

FLORIDA RETIREMENT SYSTEM PENSION PLAN AND OTHER STATE ADMINISTERED SYSTEMS

FY 2020-21 | Annual Comprehensive Financial Report



Smathers Beach



FLORIDA RETIREMENT SYSTEM PENSION PLAN AND OTHER STATE ADMINISTERED SYSTEMS

FY 2020-21

Annual Comprehensive Financial Report



Clearwater Beach

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Ron DeSantis, Governor
J. Todd Inman, Secretary

This report has been prepared by the Department of Management Services Division of Retirement.

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INTRODUCTORY SECTION



Daytona Beach

December 22, 2021

Letter of Transmittal

Dear Members:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the state retirement systems administered by the Department of Management Services, Division of Retirement (Division). This annual report covers the period from July 1, 2020, through June 30, 2021. It includes the operations and financial status of the state retirement systems administered by the Division, a summary description of the retirement plans, investment objectives and policy, actuarial reports, and historical and statistical information on active members, annuitants and benefit payments. This transmittal letter is designed to complement the Management Discussion and Analysis (MD&A) in the Financial Section of this report and should be read in conjunction with it.

State-Administered Retirement Systems Profile

The state-administered retirement systems include three separate defined benefit pension plans: the Florida Retirement System (FRS) Pension Plan, the Retiree Health Insurance Subsidy Program, and the Florida National Guard Supplemental Retirement Plan; two separate defined contribution retirement plans: one for state senior managers and one for specified staff of the State University System; general revenue funded pensions; and funding to certain local government plans. The FRS is the fourth largest state retirement system that provides retirement, disability or death benefits to 440,307 retirees or their designated beneficiaries and 31,655 Deferred Retirement Option Program (DROP) participants and offers a wide range of information services to 635,266 active non-retired members. The FRS offers members a choice between the Pension Plan (a defined benefit plan) and the Investment Plan (a defined contribution plan). FRS participation is required by all state, county, district school board, state college and state university employers with optional participation offered to cities, charter schools, metropolitan planning districts and special districts. As of June 30, 2021, the FRS had 985 participating employers enrolling new members and 44 participating employers closed to new FRS membership with grandfathered FRS members.

Participation in non-integrated defined contribution plan alternatives to the FRS are provided to specified State University System employees through the State University System Optional Retirement Program and state senior managers through the Senior Management Service Optional Annuity Program. General revenue funded pensions include a retirement benefit to retirees of the Florida National Guard. The Florida National Guard Supplemental Retirement Benefit Program is accounted for separately as a stand-alone pension plan. Oversight is provided to local government pension plans with premium tax collections distributed to eligible municipal police and firefighter plans.

Economic Condition

All FRS assets are invested under the authority and direction of the State Board of Administration (SBA). The primary investment objectives for the FRS Pension Plan are to provide investment returns sufficient to ensure timely payment of promised benefits and keep plan costs at a reasonable level. The portfolio consists of a highly diversified asset mix of investments, which includes government and corporate bonds, common stocks, income-producing real estate, alternative investments and short-term money market instruments.

As of June 30, 2021, the market value of assets for the FRS Pension Plan was approximately \$199.6 billion, net of related liabilities, as detailed in the Investment Section. This reflects a 29.46 percent annualized investment return. The fiduciary net position as of June 30, 2021, was \$202.1 billion, a 25.1 percent increase over the previous year. The FRS Pension Plan is 96.4 percent funded on a Governmental Accounting Standards Board Statement No. 67 reporting basis.

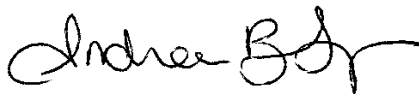
Since the benefit payments are not all immediately payable, the SBA can maintain a long-term investment strategy. This approach, along with a well-diversified investment portfolio, helps weather periods of volatility in the investment markets.

Awards and Recognition

The FRS was awarded the Public Pension Coordinating Council's Public Pensions Standards Award for Funding and Administration in 2021. This award recognizes plans that meet professional standards for plan funding and administration in categories such as benefits, actuarial valuations, financial reporting and communications to members.

The Department of Management Services, Division of Retirement prepared this report. To the best of our knowledge, the enclosed data is accurate in all material respects and reported in a manner designed to fairly present the financial position and operations of the state-administered retirement systems. We created this report to provide complete and reliable information to members of these systems, the Governor, the Florida Legislature and the citizens of Florida. We continue to work to make the state-administered retirement systems cost effective and managed for the benefit of active and retired members.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrea B. Simpson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Andrea B. Simpson
Interim State Retirement Director

MANAGEMENT STAFF

The Division of Retirement manages Florida's state-administered retirement systems. The Governor appoints the Secretary of the Department of Management Services who appoints the State Retirement Director. The following individuals are involved in managing the state-administered retirement systems:



Todd Inman
Secretary



Katie Parrish
Deputy Secretary of Workforce
Operations



Vacant
Retirement Director



Andrea Simpson
Interim Retirement Director and
Deputy Director – Technology
and Support Services



Shirley Beauford
Deputy Director – Member
Services



Garry Green
Retirement Policy Administrator



Jessica Hollingsworth, Chief
Bureau of Research, Education,
and Training



Valerie Reglat, Chief
Bureau of Business Support
Services



Jason Beard, Chief
Contact Center



Kathy Gould, Chief
Bureau of
Retirement Calculations



Keith Brinkman, Chief
Bureau of Local
Retirement Systems

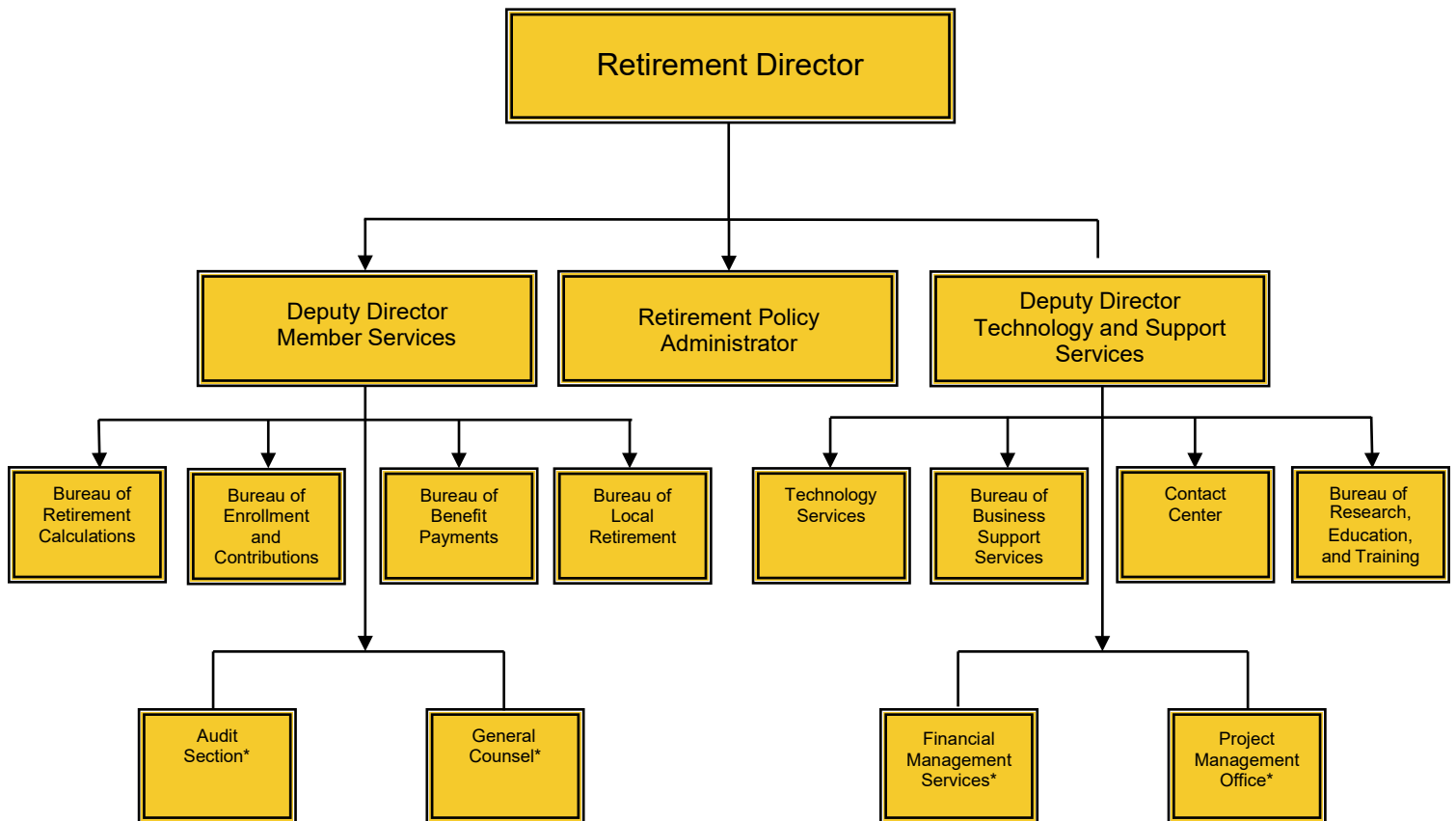


Joyce Morgan, Chief
Bureau of Enrollment
and Contributions



Kelly Recio, Chief
Bureau of
Benefit Payments

ADMINISTRATIVE ORGANIZATION
As of June 30, 2021



*Positions Managed at Department Level

Mailing Address

Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32315-90000

CONSULTING SERVICES

Actuary

Milliman, Inc., Consultants and Actuaries
Portland, Oregon

Information Technology

22nd Century
Tallahassee, Florida

Investment

State Board of Administration
Tallahassee, Florida

TERMS AND ABBREVIATIONS

This annual report contains the following terms and abbreviations:

ABO – Accumulated Benefit Obligation.

Accumulated Contributions – The total amount of contributions posted to the accounts of active members over their employment career, including interest on the contributions for members of the Teachers' Retirement System.

Active Member – Any employee on the May or June payroll who had not retired or had not been refunded accumulated contributions as of June 30.

ADC – Actuarially Determined Contribution.

AFC – Average Final Compensation.

Annualized Benefits – The monthly benefit paid on June 30 multiplied by 12.

Annual Payroll – The total salaries paid during the fiscal year to the members indicated.

Annuitant – Retired person or the survivor of a retired person who is receiving monthly benefits.

AVA – Actuarial Value of Assets.

ACFR – Annual Comprehensive Financial Report.

COLA – Cost-of-Living Adjustment.

Combined Systems – Teachers' Retirement System, State and County Officers and Employees' Retirement System, Highway Patrol Pension Trust Fund, Judicial Retirement System, and the Florida Retirement System since 1970.

Division – Division of Retirement, Department of Management Services.

DMS – Department of Management Services.

DROP – Deferred Retirement Option Program.

FRS – Florida Retirement System.

REGULAR – Regular Class.

SPECIAL RISK – Special Risk Class.

SPECIAL RISK ADM. SUP. – Special Risk Administrative Support Class.

EOC – Elected Officers' Class.

SMSC – Senior Management Service Class.

FRS DB Plan – Florida Retirement System Defined Benefit Plan, also known as the Florida Retirement System Pension Plan.

FRS DC Plan – Florida Retirement System Defined Contribution Plan, also known as the Florida Retirement System Investment Plan.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board.

HIS – Health Insurance Subsidy.

IFAS – Institute of Food and Agricultural Sciences.

JRS – Judicial Retirement System.

MVA – Market Value of Assets.

National Guard – Florida National Guard Supplemental Retirement Benefit Program.

NPL – Net Pension Liability – The difference between the total pension liability of the system and the assets.

TERMS AND ABBREVIATIONS (continued)

OPEB – Other Postemployment Benefits.

Retirees – Retired members (includes joint annuitants or survivors).

SBA – State Board of Administration.

SCCSORP – State Community College System Optional Retirement Program.

SCOERS – State and County Officers and Employees' Retirement System.

SMSOAP – Senior Management Service Optional Annuity Program.

SUSORP – State University System Optional Retirement Program.

TRS – Teachers' Retirement System.

TRS-SB – Teachers' Retirement System Survivor Benefits.

UAL – Unfunded Actuarial Liability – The difference between the plan's actuarial value of assets and the actuarial value of liabilities as of the measurement date.



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2021***

Presented to

Florida Retirement System Pension Plan

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script, reading 'Alan H. Winkle'.

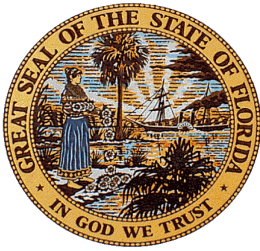
Alan H. Winkle
Program Administrator

FINANCIAL SECTION



Fort Myers Beach

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the fiduciary funds, governmental fund, and governmental activities of the Florida Retirement System Pension Plan and Other State-Administered Systems (System) administered by the Florida Department of Management Services, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the assets and investment income of the Florida Retirement System Defined Benefit Plan which represent 98.8 percent of the assets and 92.3 percent of the additions of the Florida Retirement System Defined Benefit Plan as reported on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position, respectively. Those assets and additions were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Florida Retirement System Defined Benefit Plan, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary funds, governmental fund, and governmental activities of the System, as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Florida Retirement System Pension Plan and Other State-Administered Systems and do not purport to, and do not, present fairly the financial position of the State of Florida as of June 30, 2021, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Management's Discussion and Analysis, the ability of the current statutory contribution rate to pay full Retiree Health Insurance Subsidy Program benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements on the amount of payroll on which the statutory rate is charged. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis** on pages 20 through 26, the **Required Supplementary Schedules of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Schedule of Money-Weighted Rate of Return, Schedule of Proportionate Share of the State's Total OPEB Liability, and related Notes to Required Supplementary Information** on pages 90 through 103, and **required budgetary information** on pages 104 through 106, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Introductory Section on pages 7 through 14, the Investment, Actuarial, Statistical, and System Summary Sections on pages 109 through 202, and the Schedule of Administrative Expenses on page 108, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The Schedule of Administrative Expenses has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the Schedule of Administrative Expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory, Investment, Actuarial, Statistical, and System Summary Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 22, 2021
Audit Report No. 2022-076

Management's Discussion and Analysis

Management's Discussion and Analysis provides an overview of the financial activities of the state-administered retirement systems and the fund for local government pension plans administered by the Florida Department of Management Services' Division of Retirement (division) for the fiscal year ended June 30, 2021. This section should be read in conjunction with the financial statements and other information provided in this Annual Comprehensive Financial Report (ACFR).

The Florida Retirement System (FRS) Pension Plan is the primary retirement plan administered by the division. It is a section 401(a), Internal Revenue Code, qualified cost-sharing, multiple-employer defined benefit plan for participating public employers and their covered employees. In addition to the FRS Pension Plan, the division administers several smaller plans and other retirement activities, including the:

- Retiree Health Insurance Subsidy (HIS) Program, a supplemental benefit provided to eligible FRS retirees that is treated as a defined benefit plan for reporting purposes;
- State University System Optional Retirement Program (SUSORP), a section 403(b), Internal Revenue Code, qualified defined contribution plan for faculty, members of the State University System Executive Service, and administrative and professional staff positions that are exempt from career service;
- Senior Management Service Optional Annuity Program (SMSOAP), a section 401(a), Internal Revenue Code, qualified defined contribution plan for state senior managers;
- Police and Firefighters' Premium Tax Trust Fund, a supplemental funding of defined benefit plans for municipal police officers and firefighters who are not in the FRS;
- Florida National Guard Supplemental Retirement (National Guard) Plan; and
- Various General Revenue funded pension programs.

The division's responsibilities include making benefit payments to retirees, collecting contributions to the plans and transmitting contributions to the State Board of Administration (SBA) and other third-party providers for investment, and directing actuarial studies. The SBA is responsible for, among other duties, investing defined benefit retirement fund assets consistent with statutory authority. The Florida Legislature is responsible for establishing plan structure, benefit levels and contribution rates, and providing statutory authority for the administration of the state-administered retirement systems.

Financial and Actuarial Highlights

Florida Retirement System (FRS) Pension Plan

The FRS Pension Plan represents 99.7 percent of the financial activity of the state-administered retirement systems. The following financial highlights relate specifically to the FRS Pension Plan:

- The overall financial position of the FRS Pension Plan increased during the year ended June 30, 2021; the fiduciary net position of the FRS Pension Plan increased to \$202.1 billion, an increase of \$40.5 billion, or 25.1 percent above fiscal year 2020. The increase in value was due primarily to investment returns. As detailed in the Investment Section, the market value of assets net of related liabilities for the FRS Trust Fund was \$199.6 billion. The FRS earned an overall investment return of 29.46 percent for fiscal year 2021, compared with a return of 3.08 percent for fiscal year 2020.
- The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially-determined accrued liability. As of July 1, 2021, the date of the latest actuarial valuation, the FRS' funded ratio was 83.4 percent on the valuation funding basis, as compared to 82.0 percent as of July 1, 2020. The funded ratio on the Governmental Accounting Standards Board (GASB) Statement No. 67 basis was 96.4 percent as of July 1, 2021, as compared to 78.9 percent in the prior year.
- Administrative expense of the plan for fiscal year 2021 totaled \$21.7 million as compared to \$21.6 million for fiscal year 2020. Administrative expenses reported on the Statement of Changes in Fiduciary Net Position for fiscal year 2021 include items such as personnel and professional service cost, communication cost, and other operating costs which include administrative overhead assessment charges and facilities rental expenses. For additional information on administrative expenses refer to the Schedule of Administrative Expenses located immediately following the Required Supplementary Information Section.

