Bharat Electronics Limited	No	Removed from Sudan CE List
Bollore Group	No	Removed from Sudan CE
Costain Group PLC	Yes; November 5, 2007	Removed from Iran List
Daelim Industrial Co Ltd.	Yes, November 13, 2018	Removed from Iran List
Engineers India Ltd.	Yes; October 16, 2008; September 9, 2010	Removed from Iran CE List
Essar Oil	Yes; January 9, 2009	Removed from Iran List
Finmeccanica SpA	No	Removed from Sudan List
Glencore Xstrata PLC	Yes; September 20, 2010	Sudan CE Classification Continues
GVA Consultants	Yes; September 26, 2007 September 30, 2010	Removed from Iran CE List
ICSA India Limited	No	Removed from Sudan List
INA-Industrija Nafte DD Zagreb	Yes; April 15, 2014	Removed from Iran List
Itochu Corp	Yes; May 9, 2008	Removed from Iran List
JGC Corp	Yes; October 1, 2007	Removed from Iran List
La Mancha Resources	Yes; October 21, 2008	Removed from Sudan List
Linde AG	Yes; November 14, 2007	Removed from Iran List
Liquefied Natural Gas LNGL	No	Removed from Iran List
Mitsubishi Heavy Industries Ltd.	Yes; October 26, 2007	Removed from Iran List
Mitsui & Co.	Yes; October 17, 2007	Removed from Iran List
Mitsui Engineering & Shipbuilding	Yes; November 21, 2007 December 18, 2007	Removed from Iran and Sudan Lists
MMC Bhd	No	Removed from Sudan List
Nam Fatt	No	Removed from Sudan List
PT Citra Tubindo Tbk.	Yes; September 27, 2010	Removed from Iran CE List

Company	Company Responsive to SBA Communications	Continued Examination Status
PTT Public Company Limited	Yes; October 1, 2010	Removed from Sudan CE List
Saipem SpA	Yes; December 12, 2007	Removed from Iran Lists
Samsung Engineering Co. Ltd.	No	Removed from Iran CE List
Samsung Heavy Industries Co. Ltd.	No	Removed from Iran List
Sasol Ltd.	Yes; May 25, 2010 September 29, 2010	Removed from Iran CE List
Seadrill Ltd	Yes; September 20, 2010	Removed from Sudan CE List
Siam Cement Group (SCG)	Yes; September 24, 2010	Removed from Iran CE List
Schlumberger Limited NV	Yes; October 19, 2007	Removed from Iran and Sudan Lists
Siam Cement PCL	Yes; October 21, 2008	Removed from Iran CE List
SNC - Lavalin Group Inc.	Yes; September 25, 2007	Removed from Iran List
Sudan Telecommunications (Sudatel)	No	Removed from Sudan CE Classification
Technip	Yes; April 30, 2010 and November 30, 2010	Removed from Iran CE Classification
The Weir Group PLC	Yes; November 16, 2007	Removed from Iran and Sudan Lists
Total SA	Yes; October 12, 2007	Removed from Sudan CE Classification
Trevi-Finanziaria Industriale S.p.A.	Yes; September 17, 2010	Removed from Iran CE List
Weatherford International, Ltd.	No	Removed from Sudan List
Welspun Corp. Limited (fka Welspun-Gujarat Stahl Rohen Ltd.)	Yes; September 24, 2010	Removed from Iran CE List

Key Dates for PFIA Activities

June 8, 2007 — Legislation's effective date, upon becoming a law.

August 6, 2007 — SBA letter to state agencies requesting data on all publicly traded securities held directly by the State.

August 20, 2007 — First of two letters to investment managers providing written notice of PFIA enactment and amendment to Schedule B of investment management contracts.

September 19, 2007 — SBA assembles initial Scrutinized Companies lists for Sudan and Iran.

September 20, 2007 — SBA engages companies classified as either Scrutinized or needing Continued Examination through written correspondence, subsequent conference calls and additional communication. SBA disclosed the Scrutinized Companies lists on its website, including reporting of all equities held by direct State of Florida governmental entities.

September 21, 2007 — Second of two letters to investment managers providing Scrutinized Companies lists.

October 16, 2007 — SBA formally submits the Scrutinized Companies lists to the Florida Legislature and the United States Special Envoy to Sudan, and continues to do so every quarter.

November 30, 2007 — SBA sends notification via email to any owned scrutinized company that has not responded to initial written correspondence. Similar notification was sent to each company classified as needing continued examination.

January 25, 2008 — SBA sends additional notice of divestment and request for information to all Scrutinized Companies, with emphasis to companies that have been unresponsive to the SBA's prior request for the necessary information.

July 1, 2008 — In March 2008, the SBA developed a policy approach directing all affected managers to sell their remaining PFIA related holdings no later than July 1, 2008, approximately three months earlier than the statutory deadline of September 18, 2008.

September 18, 2008 — Statutory deadline for the SBA to complete divestment of *initial* Scrutinized Companies (i.e., within 12 months of their initial appearance on the September 19, 2007 list), if they do not stop scrutinized active business operations.

March 1, 2010 — Deadline for the SBA to identify and offer at least one terror-free investment product for the FRS Investment Plan (Defined Contribution).

Quarterly Reporting — SBA provides quarterly updates to the Scrutinized Companies lists for Sudan and Iran, including a summary of engagement activities. PFIA quarterly reports have been issued on the following dates:

September 19, 2007
December 18, 2007
March 25, 2008
June 10, 2008
September 16, 2008
January 13, 2009
April 14, 2009
July 28, 2009
October 27, 2009
January 26, 2010
April 27, 2010
July 29, 2010
November 9, 2010
February 22, 2011
June 16, 2011
September 20, 2011
December 6, 2011
March 20, 2012
June 26, 2012
September 18, 2012
December 11, 2012
March 19, 2013
June 25, 2013
September 24, 2013
December 10, 2013
March 18, 2014
June 17, 2014
September 23, 2014
December 9, 2014
March 24, 2015
June 23, 2015
September 29, 2015
December 8, 2015
March 29, 2016
August 2, 2016
December 6, 2016
March 14, 2017
June 14, 2017
October 17, 2017
December 13, 2017
March 7, 2018
June 13, 2018
September 11, 2018
December 4, 2018
January 29, 2019
June 4, 2019

Summary of Investments Sold, Redeemed, Divested or Withdrawn

In accordance with the PFIA, the SBA must divest all holdings of any scrutinized companies within 12 months of their original appearance on the prohibited securities list. External managers are contractually responsible for administering investments in accordance with restrictions set forth by the SBA, including the prohibited securities list of the PFIA. Historical divestment transaction data is contained in prior PFIA Quarterly Reports. The table below presents the cumulative market capitalization of scrutinized companies divested by the SBA since the PFIA's inception:

Cumulative Divestment	
Royal Dutch Shell**	$215,784,700.79
Total SA**	$214,536,015.45
Petroleo Brasileiro SA (Petrobras) **	$206,135,264.10
ENI**	$141,403,034.78
CNOOC Ltd	$131,737,735.86
Gazprom (a.k.a. OAO Gazprom)	$71,275,453.14
Alstom**	$65,897,698.67
Repsol YPF**	$53,420,179.87
Statoil ASA** (fka: StatoilHydro)	$46,792,677.58
China Petroleum and Chemical Corp (CPCC) Sinopec	$38,455,440.48
PetroChina	$25,723,158.75
Inpex Corp.**	$24,835,110.63
MISC Bhd	$16,448,397.44
Hindustan Petroleum Corporation Ltd	$10,916,213.94
Snam Rete Gas**	$9,596,905.78
Lukoil OAO**	$9,487,631.46
OMV AG **	$8,601,977.98
Shell International Finance**	$8,599,813.40
China BlueChemical Ltd	$7,538,215.73
Wärtsilä Oyj**	$1,797,871.96
Daelim Industrial Co Ltd**	$1,566,926.73
Petrofac Ltd **	$1,496,881.43
The Weir Group PLC **	$1,322,666.62
Petrobras International Finance**	$1,148,750.00
Lundin Petroleum AB **	$1,133,120.04
Oil & Natural Gas Corporation (ONGC)	$945,363.83
Petrobras Energia (Participaciones) **	$298,632.08
Dongfeng Motor Group**	$158,623.49
Electricity Generating Public Company**	$121,321.38
Gazprom Neft	$37,892.73
** denotes companies no longer on the Prohibited Company list	**$1,317,741,747.62**

In accordance with the PFIA, the SBA will report on the performance implications of PFIA-related divestitures and restrictions. Generally, the impact of PFIA legislation on performance is measured as the opportunity cost of not being able to hold prohibited securities, measured by comparing the monthly return of the standard foreign equity benchmark (i.e., the MSCI ACWI ex-US) to a custom foreign equity benchmark based upon PFIA divestiture requirements. The difference in returns between the standard benchmark and custom benchmark represents the opportunity cost to the SBA of not being able to invest in (or hold) prohibited companies. The percent return difference is then applied to the average monthly balance of foreign equity investments to determine a dollar impact. Monthly dollar impacts, whether positive or negative, are added together through time and then compared to the total value of the FRS Pension Plan to determine the percentage or basis point impact of PFIA legislation.

Table 7: List of Prohibited Investments (Scrutinized Companies)

New companies on the list are shaded and in bold. (No companies added this quarter.)

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Al-Enmaa Real Estate Co	**Sudan**	**Kuwait**	**June 4, 2019**	**Yes**
AviChina Industry & Technology	**Sudan**	**China**	**June 4, 2019**	**Yes**
AVIC International	**Sudan**	**China**	**June 4, 2019**	**Prior to June 4, 2020**
Bank of Kunlun Co Ltd	Sudan & Iran	China	March 7, 2018	Yes
Chennai Petroleum Corp Ltd	Sudan	India	September 19, 2007	Yes
China Avionics Systems	**Sudan**	**China**	**June 4, 2019**	**Yes**
China Petroleum Engineering Corp	Sudan & Iran	China	March 7, 2018	Yes
China BlueChemical Ltd	Iran	China	March 19, 2013	Yes
China National Petroleum Corporation (CNPC)	Sudan & Iran	China	December 11, 2012	Yes
China Oilfield Services Ltd	Iran	China	June 16, 2011	Yes
China Petroleum & Chemical Corp (CPCC) Sinopec	Sudan & Iran	China	September 19, 2007	Yes
CNOOC Ltd	Iran	China	June 16, 2011	Yes
CNOOC Curtis Funding No.1 Pty Ltd	Iran	Australia	October 17, 2017	Yes
CNOOC Finance Limited	Iran	China	September 24, 2013	Yes
CNOOC Nexen Finance	Iran	Canada	October 17, 2017	Yes
CNPC Capital Company Limited	Sudan & Iran	China	June 14, 2017	Yes
CNPC General Capital Ltd	Sudan & Iran	China	June 26, 2012	Yes
CNPC HK Overseas Capital Ltd	Sudan & Iran	China	June 16, 2011	Yes
COSL Finance (BVI) Limited	Iran	China	September 24, 2013	Yes
COSL Singapore Capital Ltd	Iran	Singapore	December 4, 2018	Yes
Daqing Huake Group Co Ltd	Sudan	China	March 25, 2008	Yes
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Energy House Holding Company	Sudan	Kuwait	July 28, 2009	Yes
Engen Botswana	Sudan & Iran	Botswana	March 24, 2015	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
FACC AG	**Sudan**	**Austria**	**June 4, 2019**	**Prior to June 4, 2020**
Gas District Cooling (Putrajaya) Sdn Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Gazprom	Iran	Russia	September 19, 2007	Yes
Gazprom Neft	Iran	Russia	September 16, 2008	Yes
Gazprom Promgaz	**Iran**	**Russia**	**June 4, 2019**	**Yes**
GPN Capital SA	**Iran**	**Luxembourg**	**June 4, 2019**	**Yes**
Harbin Electric Co. Ltd.	Sudan	China	September 19, 2007	Yes
Hindustan Petroleum Corporation Ltd	Sudan & Iran	India	June 13, 2018	Yes
Indian Oil Corp Ltd (IOCL)	Sudan & Iran	India	September 19, 2007	Yes
Jiangxi Hongdu Aviation	Sudan	China	September 19, 2007	Yes
KLCC Property Holdings Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Kunlun Energy Company Ltd.	Sudan & Iran	Hong Kong	September 19, 2007	Yes
Kunlun Financial Leasing Co Ltd	Sudan & Iran	China	March 7, 2018	Yes
Kuwait Finance House	Sudan	Kuwait	April 14, 2009	Yes
Lanka IOC Ltd	Sudan	India	September 19, 2007	Yes
Managem SA	Sudan	Morocco	November 9, 2010	Yes
Mangalore Refinery & Petrochemicals Ltd	Sudan & Iran	India	September 19, 2007	Yes
Malaysia Marine & Heavy Engineering Holdings Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
MISC Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Mosenergo	Iran	Russia	September 16, 2008	Yes
Offshore Oil Engineering Co	Iran	China	June 14, 2017	Yes
Oil India Ltd.	Sudan	India	September 18, 2012	Yes
Oil & Natural Gas Corp (ONGC)	Sudan & Iran	India	September 19, 2007	Yes
ONGC Mangalore Petrochemicals Ltd	Sudan & Iran	India	March 7, 2018	Yes
ONGC Videsh Limited (OVL)	Sudan & Iran	India	March 18, 2014	Yes
Orca Gold Inc.	Sudan	Canada	December 9, 2014	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
PetroChina	Sudan & Iran	China	September 19, 2007	Yes
Petroliam Nasional (Petronas)	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Capital Limited	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Chemicals Bhd	Sudan & Iran	Malaysia	June 16, 2011	Yes
Petronas Dagangan Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Gas Berhad	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Global Sukuk	Sudan & Iran	Malaysia	August 2, 2016	Yes
Putrajaya Management Sdn Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
Siemens AG	**Sudan**	**Germany**	**June 4, 2019**	**Prior to June 4, 2020**
Siemens Financieringsmaatschappij NV	**Sudan**	**Netherlands**	**June 4, 2019**	**Yes**
Siemens Gamesa Renewable Energy SA	**Sudan**	**Spain**	**June 4, 2019**	**Prior to June 4, 2020**
Siemens Healthineers AG	**Sudan**	**Germany**	**June 4, 2019**	**Prior to June 4, 2020**
Siemens Limited	**Sudan**	**India**	**June 4, 2019**	**Yes**
Siemens Pakistan Engineering Co Ltd	**Sudan**	**Pakistan**	**June 4, 2019**	**Yes**
Sinopec Capital 2013 Ltd	Sudan & Iran	China	September 24, 2013	Yes
Sinopec Engineering Group Co Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2016 Ltd	Sudan & Iran	China	August 2, 2016	Yes
Sinopec Group Overseas Development 2014 Ltd	Sudan & Iran	China	March 7, 2018	Yes
Sinopec Group Overseas Development 2013 Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2012 Ltd	Sudan & Iran	China	March 7, 2018	Yes
Sinopec Kantons Holdings Ltd	Sudan & Iran	Bermuda	September 19, 2007	Yes
Sinopec Oilfield Equipment Corporation	Sudan & Iran	China	April 14, 2009	Yes
Sinopec Oilfield Service Corp	Sudan & Iran	China	March 25, 2008	Yes
Sinopec Shanghai Petrochemical	Sudan & Iran	China	September 19, 2007	Yes
Société Nationale d'Investissement	Sudan	Morocco	December 6, 2016	Yes
Societe Metallurgique D'imiter	Sudan	Morocco	November 9, 2010	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Territorial Generating Company No 1	**Iran**	**Russia**	**June 4, 2019**	**Yes**
# of Prohibited Investments	**77**	**-**	**-**	

The following companies were **removed** from the **PFIA Prohibited Investments List** this quarter.

Removed Company	*Country of Incorporation*
No companies removed this quarter	

Table 8: SBA Holdings in Prohibited Investments Subject to Divestment

The following table provides SBA holdings in companies on the June 4, 2019 Prohibited Investments list, in accounts subject to the PFIA divestiture requirements. Due to their initial appearance on the Prohibited Investments list this quarter, these holdings are subject to divestment no later than June 3, 2020.

Holdings as of:	Company	Number of Shares	Market Value as of 3/31/2019
03/31/2019	AVIC INTERNATIONAL HOLDINGS LT	50,000	$31,338
03/31/2019	FACC AG	19,361	$281,309
03/31/2019	SIEMENS AG	454,201	$48,929,360
03/31/2019	SIEMENS GAMESA RENEWABLE ENERGY	62,936	$1,003,128
03/31/2019	SIEMENS HEALTHINEERS AG	95,269	$3,974,040

Summary of Progress, SBA Investment Manager Engagement Efforts

On August 20, 2007, the SBA sent letters to external investment managers notifying them of the Act and informing them of new contract language that would enforce their cooperation with the requirements of the new law.

On September 19, 2007, the SBA sent letters to all affected managers outlining the list of prohibited securities for any future purchases. The letter described the SBA's engagement process with companies on the list, which affords companies a 90-day period in which to comply with the conditions of the law or clarify their activities. The letter directed these managers to cease purchase of securities on the list and to await the direction of the SBA for any divestment necessary in the event engagement fails, with a deadline for divestment under the law of September 18, 2008.

On September 19, 2007, the SBA sent letters to actively-managed, indirectly held funds holding scrutinized securities, including managers of the defined contribution program, asking the funds to review the list of scrutinized securities and consider eliminating such holdings from the portfolio or create a similar fund, devoid of such holdings, per the requirements of the law.

Each quarter, the SBA sends written and electronic notification to all affected managers about the list of prohibited companies.

The SBA has received responses noting our concerns in writing and by phone from several of the contacted managers.

Listing of All Publicly Traded Securities (Including Equity Investments)

Due to the large number of individual securities and the volume of information, this list has been electronically posted to the SBA's website and is updated quarterly. A list of all publicly traded securities owned by the State of Florida can be found within the PFIA information section of the SBA's website. Please observe the electronic report's notes page for important clarifying explanations of included data.

Section 2: Prohibited Investments by the SBA, Companies that Boycott Israel
Section 215.4725 F.S.

Summary

In 2016, the SBA was directed by state law to create a "scrutinized companies" list, composed of companies that participate in a boycott of Israel including actions that limit commercial relations with Israel or Israeli-controlled territories in a discriminatory manner. The SBA is prohibited from acquiring direct holdings of the companies on this list. The law requires the SBA to use best efforts in identifying companies that boycott Israel, publish the list on a quarterly basis, send written notice to the companies, engage with the SBA's external managers concerning holdings of the companies on the list, and publish a list of the SBA's directly-held securities and certain other information detailed below. Note, Section 215.4725 F.S. applies only to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

Primary Requirements of Section 215.4725 F.S.

1. **Identification of companies**
   As required by statute, the SBA will make best efforts to identify all scrutinized companies in which the SBA has indirect or direct holdings or possibly could have holdings in the future. The SBA reviews publicly available information, including from NGOs, non-profits, government entities and research firms. SBA staff is also frequently in contact with other institutional investors regarding anti-BDS efforts. Since the law went into effect, SBA staff has communicated with several stakeholder groups in our efforts to learn more about individual company activities and determine whether they meet the criteria of the Florida statute.

   SBA contracts with external research providers to obtain information on companies that are potentially engaging in BDS activities, and SBA staff incorporates the information in making a final determination of scrutinized status based on Florida statute. External research providers sell their research to a variety of subscribers, and they do not compile their lists specific to Florida law. The SBA currently contracts with ISS-Ethix and MSCI. Companies that use ESG investment policies in a broadly-applied manner are generally not considered by SBA to be acting in a "discriminatory manner" toward Israel.