- Contribution revenue recognized from employees and employers during fiscal year 2021 totaled \$4.57 billion, an increase of 12.16 percent over the prior year. The employers continue to be required to pay the full unfunded actuarial liability (UAL) rates recommended by the plan's consulting actuary. A higher payroll base, primarily in local government employers, and higher employer contribution rates, account for the majority of the increase over the prior year.
- Pension benefits paid to retirees and beneficiaries during fiscal year 2021 increased 4.85 percent or \$0.5 billion more than fiscal year 2020 benefit payments, for a total of \$11.4 billion. These benefits include payouts to terminating participants of the Deferred Retirement Option Program before being added to the monthly payroll for benefit payments.
- Refunds of employee contributions increased by \$2.7 million in fiscal year 2021 to a total of \$21.6 million.
- The investment return assumption used in calculating the FRS Pension Plan's net pension liability for GASB 67 reporting purposes and the investment return assumption selected by the FRS Actuarial Assumption Conference and used for the funding policy was 6.80 percent. The system's consulting actuary determined the investment return assumption of 6.80 percent for GASB 67 reporting purposes to be reasonable and appropriate per Actuarial Standards of Practice. The consulting actuary prepared a depletion date projection and determined that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments. A description of the change in the investment return assumption for GASB 67 reporting purposes is provided in Note 4.A. of the financial statements. The depletion date projection is available in the 2021 GASB 67 Supplement to the FRS Actuarial Valuation on the division's website at www.frs.myflorida.com

Actuarial Valuations

- The FRS actuarial valuation was prepared as of July 1, 2021.
- The HIS actuarial valuation was prepared as of July 1, 2020, and update procedures were used to determine liabilities as of July 1, 2021.
- The National Guard actuarial valuation was prepared as of July 1, 2020, and update procedures were used to determine liabilities as of July 1, 2021.

Note 4, the Required Supplementary Information and the Actuarial Section of this report provide information on the net pension liability, key methods and assumptions used, and other required disclosures for each of the defined benefit plans.

Retiree Health Insurance Subsidy (HIS) Program

The HIS Program provides a health insurance subsidy payment to most retired employees and beneficiaries. The Florida Legislature sets the contribution rate for this program, which operates using a pay-as-you-go funding structure. Accumulated HIS assets as of the measurement date of July 1, 2021, constituted approximately ten months of projected benefit payments. The ability of the current statutory contribution rate to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

Florida National Guard Supplemental Retirement Benefit (National Guard) Plan

The National Guard Plan is a single-employer, non-qualified defined benefit pension plan established under Section 250.22, Florida Statutes. The monthly benefit is equal to the difference between fifty percent of the federal military pay table rate for the highest rank held while in the Florida National Guard and the reservist pension benefit received from the federal government for military service. The plan is funded by an annual appropriation from the General Revenue Fund.

Overview of the Financial Statements

As required by generally accepted accounting principles, the state administered retirement systems' financial statements consist of the following components: basic financial statements, notes to the financial statements and required supplementary information.

Basic Financial Statements

The systems' basic financial statements include the following elements as of and for fiscal year ended June 30, 2021:

- Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position - The pension plans report operations and fiduciary net position on a full accrual basis of accounting and a focus on economic resources. The Statement of Fiduciary Net Position reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources and resulting fiduciary net position, providing a measurement of the financial position of the funds as of the end of the fiscal year. The Statement of Changes in Fiduciary Net Position presents the results of operating activities in the fiduciary funds during the fiscal year and reflects the changes in resources available to provide future retirement benefits.
- Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - The Police and Firefighters' Premium Tax Trust Fund is a special revenue fund, reported as a governmental fund type using a modified accrual basis of accounting with a focus on current financial resources. The Balance Sheet reports the assets, liabilities and resulting fund balance as of the end of the fiscal year. The Statement of Revenues, Expenditures and Changes in Fund Balance presents the results of operating activities during the fiscal year and reflects the changes in resources available to provide the services administered by the division.
- Statement of Net Position and Statement of Activities – The Police and Firefighters' Premium Tax Trust Fund is converted to a government-wide perspective which reports on a full accrual basis of accounting and a focus on economic resources. The Statement of Net Position presents the assets, liabilities and resulting net position as of the end of the fiscal year. The Statement of Activities presents the results of operating activities during the fiscal year.
- Notes to the financial statements are an integral part of the financial statements. They are important to the reader's understanding of the statements and provide additional information on plan description, significant accounting policies, material account balances and activities, and related party transactions.

Required Supplementary Information

The following schedules and reconciliation are included to assist the reader by adding operational, economic, and historical context to the financial statements and notes to the financial statements.

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Schedule of Money-Weighted Rate of Return
- Budgetary Comparison Schedule
- Budget to GAAP Reconciliation
- Schedule of Proportionate Share of Total OPEB Liability

Other Supplementary Information

The Schedule of Administrative Expenses provides additional information not included in the basic financial statements, notes, or Required Supplementary Information.

Condensed Financial Statements and Overall Financial Analysis

Statements of Fiduciary Net Position / Net Position

These statements present the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the state-administered retirement funds as of the end of the fiscal year and are point-in-time financial statements. Table 1, below, presents the condensed Statements of Fiduciary Net Position / Net Position for the fiscal years ended June 30, summarizing the activities of the various retirement funds. The net position at the close of the fiscal year for all funds combined was \$202.7 billion, with the defined benefit plans comprising 99.9 percent of the total. Net position increased 25.0 percent from the previous year's total net position of \$162.2 billion.

Table 1: Condensed Statements of Fiduciary Net Position / Net Position

	Defined Benefit Plans		Defined Contribution Plans		Governmental Activities		TOTAL	
	As of June 30 (In thousands)							
	2021	2020	2021	2020	2021	2020	2021	2020
Cash and investments	\$208,198,974	\$166,315,442	\$17,091	\$16,341	\$282,588	\$277,189	\$208,498,653	\$166,608,972
Other assets	2,318,017	1,878,130	39	33	11,293	9,533	2,329,349	1,887,696
Total assets	210,516,991	168,193,572	17,130	16,374	293,881	286,722	210,828,002	168,496,668
Total deferred outflows of resources	2,204	2,586	136	56	219	76	2,559	2,718
Total liabilities	7,957,961	6,226,983	946	1,777	129,177	55,885	8,088,084	6,284,645
Total deferred inflows of resources	26,434	22,649	8,715	8,197	436	316	35,585	31,162
Fiduciary net position/net position	\$202,534,800	\$161,946,526	\$7,605	\$6,456	\$164,487	\$230,597	\$202,706,892	\$162,183,579

Statements of Changes in Fiduciary Net Position / Activities

These statements detail the changes in fiduciary net position/net position that occurred during the fiscal year. Table 2 presents the Condensed Statements of Changes in Fiduciary Net Position / Activities for the fiscal years ended June 30. Over time, increases and decreases in the fiduciary net position/net position measure whether the financial position of the state-administered retirement funds is improving or deteriorating. The total net position for all funds increased by \$40.5 billion during the fiscal year. The FRS Pension Plan accounts for 99.9 percent of the increase.

Table 2: Condensed Statements of Changes in Fiduciary Net Position / Activities

For the fiscal year ended June 30
(In thousands)

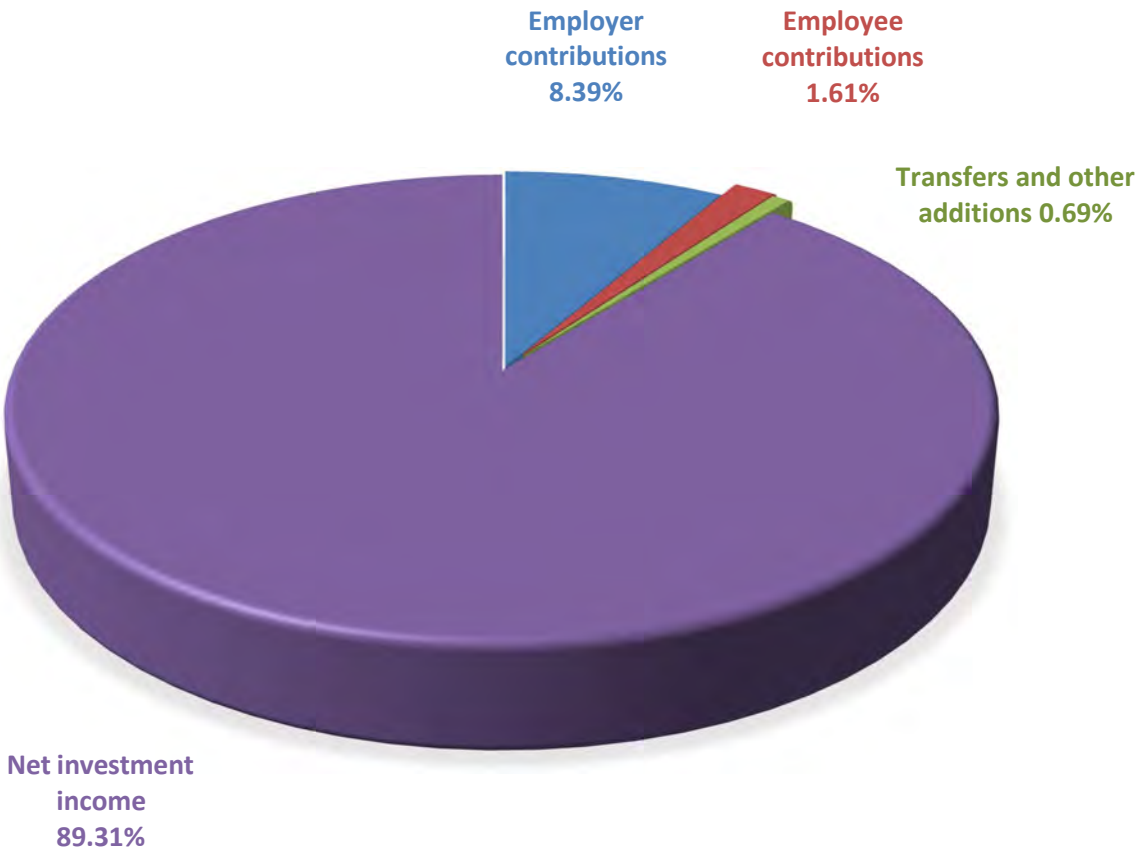
	Defined Benefit Plans		Defined Contribution Plans		Governmental Activities		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
Additions/Revenues								
Employer contributions	\$ 4,397,369	\$ 3,898,810	\$ 107,805	\$108,070	\$ -	\$ -	\$ 4,505,174	\$ 4,006,880
Employee contributions	756,585	748,824	108,830	105,220	-	-	865,415	854,044
Premium taxes	-	-	-	-	207,793	202,533	207,793	202,533
Transfers and other additions	160,588	108,405	210	208	502	-	161,300	108,613
Net investment income/(loss)	47,952,301	5,342,996	(197)	456	383	2,752	47,952,487	5,346,204
Total additions/revenues	53,266,843	10,099,035	216,648	213,954	208,678	205,285	53,692,169	10,518,274
Deductions/Expenses								
Benefit payments	11,966,297	11,428,378	-	-	-	-	11,966,297	11,428,378
Refunds of contributions	21,590	18,888	-	-	-	-	21,590	18,888
Payments to annuity companies	-	-	215,290	212,448	-	-	215,290	212,448
Distributions to cities	-	-	-	-	243,529	149,935	243,529	149,935
Administrative expenses	21,980	21,736	209	264	878	855	23,067	22,855
Transfers and other deductions	668,702	560,218	-	-	30,381	29,020	699,083	589,238
Total deductions/expenses	12,678,569	12,029,220	215,499	212,712	274,788	179,810	13,168,856	12,421,742
Change in net position	40,588,274	(1,930,185)	1,149	1,242	(66,110)	25,475	40,523,313	(1,903,468)
Fiduciary net position/net position – beginning, restated	161,946,526	163,876,711	6,456	5,214	230,597	205,122	162,183,579	164,087,047
Fiduciary net position/net position - ending	\$202,534,800	\$161,946,526	\$ 7,605	\$ 6,456	\$164,487	\$ 230,597	\$ 202,706,892	\$ 162,183,579

The following charts provide a visual representation of activity for all state-administered retirement funds for the fiscal year ended June 30, 2021:

Additions to Fiduciary Net Position / Net Position

Of the total additions of \$53.7 billion for all state-administered retirement funds during the fiscal year, 89.31 percent was attributable to net investment income of \$47.95 billion. Employer and employee contributions represent 8.39 percent and 1.61 percent, respectively, while the remaining 0.69 percent was allocated between transfers and other additions.

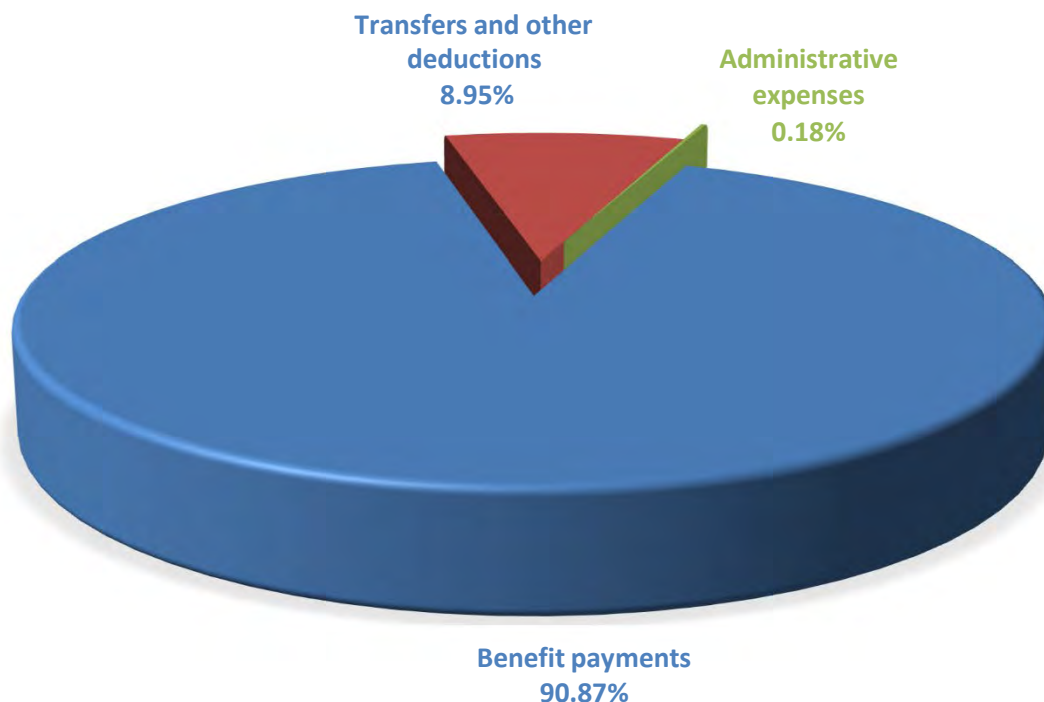
ADDITIONS TO FIDUCIARY NET POSITION / NET POSITION



Deductions from Fiduciary Net Position / Net Position

Of the total deductions of \$13.2 billion for all state-administered retirement funds during the fiscal year, benefit payments account for the majority of deductions from fiduciary net position, comprising 90.87 percent or \$11.97 billion. Transfers and other deductions made up 8.95 percent of total deductions. Administrative expenses represent only 0.18 percent of total deductions.

DEDUCTIONS FROM FIDUCIARY NET POSITION / NET POSITION



Summary

The long-term financial health of all retirement plans is dependent upon several key items: future investment returns, contributions, and future benefit payments. In the defined contribution plans, the members bear the investment risk to insure adequate resources are available for retirement. For the FRS Pension Plan, a defined benefit plan, the investment risk is held at the plan level. Annual valuations and experience studies performed every five years are utilized to measure the Pension Plan's actual economic and demographic experience compared to the plan's assumptions to determine the contribution level required to meet the long-term benefit obligations. The division's funding objective is to accumulate sufficient assets over time to meet its long-term benefit obligations as they become due. Accordingly, collecting employer and employee contributions as well as earning the assumed long-term rate of return on its investments are essential components of the division's funding plan to accumulate the assets needed to finance future retirement benefits.

The FRS Pension Plan's Fiduciary Net Position held in trust for pension benefits increased by 25.1 percent as of June 30, 2021, as compared to June 30, 2020. This increase primarily resulted from higher than anticipated investment returns. The actual investment performance for the FRS Pension Plan for the fiscal year ended June 30, 2021, was 29.46 percent and 3.08 percent for the fiscal year ended June 30, 2020. The long-term average annual investment return assumption for the 2021 FRS Pension Plan valuation for GASB 67 reporting purposes

was 6.80 percent and 6.80 percent for the 2020 FRS Pension Plan valuation. The amount of assets available to meet future obligations will be based on actual future investment returns and actual contributions received rather than the assumed future investment returns and assumed contributions.

The division is required by state law to provide an actuarial valuation of the defined benefit pension plans to assist decision makers in assessing the funding strength and fiduciary net position of the defined benefit pension plans. The results of these actuarial valuation reports are included in Note 4, Net Pension Liability, and the Required Supplementary Information and Actuarial Section.

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plans pursuant to section 216.136(10), Florida Statutes. The division determines the investment return assumptions for GASB 67 reporting purposes. See Note 4 and the Actuarial Section for further information.

Assumptions changes adopted for the 2021 FRS Pension Plan Valuation included:

- Decreasing the assumed investment rate of return from 7.00 percent to 6.80 percent for funding purposes.
- Decreasing the maximum amortization period to 20 years for all current and future amortization bases.

Contacting the Division

This report is designed to provide an overview of the division's activities to citizens, taxpayers, retirement plan members, and other interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida, 32315-9000; phone 850-488-5706.

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STATEMENT OF FIDUCIARY NET POSITION

As of June 30, 2021

	Defined Benefit		
	Florida Retirement System	Retiree Health Insurance Subsidy	National Guard
ASSETS			
Cash and cash equivalents	\$ 84,367,836	\$ -	\$ -
State treasury investment pool	93,812,353	51,435	10,059
Total cash and cash equivalents	178,180,189	51,435	10,059
<u>Investments</u>			
U.S. government and federally guaranteed obligations	17,884,329,444	-	-
Federal agencies	9,467,239,867	-	-
Commercial paper	2,828,161,080	-	-
Repurchase agreements	1,000,000,000	-	-
International bonds and notes	3,152,080,595	-	-
Bonds and notes	9,359,596,421	-	-
Real estate contracts	10,663,262,034	-	-
Mutual Funds	9,997,728,623	-	-
Short term investment funds	55,850,780	393,942,863	-
Domestic equity / domestic equity commingled	62,378,794,366	-	-
Alternative investment	39,472,450,201	-	-
International equity	39,304,608,979	-	-
Other investments	79,306,046	-	-
Total investments	205,643,408,436	393,942,863	-
<u>Receivables</u>			
Accounts receivable	47,149,569	29,041	-
Contributions receivable	331,686,754	44,394,339	-
Interest receivable	128,572,060	-	-
Dividends receivable	263,683,097	-	-
Pending investment sales	1,078,132,814	-	-
Pending spot fx trades receivable	344,222,372	-	-
Due from other funds	59,416,116	7,711,014	-
Due from other funds within division	143,970	6,493,834	-
Total receivables	2,253,006,752	58,628,228	-
Security lending collateral	1,983,381,457	-	-
Prepaid items	5,725,409	-	-
Furniture and equipment	1,427,976	-	-
Accumulated depreciation	(771,424)	-	-
Total assets	210,064,358,795	452,622,526	10,059
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension liability	-	-	-
Deferred outflows related to other postemployment benefits liability	2,203,572	-	-
Total deferred outflows of resources	2,203,572	-	-
LIABILITIES			
Accounts payable	183,130,613	99	-
Benefits payable	1,347,105	4,788	3,918
Accrued DROP liability	308,788,420	-	-
Due to other funds	15,504,948	-	-
Due to other funds within division	6,504,130	-	-
Due to other departments	7,467,744	-	6,141
Accrued interest payable	222,914	-	-
Obligations under security lending agreements	2,015,231,768	-	-
Pending investment purchases	4,907,134,074	-	-
Pending spot fx trades payable	344,928,162	-	-
Broker rebate fees	62,805	-	-
Short sell obligations – fixed income	76,584,301	-	-
Compensated absences liability	1,226,254	-	-
Net pension liability	-	-	-
Other postemployment benefits liability	11,452,742	-	-
Other liabilities	78,359,805	-	-
Total liabilities	7,957,945,785	4,887	10,059
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension liability	-	-	-
Deferred inflows related to other pension amounts	20,103,924	-	-
Deferred inflows related to other postemployment benefits liability	6,330,112	-	-
Total deferred inflows of resources	26,434,036	-	-
FIDUCIARY NET POSITION			
Restricted for pensions	\$ 202,082,182,546	\$ 452,617,639	\$ -

The notes to the financial statements are an integral part of this statement.

Defined Contribution		
State University System Optional Retirement Program	Senior Management Service Optional Annuity Program	Total June 30, 2021
\$ -	\$ -	\$ 84,367,836
17,064,213	26,820	110,964,880
17,064,213	26,820	195,332,716
-	-	17,884,329,444
-	-	9,467,239,867
-	-	2,828,161,080
-	-	1,000,000,000
-	-	3,152,080,595
-	-	9,359,596,421
-	-	10,663,262,034
-	-	9,997,728,623
-	-	449,793,643
-	-	62,378,794,366
-	-	39,472,450,201
-	-	39,304,608,979
-	-	79,306,046
-	-	206,037,351,299
-	-	47,178,610
18,225	-	376,099,318
9,990	6	128,582,056
-	-	263,683,097
-	-	1,078,132,814
-	-	344,222,372
-	-	67,127,130
-	10,296	6,648,100
28,215	10,302	2,311,673,497
-	-	1,983,381,457
-	-	5,725,409
-	-	1,427,976
-	-	(771,424)
17,092,428	37,122	210,534,120,930
33,406	-	33,406
102,579	-	2,306,151
135,985	-	2,339,557
486,278	-	183,616,990
-	-	1,355,811
-	-	308,788,420
-	-	15,504,948
143,970	-	6,648,100
1,043	-	7,474,928
-	-	222,914
-	-	2,015,231,768
-	-	4,907,134,074
-	-	344,928,162
-	-	62,805
-	-	76,584,301
8,956	-	1,235,210
97,569	-	97,569
208,548	-	11,661,290
-	-	78,359,805
946,364	-	7,958,907,095
31,197	-	31,197
8,572,182	18,602	28,694,708
92,783	-	6,422,895
8,696,162	18,602	35,148,800
\$ 7,585,887	\$ 18,520	\$ 202,542,404,592

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the fiscal year ended June 30, 2021

	Defined Benefit		
	Florida Retirement System	Retiree Health Insurance Subsidy	National Guard
ADDITIONS			
<u>Contributions and other deposits</u>			
Pension contributions - employer	\$ 3,809,567,951	\$ 587,800,843	\$ -
Pension contributions - employee	750,563,213	55,181	-
Purchase of time by employees	5,967,001	-	-
General revenue	1,180,097	-	15,557,044
Other income	3,190,831	228,715	-
Total contributions and other deposits	4,570,469,093	588,084,739	15,557,044
<u>Transfers</u>			
Other funds - FRS investment plan	140,431,389	-	-
Total transfers	140,431,389	-	-
Total contributions and transfers	4,710,900,482	588,084,739	15,557,044
<u>Investment income</u>			
Net appreciation (depreciation) in fair value	41,787,108,569	1,406	-
Interest income	708,365,026	824,500	-
Dividends	1,803,963,644	-	-
Real estate operating income, net	472,325,418	-	-
Other investment income	3,848,818,147	-	-
Total investment income (loss)	48,620,580,804	825,906	-
Investment activity expense	(691,343,311)	(401)	-
Net income (loss) from investing activity	47,929,237,493	825,505	-
<u>Security lending activity</u>			
Security lending income	25,317,850	-	-
Security lending expense	(3,079,564)	-	-
Net income from security lending	22,238,286	-	-
Total net investment income (loss)	47,951,475,779	825,505	-
Total additions	52,662,376,261	588,910,244	15,557,044
DEDUCTIONS			
Benefit payments	11,435,284,581	514,360,669	-
Benefit payments - general revenue funded	1,148,230	-	15,504,903
Refund of contributions	21,589,878	-	-
Transfers to other departments	-	-	6,141
Transfers to FRS investment plan	668,695,708	-	-
Payments to annuity companies	-	-	-
Administrative expenses	21,740,598	193,066	46,000
Total deductions	12,148,458,995	514,553,735	15,557,044
Change in fiduciary net position	40,513,917,266	74,356,509	-
Fiduciary net position - beginning	161,568,265,280	378,261,130	-
Fiduciary net position - ending	\$ 202,082,182,546	\$ 452,617,639	\$ -

The notes to the financial statements are an integral part of this statement.

Defined Contribution		
State University System Optional Retirement Program	Senior Management Service Optional Annuity Program	Total June 30, 2021
\$ 107,750,902	\$ 53,628	\$ 4,505,173,324
108,787,516	38,199	859,444,109
4,253	-	5,971,254
-	-	16,737,141
209,868	-	3,629,414
<u>216,752,539</u>	<u>91,827</u>	<u>5,390,955,242</u>
-	-	140,431,389
-	-	140,431,389
<u>216,752,539</u>	<u>91,827</u>	<u>5,531,386,631</u>
(357,973)	(257)	41,786,751,745
173,353	95	709,362,974
-	-	1,803,963,644
-	-	472,325,418
-	-	3,848,818,147
<u>(184,620)</u>	<u>(162)</u>	<u>48,621,221,928</u>
(12,247)	(7)	(691,355,966)
<u>(196,867)</u>	<u>(169)</u>	<u>47,929,865,962</u>
-	-	25,317,850
-	-	(3,079,564)
-	-	22,238,286
(196,867)	(169)	47,952,104,248
<u>216,555,672</u>	<u>91,658</u>	<u>53,483,490,879</u>
-	-	11,949,645,250
-	-	16,653,133
-	-	21,589,878
-	-	6,141
-	-	668,695,708
215,196,743	91,826	215,288,569
208,546	-	22,188,210
<u>215,405,289</u>	<u>91,826</u>	<u>12,894,066,889</u>
1,150,383	(168)	40,589,423,990
6,435,504	18,688	161,952,980,602
<u>\$ 7,585,887</u>	<u>\$ 18,520</u>	<u>\$ 202,542,404,592</u>

GOVERNMENTAL FUND BALANCE SHEET/ STATEMENT OF NET POSITION

As of June 30, 2021

	Police and Firefighters' Premium Tax Trust Fund		
	Special Revenue Fund	Reconciliation Adjustments (Note 2)	Statement of Net Position
ASSETS			
State treasury investment pool	\$ 124,427	\$ -	\$ 124,427
Investments	282,463,201	-	282,463,201
Due from other departments	11,293,120	-	11,293,120
Total assets	<u>293,880,748</u>	<u>-</u>	<u>293,880,748</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to other postemployment benefits liability	-	218,660	218,660
Total deferred outflows of resources	<u>-</u>	<u>218,660</u>	<u>218,660</u>
LIABILITIES AND FUND BALANCE			
<u>Current liabilities</u>			
Accounts payable	11,530	-	11,530
Due to other departments	11,890,357	-	11,890,357
Due to other governmental units	104,688,516	-	104,688,516
Due to general revenue	11,880,000	-	11,880,000
Compensated absences liability	37,604	-	37,604
Other postemployment benefits liability	9,023	-	9,023
Total current liabilities	<u>128,517,030</u>	<u>-</u>	<u>128,517,030</u>
<u>Noncurrent liabilities</u>			
Other postemployment benefits liabilities	-	547,104	547,104
Compensated absences liability	-	111,665	111,665
Total liabilities	<u>128,517,030</u>	<u>658,769</u>	<u>129,175,799</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to other postemployment benefits liability	-	435,880	435,880
Total deferred inflows of resources	<u>-</u>	<u>435,880</u>	<u>435,880</u>
Fund balance - committed	165,363,718	(165,363,718)	-
Total liabilities and fund balance	<u>\$ 293,880,748</u>		
Net position - restricted		<u>\$ 164,487,729</u>	<u>\$ 164,487,729</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND/STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2021

	Police and Firefighters' Premium Tax Trust Fund		
	Special Revenue Fund	Reconciliation Adjustments (Note 2)	Statement of Activities
REVENUES			
Premium taxes	\$ 207,793,120	\$ -	\$ 207,793,120
Investment earnings	382,652	-	382,652
General revenue	501,869	-	501,869
Total revenues	<u>208,677,641</u>	<u>-</u>	<u>208,677,641</u>
EXPENDITURES/EXPENSES			
Distribution to cities	243,528,956	-	243,528,956
Administrative expense	867,574	9,934	877,508
Total expenditures/expenses	<u>244,396,530</u>	<u>9,934</u>	<u>244,406,464</u>
Revenues over (under) expenditures	(35,718,889)		(35,728,823)
OTHER FINANCING SOURCES (USES)			
Operating transfers out to other funds	<u>(30,380,531)</u>	-	(30,380,531)
Revenues and transfers in over expenditures and transfers out	(66,099,420)	66,099,420	-
Change in net position	-	(66,109,354)	(66,109,354)
Fund balance/net position - beginning	231,463,138	(866,055)	230,597,083
Fund balanced/net position - ending	<u>\$ 165,363,718</u>	<u>\$ (875,989)</u>	<u>\$ 164,487,729</u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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NOTE 1 – PLAN DESCRIPTION

A. Reporting Entity

The Florida Retirement System Pension Plan and Other State-Administered Systems (System) are administered by the Florida Department of Management Services, Division of Retirement and are part of the primary government of the State of Florida. The division administers three defined benefit plans, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. These state-administered retirement systems are included in the department's Annual Comprehensive Financial Report (ACFR). The financial statements do not include the pension liabilities of the participating employers. The financial statements present only the Florida Retirement System Pension Plan and other State-Administered Systems and do not purport to, and do not, present fairly the financial position of the State of Florida as of June 30, 2021, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

B. Defined Benefit Plans

1. The Florida Retirement System Pension Plan

Organization:

The Florida Retirement System (FRS) Pension Plan was created in Chapter 121, Florida Statutes, effective Dec. 1, 1970, by consolidating and closing these existing plans to new members: the Teachers' Retirement System (Chapter 238, Florida Statutes), the State and County Officers and Employees' Retirement System (Chapter 122, Florida Statutes), and the Highway Patrol Pension Trust Fund (Chapter 321, Florida Statutes). In 1972, the Judicial Retirement System (Chapter 123, Florida Statutes) was closed and consolidated into the FRS. The FRS is a qualified retirement plan under section 401(a), Internal Revenue Code, created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan, which is administered by the State Board of Administration. Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, established under Section 121.40, Florida Statutes, was consolidated under the Florida Retirement System Pension Plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the state, state elected officials who chose SMSC membership in lieu of Elected Officers' Class membership, and faculty and other specified positions in the State University System and Florida College System institutions. Provisions relating to the FRS are also contained in Chapter 112, Florida Statutes.

Covered Members and Classes:

FRS membership is compulsory for employees filling a regularly established position in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Section 121.053 or Section 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Retirees initially reemployed in regularly established positions on or after July 1, 2010, through June 30, 2017, may not participate in the FRS. Effective July 1, 2017, retirees of specified defined contribution plans¹ employed in a regularly established position are eligible to be enrolled as renewed members of the defined contribution plan² covering the position held except the Senior Management Service Optional Annuity Program that is closed to new members. FRS Pension Plan retirees remain ineligible for renewed membership. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

¹ Retirees of the following defined contribution plans are eligible to be enrolled as a renewed member if employed in a regularly established position on or after July 1, 2017: Senior Management Service Optional Annuity Program (SMSOAP), State University System Optional Retirement Program (SUSORP), the State Community College System Optional Retirement Program (SCCSORP), and the FRS Investment Plan.

² Defined contribution Plan retirees initially enrolled on or after July 1, 2017, may be enrolled in the SUSORP, SCCSORP, or the FRS Investment Plan depending upon the retirement plan covering the position held. The SMSOAP was closed to new members effective July 1, 2017. Participation in the Investment Plan includes membership in the Special Risk Class for these renewed members.

There are five classes of membership, as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, assistant capital collateral representatives, and judges of compensation claims. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the SMSC in lieu of the Elected Officers' Class.
- *Special Risk Class* – Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers' Class (EOC)* – Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members working on or after July 1, 2001, and initially enrolled before July 1, 2011. Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* – For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Significant Plan Provisions:

The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Benefits are computed based on age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned:

Florida Retirement System

% Value
(per year of service)

Regular Class members initially enrolled before July 1, 2011

Retirement up to age 62 or up to 30 years of service.....	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%

Regular Class members initially enrolled on or after July 1, 2011

Retirement up to age 65 or up to 33 years of service.....	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%

Special Risk Class

Service from Dec. 1, 1970 through Sept. 30, 1974	2.00%
Service on and after Oct. 1, 1974	3.00%

Special Risk Administrative Support Class members initially enrolled before July 1, 2011

(With six or more years of special risk service, the service in this class counts towards special risk normal retirement; otherwise, Regular Class requirements apply.)