   Using various information sources, the SBA has developed two separate categorizations of a company's status for consideration under this law.

   "Scrutinized" — Information provided by an external research provider, publicly available information or information from the company itself or another reliable source indicates that a company meets the classification of a Scrutinized Company as defined by Florida law.

   "Continued Examination" — Information suggests but does not clearly demonstrate that a company's activities are a boycott of Israel. The SBA is unable to definitively categorize the company's activities as scrutinized without further research to resolve the ambiguity. For companies classified as "Continued Examination," the SBA will begin an engagement process to clarify each firm's current business relationships.

   The following definitions are provided by Florida Statutes to assist in company identification:

   "Scrutinized companies" means companies that boycott Israel or engage in a boycott of Israel.

   "Boycott Israel" means refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. A statement by a company that it is participating in a boycott of Israel, or that it has initiated a boycott in response to a request for a boycott of Israel or in compliance with, or in furtherance of, calls for a boycott of Israel, may be considered by the State Board of Administration to be evidence that a company is participating in a boycott of Israel. The term does not include restrictive trade practices or boycotts fostered or imposed by foreign countries against Israel.

"Direct holdings" are company securities held directly by the SBA or accounts in which SBA owns all interest (such as non-commingled funds).

"Indirect holdings" are company securities that are held in collective investment with other investors, such as commingled funds and mutual funds.

2. Publish and reporting

By the first meeting of the Trustees of the SBA after August 1, 2016, the SBA will publicly release the "Scrutinized Companies that Boycott Israel List" and thereafter provide quarterly updates of the list based on evolving information and events.

The SBA shall file a report with each member of the Board of Trustees of the SBA, the Speaker of the Florida House of Representatives, and the President of the Florida Senate within 30 days after the list is created and shall make the report publicly available. At each quarterly trustee meeting thereafter, the SBA shall file a publicly available report to these persons. The quarterly reports will include:

a. A summary of correspondence with companies engaged by the SBA as required above.
b. All prohibited investments (Scrutinized Companies list).
c. Any progress made with respect to requests of SBA's external managers to remove scrutinized companies from indirect holdings or create similar funds devoid of such holdings.
d. A list of all publicly held securities held directly by the SBA.

Actions taken in compliance with this section must be adopted and incorporated into the Investment Policy Statement as provided in Section 215.4725, F.S.

3. Engagement

SBA is required to determine the companies on the Scrutinized Companies list in which the SBA has direct or indirect holdings. For each company newly identified after August 1, 2016, the public fund shall send a written notice informing the company of its scrutinized company status and that it may become subject to investment prohibition by the public fund. The notice must inform the company of the opportunity to clarify its activities regarding the boycott of Israel and encourage the company to cease the boycott of Israel within 90 days in order to avoid qualifying for investment prohibition.

If, within 90 days after the public fund’s first engagement with a company pursuant to this paragraph, the company ceases a boycott of Israel, the company shall be removed from the Scrutinized Companies that Boycott Israel List, and the provisions of this section shall cease to apply to that company unless that company resumes a boycott of Israel.

4. Prohibition

The SBA may not acquire directly held securities of companies on the Scrutinized Companies list. The SBA is not required to divest of existing holdings. Indirect holdings are exempt from the prohibition (such as commingled accounts, index funds and mutual funds). However, SBA will submit letters to the managers of such investment funds which hold companies from the Scrutinized Companies list requesting that they consider removing the companies from the fund or creating a similar fund devoid of such holdings. SBA shall replace applicable investments in the similar fund devoid of such holdings in an expedited timeframe subject to prudent investing standards if the manager complies with such a request.

Exchange-traded funds are also exempted from the prohibition, without the requirement to contact the fund management.

A cessation of the investment prohibition is allowed if the fund has evidence that the assets under management become equal or less than 99.50% of the hypothetical fund value assuming no investment prohibition had occurred. This must be reported to the parties listed in "reporting" below and updated semiannually for the cessation to be authorized.

Table 9: Scrutinized Companies that Boycott Israel

New companies on the list are shaded and in bold. (No companies were added to the list this quarter)

Scrutinized Company that Boycotts Israel	Country of Incorporation	Date of Initial Scrutinized Classification
Cactus SA	Luxembourg	August 2, 2016
Betsah Invest SA	Luxembourg	August 2, 2016
Betsah SA	Luxembourg	August 2, 2016
Co-operative Group Limited	United Kingdom	September 26, 2017
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	Turkey	August 2, 2016
# of Companies that Boycott Israel	5	

The following company was **removed** from the **Scrutinized Companies that Boycott Israel List** during the quarter:

Removed Company	*Country of Incorporation*
Airbnb Inc	***United States***

On November 19, 2018, Airbnb published a memo concerning their business activities in Israel titled "Listings in Disputed Regions". Airbnb concluded that they would be removing listings in the occupied West Bank as a result of the company's case-by-case approach for accepting listings in disputed regions. On April 9, 2019, the company announced they have rescinded the policy, so Airbnb has been removed from the Scrutinized list in accordance with Florida law.

Table 10: Continued Examination Companies that Boycott Israel

New companies on the list are shaded and in bold. (No companies added this quarter.)

Continued Examination Company: Israel	Country of Incorporation
No companies are on the continued examination list at this time.	

Table 11: Correspondence & Engagement Efforts

In accordance with Section 215.4725, F.S., the SBA began to engage companies on the Scrutinized Companies that Boycott Israel and Continued Examination lists. The SBA sent letters to each company per the requirements of the law. Each company's response and classification status is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Status
Cactus SA	No	Remains on scrutinized list
Betsah Invest SA	No	Remains on scrutinized list
Betsah SA	No	Remains on scrutinized list
FreedomCall Ltd	Yes, November 4, 2016	Removed from scrutinized list
Co-operative Group Ltd	No	Remains on scrutinized list
Cooperative Group Gomersall	No	Removed from scrutinized list
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	No	Remains on scrutinized list
U2u Consult NV	Yes, December 29, 2016	Removed from scrutinized list
Danske Bank	Yes, multiple dates	Removed from continued examination list
Dexia	Yes, multiple dates	Removed from continued examination list
Aldi	No	Removed from continued examination list
ASN Bank NV	No	Removed from continued examination list
HEMA BV	No	Removed from continued examination list
Karsten Farms	No	Removed from continued examination list
Airbnb	Yes, multiple dates	Removed from Scrutinized list

Section 3: Investments in Publicly Traded Companies Operating in Northern Ireland (Section 215.4702 F.S.)

Summary

The SBA is subject to s. 215.4702, Florida Statutes (F.S.) ("MacBride Principles"), which directs the SBA to notify publicly traded companies of support for the MacBride Principles, inquire regarding the actions a company has taken in support of or furtherance of the MacBride Principles, and encourage publicly traded companies with certain business operations in Northern Ireland to adopt the MacBride Principles. In addition, the SBA will also demonstrate support for the MacBride Principles through its proxy voting authority.

Requirements of the Law

As defined by the Northern Ireland statute, "publicly traded company" is any business organization having equity securities listed on a national or an international exchange that is regulated by a national or an international regulatory authority. In addition, "operating" is defined as actively engaging in commerce geographically in Northern Ireland through the acquisition, development, maintenance, ownership, sale, possession, lease, or operation of equipment, facilities, personnel, products, services, or personal property.

Publishing and Reporting

In making the determination specified in subsection (2) of 215.4702, F.S., the SBA may, to the extent it deems appropriate, rely on available public information, including information provided by nonprofit organizations, research firms, international organizations, and government entities.

The SBA is encouraged to determine which publicly traded companies, in which the Florida Retirement System Trust Fund is invested, operate in Northern Ireland. If the SBA determines that a publicly traded company meets such criteria, it is encouraged to engage with the company and determine its support for the MacBride Principles. SBA staff annually reviews the list of companies that meet the definition of publicly traded companies operating in Northern Ireland, and periodically engages those firms.

Update on Investments in Publicly Traded Companies Operating in Northern Ireland.

Since the initial mailing of letters to listed companies identified in the SBA's portfolio, staff has received written responses from 18% of engaged companies. Staff also periodically receives phone calls requesting clarification of information regarding the MacBride Principles. Staff will continue to track letter responses annually and demonstrate support for the MacBride Principles as identified in 215.4702 Florida Statutes.

Section 4: Companies Operating in Cuba or Syria (Section 215.471 F.S.)

Summary

The Free Cuba Act of 1993 was passed by the Florida Legislature in accordance with federal law. Chapter 215.471 of the Florida Statutes prohibits the SBA from investing in: (1)(a) any institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, doing business in or with Cuba, or with agencies or instrumentalities thereof in violation of federal law; and (1)(b) any institution or company domiciled outside of the United States if the President of the United States has applied sanctions against the foreign country in which the institution or company is domiciled. Section (2)(a) states the SBA may not be a fiduciary with respect to voting on, and may not have the right to vote in favor of, any proxy resolution advocating expanded U.S. trade with Cuba or Syria.

Requirements of the Law

In order to comply with this law, the U.S. State Department and/or the Treasury Department's Office of Foreign Assets Control (OFAC) are contacted periodically to confirm that no sanctions have been implemented. Since the Act's inception, sanctions have never been issued against any country. During the fiscal year ending June 30, 2017, there were no shareowner proposals related to expanding trade with Cuba or Syria.

Section 5: Companies Operating in Venezuela

During the 2018 session, the Florida Legislature passed HB 359, prohibiting certain investments related to the Venezuelan government. The bill was signed into law by Governor Rick Scott and is effective July 1, 2018.