Retirement up to age 55; or up to 25 total years special risk service; or at age 52 with 25 years (if total service includes wartime military service).....	1.60%
Retirement at age 56; or with 26 total years special risk service; or at age 53 with 26 years (if total service includes wartime military service).....	1.63%
Retirement at age 57; or with 27 total years special risk service; or at age 54 with 27 years (if total service includes wartime military service).....	1.65%
Retirement at age 58; or with 28 total years special risk service; or at age 55 with 28 years (if total service includes wartime military service).....	1.68%

Special Risk Administrative Support Class members initially enrolled on or after July 1, 2011

(With eight or more years of special risk service, the service in this class counts towards special risk normal retirement; otherwise, Regular Class requirements apply.)

Retirement up to age 60; or up to 30 total years special risk service	1.60%
Retirement at age 61; or with 31 total years special risk service	1.63%
Retirement at age 62; or with 32 total years special risk service	1.65%
Retirement at age 63; or with 33 total years special risk service	1.68%

Elected Officers' Class

Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33%
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county officer, or elected official of a city or special district that chose EOC membership for its elected officials.....	3.00%

Senior Management Service Class

2.00%

There are three steps in computing an annual retirement benefit:

- Step 1. Determine the member's retirement plan(s) and class(es) of membership, years of creditable service in each, and the total percentage value earned.
- Step 2. Calculate the average final compensation.
- Step 3. Multiply the figures obtained in Steps 1 and 2 to determine the annual normal retirement benefit. (If the member elects to retire early, the benefit is reduced by 5 percent for each year remaining before the member would reach normal retirement age. The benefit is reduced if the member elects to provide a continuing benefit to an eligible surviving beneficiary.)

Members must select one of the four benefit options at retirement:

Option 1 — Member receives a benefit for life with no continuing survivor benefit at death.

Option 2 — Member receives a reduced benefit for life. If member dies anytime within ten years after retiring, the beneficiary will receive the benefit for the remainder of the ten-year period from the member's retirement date or DROP begin date. No survivor benefits are paid if the member dies ten or more years after the effective retirement date.

Option 3 — Member receives a reduced benefit for life. Upon the member's death, the joint annuitant, if living, will receive the same benefit for life. A joint annuitant who is under age 25 and is the member's child or other dependent for whom the member has guardianship will receive the member's Option 1 benefit, but only until age 25, or, if disabled, until no longer disabled.

Option 4 — Member receives a benefit for life based on the age of the member and the joint annuitant at retirement while both are living. Upon the death of either the member or the joint annuitant, the survivor will receive a lifetime benefit equal to two-thirds of the benefit the member was receiving when both were living. A joint annuitant who is under age 25 and is the member's child or other dependent for whom the member has guardianship will receive the member's Option 1 benefit, but only until age 25, or, if disabled, until no longer disabled.

Members must end all employment relationships with all FRS employers and must not provide services to any FRS employer for the first six calendar months after their DROP termination date or their non-DROP effective retirement dates to complete their retirement process, in addition to meeting all other requirements to receive monthly benefits payable under the FRS Pension Plan. FRS members employed by an agency that withdrew from the FRS effective Jan. 1, 1996, for new employees must remain unemployed by that agency and all other FRS-covered employers and must not provide services to FRS employers for the first six calendar months of retirement or after the DROP termination date.

The DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment (COLA) each July and earn monthly interest equivalent to an annual rate of 1.30 percent on the preceding month's DROP accumulation until DROP participation ends. DROP participants with an effective DROP begin date before July 1, 2011, earn monthly interest equivalent to an annual rate of 6.50 percent. Elected officers whose DROP participation ends before their term of office ends can delay termination until the end of that term of office or any consecutively held term of office. No additional monthly retirement benefits accumulate after DROP participation ends. Elected officers whose DROP participation began before July 1, 2010, and who delay termination after their DROP participation ends earn monthly interest through the month of termination. As of June 30, 2021, the FRS Trust Fund held \$2,684,789,035 in accumulated benefits for 34,338¹ DROP participants. Of these 34,338 DROP participants, 32,202² were active in the DROP with balances totaling \$2,376,000,615. The remaining participants were no longer active in the DROP and had balances totaling \$308,788,420 to be processed after June 30, 2021.

The election to participate in the DROP must be made within 12 months of the member's normal retirement date, unless the member is eligible to defer the election. To participate for the maximum DROP period, the member must enter the DROP upon first reaching eligibility for normal retirement, or upon reaching an eligible deferral date as described below:

- A Special Risk Class member initially enrolled in the FRS before July 1, 2011, who reaches the normal retirement date based upon years of service before reaching age 52 may defer DROP entry up to age 52 and still participate for 60 months. Also, a member of the Special Risk Administrative Support Class who has at least the number of years of Special Risk Class service required to be vested and reaches the normal retirement date based upon years of service before reaching age 52 may defer DROP entry up to age 52 and still participate for 60 months.
- A Special Risk Class member initially enrolled in the FRS on or after July 1, 2011, who reaches the normal retirement date based upon years of service before reaching age 55 may defer DROP entry up to age 55 and still participate for 60 months. Also, a member of the Special Risk Administrative Support Class who has at least the number of years of Special Risk Class service required to be vested and reaches the normal retirement date based upon years of service before reaching age 55 may defer DROP entry up to age 55 and still participate for 60 months.
- A member of the Regular Class, EOC, or the SMSC initially enrolled in the FRS before July 1, 2011, who reaches the normal retirement date before reaching age 57 may defer DROP entry until age 57 and still participate for 60 months. A member of the Special Risk Administrative Support Class who does not have the number of years of Special Risk Class service required for vesting is subject to these deferral requirements.
- A member of the Regular Class, EOC, or the SMSC initially enrolled in the FRS on or after July 1, 2011, who reaches the normal retirement date before reaching age 60 may defer DROP entry until age 60 and still participate for 60 months. A member of the Special Risk Administrative Support Class who does not have the number of years of Special Risk Class service required for vesting is subject to these deferral requirements.

¹ Includes retirees with a DROP payment pending.

² Includes elected officials with a different DROP termination date that is after June 30, 2020.

- A member who reaches the normal retirement date during a term of office may defer the DROP election until the next succeeding term in that office and still participate for up to 60 months or until the end of that succeeding term, whichever is less.
- A member who is employed as K-12 instructional personnel as defined in Section 1012.01(2), Florida Statutes, may elect to participate in the DROP at any time after reaching the normal retirement date and still participate for 60 months.

Upon termination, the DROP account is paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Monthly benefits are paid to the member in the amount as calculated upon entry into the DROP, plus a COLA for intervening years.

In most cases, the DROP participant must cease all employment relationships with, and must not provide a service to, any FRS participating employer after a maximum of 60 months in the DROP, must satisfy the termination requirement for retirement and must comply with applicable reemployment limitation thereafter. However, certain exceptions apply:

- Effective July 1, 2002, a DROP participant who holds an elective office may end DROP participation and postpone compliance with the termination requirement and reemployment limitation until no longer holding the elective office (including consecutive held terms of office). For the period between the end of DROP participation and termination, no retirement credit is earned and the member's DROP accumulation accrues no additional monthly benefits. If DROP participation began before July 1, 2010, the member's DROP accumulation continues to earn interest after participation ends and before termination. If DROP participation begins on or after July 1, 2010, the DROP accumulation does not earn interest during the period after DROP participation ends and termination.
- K-12 instructional personnel employed with a district school board, the Florida School for the Deaf and the Blind or a developmental research school of a state university may be allowed to extend their DROP participation for up to an additional 36 months beyond their initial 60-month DROP participation period. To qualify for the extension, the DROP participant must receive authorization from the employer and be approved by the division. If authorized to extend DROP participation, a participant must remain employed in an eligible position during the period of DROP extension. Effective July 1, 2018, instructional personnel whose DROP participation is extended must have a termination date that coincides with the end of the school year but cannot exceed 36 months of extended participation.
- Effective July 1, 2018, administrative personnel in grades K-12 as defined in section 1012.01(3), Florida Statutes, whose DROP participation ends during a school year may be granted extended DROP participation through the end of the school year.

There are two types of disability retirement available under the FRS: In-line-of-duty disability retirement and regular disability retirement. To qualify for either type of disability retirement, members must be totally and permanently disabled to the extent that they are unable to work in any job for any employer. In-line-of-duty disability benefits are available to members from their first day of employment. The minimum Option 1 benefit for in-line-of-duty disability retirement is 42 percent of their average final compensation for all members except those in the Special Risk Class, who receive a minimum Option 1 in-line-of-duty disability benefit of 65 percent of their average final compensation. To be eligible for regular disability retirement, members must complete eight years of creditable service. The minimum Option 1 benefit under regular disability retirement is 25 percent of their average final compensation. If a disabled member's service benefit would be higher than the minimum disability benefit, the member may elect to receive the higher benefit.

If an active member in any class but the Special Risk Class dies in the line of duty, the spouse will receive a lifetime monthly benefit equal to one-half of the member's monthly salary at death. If the spouse dies, the benefit will continue to be paid on behalf of the member's dependent children until the youngest child reaches age 18 or is married, if earlier. If a member of the Special Risk Class dies in the line of duty, the spouse will receive a lifetime monthly benefit equal to 100 percent of the member's monthly salary at death. If the spouse dies, the benefit will be paid on behalf of the member's dependent children until the youngest reaches age 18 but payment may be extended until the youngest child reaches age 25 if unmarried and a full time student.

If an active member dies before becoming vested and the death was not suffered in the line of duty, the designated beneficiary will receive a refund of any member-paid retirement contributions. However, if the active member dies within one year of vesting, the member's joint annuitant may use the deceased member's accumulated leave on an hour-by-hour basis, or the member's eligible in-state or out-of-state service, to purchase enough service credit to vest the deceased member and receive monthly benefits.

If the member was vested at death, the beneficiary may receive a refund of any contributions that may have been paid by the member or, if the beneficiary qualifies as a joint annuitant, a lifetime monthly benefit calculated as though the member had retired on the month following the date of death and had chosen Option 3. If the joint annuitant is the member's child or other dependent for whom the member has guardianship who is under age 25, the joint annuitant will receive the

member's maximum benefit until age 25, or, if disabled, until no longer disabled. A deceased member's joint annuitant may buy any service credit that could have been claimed by the member at the time of death if the member's termination of employment was due to death.

The benefits received by retirees and beneficiaries are increased by a COLA each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

After retirement or the DROP termination date, retired FRS members may be employed by any private employer or any public employer not participating in the FRS without affecting their FRS benefits provided the retiree is not providing services to an FRS employer. However, restrictions apply to providing services to an FRS employer and reemployment with an FRS employer regardless of whether the employment is covered for retirement. Any retired FRS member who is reemployed by or provides services to an FRS employer before meeting the definition of termination is not considered to have retired. Active membership will be reinstated and all benefits received must be repaid. If a member retires from an FRS employer that withdrew for new employees effective January 1, 1996, the member must remain unemployed by the withdrawn employer to meet the definition of termination in order to finalize the retirement. The retiree and the FRS employer are jointly and severally liable for repayment of benefits, including a DROP payout, if termination is violated.

Upon meeting the termination requirement, FRS retirees are also subject to reemployment limitation. FRS retirees who are reemployed by or provide services to FRS employers may not receive both salary or provide a service and retirement benefits for the rest of the first 12 calendar months after retirement or the DROP termination date. The retirement benefit must be suspended in any month retirees provide services to or are employed in any capacity by an FRS employer. Effective March 9, 2018, there is one exception to reemployment limitation after retirement. Retired law enforcement officers may be reemployed or provide services as a school resource officer for an FRS during the seventh through twelfth calendar months after the retirement date or after the termination date to finalize DROP and receive both salary or provide a service and a retirement benefit in the same month. The retiree and the FRS employer are jointly and severally liable for repayment of benefits received in violation of reemployment limitation.

FRS retirees who are initially reemployed in regularly established positions no later than June 30, 2010, have renewed membership in the Regular Class, the SMSC, or the EOC and earn credit toward a second-career benefit based on requirements for their class of membership. Having a break in service or not being employed on July 1, 2010, does not change a renewed member's status. Once retirees have established renewed membership in the system, they will have the same opportunities to elect to participate in alternative defined contribution retirement programs instead of the FRS and choose between the FRS Pension Plan or the FRS Investment Plan as do similarly situated newly hired members of that membership class until they retire. Renewed members are subject to the same vesting requirements and other limitations as apply to other active members. However, these renewed members are not eligible to participate in the Special Risk Class, retire through DROP participation, or retire under disability retirement provisions.

FRS Pension Plan retirees who are initially reemployed on or after July 1, 2010, are not eligible for renewed membership. Retirees of the FRS Investment Plan, the State University System Optional Retirement Program (SUSORP), the State Community College System Optional Retirement Program (SCCSORP), and the Senior Management Service Optional Retirement Program are not eligible for renewed membership from July 1, 2010, through June 30, 2017. Retirees of these defined contribution plans who are employed in a regularly established position on or after July 1, 2017, will be enrolled as renewed members of the FRS Investment Plan, the SUSORP or the SCCSORP depending upon the plan covering the position. Renewed members initially enrolled in the FRS Investment Plan on or after July 1, 2017, are able to be Special Risk Class members if employed in positions covered by this class. The SMSOAP was closed to new membership effective July 1, 2017.

Whenever the division makes a decision that will reduce, suspend or terminate a member's retirement benefits, the member may petition the division for a hearing. Rule 28-106.201, Florida Administrative Code, outlines the requirements for filing a petition. After the division reviews the petition, the state retirement director may ask a hearing officer from the Division of Administrative Hearings to conduct the hearing, or in some cases the Department of Management Services may conduct the hearing. If the outcome of the hearing is not in the member's favor, the member will be informed of the time period during which the member can appeal the decision to the District Court of Appeal.

If, before retirement, a member commits a felony specified by law and is found guilty of or enters a plea of no contest to such crime, or their employment was terminated due to admission of committing, aiding, or abetting a specified crime, the

member's retirement rights and benefits are forfeited (except for a refund of personal retirement contributions, if any). The forfeiture of benefits provision applies in the case of any job-related felony offense as outlined below:

- Committing, aiding or abetting an embezzlement of public funds or any grand theft from the employer;
- Committing bribery in connection with employment;
- Committing any other felony specified in Chapter 838, Florida Statutes, (bribery and misuse of public office), except Sections 838.15 and 838.16, Florida Statutes, (commercial bribes);
- Committing any felony with intent to defraud the public or the employer of the right to receive the faithful performance of duty, or receiving or attempting to receive profit or advantage for the member or another person through the use of the member's position; or
- Committing an impeachable offense (applies to elected officials only); or
- Committing of certain felony offenses against a minor through the use or attempted use of rights, privileges, duties, or position of public employment or office.

In addition to the aforementioned crimes, if a court of competent jurisdiction finds the member guilty of violating any state law against strikes by public employees, the member's benefits are forfeited.

If the member's designated beneficiary is found guilty of intentionally killing or procuring the death of the member, the beneficiary forfeits all rights to retirement benefits. Any benefits payable would then be paid as if the beneficiary died before the member.

The Clerk of the Court, the Secretary of the Senate or the employer, as appropriate, must notify the Commission on Ethics if the member is found guilty, impeached, or terminated prior to retirement due to any of the above offenses. The Commission on Ethics will notify the division. The member's benefits will be suspended subject to a hearing held by a hearing officer of the Division of Administrative Hearings. The hearing officer's decision may be appealed to the District Court of Appeal. (See Section 112.3173, Florida Statutes, and Article II, Section 8, of the Florida Constitution for more information.)

Retirement benefits and accumulated contributions accrued under the FRS Pension Plan are not subject to assignment, execution, attachment or any other legal process with the exception of qualified domestic relations orders, certain income deduction orders; (see Section 61.1301, Florida Statutes), and federal income tax levies.

Plan Administration:

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans and approximately 1,000 participating employers. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration invests the assets of the Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded through earnings on investments of the FRS Trust Fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, Florida Statutes. All participating employers must comply with statutory contribution requirements. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability (UAL) be amortized within 20 plan years. Pursuant to Section 121.031(3) (f), Florida Statutes, any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves at June 30, 2021, was \$202,082,182,546. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

FRS Retirement Contribution Rates:

Effective July 1, 2011, both employees and employers of the FRS are required to contribute to establish service credit for work performed in a regularly established position. Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the Pension Plan and the Investment Plan. The uniform rates for Fiscal Year 2020-21 are as follows:

Class	Employee Contribution Rate	Employer Contribution Rate¹	Total Contribution Rate
Regular	3.00%	8.28%	11.28%
Special Risk	3.00%	22.73%	25.73%
Special Risk Administrative Support	3.00%	34.12%	37.12%
Elected Officers ¹			
Judges	3.00%	38.01%	41.01%
Governor, Lt. Governor, Cabinet, Legislators, State	3.00%	57.19%	60.19%
Elected County, City, and Special District Officials	3.00%	47.46%	50.46%
Senior Management Service	3.00%	25.57%	28.57%
Deferred Retirement Option Program	N/A	15.32%	15.32%

¹ These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the assessment of 0.06 percent for administration of the FRS Investment Plan and retirement and financial planning for members of both plans.

Any member who terminates employment with an FRS employer may receive a refund of any retirement contributions personally made to the system (and lose the associated retirement credit for both their FRS and Health Insurance Subsidy benefits), or may leave these personal contributions in the system and keep all creditable service earned through the date of termination.

FRS Membership:

Member Types	Fiscal Year Ended June 30, 2021					
	Regular Class	SMSC	Special Risk	Special Risk Admin Supp.	EOC	Total
Active ¹ :						
Non-vested	150,508	1,586	31,760	1	489	184,344
Vested	398,841	6,509	43,758	98	1,716	450,922
Current Retirees and Beneficiaries	389,572	5,628	42,234	168	2,705	440,307
DROP Participants	27,280	591	3,546	8	230	31,655
Vested Terminated ²	106,276	1,711	6,032	15	446	114,480
Total Members	1,072,477	16,025	127,330	290	5,586	1,221,708

¹ Member counts include 176,577 active FRS Investment Plan members.
² Member counts include 12,569 vested terminated FRS Investment Plan members.

The table below provides additional information for the FRS Pension Plan as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2021	2020	2019
Recipients	440,307	432,258	424,895
Contributions	\$ 4,566,098	\$ 4,071,012	\$ 3,853,535
Benefits paid ¹	\$ 11,456,874	\$ 10,925,447	\$ 10,386,133
Fiduciary net position ²	\$ 202,082,183	\$ 161,568,265	\$ 163,574,667

¹ Includes refund of member contributions.

² Fiduciary net position for 2020 reflects restatement of 2019 beginning net position.

2. Retiree Health Insurance Subsidy Program

The Retiree Health Insurance Subsidy (HIS) Program is a non-qualified, cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of state-administered retirement systems in paying their health insurance costs. The Department of Management Services, Division of Retirement administers the HIS program. For the fiscal year ended June 30, 2021, retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per

month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for specified employees. For the fiscal year ended June 30, 2021, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel HIS Payments.

Note 4 and the Actuarial Section of this report include actuarial and other information regarding the HIS Program. The table below provides additional information for the HIS as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2021	2020	2019
Recipients	402,566	395,179	385,181
Contributions	\$ 587,856	\$ 576,623	\$ 555,485
Benefits paid	\$ 514,361	\$ 505,549	\$ 491,890
Fiduciary net position	\$ 452,618	\$ 378,261	\$ 302,044

3. The Florida National Guard Supplemental Retirement Benefit Plan

The Florida National Guard Supplemental Retirement Benefit Plan is a single-employer, non-qualified defined benefit pension plan established under Section 250.22, Florida Statutes, and is administered by the Florida Department of Management Services, Division of Retirement. The Florida Legislature establishes and amends the benefit terms of the plan, which provide a monthly benefit equal to the difference between 50 percent of the federal military pay table for the highest rank held while in the Florida National Guard and the reservist benefit received from the federal government for military service. The benefit amount is recalculated whenever the federal military pay table is increased or the federal benefit is increased by a cost of living adjustment. Florida National Guard retirees must have at least 30 years of Florida National Guard service. The benefit is payable for the lifetime of the retiree without a survivor benefit option. Normal retirement is at age 62 with early retirement available beginning at age 60. The Florida National Guard Supplemental Retirement Benefit Plan is funded by an annual appropriation from General Revenue by the Legislature. Any appropriated funds not obligated for benefit payments and expenses owed at June 30 each year revert to the General Revenue Fund. Note 4 and the Actuarial section of this report include actuarial and other information regarding the Florida National Guard Supplemental Retirement Benefit Plan. Information about active and terminated vested Florida National Guard personnel, federal benefits including cost-of-living adjustments and pay tables, and forecasts of National Guard personnel is provided by the Florida Department of Military Affairs. The table below provides additional information for the plan as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2021	2020	2019
Active Members			
Vested ¹	96	106	223
Non-Vested	11,738	11,419	10,731
Total Active	11,834	11,525	10,954
Terminated Vested ¹	396	532	299
Retirees	730	745	753

	Fiscal Year Ended June 30		
	2021	2020	2019
Benefits paid	\$ 15,505	\$ 15,121	\$ 14,999
Fiduciary net position	\$ -	\$ -	\$ -

¹ The change from active status to terminated vested status is a result of National Guard retention board conclusions on retaining personnel due to the reduction of deployments supporting overseas military operations.

C. Defined Contribution Programs (Optional Retirement Programs)

State University System Optional Retirement Program (SUSORP)

The SUSORP is established under section 121.35, Florida Statutes, for eligible State University System faculty, administrators, and administrative and professional staff. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the SUSORP. This program is designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The SUSORP is a defined contribution plan qualified under section 403(b), Internal Revenue Code that upon signing an investment contract provides full and immediate vesting of all contributions paid on behalf of the members to the participating provider companies. The SUSORP member directs the investment of contributions to provide retirement and death benefits. Employees in eligible positions are compulsory SUSORP members unless they elect FRS membership. Faculty in a college of medicine with a faculty practice plan are mandatory SUSORP members and cannot elect FRS membership.

The employing universities were statutorily required to contribute 5.15 percent of the members' gross monthly compensation from July 2020 through June 2021. In accordance with section 121.35, Florida Statutes, 0.01 percent of the employer contribution rate was used for the administration of the SUSORP and 5.14 percent was transferred to the provider companies designated by the member. SUSORP members are not eligible to receive (HIS) payments from the HIS Trust Fund. There is an HIS component included in the employer's contribution deposited to the members' accounts. Effective July 1, 2011, there is a mandatory employee contribution of 3 percent. A member may contribute by salary reduction an amount not to exceed the percentage contributed to the member's account by the employer.

When applicable, the employer is also required to contribute the unfunded actuarial liability (UAL) contribution for the Regular Class on the salaries of SUSORP members which is transferred to the FRS Trust Fund to help amortize any UAL. The required UAL contribution rate for the fiscal year 2020-21 was 3.44 percent. Additional information pertaining to the SUSORP is as follows:

Members		21,614
Payroll	\$	2,125,013,435
Contributions:		
Employee	\$	108,787,516
Employer	\$	107,750,902

Senior Management Service Optional Annuity Program (SMSOAP)

The SMSOAP is established under section 121.055, Florida Statutes, as offering an optional retirement program alternative for state members of the Senior Management Service Class (SMSC). Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP while employed in a position eligible for SMSOAP in lieu of the SMSC. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the Program. The SMSOAP is a defined contribution plan qualified under section 401(a), Internal Revenue Code that upon signing an investment contract, provides full and immediate vesting of all contributions paid on behalf of the members to the participating provider companies. SMSOAP members direct the investment of contributions to provide retirement and death benefits. Employers were required to contribute 6.27 percent of covered payroll from July 2020 through June 2021. The employers' contributions were transferred to the provider companies designated by the member. SMSOAP members are not eligible to receive HIS payments from the HIS Trust Fund. There is an HIS component included in the employer's contribution deposited to the members' accounts. Effective July 1, 2011, there is a mandatory employee contribution of 3 percent. A member may contribute by salary deduction an amount not to exceed the percentage contributed by the employer to the member's account. Effective July 1, 2017, SMSOAP is closed to new members, however a non-retired member enrolled in SMSOAP prior to July 1, 2017, retains their membership and, before retirement, may continue to participate when employed in an SMSOAP-covered position.

When applicable, the employer is also required to contribute the unfunded actuarial liability (UAL) contribution for the SMSC on the salaries of SMSOAP members which is transferred to the FRS Trust Fund to help amortize the UAL. The required UAL contribution rate for fiscal year 2020-21 was 19.18 percent. Additional information pertaining to the SMSOAP is as follows:

Members		6
Payroll	\$	855,312
Contributions:		
Employee	\$	38,199
Employer	\$	53,628

D. Social Security Coverage

The Division of Retirement is responsible for administering the Social Security coverage for public employers in Florida. Public employees are provided Social Security coverage through a federal-state agreement with various modifications applicable to specific employers in political subdivisions. As of June 30, 2021, there were 706 modifications to the initial 1951 agreement. Existing modifications provide Social Security coverage for state, county, and district school board employees and employees of a number of cities, charter schools, and special districts. Public employers must provide Social Security coverage for their employees who participate in the FRS Pension Plan and Investment Plan, SUSORP, SMSOAP, and the existing defined benefit plans grandfathered under the FRS except for members of the Teachers' Retirement System or the IFAS Supplemental Retirement Program.

For the 2021 calendar year, the combined Social Security contribution rate for employees and employers totaled 15.30 percent (12.40 percent for Old Age, Survivors, and Disability Insurance and 2.90 percent for Medicare). The maximum taxable wage base on which Old Age, Survivors, and Disability Insurance contributions increased to \$142,800. There is no limitation on Medicare wages.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. The fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Member contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized when due in the period in which employee services are performed and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, while expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available. Liabilities due within 60 days of the end of the current fiscal year are expected to be liquidated with current financial resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

B. Basis of Presentation

Defined Benefit and Defined Contribution Trust Funds – fiduciary funds used to report resources that are required to be held in trust for the members and beneficiaries of the state's pension plan, retiree health insurance subsidy program, national guard supplemental retirement benefit plan (defined benefit plans) and optional retirement plans (defined contribution plans).

Police and Firefighters' Premium Tax Trust Fund - a governmental special revenue fund that accounts for excise taxes assessed on insurance premiums. The premiums are used to supplement the funding of municipal police and firefighters' pension plans and relief funds.

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term investments with an original maturity date within ninety days of the acquisition date. State treasury cash management pools are included as cash equivalents. Details of deposits are included in Note 3. A.

Investments

The Plan is authorized through various state laws to invest in various security instruments. The Plan reports investments in accordance with GASB Codification Section 150, *Investments*.

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Some securities, including U.S. government, municipal bonds, and mortgage-backed and asset-backed securities, are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated mid-price

and bid price are used. If no source of values is available, cost or last available price from any source is used or other pricing methodology as directed by the State Treasury.

The State Board of Administration (SBA) has statutory responsibility for custody and investment of pension plan assets. Section 215.47, Florida Statutes, gives the SBA the authority to invest in a range of instruments, including security lending agreements. Investments are reported in accordance with GASB reporting standards. Realized and unrealized gains and losses are reflected in the Statement of Changes in Fiduciary Net Position as "Net appreciation (depreciation) in fair value."

The fair values of the Plans' assets are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA's custodian bank, BNY Mellon. BNY Mellon uses a variety of independent pricing sources and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon monitors pricing information supplied by these primary sources and may use a supplemental pricing source or change the primary pricing source if any of the following occurs:

- The price of a security is not received from the primary pricing source.
- The primary pricing source no longer provides prices for a particular asset type, class or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.
- The price from the primary source exceeds price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by BNY Mellon.

When a portfolio includes securities or instruments for which the custodian bank does not receive fair value information from its vendor pricing source, the custodian bank uses a "non-vendor pricing source." Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is limited or no information in the marketplace; and unique fixed income and equity instruments. The SBA does not provide direction regarding the substitution of prices in instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In cases where the SBA directed the purchase of securities or instruments, BNY Mellon may obtain the non-vendor prices by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price information from the broker of record, as identified by the SBA.

For private market investments, where no readily ascertainable market value exists (including limited partnerships, hedge funds, direct-owned real estate, and real estate pooled funds), fair values for the individual investments are based on the net asset value (NAV), which equates to the capital account balance, at the closest available reporting period, as communicated by the general partner and/or investment manager, adjusted for subsequent contributions and distributions. The valuation techniques vary based upon investment type and involve a certain degree of judgment. The most significant input into the NAV of an entity is the value of its investment holdings. The NAV is provided by the general partner and/or investment manager and reviewed by SBA management.

Annually, the financial statements of all private market investments are audited by independent auditors. Private market investments, in which the SBA has a controlling interest and are reported at cost per the investment manager, are also required to be valued, generally annually, by independent, licensed external appraisers selected by an appraisal management company retained by the SBA.

Money market funds and repurchase agreements are reported at amortized cost. Commingled funds are generally reported at the NAV of units held at the end of the period based upon the value of the underlying investments as reported by the external investment manager. Certain commingled funds may be valued under different pricing methods depending on the nature of the fund.

All derivative financial instruments are reported at fair value in the statements of net position. The instruments are adjusted to fair value at least monthly, with valuation changes recognized during the period as gains or losses in the statements of changes in net position and included in the "net appreciation (depreciation) in fair value". The nature and use of derivative instruments is discussed in Note 3.

Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted market prices, the estimated fair values may differ from the values that would have been used had an active market existed.

Investment detail is included in Note 3.

Capital Assets

Tangible capital assets are recorded at cost at the time of acquisition. All property, furniture and equipment with an original acquisition cost of \$5,000 or more and an estimated useful life extending beyond one year is capitalized, as well as books and reference materials with a cost of \$250 or more. Depreciation is computed on the straight-line basis over the estimated useful life of the asset.

Deferred Outflows of Resources

A consumption of net assets by the division that is applicable to a future reporting period is presented as a deferred outflow of resources. The State University System Optional Retirement Program (SUSORP) Trust Fund shares in reporting the FRS and HIS pension liabilities and related components with other funds within the state. Each fiscal year end, the SUSORP Trust Fund recognizes its allocated share of the state's deferred outflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division shares the cost of Other Postemployment Benefits (OPEB) liability and other related components with other funds within the state. The state-administered retirement funds recognize their allocated share of the state's deferred outflows of resources related to OPEB, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

Compensated Absences Liability

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specifically authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The amounts reported for compensated absences are based on current year-end salary rates and include employer Social Security and Medicare tax and pension contributions, as applicable, at current rates. Refer to Note 6 for details of the compensated absences liability.

Long-term Liabilities

The SUSORP Trust Fund shares the reported FRS and HIS pension liabilities and related components with other funds within the state. Each fiscal year end, the SUSORP Trust Fund recognizes its allocated share of the state's applicable pension liability, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division shares the cost of OPEB with other funds within the state. The state-administered retirement funds recognize their proportionate share of the state's OPEB liability, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net assets by the division that is applicable to a future reporting period. The SUSORP Trust Fund shares the reported FRS and HIS pension liabilities and related components with other funds within the state. Each fiscal year end, the SUSORP Trust Fund recognizes its allocated share of the state's deferred inflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division shares the cost of OPEB liability and other related components with other funds within the state. The state-administered retirement funds recognize their allocated share of the state's deferred inflows of resources related to OPEB, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division may receive pension contributions prior to the due date. At the end of the fiscal year, any contributions received for the following reporting period are recognized in the applicable state administered retirement fund as deferred inflows related to other pension amounts.

Components of Net Position

Net position is classified as (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

Restricted net position is reported when constraints are placed on net position that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The net position of all the fiduciary funds reported are classified as restricted for pension.

Components of Fund Balance

Fund balance is classified as nonspendable, restricted, committed or unassigned. Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the State's highest level of decision-making authority, the Legislature and the Governor, i.e., through legislation passed into law. Commitments may only be modified or rescinded by equivalent formal, highest-level action. The fund balance of the Police and Firefighters' Premium Tax Trust Fund reported in this ACFR is classified as committed.

D. Contributions

Contributions are recognized as revenues in the period for which the contributions are due pursuant to statutory requirements. Total employer contributions for the FRS are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes, and employers also pay a required assessment to cover financial planning education costs for all FRS members and administrative costs of the FRS Investment Plan.

For purposes of financial statement presentation, the unfunded actuarial liability (UAL) portion of the employer's total contribution remitted on the salaries of members in the FRS IP, the SUSORP, the State Community College System Optional Retirement Program, and the Senior Management Service Optional Annuity Program (SMSOAP) is classified as contributions in the FRS Pension Plan financial statements. Delinquent fees are reported as other income. The administrative assessment paid on the salaries of members in the SUSORP defined contribution plan is classified as other income.

Employee contributions required pursuant to Section 121.71(3), Florida Statutes, are accounted for by the FRS as employer-paid employee contributions and are treated as employer contributions under 26 U.S.C. s. 414(h)(2) allowing these contributions to be deducted on a pre-tax basis.

E. Adjustments Between Governmental Fund and Governmental Activities Financial Statement Amounts

The adjustments necessary to convert the Governmental Fund financial statements to the governmental activities financial statement presentation are: (1) Recognition of long-term liabilities which are not due and payable in the current period and therefore are not reported in the Governmental Fund; (2) Recognition of expenses not recognized under governmental accounting; and (3) Reclassification of Fund Balance reported in the Governmental Fund into the Net Position categories reported for governmental activities in the Statement of Net Position.

F. Interfund Activity and Balances

In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. Transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers between funds are made to accomplish various provisions of law. Refer to Note 5.

G. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues (additions) and expenses (deductions) during the reporting period. Actual results could differ from those estimates.