> Florida Statute, 215.471 now requires that:
>
> The State Board of Administration shall divest any investment under s. 121.151 and ss. 215.44-215.53, and is prohibited from investment in stocks, securities, or other obligations of:
>
> (c)1. Any institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, doing business in or with the government of Venezuela, or with any agency or instrumentality thereof, in violation of federal law. The term "government of Venezuela" means the government of Venezuela, its agencies or instrumentalities, or any company that is majority-owned or controlled by the government of Venezuela.
> 2. The Governor may waive the requirements of this paragraph if the existing regime in Venezuela collapses and there is a need for immediate aid to Venezuela before the convening of the Legislature or for other humanitarian reasons as determined by the Governor.
>
> Florida Statute 215.472 addresses state agencies and requires that:
>
> Notwithstanding any other provision of law, each state agency, as defined in s. 216.011, is prohibited from investing in: (3)(a) Any financial institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States which, directly or through the United States or foreign subsidiary, extends credit of any kind or character, advances funds in any manner, or purchases or trades any goods or services with the government of Venezuela, or any company doing business in or with the government of Venezuela, in violation of federal law. The term "government of Venezuela" means the government of Venezuela, its agencies or instrumentalities, or any company that is majority-owned or controlled by the government of Venezuela.
> (b) The Governor may waive the requirements of this subsection if the existing regime in Venezuela collapses and there is a need for immediate aid to Venezuela before the convening of the Legislature or for other humanitarian reasons as determined by the Governor.

On August 16th, 2017, the Trustees of the State Board of Administration set forth a resolution condemning the oppression of the Venezuelan citizens under the current regime and set language to be included in the State Board of Administration's Investment Policy Statement (Florida Retirement System Defined Benefit Plan) upon review of the Investment Advisory Council, and in accordance with s.215.475(2) Florida Statutes. The resolution included the following:

1. Prohibited Investments. Until such time as the SBA determines it is otherwise prudent to do so, the SBA is prohibited from investing in:
   (a) any financial institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, which directly or through a United States or foreign subsidiary and in violation of federal law, makes any loan, extends credit of any kind or character, advances funds in any manner, or purchases or trades any goods or services in or with the government of Venezuela; and
   (b) any securities issued by the government of Venezuela or any company that is majority-owned by the government of Venezuela.

2. Proxy Voting. The SBA will not vote in favor of any proxy resolution advocating the support of the Maduro Regime in Venezuela.

For more information, please contact:

State Board of Administration of Florida (SBA)
Investment Programs & Governance
1801 Hermitage Blvd., Suite 100
Tallahassee, FL 32308
www.sbafla.com

or send an email to:
governance@sbafla.com

State Board of Administration FY 2019-20 Proposed Budget

SBA Operations

FRS Investment Plan

Florida Hurricane Catastrophe Fund

Division of Bond Finance

Florida Prepaid College Board

June 4, 2019

SBA Proposed Budget FY 2019-20
State Board of Administration

SBA – Introduction

- Constitutionally-Created Investment Management Organization
  - $204 billion total assets under management; 26 separate mandates
  - Largest mandate is the $159.4 billion FRS Pension Fund
  - Administers the FRS Investment Plan and the Florida Hurricane Catastrophe Fund
- Not funded from General Revenue
- Division of Bond Finance and Florida Prepaid College Board are administratively housed, but report to separate boards
- Operating Budget
  - Must be annually approved by the Trustees
  - SBA Operating, FRS Investment Plan, Florida Hurricane Catastrophe Fund, Division of Bond Finance and Florida Prepaid College Board are presented separately herein

SBA Proposed Budget FY 2019-20
State Board of Administration

Summary of Budgets

Budget Entity	Proposed Budget	% Increase
SBA Operating	$50,618,730	6.4%
FRS Investment Plan	$30,085,201	2.9%
Florida Hurricane Catastrophe Fund	$8,778,138	6.0%
Division of Bond Finance	$5,573,292	2.5%
Florida Prepaid College Board	$26,171,333	17.55%

SBA Operating Budget

June 4, 2019

SBA Proposed Budget FY 2019-20

SBA Budget Detail By Line Item

Description	Fiscal Year 2018-2019	Fiscal Year 2019-2020	% Change
FTE	**202.75**	**202.75**	
Salary & Benefits	**$30,848,636**	**$32,779,500**	**6.3%**
Salary Subtotal	**$22,667,698**	**$23,857,698**	**5.2%**
Salaries	19,257,698	20,217,698	
Recruitment & Retention Rate	960,000	800,000	
Leave Liability Payments & Incentive Reserve	2,375,000	2,765,000	
Moving Expense Stipend	75,000	75,000	
Benefit Subtotal	**$8,180,938**	**$8,921,802**	**9.1%**
Social Security	1,655,353	1,793,836	
Retirement	2,410,160	2,647,263	
Health Insurance	3,808,994	4,162,190	
Life insurance	9,451	9,838	
Disability Insurance	8,396	9,093	
Dental Insurance	288,583	299,582	
Other Personal/Contractual Srvcs	**$10,068,465**	**$11,353,231**	**12.8%**
Temporary Employment	169,500	139,000	
Other Contractual Services	9,898,965	11,214,231	
Expense	**$6,420,187**	**$6,249,339**	**-2.7%**
Repairs & Maintenance	1,314,590	1,251,300	
Rental of Building/Equipment	2,218,115	2,450,594	
Travel	1,072,698	1,008,140	
Training	134,583	211,226	
SBA Group Training/Employee Reimburse	211,323	224,395	
Communications	259,700	325,200	
Freight & Postage	70,000	50,000	
Insurance & Surety Bonds	182,200	87,200	
Ofc Materials/Supplies/Equipment	576,246	240,770	
Other Charges & Obligations	331,233	355,514	
Printing	39,500	35,000	
Unemployment Compensation	10,000	10,000	
Other Capital Outlay	**$241,500**	**$236,660**	**-2.0%**
Network Security/IT Equipment	241,500	236,660	
TOTALS	**$47,578,788**	**$50,618,730**	**6.4%**

Notes:

- Salaries – budget includes (a) Recruitment & Retention amount (4% of salaries) pursuant to IAC-approved compensation methodology mitigating human capital risk, and (b) adjustment to incentive reserve and leave liability balances to account for one-time payouts due to retirement eligibility (incentive reserve) and retirement (leave liability).

- Benefits – 9.1% ($0.7M) increase driven by health insurance premium increase, social security cap increase, and adjusted retirement contribution rates adopted during the 2019 Legislative session.

- Other Personal/Contractual Services – 12.8% ($1.3M) increase driven by non-recurring expenditures relating to robotic process automation, 24/7 managed information security services, and cloud architect and migration services.

- Expense – 2.7% ($0.2M) decrease driven by deferred maintenance and reduction in insurance expenditures.

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

FRS Investment Plan

Proposed FY 2019-20 Budget

June 4, 2019

FRS Investment Plan Total Budget

FRS INVESTMENT PLAN/ODCP

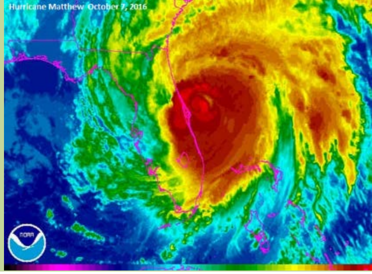
Description	Fiscal Year 2018-2019	Fiscal Year 2019-2020	% Change
FTE	7	7	
Salaries & Benefits	**$1,273,737**	**$1,325,694**	**4.1%**
Salary Subtotal	**$975,342**	**$1,008,356**	**3.4%**
Salaries	786,040	825,342	
Recruitment & Retention	39,302	33,014	
Leave Liability Payments & Incentive Reserve	150,000	150,000	
Benefits Subtotal	**$298,396**	**$317,338**	**6.3%**
Social Security	71,716	75,777	
Retirement	78,279	99,743	
Health Insurance	137,557	131,863	
Life insurance	301	301	
Disability Insurance	289	302	
Dental Insurance	10,255	9,352	
Other Personal/Contractual Srvcs.	**$22,621,068**	**$23,101,913**	**2.1%**
Temporary Employment	20,000	20,000	
Other Contractual Services	22,601,068	23,081,913	
Expense	**$142,000**	**$171,800**	**21.0%**
Repairs & Maintenance	2,000	2,000	
Rental of Building/Equipment	60,000	60,000	
Travel	42,750	42,150	
Agency Directed Training	0	4,400	
Insurance & Surety Bonds	1,250	1,250	
Ofc Materials/Supplies/Equipment	4,000	4,000	
Other Charges & Obligations	11,000	37,000	
Printing	21,000	21,000	
Other Capital Outlay	**$7,000**	**$7,000**	**0.0%**
IT Equipment	7,000	7,000	
Total Proposed Operating Budget	**$24,043,805**	**$24,606,407**	**2.3%**
Projected Spending from Forfeiture Account*	**5,190,843**	**5,478,794**	**5.5%**
TOTAL INVESTMENT PLAN BUDGET	**$29,234,648**	**$30,085,201**	**2.9%**

* The SBA is requesting authority to spend up to the amount in forfeiture funds realized, which may be more or less than the $5,478,794 estimated for 2019-20. To the extent actual forfeiture funds realized differs from the amount estimated, the difference will be spent from or retained in the operating budget as the case may be.

NOTES:

- Salaries - budget includes Recruitment & Retention amount (4% of salaries) to mitigate human capital risk as well as to fully fund potential incentive reserve and leave expenses for retiring/ terminating staff.
- Benefits - 6.3% ($19K) increase is due to increased employer retirement contribution rates adopted during the 2019 Legislative session.
- Other Personal/Contractual Services - 2.1% ($0.5M) increase is driven primarily by additional cost of increased investment plan membership stemming from change in default enrollment legislation.
- Expense - 21% ($30K) increase is primarily due to increase MyFRS user identity protection services.