H. Investment and Administrative Expenses

For investments in the State Treasury cash management pool, an administrative fee is charged on the average daily balance in the account. These fees are recorded as 'Investment activity expense' on the Statement of Changes in Fiduciary Net Position.

For investments managed by the SBA, external investment managers are hired to invest a significant portion of the retirement system's assets. Investment management fees are typically paid based on individually-negotiated investment management agreements. The fees, usually paid quarterly, may be based on a sliding scale of the portfolio's net asset value at quarter-end, calculated by multiplying each level of net position by a specified basis point charge, or may be performance related, typically associated with exceeding a market benchmark or hurdle rate. Fees are paid from the appropriate manager's portfolio and are recognized as an expense over the time period for which the fees are applicable. These fees are recorded as "Investment activity expense" on the Statement of Changes in Fiduciary Net Position. Certain investment management fees, usually in private equity portfolios, are paid at the beginning of the period. These fees are recorded as 'Prepaid items' on the Statement of Fiduciary Net Position and are expensed over their applicable time period.

Administrative expenses represent the cost of administering the various state-administered retirement systems, including such costs as salaries, rent, telephone, printing and the like. Administrative expenses also include transfers for administrative assessments, depreciation expense, and the allocated share of compensated absences expense, applicable OPEB-related expenses, and applicable pension-related expenses. A detailed Schedule of Administrative Expenses is located in the Other Supplementary Information section.

NOTE 3 – PLAN INVESTMENTS

A. Deposits

As of June 30, 2021, the state-administered retirement fund deposits in financial institutions pending investment totaled \$84.1 million for fiduciary activities. There were no deposits in financial institutions for governmental activities.

1. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the state will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The state mitigates custodial credit risk by generally requiring public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer (CFO) as authorized to receive deposits in the state and meets the collateral requirements set forth in Chapter 280, Florida Statutes.

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Section 280.04, Florida Statutes, and Department of Financial Services Rules, Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 110, and 150 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, Florida Statutes, outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940. However, the portfolio of the investment company must be limited to direct obligations of the U.S. Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government, and the investment company must take delivery of such collateral either directly or through an authorized custodian.

In accordance with Section 280.08, Florida Statutes, if a QPD defaults, losses to public depositors are first satisfied with any applicable depository insurance, followed by demands of payment under any letters of credit or sale of the defaulting QPD's collateral. If necessary, any remaining losses are to be satisfied by assessments against the other participating QPDs according to a statutory based ratio.

All U.S. dollar deposits at the Florida Retirement System (FRS) Pension Trust Fund's custodian bank were covered by federal depository insurance (FDIC) as of June 30, 2021. The remaining uninsured and uncollateralized deposits, totaling \$83.8 million as of June 30, 2021, were held in foreign currencies in the SBA's custodian nominee name.

2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment. Under Section 215.47, Florida Statutes, and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investments by the State Board of Administration (SBA) may be invested in various types of securities denominated in foreign currency. The SBA has developed for the FRS Pension Trust Fund an Investment Policy Statement (IPS) that sets ranges on investments by asset class. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. For the fiscal year ended June 30, 2021, Florida law limits the exposure to foreign securities held outside of foreign group trusts and certain other foreign entities to 50 percent of the total fund. There is no requirement that this exposure to foreign currency risk be hedged through forward currency contracts, although some managers are authorized to use forward currency contracts. The investment policies may be modified in the future if the SBA adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2021, as illustrated in the following schedule (in thousands):

Foreign Currency Deposits Held

As of June 30, 2021

Currency	Bank Statement Balance (in U.S. dollars)	
	FRS Pension Trust Fund	
Australian dollar	\$	1,378
Brazilian real		3,807
British pound sterling		5,473
Canadian dollar		1,638
Chilean peso		473
Chinese yuan renminbi		2,547
Columbian peso		4
Czech koruna		12
Danish krone		1,319
Egyptian pound		28
Euro		16,690
Hong Kong dollar		11,329
Hungarian forint		181
Indian rupee		3,462
Indonesian rupiah		121
Israeli shekel		448
Japanese yen		15,921
Malaysian ringgit		313
Mexican peso		1,430
Moroccan dirham		9
New Taiwan dollar		592
New Zealand dollar		102
New Zimbabwe dollar		578
Pakistan rupee		61
Peruvian sol		3
Philippines peso		724
Polish zloty		186
Qatari riyal		30
Russian ruble		15
Saudi Arabian riyal		987
Singapore dollar		1,560
South African rand		709
South Korean won		6,548
Swedish krona		2,245
Swiss franc		2,334
Turkish lira		389
Vietnam dong		191
Total deposits subject to foreign currency risk	\$	83,837

B. INVESTMENTS

Surplus cash is maintained in the State Treasury's general pool of investments. The State CFO pools funds from all State agencies. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Council per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. Redemptions are on a dollar in/dollar out basis adjusted for distributed income. The fair value of the pooled investments with the State Treasury is determined at fiscal year-end for financial reporting purposes. Included in the pool are primarily time deposits, U.S. Government securities, federal agency securities, commercial paper, corporate bonds and notes, money market funds and repurchase agreements. The FRS Pension Trust Fund's, Retiree Health Insurance Subsidy Program's (HIS), National Guard Supplemental Benefit Plan, State University System Optional Retirement Program's (SUSORP), Senior Management Service Optional Annuity Program's (SMSOAP), and Police and Firefighters' Premium Tax Trust Fund's (Police and Fire) shares of the investment pool at June 30, 2021, were \$93,812,353; \$51,435; \$10,059; \$17,064,213; \$26,820; and \$124,427, respectively. No allocation will be made as to the share of the types of investments or their risk categories for the FRS Pension Trust Fund, the HIS Program, the National Guard, the SUSORP, the SMSOAP, or Police and Fire. The share of the assets and liabilities for the FRS Pension Trust Fund, the HIS Program, the National Guard, the SUSORP, the SMSOAP and Police and Fire arising from the securities lending agreements administered by the State Treasury will likewise not be carried on the Statements of Net Position since the State Treasury operates on a pooled basis and to do so may give the misleading impression that the funds themselves have entered into such agreements. For further information, refer to the State of Florida's Annual Comprehensive Financial Report or publications of the State of Florida Department of Financial Services, Office of the Chief Financial Officer.

Pursuant to Section 215.44, Florida Statutes, the SBA has the authority and responsibility to manage and invest various funds of the state, including, but not limited to, the FRS Pension Trust Fund, the Retiree Health Insurance Subsidy Trust Fund, and the Police and Fire Trust Fund. Section 215.47, Florida Statutes, allows the SBA to invest funds in a range of instruments, including security lending agreements, reverse repurchase agreements and alternative investments (including limited partnerships and hedge funds).

The schedule below discloses investments at June 30, 2021, as well as reconciliation to the basic financial statements (in thousands):

Schedule of Investments

As of June 30, 2021

Investment type	FRS Pension Trust Fund	Retiree Health Insurance Subsidy	Police and Firefighters' Premium Tax Trust Fund	Total
Commercial paper	\$ 2,828,161	\$ -	\$ -	\$ 2,828,161
Money market funds	55,851	393,943	282,463	732,257
Repurchase agreements	1,000,000	-	-	1,000,000
U.S. guaranteed obligations	17,884,329	-	-	17,884,329
Federal agencies	9,467,240	-	-	9,467,240
Domestic bonds and notes	9,359,596	-	-	9,359,596
International bonds and notes	3,152,081	-	-	3,152,081
Domestic stocks	62,378,794	-	-	62,378,794
International stocks	39,304,609	-	-	39,304,609
International equity commingled funds	7,724,138	-	-	7,724,138
Alternative investments	39,472,450	-	-	39,472,450
Real estate investments (directly owned)	10,663,262	-	-	10,663,262
Real estate commingled funds	2,273,591	-	-	2,273,591
Forwards ¹	34,491	-	-	34,491
Futures ¹	32,222	-	-	32,222
Swaps ¹	12,593	-	-	12,593
Total investments excluding securities lending collateral	<u>205,643,408</u>	<u>393,943</u>	<u>282,463</u>	<u>206,319,814</u>
Securities lending collateral ²				
Money market funds	1,941,642	-	-	1,941,642
Domestic bonds and notes	41,740	-	-	41,740
Total securities lending collateral	<u>1,983,381</u>	<u>-</u>	<u>-</u>	<u>1,983,381</u>
Total investments	<u>\$ 207,626,790</u>	<u>\$ 393,943</u>	<u>\$ 282,463</u>	<u>\$ 208,303,196</u>
Liabilities - investments sold short ³				
U.S. guaranteed obligations	\$ (837)	\$ -	\$ -	\$ (837)
Federal agencies	(75,747)	-	-	(75,747)
Other liabilities:				
Forwards	(24,241)	-	-	(24,241)
Futures	(42,518)	-	-	(42,518)
Options	-	-	-	-
Swaps	(11,601)	-	-	(11,601)
Total liabilities	<u>\$ (154,944)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (154,944)</u>

¹ Forwards, futures and swaps are included in Other investments on the Statement of Fiduciary Net Position.

² Columns may not foot due to rounding.

³ Investments sold short are classified as liabilities on the Statement of Fiduciary Net Position.

Reconciliation of carrying value to the basic financial statements (in thousands):

	Governmental activities	Fiduciary funds	Total
Investments	\$ 282,463	\$ 206,037,351	\$ 206,319,814
Security lending collateral	-	1,983,381	1,983,381
Total Investments	<u>\$ 282,463</u>	<u>\$ 208,020,732</u>	<u>\$ 208,303,195</u>

Certain investments included in the above schedule were pledged as collateral with the SBA's futures and swaps clearing counterparties to meet initial margin requirements. Investments pledged as collateral as of June 30, 2021, are presented below (in thousands):

FRS Pension Trust Fund

Securities Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2021

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 161,993
Federal agencies	-
Total pledged collateral	<u>\$ 161,993</u>

In addition, cash required to open futures and swap contracts (initial margins) may be pledged as collateral with the SBA's futures and swap counterparties. Such initial margin amounts are reflected as "Accounts receivable" on the Statement of Fiduciary Net Position. Pursuant to these types of contracts, and also pending foreign currency contracts and commitments to purchase (TBAs), the fund agrees to receive or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receivables and payables are known as variation margin, which are reflected as "Accounts receivable" and "Accounts payable and accrued liabilities" on the Statement of Fiduciary Net Position. All initial and variation margin amounts receivable from or payable to the broker as of June 30, 2021 are presented below (in thousands):

FRS Pension Trust Fund

Cash and Foreign Currency Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2021

	Fair Value (U.S. dollar)
Margin receivable from counterparty:	
Futures contracts	\$ 19,230
Swap contracts	19,328
Foreign currency contracts	1,060
Commitments to purchase (TBAs)	1,988
Total margin receivable from counterparty	<u>\$ 41,606</u>
Margin payable to counterparty:	
Futures contracts	\$ 10,910
Swaps contracts	12,673
Commitments to purchase (TBAs)	5,600
Total margin payable to counterparty	<u>\$ 29,183</u>

1. Fair Value Hierarchy

The FRS Pension Plan Trust Fund's investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices based on significant observable inputs (including, but not limited to, quoted prices for similar investments, interest rates, foreign exchange rates, volatility and credit spreads), either directly or indirectly. These inputs may be derived principally from, or corroborated by, observable market data through correlation or by other means.

Level 3 – Investments reflect prices based upon unobservable inputs, including situations where there is little market activity, if any, for assets or liabilities.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Fixed income and equity securities classified as Level 1 of the fair value hierarchy are valued using quoted prices at June 30 (or the most recent market close date if the markets are closed on June 30) in active markets from the custodian bank's external pricing vendors, which utilize primary exchanges.

Fixed income securities classified as Level 2 are valued using evaluated prices from the custodian bank's external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information.

Equity securities classified as Level 2 are valued using evaluated prices from the custodial bank's external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the custodial bank's external pricing vendors.

Fixed income and equity securities classified as Level 3 are valued using prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing inputs such as stale prices, cash flow models, or broker bids.

Derivative instruments classified as Level 1 of the fair value hierarchy are valued using exchange-traded prices as provided by the custodian bank's external pricing vendors. Derivative instruments classified as Level 2 receive clearing house prices, which are based on models that reflect the contractual terms of the derivatives.

Private equity funds and real estate direct investments classified as Level 3 were valued using the methodology as described in the footnotes for the *Additional GASB 72 Required Disclosures* tables, footnotes 13 and 15, respectively. Other private equity funds are measured at net asset value (NAV).

Certain investments, such as money market funds and repurchase agreements, are carried at amortized cost, and not priced at fair value. Commingled investments are generally measured at the net asset value (NAV) per share (or its equivalent) as provided by the investment manager. Commingled funds classified as Level 2 are valued using observable inputs that are market corroborated.

The FRS Pension Plan Trust Fund has the following fair value measurements as of June 30, 2021 (in thousands):

FRS Pension Trust Fund

As of June 30, 2021

Investments by fair value level	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Fixed income				
Commercial paper	\$ 2,828,161	\$ -	\$ 2,828,161	\$ -
U.S. guaranteed obligations	17,884,329	-	17,884,329	-
Federal agencies	9,467,240	-	9,467,240	-
Domestic bonds and notes	9,359,596	-	9,238,984	120,612
International bonds and notes	3,152,081	-	2,481,878	670,203
Total fixed income	42,691,407	-	41,900,592	790,815
Equity				
Domestic	62,378,794	62,378,399	-	395
International	39,304,609	39,196,510	-	108,099
Commingled international funds	356,029	-	356,029	-
Total equity	102,039,432	101,574,909	356,029	108,494
Alternative				
Private equity funds	329,592	-	-	329,592
Real Estate direct	10,663,262	-	-	10,663,262
Other				
Forwards	34,491	-	34,491	-
Futures	32,222	32,222	-	-
Swaps	12,593	-	12,593	-
Total other	79,306	32,222	47,084	-
Securities lending collateral				
Domestic corporate bonds and notes	41,740	-	38,395	3,345
Total investments by fair value level	\$ 155,844,739	\$ 101,607,131	\$ 42,342,100	\$ 11,895,508
Investments measured at the net asset value (NAV)				
Commingled international equity funds	7,368,109			
Commingled real estate investment funds	2,273,591			
Activist equity funds	1,453,192			
Hedge funds	5,018,236			
Insurance funds	972,327			
Private debt/credit opportunity funds	4,306,069			
Private equity funds	21,285,291			
Private real asset funds	6,107,743			
Total investments measured at the NAV	\$ 48,784,558			
Other investments carried at amortized cost				
Money market funds	55,851			
Money market funds - security lending collateral	1,941,642			
Repurchase agreements	1,000,000			
Total investments carried at amortized cost	\$ 2,997,493			
Total investments	\$ 207,626,790			
Short sales (liabilities)				
U.S. guaranteed obligations	\$ (837)	\$ -	\$ (837)	\$ -
Federal agencies	(75,747)	-	(75,747)	-
Total short sales (liabilities)	(76,584)	-	(76,584)	-
Other (liabilities)				
Forwards	(24,241)	-	(24,241)	-
Futures	(42,518)	(42,518)	-	-
Swaps	(11,601)	-	(11,601)	-
Total other (liabilities)	(78,360)	(42,518)	(35,842)	-
Total investments (liabilities)	\$ (154,944)	\$ (42,518)	\$ (112,426)	\$ -

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2021, is presented in the footnotes to the table below (in thousands).

FRS Pension Trust Fund
Additional GASB 72 Required Disclosures

	Fair Value 6/30/2021	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV				
Commingled international equity funds ¹	\$ 7,368,109		Daily, Monthly	2 - 120 days
Commingled real estate investment funds ²	2,273,591		Quarterly	15 - 90 days
Activist equity funds ³	1,453,192		Monthly, Annually	65 - 90 days
Hedge funds				
Diversifying strategies (managed futures) ⁴	1,482,589		Daily, Monthly	10 - 35 days
Equity long/short ⁵	578,678		Monthly, Quarterly	30 - 60 days
Event driven ⁶	224,203	\$ 60,000	Biennially	90 days
Global macro ⁷	509,951		Monthly, Quarterly	5 - 45 days
Multi-strategy ⁸	1,340,509		Quarterly, Annually, Biennially	60 - 90 days
Opportunistic debt ⁹	506,749		Quarterly, Annually	60 - 90 days
Relative value ¹⁰	375,557		Quarterly	60 days
Insurance funds ¹¹	972,327	\$ 103,216	Monthly, Quarterly, Biannually	30 - 90 days
Private debt/credit opportunity funds ¹²	4,306,069	\$ 3,940,793		
Private equity funds ¹³	21,285,291	\$ 9,344,537		
Private real asset funds ¹⁴	6,107,743	\$ 4,640,219		
Total investments measured at the NAV	<u>\$ 48,784,558</u>			
Investments at Level 3				
Private equity funds ¹³	\$ 329,592			
Real estate direct investments ¹⁵	\$ 10,663,262	\$ 147,710		

¹ *Commingled International Equity Funds*: The six funds in this group are primarily invested in publicly traded international equity securities. Three of these funds focus on emerging markets. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Three funds within this strategy are redeemable daily, two funds are redeemable monthly, and the remaining fund is currently in the liquidation process with a residual balance remaining.