SBA FLORIDA STATE BOARD OF ADMINISTRATION



Florida Hurricane Catastrophe Fund

Proposed FY 2019-20 Budget

June 4, 2019

Florida Hurricane Catastrophe Fund
Budget Detail By Line Item

Description	Fiscal Year 2018-2019	Fiscal Year 2019-2020	% Change
FTE	13	14	
Salaries & Benefits	**$1,943,956**	**$2,042,112**	**5.0%**
Salary Subtotal	**$1,425,066**	**$1,480,621**	**3.9%**
Salaries	1,267,968	1,382,366	
Recruitment & Retention Rate	63,398	53,255	
Leave Liability Payments	93,700	45,000	
Benefit Subtotal	**$518,890**	**$561,491**	**8.2%**
Social Security	101,302	105,343	
Retirement	153,780	160,345	
Health Insurance	244,541	275,029	
Life insurance	648	691	
Disability Insurance	476	476	
Dental Insurance	18,142	19,607	
Other Personal/Contractual Srvcs	**$5,876,216**	**$6,266,215**	**6.6%**
Temporary Employment	31,120	31,120	
Other Contractual Services	5,845,096	6,235,095	
Expense	**$449,887**	**$460,811**	**2.4%**
Repairs & Maintenance	500	500	
Rental of Building/Equipment	101,133	111,094	
Travel (excl Methodology Commission)	97,200	97,200	
Agency Directed Training	10,750	10,750	
Methodology Commission Travel	211,054	211,054	
Insurance & Surety Bonds	2,000	2,963	
Ofc Materials/Supplies/Equipment	11,500	11,500	
Other Charges & Obligations	8,950	8,950	
Printing	6,800	6,800	
Other Capital Outlay	**$9,000**	**$9,000**	**0.0%**
IT Equipment	9,000	9,000	
TOTAL BUDGET	**$8,279,059**	**$8,778,138**	**6.0%**

NOTES:

- Total Proposed Operating Budget of $8.8M is $0.5M higher (6.0%) than FY2018-19. It assumes no major storms triggering new losses in FY 2020.
- Total Budget is less than 1% of projected annual insurer contract premiums charged by the FHCF to fund operations.
- Salary budget increase includes Recruitment & Retention amount (4% of salaries) to mitigate human capital risk.
- Benefits - 8.2% ($43K) increase reflects increased insurance costs and retirement contribution rates adopted during the 2019 Legislative session.
- Other Personal/ Contractual Services - 6.6% ($0.4M) increase due to cost of claims exams for Hurricanes Irma and Michael, cost of external audits due to review of losses and costs for modeling used in ratemaking, anticipated increase in the number of approved modelers.
- Expense 2.4% ($11K) increase driven primarily by building rent increase.
- Requesting 1 position; see next slide.

SBA Proposed Budget FY 2019-20
State Board of Administration

<u>Operations Support Specialist – FHCF (1 FTE)</u>

- Cost - $51,000 salary; $81,198 with benefits
- Justification
  - Increasing demands on existing staff
    - Hurricanes Irma and Michael significantly increased audit and claims paying activity, and is expected to persist through commutation period (next 3 – 5 years)
    - New Legislative requirement for development of Flood Standards and review of flood models
    - Fund expects as many as four FTEs to retire over the next three years, further increasing work load and succession management risk

SBA Proposed Budget FY 2019-20
State Board of Administration

Operations Support Specialist – FHCF (1 FTE) Continued

- Decision to in source is based on cost avoidance and risk reduction
  - Fund is paying on average approximately $45M in claims per week
  - In-sourcing avoids as much as $377,050 per year in terms of alternative cost of outsourcing claims management and flood model review as much as 47.5 hours per week of activity to outside consultants at average rate of $180 per hour.
  - Addition of one FTE will assist in managing increased activity and workloads, will ensure continued attention to detail and controls, will continue to reduce risk of payment error, enhance vendor management and assist in the implementation of an ACH payment process.

Division of Bond Finance

Proposed FY 2019-20 Budget

June 4, 2019

Division of Bond Finance
Budget Detail By Line Item

Description	Fiscal Year 2018-2019	Fiscal Year 2019-2020	% Change
Salaries & Benefits (17 FTE)	**$2,828,055**	**$2,913,719**	**3.0%**
Salary Subtotal	**$2,162,900**	**$2,243,593**	**3.7%**
Salaries*	1,787,905	1,877,300	
Recruitment & Retention Rate	89,395	75,092	
Leave Liability Payments & Incentive Reserve	285,600	291,201	
Benefits Subtotal	**$665,155**	**$670,126**	**0.7%**
Social Security	151,198	150,190	
Retirement	214,016	219,224	
Health Insurance	279,460	279,867	
Life insurance	730	730	
Disability Insurance	601	625	
Dental Insurance	19,151	19,490	
Moving Expenses	0	0	
Contractual Srvcs	**$2,196,776**	**$2,145,797**	**-2.3%**
Temporary Employment	60,600	61,200	
Other Contractual Services	2,136,176	2,084,597	
Expense	**$382,257**	**$437,276**	**14.4%**
Repairs & Maintenance	9,200	11,000	
Rental of Building/Equipment	190,067	211,040	
Travel	67,000	67,000	
Training & Development	0	7,500	
Communication	67,620	69,660	
Freight/Postage	6,000	6,000	
Insurance & Surety Bonds	3,177	3,177	
Ofc Materials/Supplies/Equipment	16,115	33,390	
Other Charges & Obligations	9,589	12,084	
Printing	13,490	16,425	
Other Capital Outlay	**$28,000**	**$76,500**	**173.2%**
Furniture/Equipment/Books	28,000	76,500	
TOTALS	**$5,435,088**	**$5,573,292**	**2.5%**

* Amount includes Director compensation update based on the Mercer 2018 Compensation Review and Recommendations, as set forth in Appendix II, which will be implemented through the normal SBA budgetary processes.

NOTES:

- Proposed Budget of $5.57M represents an increase of $138,204 (2.5%) over the FY 2018-19 Budget.
- Budget is based on 26 potential transactions—the same number of transactions as in FY 2018-19 Budget.
- No new positions requested. Salary budget includes Recruitment & Retention salary rate of $75,092 (4%) to mitigate human capital risk.
- Contractual Services - $50,979 decrease due to reduced bond counsel and ratings agencies fees.
- Expenses and Other Capital Outlay - $103,518 increase resulting from increased rent and modernization of workspace and filing systems.

SBA FLORIDA STATE BOARD OF ADMINISTRATION

Florida Prepaid College Board
Proposed FY 2019-20 Budget
June 4, 2019

Florida Prepaid College Board Budget Detail By Line Item

Description	Fiscal Year 2018-2019	Fiscal Year 2019-2020	% Change
Salaries & Benefits (20 FTE)	**$2,887,644**	**$3,029,240**	**4.90%**
Salary Subtotal	**$2,122,564**	**$2,205,604**	**3.91%**
Salaries	1,976,858	2,076,005	
Recruitment & Retention Rate	99,147	83,040	
Leave Liability Payments & Incentive Reserve	46,559	46,559	
Benefit Subtotal	**$765,080**	**$823,636**	**7.65%**
Social Security	142,915	150,744	
Retirement	212,680	259,703	
Health Insurance	379,966	382,238	
Life insurance	902	902	
Disability Insurance	630	691	
Dental Insurance	27,987	29,358	
Other Personal Services	**$19,000,807**	**$22,765,632**	**19.81%**
Temporary Employment	36,000	36,000	
Other Contractual Services	18,964,807	22,729,632	
Expense	**$335,361**	**$335,361**	**0.00%**
Repairs & Maintenance	5,000	5,000	
Rental of Building/Equipment	135,250	135,250	
Travel	40,740	40,740	
Communications	73,500	73,500	
Freight & Postage	4,705	4,705	
Insurance & Surety Bonds	15,000	15,000	
Ofc Materials/Supplies/Equipment	10,666	10,666	
Other Charges & Obligations	10,000	10,000	
Printing	40,500	40,500	
Other Capital Outlay	**$41,100**	**$41,100**	**0.00%**
Furniture/Equipment/Books	41,100	41,100	
TOTALS	**$22,264,912**	**$26,171,333**	**17.55%**

NOTES:

- The proposed budget of $26.2M represents a 17.55% increase from the FY 2018-19 budget.
- $83,040 (4% of Salaries) increase in Recruitment & Retention, to mitigate human capital risk, and a $58,556 (7.65%) increase in Benefits, to reflect higher insurance, social security, and retirement contribution costs projected for 2019.
- $3,764,825 (19.81%) increase in Other Personal Services:
    - $3,714,655 for Records Administration costs. New contract effective July 1st updates 10 year old pricing and provides for security audits, system enhancements and an option to purchase a fully autonomous instance of vendor's production environment.
    - $50,170 for Investment Consultant costs. New contract effective July 1st will update 10 year old pricing.
- Contingent Budget addresses potential need for the Board to purchase records administration software.

Contingent Budget

Under its proposed contract for records administration services, the Florida Prepaid College Board (Board) will have the right to purchase a non-exclusive, perpetual, fully paid, and royalty free license to records administration software during FY 2019-20. If the Board approves the purchase, the Board is approved an additional $8.1M in nonrecurring budget authority for the cost of the software, hardware, and implementation.

SBA FLORIDA STATE BOARD OF ADMINISTRATION

APPENDIX I

Authority & Governance

- State Board of Administration
- FRS Investment Plan
- Florida Hurricane Catastrophe Fund
- Division of Bond Finance
- Florida Prepaid College Board

Additional FRS & SBA Information

State Board of Administration

Authority & Governance

The original State Board of Administration (SBA) was created by statute in 1929 as the fiscal agent for counties and special road and bridge districts for the purpose of paying debt service on their bonds. The SBA was later established as a constitutional body corporate in 1942 by Section 16 of Article IX of the 1885 Constitution of the State of Florida, for the purpose of administering the Second Gas Tax for the benefit of Florida counties and county road bonds. As a result of a constitutional amendment, effective January 2003, the Governor as chairman, the Chief Financial Officer, and the Attorney General serve as the three-member body corporate, collectively known as the Board of Trustees.

The Trustees have statutory authority to invest assets and discharge their duties in accordance with the limitations on investments as outlined in section 215.47, Florida Statutes, and in compliance with certain federal fiduciary standards of loyalty, care and prudence that are incorporated into sections 121.4501(15), 215.44(2)(a) and 215.27(10), Florida Statutes. The Trustees appoint the Executive Director & Chief Investment Officer (CIO), review his/her performance and compensation on an annual basis, establish broad policy guidelines (e.g., Investment Policy Statements) and delegate the daily administrative and investment authority to the SBA Executive Director & Chief Investment Officer, who is held to the same fiduciary standards as the Trustees. On February 9, 2012 the role of the SBA Chief Risk & Compliance Officer was codified through Investment Policy Statements approved by the Trustees. The SBA Executive Director & CIO appoints the Chief Risk & Compliance Officer, whose selection, compensation, and termination requires affirmation by the Board. An Investment Advisory Council (IAC) appointed by the Trustees provides advice on investment policy and strategy, and a Participant Local Government Advisory Council (PLGAC) provides advice on the administration of Florida PRIME (formerly known as the Local Government Investment Pool).

Section 215.44(2), Florida Statutes provides for an Audit Committee appointed by the Trustees to assist them in fulfilling oversight responsibilities, serving as an independent and objective party to monitor processes for financial reporting, internal controls, risk assessment, audit processes, and compliance with laws, rules, and regulations, plus directing the efforts of the Board's independent external auditors and the Board's internal audit staff. The Chief Audit Executive reports functionally to the Audit Committee and administratively to the SBA Executive Director & CIO. The SBA Executive Director & CIO authorizes salary changes for the Chief Audit Executive in consultation with the Audit Committee. In addition to the oversight of the Trustees and various advisory groups, the SBA is subject to review by the Auditor General of Florida, Office of Program Policy Analysis & Government Accountability, Office of Internal Audit, Office of Inspector General, Chief Risk & Compliance Office, and the Florida Legislature. The Florida Legislature provides for the operational flexibility required to meet the SBA's specialized responsibilities and fiduciary duties, relative to other public entities. The SBA is not funded by general revenue, has a measurable bottom line and benchmarks against which success and accountability can be assessed.

Primary Purpose

The SBA fulfills a critical role for the State of Florida as a multi-asset class investment management organization investing and safe-guarding assets on behalf of trust funds and a variety of state and local government entities. The SBA manages multiple investment funds housing the assets of 26 mandates and trusts. A mandate is an investment responsibility established as a direct requirement of Florida law. Trusts are investment responsibilities allowed under law and established pursuant to a trust agreement with a client. The SBA invests in all major public and private market asset classes, including U.S. and international stocks and bonds, inflation-protected securities, direct-owned real estate, private equity limited partnerships, and other opportunistic and strategic investments.

Major asset management responsibilities include:

- The FRS Pension Plan trust fund, one of the world's largest and financially healthiest public pension funds.
- The FRS Investment Plan, a defined contribution 401(k)-like alternative to the FRS Pension Plan (originally created under the 2000 Public Employee Optional Retirement Program [PEORP] legislation).
- Florida PRIME (formerly the Local Government Investment Pool), a money market pool with primary investment objectives, in priority order, of safety, liquidity, and competitive returns with minimization of risks. All units of local government in Florida may invest their surplus operating funds in Florida PRIME.

- Investment of the operating funds and other financial resources of the Florida Hurricane Catastrophe Fund and related entities.
- The Lawton Chiles Endowment Fund (LCEF), which originated from tobacco litigation settlement monies as a perpetual source of enhanced funding for Florida health maintenance and research programs related to tobacco use.

Additional responsibilities that do not directly involve asset management include:

- Providing retirement planning support to approximately 649,000 active members of the Florida Retirement System through the MyFRS Financial Guidance Program originating under the 2000 PEORP legislation.
- Administering the Florida Hurricane Catastrophe Fund (FHCF) and its associated programs, including the SBA Finance Corporation and the Insurance Capital Build-up Program.
- Serving as an investment consultant to retirement programs administered by other state agencies including the State of Florida Deferred Compensation Program and State University Optional Retirement Program.
- Administering all debt service funds for bonds issued pursuant to the State Bond Act, as well as serving as trustee and escrow agent for bonds issued by the Division of Bond Finance.
- Providing administrative support for the Division of Bond Finance and the Florida Prepaid College Board Programs.
- Providing administrative support to the Audit Committee, Investment Advisory Council, and Participant Local Government Advisory Council.

Operational Structure

The Executive Director & Chief Investment Officer and staff (202.75 total FTE) manage the day to day operations of the SBA. The SBA Executive Director & CIO approves compensation for all employees (unless otherwise stipulated herein) pursuant to authority granted in Florida Administrative Code Rule 19-3.016. The SBA staff consists primarily of executive, investment, financial/accounting, operational, and administrative professionals focused on safeguarding and prudently growing the assets of the FRS Pension Plan and the other assets entrusted to it over the long-term. The SBA is committed to providing superior investment and trust services while adhering to the highest ethical, fiduciary and professional standards of care.

Budget Entities

The SBA Operating Budget includes resources to perform functional responsibilities for all but the following programs, which have their own budgets and underlying funding sources:

- FRS Investment Plan
- Florida Hurricane Catastrophe Fund
- Division of Bond Finance (Reports to other Boards)
- Florida Prepaid College Board (Reports to other Boards)

Florida Retirement System (FRS) Investment Plan

Authority & Governance

The 2000 Florida Legislature created the FRS Investment Plan within the Florida Retirement System (FRS). The Investment Plan (operationally referred to as the Office of Defined Contribution Programs) is administered by the State Board of Administration (SBA) and is governed by the Trustees pursuant to Section 121.4501(8), F.S. The Legislature established the Investment Plan Trust Fund in Section 121.4502, F.S.

Primary Purpose

The Office of Defined Contribution Programs serves two primary purposes for the state:

1) The FRS Investment Plan. This is the 401(a) defined contribution plan that employees may choose in lieu of the FRS Pension Plan (the traditional defined benefit plan) or the default plan enrollment for employees that do not make an active choice by their enrollment deadline. Investment Plan benefits accrue in individual member accounts that are participant-directed, portable, and funded by employee and employer contributions and earnings. The Office of Defined Contribution Programs is also responsible for the FRS retirement plan choice enrollments.

2) The MyFRS Financial Guidance Program. These are the educational resources that support employees' choice between retirement plans and provide approximately 640,000 employees with the information necessary to make informed decisions about choices within their Plan and in preparation for retirement.

Operational Structure

The Office of Defined Contribution Programs, which includes FRS Investment Plan administrative costs and the Financial Guidance Program costs, are budgeted and accounted for separately from the SBA operating budget. Beginning its 18th full year of operations (including the initial choice period in FY 2002-2003), the SBA has been responsible for the day-to-day management of the Investment Plan and the MyFRS Financial Guidance Program within the Office of Defined Contribution Programs. The Office of Defined Contribution Programs is operationally supported by employer contribution rates adopted each fiscal year by the Florida Legislature and “forfeited account balances” accumulated in the Forfeiture Account. FRS Investment Plan expenses for recordkeeping, asset custody and educational services can be paid out of the Forfeiture Account, consistent with SBA policy and IRS requirements.

Under subsections 121.4501(6), Florida Statutes, balances are forfeited by members who take a distribution of their vested balance (which in turn forfeits the unvested balance) or terminate employment with an unvested balance and do not return to FRS employment within five years. The enacting legislation [HB 2393, found at Ch. 2000-169, Laws of Florida] required the SBA to obtain a “favorable determination letter and a favorable private letter ruling from the Internal Revenue Service.” The May 4, 2001 private letter ruling requires that the use of forfeited amounts be limited to two purposes: a) Payment of plan administrative expenses; and b) Reduction of future employer contributions to the plan. The Forfeiture Account Policy (#20-1255) states the SBA will “endeavor to annually expend the proceeds of the Forfeiture Account to pay authorized plan administrative expenses and reduce future employer contributions to the FRS Investment Plan, consistent with applicable federal and state regulation, rule and law.”

The SBA has partnered with external service providers for the majority of Investment Plan and Financial Guidance Program functions. Daily oversight and monitoring of external relationships to ensure compliance with contractual obligations, general contract administration, management of programs subject to goals and objectives established by the Trustees, and program compliance with applicable state and federal laws is performed by 7 FTE, including the Chief of Defined Contribution Programs.

Florida Hurricane Catastrophe Fund

Authority and Governance

The Florida Hurricane Catastrophe Fund (FHCF) is a tax-exempt trust fund created in November 1993 during a Special Session of the Legislature in the aftermath of Hurricane Andrew. The FHCF was created in Section 215.555, Florida Statutes with the purpose of improving the availability and affordability of property insurance in Florida by providing reimbursements to insurers for a portion of their catastrophic hurricane losses. Also included in provisions of Section 215.555 is the creation of a not for profit public benefit corporation, known as the State Board of Administration Finance Corporation governed by the Board of Directors. The FHCF is under the direction and control of the State Board of Administration (SBA), guided by the same trustee leadership of the Governor, Chief Financial Officer, and Attorney General. A nine-member Advisory Council (consisting of an actuary, a meteorologist, an engineer, a representative of insurers, a representative of insurance agents, a representative of reinsurers, and three consumers who are representative of other affected professions and industries) was established to provide the SBA with information and advice.