² *Commingled Real Estate Investment Funds*: The eight funds in this group consist primarily of real estate investments owned directly or through partnership interests located in the United States. These investments include multi-family, industrial, retail, office, apartments and mortgage loans on income producing property. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. All funds within this strategy are eligible for redemption quarterly.

³ *Activist Equity Funds*: The four funds in this group invest in public companies with the intent to effect positive change through influencing management. The funds may be structured with a focus on specific domestic or foreign geographic regions. These investments are valued at the NAV per share. One fund (approximately 43 percent of this strategy) is currently eligible for redemption monthly. Another fund (approximately 27 percent of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining two funds (approximately 30 percent of this strategy) are subject to contractual lock-up restrictions and are not currently eligible for redemption.

⁴ *Diversifying Strategies (Managed Futures) Hedge Funds*: The three funds that make up this group primarily trade equity and commodity futures, but can also participate in indexes, rates and currencies across global markets. These funds use a systematic approach and focus on trends in price and other market signals. These investments are valued at the NAV per share. All funds within this strategy are redeemable within a month or less, as they are not subject to lock-up restrictions.

⁵ *Equity Long/Short Hedge Funds*: Consisting of three funds, this strategy invests both long and short, primarily in U.S. and global stocks that are mispriced by the markets. These managers vary in their use of short selling, leverage and definitions of growth or value. These funds are valued at the NAV per share. Two funds (approximately 58 percent of this strategy) are currently eligible for redemption monthly, while the remaining fund (approximately 42 percent of this strategy) is subject to contractual lock-up restrictions and is not currently eligible for redemption.

⁶ *Event Driven Hedge Funds*: The two funds in this group seek to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. These investments are valued at the NAV per share. One fund (approximately 82 percent of this strategy) is redeemable in six months due to biennial lock-up restrictions. The remaining fund (approximately 18 percent of this strategy) is not eligible for redemption due to contractual lock-up restrictions.

⁷ *Global Macro Hedge Funds*: Consisting of three funds, which base their holdings (such as long and short positions in various equity, fixed income, currency, and futures markets) primarily on overall economic and political views of various countries. These funds are valued at the NAV per share. All funds in this strategy are no longer subject to contractual lock-up and are redeemable in three months or less due to monthly and quarterly redemption restrictions.

⁸ *Multi-Strategy Hedge Funds*: The five funds in this group aim to diversify risks and reduce volatility by combining other strategies. These strategies are usually a mix of Equity Long/Short, Event-Driven, Opportunistic Debt and Relative Value. These funds are valued at the NAV per share. Three funds (approximately 55 percent of this strategy) are currently eligible for redemption in one to three months due to quarterly and annual redemption restrictions. One fund (approximately 26 percent of this strategy) is eligible for redemption biennially (for each commitment) with the next redemption in five months. The remaining fund (approximately 19 percent of this strategy) is not eligible for redemption due to contractual lock-up restrictions.

⁹ *Opportunistic Debt Hedge Funds*: Consisting of four funds that pursue various strategies and asset classes, with an emphasis on mispriced debt or equity of companies in distress. These managers vary in their focus on early versus late stage situations, senior versus subordinated levels on the capital structure and non-traditional areas including high yield bonds and Emerging Markets debt, and may also pursue relative value and arbitrage strategies with various debt instruments. These funds are valued at the NAV per share. The funds in this strategy are currently eligible for redemption in three to six months due to quarterly and annual redemption restrictions.

¹⁰ *Relative Value Hedge Funds*: Consisting of one fund, this strategy focuses on benefiting from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing (long) or selling (short) these instruments. These investments are valued at the NAV per share. The fund in this strategy is no longer subject to contractual lock-up and is redeemable in three months due to quarterly redemption restrictions.

¹¹ *Insurance Funds*: The six funds in this group invest primarily in reinsurance contracts and insurance-linked securities. These investments are valued at the NAV per share. One fund (approximately 29 percent) has varying restrictions due to underlying investment funds and redeemable within one to three months. Three funds (approximately 59 percent) are eligible for redemption in seven months or less due to biannual redemption restrictions. The remaining two funds (approximately 12 percent) are not eligible for redemption in seven months or less due to biannual redemption restrictions. The remaining two funds (approximately 10 percent) are not eligible for redemption due to contractual lock-up restrictions.

¹² *Private Debt/Credit Opportunity Funds*: There are 71 private debt/credit funds investing primarily in Distressed, Mezzanine and Loans with some exposure to Special Situations. The fair value of these funds has been determined using the NAV at June 30, 2021, or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹³ *Private Equity Funds*: There are 252 private equity funds investing primarily in Leveraged Buyouts funds, Venture Capital funds, Secondary funds and Growth funds with some exposure to Special Situations, Diversifying Strategies and GP Investments. The fair value of 250 funds has been determined using the NAV at June 30, 2021, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining two funds (approximately 2 percent of the value of these investments) is based on external appraisals at June 30, 2021, and classified as Level 3. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹⁴ *Private Real Asset Funds*: There are 94 real asset funds, 63 of which invest in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels. In addition, the funds may be structured with a focus on specific geographic domestic or foreign regions. The remaining 31 funds invest in infrastructure, timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2021, or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹⁵ *Direct Real Estate Investments*: There are 75 direct owned/joint venture real estate assets that are valued based on annual external and/or quarterly internal appraisals and are classified as Level 3.

The HIS and Police and Fire funds, at June 30, 2021, were fully invested in the Local Government Surplus Funds Trust Fund (Florida PRIME), a qualified external investment pool that measures for financial reporting purposes all of its investments at amortized cost. Florida PRIME currently has no limitations or restrictions on withdrawals. Section 218.409(8)(a), Florida Statutes, provides that the SBA executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the external investment pool, for 48 hours limit contributions to or withdrawals from the external investment pool to ensure that the SBA can invest moneys entrusted to it in exercising its fiduciary responsibility. With regard to liquidity fees, Section 218.409(4), Florida Statutes, provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

Florida PRIME currently follows all requirements in Government Accounting Standards Board Statement No. 79, paragraph 4, which lays out the requirements for external investment pools to report their investments at amortized cost. Florida PRIME is not required to register (and has not registered) with the Securities and Exchange Commission. Sections 218.40 through 218.415, Florida Statutes, and State Board of Administration Rules 19-7.002 through 19-7.016, Florida Administrative Code, promulgated pursuant to Section 218.405(4), Florida Statutes, govern the operation of Florida PRIME. The amortized cost of the participant account balance is reported as the fair value of the HIS and Police and Fire funds' investment in Florida PRIME.

2. Investment Risk

The FRS Pension Trust Fund has a broad range of financial investments exposed to various risks, including overall market volatility. Due to the level of risk associated with certain financial investments, it is reasonably possible that changes in the values of financial investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that certain risks be discussed in the financial statements. These risks include credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Each of these risks is discussed in more detail below.

3. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality ratings are used as an assessment of creditworthiness and are assigned by Nationally Recognized Statistical Rating Organizations (NRSROs). These ratings are disclosed in aggregate by investment type for the securities held as of the financial statement date.

The State Treasury Investment Pool's current rating by Standard and Poor's was AA-f as of June 30, 2021.

The SBA, in compliance with Section 215.47, Florida Statutes, has adopted certain investment policies with regard to credit risk of fixed income securities, which generally are managed through individual portfolios within various asset classes. Some of the individual portfolios have slightly different restrictions on credit quality.

For the Short-Term Portfolio, securities must be high quality at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the NRSROs. For long-term investment ratings, this is defined as being a minimum rating of A from one of the NRSROs. Securities of a single issuer are generally limited to 5 percent of the market value of the portfolio (excluding U.S. Treasuries and Agencies).

Generally, securities in other major portfolios, such as the Mortgage Index Portfolio, Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio, should be rated investment grade by at least one of the NRSROs at the time of purchase allowing a very small allocation to below investment grade (down to BB-/Ba3) for the Core Portfolio. Securities for a single issuer are generally limited to 5 percent of the fair value of the portfolio (excluding U.S. Treasuries and Agencies).

The Mortgage Index Portfolio limits securities generally to those issued by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC). No specific credit rating criteria are listed.

The Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio allow U.S. Treasuries, U.S. Government Agencies, corporates, mortgage and asset backed securities, foreign sovereign debt, and municipals.

For security lending portfolios, eligible cash collateral investments are the following:

- Tri-party qualified repurchase obligations are collateralized by U.S. Treasury bills, notes, bonds, and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity securities. U.S. Treasury and Government Agencies must maintain a market value of at least 102 percent of the market value of the securities subject to being repurchased and U.S. equities must maintain a market value of at least 110 percent of the market value of the securities subject to being repurchased.
- Money market mutual funds regulated by SEC rule 2a-7 and rated the highest applicable rating by at least one of the NRSROs.
- U.S. Treasury bills, notes, and bonds.

Security lending investments that were purchased prior to the policy guidelines established in December 2008 are being held to maturity in existing lending portfolios.

The following table discloses credit quality ratings related to credit risk on investments held in the FRS Pension Trust Fund at June 30, 2021 (in thousands):

FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2021

Credit Rating ¹		Total ²	Commercial paper	Money market funds	Repurchase agreements	Federal agencies ⁴	Domestic bonds and notes	International bonds and Notes
S&P	Moody's							
A-1/AAAm		\$ 4,582,656	\$ 2,585,163	\$ 1,997,493	\$ -	\$ -	\$ -	\$ -
A-2		242,998	242,998	-	-	-	-	-
AAA		1,218,999	-	-	-	-	625,768	593,231
AA		920,978	-	-	-	507,901	293,899	119,178
A		2,195,070	-	-	-	-	1,573,028	622,042
BBB		4,774,611	-	-	-	-	3,945,578	829,033
BB		433,757	-	-	-	-	312,854	120,903
B		138,347	-	-	-	-	99,671	38,676
CCC		25,546	-	-	-	-	19,229	6,317
CC		9,914	-	-	-	-	9,914	-
D		1,191	-	-	-	-	1,191	-
	Aaa	1,281,554	-	-	-	-	918,156	363,398
	Aa	126,895	-	-	-	-	97,992	28,903
	A	195,568	-	-	-	-	156,233	39,335
	Baa	569,461	-	-	-	-	418,398	151,063
	Ba	252,308	-	-	-	-	180,328	71,980
	B	65,592	-	-	-	-	54,727	10,865
	Caa	16,364	-	-	-	-	9,463	6,901
	Ca	199	-	-	-	-	199	-
NR	NR	10,428,149	-	-	633,846	8,959,339	684,708	150,256
		27,480,157	\$ 2,828,161	\$ 1,997,493	\$ 633,846	\$ 9,467,240	\$ 9,401,336	\$ 3,152,081
<u>Ratings not applicable:</u>								
Repurchase agreements ³		366,154						
U.S. guaranteed ³		17,884,329						
Total investments		<u>\$ 45,730,640</u>						

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated). Long-term ratings are presented except for commercial paper and money market funds.

² All investments are included in this table, including security lending collateral investments.

³ U.S. guaranteed obligations and collateral for repurchase agreements, which are explicitly guaranteed by the U.S. Government, do not require disclosure of credit quality.

⁴ Federal Agency TBAs and mortgage-backed securities are classified as "NR" because they do not have explicit credit ratings on individual securities.

All futures, options and swaps contracts held by the FRS Pension Trust Fund at June 30, 2021, were exchange-traded, therefore minimizing counterparty credit risk through the use of futures and swaps clearing merchants and clearing houses.

The FRS Pension Trust Fund may enter into contracts that allow for close-out netting with certain counterparties. In the event of default or early termination, the contract permits the non-defaulting party the right to close-out all transactions in a single net settlement to one net amount payable by one counterparty to the other. The aggregate fair value of non-exchange traded derivatives subject to close-out netting totaled \$10.2 million as of June 30, 2021.

Counterparty credit ratings related to credit risk for forward currency contracts held at June 30, 2021, are presented below (in thousands):

FRS Pension Trust Fund
Forward Currency Contract Counterparty Credit Ratings
As of June 30, 2021

Counterparty Credit Rating (Long/Short) ¹		Asset	Liability	Net Unrealized Gain/(Loss)
S&P	Moody's			
AA/A-1		\$ 110	\$ (29)	\$ 81
A/A-1		34,240	(24,107)	10,133
	NR/P-1	141	(105)	36
	Total	<u>\$ 34,491</u>	<u>\$ (24,241)</u>	<u>\$ 10,250</u>

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

Counterparty credit ratings related to credit risk for spot currency contracts held at June 30, 2021, are presented below (in thousands):

FRS Pension Trust Fund
Spot Currency Contract Counterparty Credit Ratings
As of June 30, 2021

Counterparty Credit Rating (Long/Short) ¹		Receivables	Payables	Net Unrealized Gain/(Loss)
S&P	Moody's			
AA/A-1		\$ 10,273	\$ (10,278)	\$ (5)
A/A-1		259,195	(259,891)	(696)
	A/P-1	384	(384)	-
NR	NR	74,370	(74,375)	(5)
	Total	<u>\$ 344,222</u>	<u>\$ (344,928)</u>	<u>\$ (706)</u>

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

The Police and Firefighters' Premium Tax Trust Fund and the Retiree Health Insurance Subsidy Trust Fund had investments in money market funds totaling \$282,463,201 and \$393,942,863, respectively, which held an S&P rating of AAAM at June 30, 2021.

4. Custodial Credit Risk

Custodial credit risk for investments is the risk that, if a depository financial institution or counterparty fails, the state will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

As stated in SBA's custodial credit policy, that the SBA seeks to minimize custodial credit risk through the use of trust accounts maintained at top tier third-party custodian banks, whose creditworthiness is monitored by the SBA. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, or in the case of certain foreign investments, in an omnibus client account, but separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities but does not apply to investments evidenced by contractual agreements such as alternatives, real estate, cleared derivative instruments (futures, options and swaps), external investment pools or open-ended mutual funds. These types of investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. In addition, un-invested cash for all portfolios/funds under SBA management is generally swept nightly into overnight investments, thereby reducing the plan's exposure to custodial credit risk. On occasion, however, the plan's cash balances can exceed federally-insured limits.

Presented below are investments that were uninsured and unregistered, with securities held by the counterparty, or by the counterparty's trust department but not in the SBA's name, as of June 30, 2021 (in thousands):

FRS Pension Trust Fund

Custodial Credit Risk

As of June 30, 2021

	Fair Value
Security lending collateral:	
Domestic bonds and notes	\$ 41,740
Total	<u>\$ 41,740</u>

5. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5 percent or more of the fund's fair value at June 30, 2021.

Investment policy guidelines allow the security lending programs to hold up to 30 percent of the cash collateral reinvestment portfolio in U.S. Treasury bills, notes, and bonds.

6. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income instruments. The SBA, in compliance with Section 215.47, Florida Statutes, has adopted certain investment policies with regard to interest rate risk exposure for fixed income securities, which generally are managed through individual portfolios with various asset classes. The individual portfolios may have different policies regarding interest rate risk.

For the Short-term Portfolio, the weighted-average maturity to final maturity date (WAL) is limited to 120 days and weighted-average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation.

The Mortgage Index Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 0.25 years of the Barclays Capital U.S. MBS Index duration. Swaps and/or Agency debentures may contribute no more than 25 percent of the portfolio's total duration.

The Intermediate Aggregate Less MBS Index Portfolio duration should remain within plus or minus 0.25 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration less the MBS Index component. Interest rate swaps and interest rate futures, on a net basis, may contribute no more than 25 percent of the portfolio's total duration.

The Core Portfolio duration should remain within plus or minus 0.50 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration. Interest rate swaps and interest rate futures on a net basis may contribute no more than 25 percent of the portfolio's total duration.

The Core Portfolio contains certain investments known as collateralized mortgage obligations (CMOs). CMOs are often more sensitive to interest rate changes than other fixed income instruments. Examples of CMO securities that qualify as "highly interest rate sensitive" include interest-only (IOs), principal-only (POs), and inverse floaters (INVs). IO and PO securities are transactions that involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which increase the value of a PO and decrease the value of an IO. Inverse floaters (INVs) have an inverse relationship to a benchmark rate, and the coupon payment is adjusted as the interest rate changes. If the benchmark interest rate decreases, the coupon rate increases and vice versa, which allows the bondholder to benefit from declining interest rates. Similar to an IO, an interest-only inverse floater's value increases as interest rates rise.

For security lending portfolios, policy guidelines allow investment in the following:

- Tri-party qualified repurchase obligations, with a term to repurchase not to exceed forty-five calendar days, that are fully collateralized by U.S. Treasury bills, notes, bonds and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. Equity securities.
- Money market mutual funds regulated by SEC rule 2a-7.
- U.S. Treasury bills, notes and bonds maturing within 92 days or less.