Funding for the administration of the FHCF is provided for in Section 215.555, Florida Statutes. Financing for the FHCF is obtained from a combination of three sources: 1) reimbursement premiums charged to participating insurers, 2) investment earnings, and 3) emergency assessments levied against all property and casualty lines of business in the state, including surplus lines, but excluding workers' compensation, federal flood, accident and health insurance, and medical malpractice premiums. Monies in the FHCF may not be expended, loaned, or appropriated except to pay obligations of the FHCF from reimbursement contracts entered into under subsection (4), payment of debt service on revenue bonds issued under subsection (6), costs of the mitigation program under subsection (7), costs of procuring reinsurance, and costs of administration of the FHCF. The SBA invests the monies of the FHCF pursuant to Sections 215.44-215.52, Florida Statutes. Earnings from all investments are retained in the FHCF except for monies appropriated for mitigation which is limited to 35% of investment earnings and a minimum of $10 million annually.

Primary Purpose

The purpose of the FHCF is to protect and advance the State's interest in maintaining insurance capacity in Florida. The FHCF program fulfills a unique and critical role for the state of Florida by serving as a state-administered reinsurance type of program and is mandatory for residential property insurers writing covered policies in the state of Florida. The FHCF functions in a public-private partnership type of role with insurers, which preserves the private sector's role as the primary risk bearer. Insurers who write residential property insurance on structures and contents in Florida are required to enter into a reimbursement contract with the SBA, to report their exposures, to pay premiums, and to report losses by calendar year-end or at other times as required by the SBA. The FHCF provides very economical coverage for insurers writing residential insurance in the state. The cost of FHCF coverage is less than the cost of private reinsurance due to the FHCF's tax-exempt status, low administrative costs, and lack of a profit or risk-load. In the event of insufficient funds to meet obligations under the reimbursement agreements, the State Board of Administration Finance Corporation has the ability to issue tax-exempt revenue bonds. The FHCF is obligated to pay losses to participating insurers only to the extent of the FHCF's actual claims-paying capacity up to a statutory limit for any single contract year.

Operational Structure

The Chief Operating Officer of the Florida Hurricane Catastrophe Fund manages the day-to-day operations of the FHCF, assisted by staff (13 total FTE). The FHCF staff manages substantial program responsibilities with additional support from external service providers. Responsibilities include, but are not limited to, proposing legislation; responding to legislative requests; implementing legislation; rulemaking; providing information to participating insurers; conducting insurer training workshops; managing and executing the Exposure and Claims Examination Program; processing and approving loss reimbursement payment requests; finalizing all claims and losses through a commutation process; determining bonding capacity; issuing tax-exempt revenue bonds; collecting emergency assessments pledged to debt service; raising capital in the financial markets to increase claims paying ability; evaluating risk transfer options; executing risk transfer agreements; staffing the activities of the State Board of Administration Finance Corporation including complying with the covenants of all outstanding Bonds and Notes; preparing financial statements and revenue projections; coordinating the activities of a number of external service providers; meeting and discussing policy issues with the FHCF Advisory Council; staffing the Florida Commission on Hurricane Loss Projection Methodology, which determines and develops the standards and the review process that is the basis for evaluating hurricane models used in residential ratemaking in Florida; and administering the SBA Insurance Capital Build-up Incentive Program.

Division of Bond Finance

Authority and Governance

Statutory authority for the Division of Bond Finance is provided for in the state Constitution (primarily Articles VII and XII, the State Bond Act (s.215.57-215.83, Florida Statutes), the Bond Validation Act (chapter 75, Florida Statutes) and various implementing sections of the Florida Statutes. The Division of Bond Finance (the "Division") was transferred to the State Board of Administration from the Department of General Services on July 1, 1992. The Division is organized into three sections that report to a Division Director, who in turn reports to a governing board consisting of the Governor and Cabinet. The three sections are Legal, Bond Programs, and Arbitrage Compliance.

Primary Purpose

The mission of the Division is to provide capital financing on behalf of state agencies typically by issuing tax-exempt bonds. The proceeds of these bonds are used to finance schools, state office buildings, roads, bridges, prisons and to acquire environmentally sensitive land. Additional Division responsibilities include structuring and conducting bond sales; collecting, maintaining and disseminating information on tax-exempt bonds issued by units of local government; administering the Private Activity Bond Allocation Program as required by federal law; coordinating the continuing annual disclosure of information relating to bonds that it issues; and monitoring tax- exempt securities it issues for compliance with federal arbitrage laws.

Operational Structure

The Division manages the Bond and Arbitrage Compliance programs with 17 FTE, including the Division Director. Fifteen of the positions are allocated to the Legal and Bond Program functions within the Division, operationally supported by the Bond Fee Trust Fund. The legal staff performs a wide range of legal services for the Division, and bond program staff performs the financial and analytical services for new and refunding bond issues. Two positions are allocated to the Arbitrage section, operationally supported by the Arbitrage Compliance Trust Fund. The Arbitrage staff is responsible for monitoring bonds issued by the Division for compliance with federal arbitrage regulations in accordance with the 1986 Tax Reform Act.

Revenue for Division programs is derived from fees charged to each state agency requesting services related to the sale of bond issues and fees collected in relation to the Arbitrage Compliance Program. Fees are charged in accordance with a schedule of fees adopted by the Division as required by Florida Statutes. Fees are deposited into the Bond Fee Trust Fund to support Legal and Bond Program operations and the Arbitrage Compliance Trust Fund to support the Arbitrage Program operations.

Florida Prepaid College Board

Authority and Governance

Sections 1009.97-1009.984, Florida Statutes, establish the Florida Prepaid College Board ("Board") as a corporate body with all the powers to administer the Stanley G Tate Prepaid College Program ("Prepaid Program") and the Florida College Savings Program ("Savings Plan"). For purposes of Article IV of the State Constitution, the Board is assigned to and, administratively housed within, the State Board of Administration (SBA), but independently exercises the powers and duties specified in the statutes.

The seven member Board is composed of the Attorney General, the Chief Financial Officer, the Chancellor of the Board of Governors, the Chancellor of the Division of Florida Colleges, or their designees, and three members appointed by the Governor. Each member appointed by the Governor serves 3-year terms and is subject to confirmation by the Senate.

Primary Purpose

The Florida Prepaid College Board is committed to helping Floridians save for higher education expenses. The Board offers plans under both the Prepaid Program and the Savings Plan to help families save for the various costs of attending college.

The Prepaid Program became operational in 1988 and allows Florida families to prepay the cost for college tuition, most required fees, and dormitory housing for their children and grandchildren. When the families' children or grandchildren attend college, the Board will pay the Florida public college or university the actual fees assessed by the institution at the time of admission. Should the student elect to attend a private college, an out-of-state college, or an eligible technical school, the Board will pay the value of the student's plan at the time of admission.

The Savings Plan was implemented in 2002, following federal enactment of Section 529 of the Internal Revenue Service Code. The Savings Plan allows families to defer income taxes on investment earnings, and if the earnings are used for qualified education expenses, the earnings are tax-free. Families may choose to invest in any of eleven customized investment options and decide how much and how often they want to save for college. The funds accumulated in each family's account can be used for any qualified college expense including tuition, fees, housing, books, food and even graduate or professional school, in Florida or out-of-state.

Organization Overview

The Board establishes policy and actively oversees the investment and financial performance of the programs. The Board has authorized 20 FTE, including the Executive Director, to oversee the day-to-day operations of the Board and its programs.

In order to perform its responsibilities in the most effective and efficient manner, the Board contracts with various organizations to provide professional support services for both of its programs, including actuarial services, investment management services, records administration services, financial services and legal services. The Board's operational costs are funded by investment earnings and fees; it does not receive State general revenue to fund its general and administrative expenses.

APPENDIX II

Division of Bond Finance

- 2018 Mercer Recommendation
- Position Description
- 2019 SBA Grades

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Ash Williams
Executive Director and CIO
Florida State Board of Administration
1801 Hermitage Blvd # 100, Tallahassee, FL 32308

May 1, 2018

Dear Mr. Williams,

Mercer has been recently engaged by the Division of Bond Finance to assess the compensation grade positioning of the its positions within the current SBA compensation structure. As you may be aware, these jobs are currently slotted into the existing SBA structure, however, this slotting was not based on a competitive market study, specific to the Bond Finance jobs. The purpose of engaging Mercer was to add more rigor to the grade selection and positioning process for the positions within the Division of Bond Finance.

We have provided a recommendation to the Director of the Division of Bond Finance, Mr. Ben Watkins, relative to eight positions within the Division, excluding his own position. We conducted a similar study for Mr. Watkin's position and have crafted this letter with our thoughts and recommendations.

In assessing the appropriate compensation and positioning within the SBA structure, many factors must be considered, including external market competitiveness, internal equity, and the budgetary realities that a given organization may face. We must first separate the incumbent from the job to assess the value of a job itself, and only once that range is established should we opine on the appropriateness of compensation for a given individual. At that juncture, factors such as tenure, individual performance, institutional knowledge etc. are taken into account to determine individual compensation levels.

Perhaps the most challenging factor for a position like the head of the Division of Bond Finance is assessing the external market value for the position. As you are aware, this is a unique role, not only within the State of Florida, but also more broadly across the country, as many other states outsource a significant portion of the responsibilities that are owned by the Director of the Division of Bond Finance of Florida.

MARSH & McLENNAN
COMPANIES

Mercer has developed a two-prong strategy for assessing market compensation for the Director of the Division of Bond Finance:

1) an assessment of roles in the private, for-profit banking sector, and;
2) an assessment of executive roles within a not-for-profit context.

The rationale for the first approach is that this market most closely reflects the duties and responsibilities for this role. The rationale for the second approach is that there is also a large overlap in the types of responsibilities of the role (although perhaps less directly related to the world of finance) however the financial constraints in which most non-for-profit organizations work within, share similarities to that of the SBA.

Our assessment of the private market returned market rates that are likely out of reach for the SBA and the state of Florida. A lending executive in Mercer's benchmark database had a market base salary median of $370,000 with a target annual bonus of $163,000. While there is significant overlap in terms of the skills and knowledge required between this type of role and the Director's role, it is our perspective that a compensation package of this magnitude would be untenable from both from an internal equity perspective at the SBA as well as a public perception in the state of Florida. Simply put: government agencies generally cannot compete with private, for-profit companies when it comes to pay levels for senior executives.

Our assessment of the not-for-profit market for an executive position with similar operational scope yielded a base salary with a median of $246,000 and the survey did not provide information on annual incentive compensation.

Our Recommendations

Slotting the job within the SBA Compensation Structure
We recommend taking the more conservative market reference point we believe to be appropriate in order to balance the need for internal equity and to acknowledge the realities of being a government-related organization. Based on that approach, i.e. targeting base pay range at the non-for-profit reference point, we would advise moving the Director position into a Grade 15, or one grade higher than where it is currently slotted.

Managing incumbent compensation
The purpose for having a minimum, midpoint, and maximum for a job is to differentiate incumbent compensation based on what the individual brings the organization. Long-tenured, high-performing incumbents should be managed at the higher end of a given range, while less experienced and average performance would be managed lower in the salary range. Given Mr. Watkins' long tenure of leading the Division of Bond Finance for more than 20 years, and his history of strong performance ratings from the

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Florida Cabinet, Mr. Watkins' compensation should be managed at or above his grade midpoint. Mercer would recommend a salary positing between the midpoint and maximum of Grade 15, but not below the midpoint. The existing incentive structure is in alignment with the incentive opportunities available for similarly graded positions at SBA. As such, we would not recommend any change to the incentive opportunity.

Sincerely,

Jon Mason
Mercer

State Board of Administration

Position Description

Position Number:	00000105
Position Title:	Dir of Div of Bond Finance
Department:	700 - Bond Finance - Revenue
Current Incumbent:	Watkins III,J. Ben
Wage Class:	Executive
Salary Grade:	015
Hrs/Wk:	
Annual Salary/Eff. Date	$288,843 / July 1, 2019

Human Resources Use Only

Current Action: ____________

Effective Date: ____________

Last Revision Date: ____________

Job Responsibilities:

The Director of the Division of Bond Finance is responsible for the activities of the Division and general oversight of all Division staff. The Division of Bond Finance provides the financial, legal and marketing activities necessary for the issuance and sale of bonds for the State. In addition to performing financial analyses, structuring bond issues and conducting bond sales, the Division also collects, maintains, and disseminates information on municipal bonds issued by local governments in the State; prepares and files annual continuing disclosure information for each bond program required by SEC Rule 15c2-12; administers the Private Activity Bond Volume Cap Allocation as required by federal and state law; and is responsible for ensuring that all tax-exempt bonds issued by the State and its agencies comply with federal tax law requirements including arbitrage rebate and reporting.

The Division Director serves and assists the Governor and Cabinet by developing and coordinating the State's debt policies and managing the issuance and sale of State bonds. The Division Director also advises, develops and recommends legislative changes to existing statutes related to financing programs and drafts/proposes statutory frameworks for creating new financing programs for the State. The Division Director is also responsible for creating procedures necessary for regulatory compliance with federal tax and securities laws for state debt programs.

Oversees debt issuance for the State and related entities
- Directs the Division of Bond Finance in determining the timing, structuring and cost effectiveness of bonds issued for the State
- Plans and develops proposed bond issues in coordination with other agencies, including formulating detailed financing plans
- Analyzes the State's debt portfolio to identify refunding opportunities and refinance bonds when economically feasible and minimum threshold savings targets are met
- Obtains approval by Governor and Cabinet of all State bond issues
- Directs actions of outside professions, such as underwriters, financial advisors, and bond counsel, in connection with the issuance of State debt
- Supervises drafting of documents necessary to authorize and issue State bonds including disclosure documents for the offer and sale of bonds
- Supervises closing activities and documents necessary to issue and deliver bonds on behalf of the State

Oversees compliance with State debt management policies
- Develops and implements prudent and responsible debt management policies for the State, University System and other related entities
- Oversees preparation of State Debt Affordability Report annually and presents to Governor and Cabinet and legislative leadership/committees

Communicates and Coordinates with Division of Bond Finance Board and Policymakers
- Advises policymakers on debt and financial management issues in municipal finance industry and markets
- Keeps Governing Board and Cabinet Aides fully informed on relevant issues on a regular basis

Maintains and enhances the State's reputation in credit markets
- Communicates proactively with rating agencies, credit analysts, bondholders/investors and other market participants
- Maintains an investor relations website to provide relevant credit information to credit analysts, investors and the marketplace
- Ensures disclosure information and offering documents are in compliance with federal securities laws and consistent with disclosure best practices

Supports staff development and training to provide technical expertise, knowledge and experience required to execute the Division's duties
- Develops/maintains in-house expertise needed to efficiently execute bond sales while minimizing transaction costs
- Encourages staff to collaborate with coworkers and Division Director to ensure efficient and effective bond sales

- Provides direction and guidance to senior staff to implement articulated goals and objectives
- Anticipates needs/problems, plans accordingly for future developments/sets goals, and plans for achieving them.

Serves as an advocate for the Division and maintains profile and integrity of the Division
- Serves as an active participant in professional associations in the municipal finance arena
- Advocates for preserving the federal tax exemption for interest on municipal bonds and the exemption from Securities and Exchange Commission registration for bonds sold by state and local government issuers

Supervises drafting of proposed statutory or constitutional amendments to implement legislation relating to bond programs

Oversees Division's budget preparation and adoption by Governor and Cabinet

Performs other duties, as necessary, to carryout Division's responsibilities

Job Requirements:

A bachelor's degree from an accredited college or university in finance, accounting, economics, business, or a related field and ten years of related professional experience, with five years of the related experience in a supervisory role.

Preferences:
- Juris Doctor, Master of Business Administration or master's degree in finance, accounting, economics, or a related field

Knowledge, Skills and Abilities:
- Thorough knowledge of Florida legislative and governmental processes and procedures, and State laws affecting debt issuance
- Thorough knowledge of State, federal and securities laws applicable to issuance of municipal bonds
- Strong leadership skills
- Intermediate level Microsoft Office skills
- Strong verbal and written communication skills
- Excellent problem and potential problem identification ability
- Ability to adapt to changing priorities and methods/functions for issuing and selling bonds
- Ability to analyze information and formulate workable solutions under stressful circumstances
- Demonstrates ability to develop expertise in new areas, and apply new information to enhance effectiveness
- Ability to attract and retain staff with the necessary expertise to carry out the Division's objectives
- Analytical ability to deconstruct complex financial transactions and financing proposals
- Expertise in public finance field, especially bond programs or debt management

Employees must abide by the rules, procedures, and policies of the State Board of Administration.

The Division of Bond Finance (DBF) is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the DBF will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

1. Physical Demands: Primarily sedentary in nature with lifting of approximately 10 pounds with occasional lifting of small objects; sitting, standing, walking, talking, hearing, keyboarding.

2. General Requirements: Must be capable of executing all terms and conditions set forth in the SBA policies and procedures manual, including, but not limited to:

    a. Works in a safety conscious manner, ensuring that safe work practices are used in order not to pose a risk to self or others in the workplace.

    b. Complies with SBA policies and procedures which include local, state, and federal regulations.

    c. Interacts in a tactful, diplomatic, and humanistic manner with supervisors, guests/visitors, and co-workers.

    d. Maintains confidentiality of necessary information.

State Board of Administration

Position Description

e. Performs any miscellaneous work assignments as may be required.

f. Maintains a dependable attendance record.

Supervisor's Position Number:	00000105	**Supervisor's Title:**	Dir of Div of Bond Finance

Subordinate Position Number	**Subordinate Title**
00000115	Chief of Staff
00000110	General Counsel - DBF
00000123	Deputy Director

1. I certify that these are the duties for the position as stated above (initial if position is VACANT):

________ ________________________________ ________

Initial Immediate Supervisor Date

2. These duties and Section 1:General Skills and Abilities of the Employee Performance Appraisal have been explained to me and I understand them completely.

Signature of Incumbent Date

3. These duties have been reviewed and are in accordance with agency guidelines and procedures.

________________________________ ________

Human Resources Representative Date

SBA Pay Plan

Proposed Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential	Min as % Mid	Max as % Mid
1	$24,000	$30,000	$36,000	50%	-	80%	120%
2	$27,600	$34,500	$41,400	50%	15%	80%	120%
3	$31,700	$39,700	$47,600	50%	15%	80%	120%
4	$36,800	$46,000	$55,200	50%	16%	80%	120%
5	$42,700	$53,400	$64,100	50%	16%	80%	120%
6	$49,500	$61,900	$74,300	50%	16%	80%	120%
7	$57,400	$71,800	$86,100	50%	16%	80%	120%
8	$66,600	$83,300	$99,900	50%	16%	80%	120%
9	$77,300	$96,700	$116,000	50%	16%	80%	120%
10	$89,700	$112,200	$134,600	50%	16%	80%	120%
11	$107,600	$134,500	$161,400	50%	20%	80%	120%
12	$129,100	$161,400	$193,700	50%	20%	80%	120%
13	$154,900	$193,700	$232,400	50%	20%	80%	120%
14	$185,900	$232,400	$278,900	50%	20%	80%	120%
15	$223,100	$278,900	$334,700	50%	20%	80%	120%
16	$267,700	$334,700	$401,600	50%	20%	80%	120%
17	$416,000	$520,000	$624,000	50%	55%	80%	120%
PM1	$76,000	$95,000	$114,000	50%	-	80%	120%
PM2	$95,500	$129,000	$162,400	70%	36%	74%	126%
PM3	$127,500	$184,900	$242,300	90%	43%	69%	131%
PM4	$185,000	$268,300	$351,500	90%	45%	69%	131%