Security lending investments that were purchased prior to the investment policy guidelines established in December 2008 are still held in the lending programs and are slowly paying down. For investments that had floating interest rates, interest rate reset dates were used to calculate WAM.

The interest rate risk table for the FRS Pension Trust Fund as of June 30, 2021, is presented below (in thousands). Investment types related to fixed income portfolios are presented using effective weighted duration. Investment types related to short-term and security lending collateral portfolios are presented using weighted-average maturity.

FRS Pension Trust Fund
Debt Investments
As of June 30, 2021

Investment type	Total (duration)	Effective weighted duration (in years)	Total (WAM)	Weighted average maturity (in days)
Commercial paper	\$ -	N/A	\$ 2,828,161	14
Money market funds	-	N/A	1,997,493	1
Repurchase agreements	-	N/A	1,000,000	3
U.S. guaranteed obligations:				
Treasury bills	5,802,859	0.17	-	N/A
Treasury bonds and notes	10,480,831	4.01	-	N/A
Treasury strips	19,261	23.02	-	N/A
Index linked government bonds	201,743	8.65	-	N/A
Bonds and notes	10,973	1.83	-	N/A
Asset-backed	9,674	2.94	-	N/A
GNMA mortgage-backed	841,603	3.53	-	N/A
GNMA commitments to purchase (TBAs)	379,785	5.05	-	N/A
Mortgage-backed CMOs and CMBs ¹	137,600	3.65	-	N/A
Federal agencies:				
Unsecured bonds and notes	507,901	3.95	-	N/A
Agency strips	13,754	5.56	-	N/A
Mortgage-backed	4,871,867	4.69	-	N/A
FNMA, FHLMC commitments to purchase (TBAs)	3,062,980	4.93	-	N/A
Mortgage-backed CMOs and CMBs ¹	1,010,738	3.42	-	N/A
Domestic:				
Corporate bonds and notes	6,846,502	4.91	-	N/A
Asset and mortgage backed	761,674	2.16	37,403	26
Mortgage-backed CMOs and CMBs ¹	1,732,524	3.21	992	26
Municipal/provincial	22,241	6.03	-	N/A
International:				
Government and agency obligations	769,839	3.71	-	N/A
Corporate bonds and notes	1,650,953	4.05	-	N/A
Asset and mortgage-backed	643,204	0.33	-	N/A
Mortgage-backed CMOs and CMBs ¹	88,085	(0.05)	-	N/A
Futures - long ²	4,865	3.86	-	N/A
Futures - short ²	(17,627)	6.64	-	N/A
Credit default swaps ²	5,164	-	-	N/A
Interest rate swaps ²	(4,172)	7.65	-	N/A
Total fixed income investments	<u>\$ 39,854,821</u>		<u>\$ 5,864,049</u>	

¹ Includes investments in IOs, POs, and INVs totaling \$80 million at June 30, 2021.

² The futures and swaps contracts' effective weighted durations were calculated using notional values (in U.S. dollars) rather than fair values.

The effective duration of the State Treasury Investment Pool at June 20, 2021, was approximately 2.60 years.

Interest rate risk information for fixed income investments sold short is presented below (in thousands):

FRS Pension Trust Fund
Sold Short¹ Debt Investment Positions
As of June 30, 2021

Investment type	Fair value (duration)	Effective weighted Duration (in years)
GNMA commitments to sell (TBAs)	\$ (837)	2.47
FNMA, FHLMC commitments to sell (TBAs)	(75,747)	3.11
Total fixed income investments sold short ¹	<u>\$ (76,584)</u>	

¹ Investments sold short are reported as liabilities on the Statement of Fiduciary Net Position.

The Police and Firefighters' Premium Tax Trust Fund and the Retiree Health Insurance Subsidy Trust Fund had investments in money market funds totaling \$282,463,201 and \$393,942,863, respectively, which had daily liquidity at June 30, 2021.

7. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment. Under Section 215.47, Florida Statutes, and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investment by the FRS Pension Trust Fund may be invested in various types of securities denominated in foreign currency. The SBA has developed for the FRS Pension Trust Fund an Investment Policy Statement (IPS) that sets ranges on investments by asset class. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. Florida law limits the exposure to foreign securities held outside of foreign group trusts and certain other foreign entities to 50 percent of the total FRS Pension Trust Fund. There is no requirement that this exposure to foreign currency risk be hedged through forward currency contracts, although some managers are authorized to use forward currency contracts.

Commingled international equity funds are collective investments where the FRS Pension Trust Fund owns a portion of the total units in commingled funds with other investors. Exchange-traded funds (ETFs) are investment funds, traded on the exchanges, that hold assets such as stocks or bonds, and the FRS Pension Trust Fund owns a portion of the total shares in the ETFs. Participatory notes (P-notes) allow the FRS Pension Trust Fund to participate in certain foreign equity markets where direct participation is not possible due to local government regulations, tax policies, or for other reasons. The overall investments or notes themselves are denominated in U.S. dollars, but a portion of the underlying assets may be exposed to foreign currency risk in various currencies.

Alternative investments are commingled investment funds (primarily limited partnerships) where the FRS Pension Trust Fund owns a portion of the overall investment in the funds. For those funds denominated in U.S. dollars, some of the underlying investments may be exposed to foreign currency risk in various currencies.

The FRS Pension Trust Fund also holds positions in futures, swaps, and foreign currency contracts that are subject to foreign currency risk. Additional information on derivatives is provided in section B.9. in Note 3 to the financial statements.

Following are the FRS Pension Trust Fund's investments, by currency at fair value (in U.S. dollars), exposed to foreign currency risk as of June 30, 2021 (in thousands):

FRS Pension Trust Fund

Investments Exposed to Foreign Currency Risk (fair values in U.S. dollars, in thousands)

As of June 30, 2021

Currency	FRS Pension Trust Fund Investment Type					Total
	Equity	Alternative Investments	Fixed Income	Other	Spot Contracts, net	
Australian dollar	\$ 1,006,211	\$ -	\$ -	\$ (130,375)	\$ (226)	\$ 875,610
Brazilian real	684,376	-	-	-	(1,552)	682,824
British pound sterling	3,441,186	111,669	19,939	(70,977)	12,322	3,514,139
Canadian dollar	1,403,652	-	3,962	67,311	2,670	1,477,595
Chilean peso	32,196	-	-	-	-	32,196
Chinese yuan renminbi	1,083,278	-	-	49,586	(93)	1,132,771
Columbian peso	917	-	-	22,496	-	23,413
Czech koruna	1,088	-	-	45,542	-	46,630
Danish krone	675,407	-	-	-	(202)	675,205
Egyptian pound	10,590	-	-	-	-	10,590
Euro	8,319,691	1,604,304	102,508	(500,657)	98,330	9,624,176
Hong Kong dollar	4,044,101	-	-	(18,773)	18,474	4,043,802
Hungarian forint	8,644	-	-	10,427	-	19,071
Indian rupee	1,231,137	-	6	64,718	(94)	1,295,767
Indonesian rupiah	77,623	-	-	89,131	(5)	166,749
Israeli shekel	107,048	-	-	(19,618)	478	87,908
Japanese yen	4,102,818	1,812	-	(138,769)	(12,037)	3,953,824
Kenyan shilling	6,109	-	-	-	-	6,109
Kuwaiti dinar	2,756	-	-	-	-	2,756
Malaysian ringgit	56,291	-	-	-	(5)	56,286
Mexican peso	165,744	-	-	(4,015)	108	161,837
New Taiwan dollar	1,778,993	-	-	(102,766)	48,031	1,724,258
New Zealand dollar	17,118	-	-	36,156	-	53,274
New Zimbabwe dollar	8,393	-	-	-	-	8,393
Norwegian krone	291,877	-	-	5,900	(911)	296,866
Pakistani rupee	1,053	-	-	-	-	1,053
Peruvian sol	61	-	-	-	-	61
Philippines peso	44,857	-	-	21,014	419	66,290
Polish zloty	67,428	-	-	20,887	234	88,549
Qatari riyal	10,011	-	-	-	-	10,011
Romanian new leu	-	-	-	10,471	-	10,471
Russian ruble	9,843	-	-	83,624	-	93,467
Saudi Arabian riyal	136,036	-	-	-	-	136,036
Singapore dollar	424,269	-	-	2,278	648	427,195
South African rand	341,729	-	-	(3,811)	(1,049)	336,869
South Korean won	1,834,183	-	-	(9,993)	-	1,824,190
Swedish krona	804,106	55,096	-	(37,575)	(4,942)	816,685
Swiss franc	1,915,226	-	-	(54,578)	(7,454)	1,853,194
Thailand baht	126,045	-	-	3,384	10	129,439
Turkish lira	67,573	-	-	10,267	(190)	77,650
United Arab Emirates dirham	33,699	-	-	-	-	33,699
Vietnam dong	12,508	-	-	-	-	12,508
Total foreign currency risk	34,385,871	1,772,881	126,415	(548,715)	152,964	35,889,416
Other investments with potential exposure to foreign currency risk:						
Alternative investments	-	37,699,569	-	-	-	37,699,569
P-notes and ETFs	59,574	-	-	-	-	59,574
Commingled international equity	7,724,138	-	-	-	-	7,724,138
Total investments subject to currency risk	<u>\$ 42,169,583</u>	<u>\$ 39,472,450</u>	<u>\$ 126,415</u>	<u>\$ (548,715)</u>	<u>\$ 152,964</u>	<u>\$ 81,372,697</u>

The tables below provide additional details on the futures contracts, option contracts and foreign currency contracts that were subject to foreign currency risk. The margin payments included in “Accounts receivable” and “Accounts payable and accrued liabilities” on the Statement of Fiduciary Net Position may also be exposed to foreign currency risk.

Futures

The FRS Pension Trust Fund’s futures contract positions at June 30, 2021, that were exposed to foreign currency risk are presented below (in thousands):

FRS Pension Trust Fund
Futures Positions Exposed to Foreign Currency Risk
As of June 30, 2021

Futures Contract Type	Currency	Number of Contract	In Local Currency			In U.S. dollars
			Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss)	Unrealized Gain/(Loss)
Stock Index Futures:						
GBP FTSE 100 Index	British pound sterling	10	707	698	(9)	\$ (13)
Canada S&P/TSE 60 Index	Canadian dollar	4	956	962	6	5
DJ Euro STOXX 50	Euro	40	1,648	1,622	(26)	(31)
TOPIX Index Future	Japanese yen	8	156,439	155,440	(999)	(9)
MSCI EAFE ¹	U.S. dollar	4,536	536,156	522,570	(13,586)	(13,586)
MSCI Emerging Markets Index ¹	U.S. dollar	239	16,303	16,309	6	6
Total futures subject to foreign currency risk		4,837	712,209	697,601	(14,608)	\$ (13,628)

¹ Futures denominated in U.S. dollars are based on an index that converts the foreign issues to dollar equivalents at currency market exchange rates.

Options

There were no option contracts held as of June 30, 2021.

Forward and Spot Foreign Currency Contracts

Foreign currency contracts are agreements to exchange one currency for another currency at an agreed-upon price and settlement date. Currently, there are two types of foreign currency contracts being utilized by the FRS Pension Trust Fund. Spot currency contracts are valued at spot (traded) currency rates and are used primarily for trade settlement and currency repatriation. Forward currency contracts are valued at interpolated forward rates and may be used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. Forward currency contracts are recorded as other investments and other liabilities on the statements of net position and spot currency contracts are recorded as receivables and payables on the statements of net position. In addition, a currency overlay program is used to seek additional value and is run independently of the underlying equity assets.

The FRS Pension Trust Fund's forward and spot currency contract positions as of June 30, 2021, that were exposed to foreign currency risk are presented below, by currency (in thousands):

FRS Pension Trust Fund
Forward and Spot Foreign Currency Exchange Contracts
As of June 30, 2021

Currency	Forward Currency Contracts				Spot Currency Contracts			
	Receivable Notional	Payable Notional	Net Investment/ Liability	Unrealized Gain/ (Loss)	Receivables	Payables	Net Receivables/ Payables	Unrealized Gain/ (Loss)
Australian dollar	\$ 207,958	\$ 338,623	\$ (130,375)	\$ 291	\$ 1,975	\$ (2,201)	\$ (226)	\$ (3)
Brazilian real	22,259	21,705	-	(555)	-	(1,552)	(1,552)	-
British pound sterling	125,986	198,095	(70,964)	1,145	22,208	(9,886)	12,322	(142)
Canadian dollar	328,752	260,675	67,306	(771)	3,527	(857)	2,670	3
Chilean peso	12,495	12,174	-	(320)	-	-	-	-
Chinese yuan renminbi	49,924	-	49,586	(337)	-	(93)	(93)	-
Columbian peso	35,388	12,029	22,496	(862)	-	-	-	-
Czech koruna	46,495	-	45,542	(953)	-	-	-	-
Danish krone	-	-	-	-	-	(202)	(202)	-
Euro	235,963	744,957	(500,626)	8,368	132,511	(34,181)	98,330	(674)
Hong Kong dollar	5,132	23,927	(18,773)	22	27,058	(8,584)	18,474	(4)
Hungarian forint	10,850	-	10,427	(423)	-	-	-	-
Indian rupee	78,003	12,147	64,718	(1,139)	-	(94)	(94)	-
Indonesian rupiah	90,744	-	89,131	(1,613)	-	(5)	(5)	-
Israeli shekel	1,506	21,137	(19,618)	13	478	-	478	-
Japanese yen	35,962	176,512	(138,760)	1,790	2,093	(14,130)	(12,037)	28
Malaysian ringgit	-	-	-	-	-	(5)	(5)	-
Mexican peso	12,202	16,217	(4,015)	-	108	-	108	-
New Taiwan dollar	6,500	108,971	(102,766)	(295)	48,064	(33)	48,031	80
New Zealand dollar	252,223	215,987	36,156	(80)	-	-	-	-
Norwegian krone	184,773	179,797	5,900	923	-	(911)	(911)	1
Philippines peso	21,451	-	21,014	(437)	419	-	419	(2)
Polish zloty	21,689	-	20,887	(801)	234	-	234	-
Romanian new leu	10,735	-	10,471	(264)	-	-	-	-
Russian ruble	81,421	834	83,624	3,037	-	-	-	-
Singapore dollar	2,299	-	2,278	(21)	2,924	(2,276)	648	(2)
South African rand	-	3,817	(3,811)	5	2,004	(3,053)	(1,049)	(4)
South Korean won	29,324	39,680	(9,993)	363	-	-	-	-
Swedish krona	155,687	195,368	(37,575)	2,106	5,126	(10,068)	(4,942)	(10)
Swiss franc	206,298	261,928	(54,578)	1,052	-	(7,454)	(7,454)	24
Thailand baht	21,576	18,007	3,384	(186)	21	(11)	10	-
Turkish lira	10,075	-	10,267	192	-	(190)	(190)	(1)
U.S. dollar	1,608,209	1,049,292	558,917	-	95,472	(249,142)	(153,670)	-
Total	\$ 3,911,879	\$ 3,911,879	\$ 10,250	\$ 10,250	\$ 344,222	\$ (344,928)	\$ (706)	\$ (706)

8. Security Lending

During fiscal year 2021, the FRS Pension Trust Fund participated in security lending programs with two lending agents, including the custodian and one third-party agent. These security lending programs have indemnity clauses requiring the lending agent to assume the borrower's risk from default. There are no restrictions on the amount of securities that can be loaned at one time to one borrower.

In addition to the two agent lending programs, the FRS Pension Trust Fund participated in security lending through investments in four commingled funds that do not offer borrower indemnification. The fund receives a proportionate share of the security lending income generated from these activities.

Collateral requirements for securities on loan range from 100 percent to 105 percent, depending on the lending agent, the type of security lent, and the type of collateral received. As of June 30, 2021, the FRS Pension Trust Fund had received and invested approximately \$2.0 billion in cash collateral and received \$10.6 billion in securities as collateral for the lending programs. The collateral held for the security lending transactions exceeded the fair value of the securities on loan (including accrued interest). As a result, none of the lending programs were under-collateralized at the end of the fiscal year. The SBA does not have the ability to pledge or sell the non-cash collateral securities unless the borrower defaults, so the non-cash portion is not reported on the Statement of Fiduciary Net Position.

Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, because security lending agreements generally are open-ended with no fixed expiration date. As such, investments made with cash collateral are limited to those with a final maturity up to 92 days. However, investments in one of the security lending programs included investments with final maturities of six months or more, which represented approximately 3 percent of that lender's total collateral invested at June 30, 2021. This is due to the portfolio containing some legacy securities that will remain until they are sold or mature.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2021 (in thousands):

Schedule of Investments on Loan Under Security Lending Agreements

As of June 30, 2021

Securities on loan for cash collateral, by security type	Fair Value of Securities on Loan ¹	
	FRS Pension Trust Fund	
U.S. guaranteed obligations	\$	1,230,458
Federal agencies		26,410
Domestic corporate bonds and notes		46,916
International bonds and notes		60,606
Domestic equities		89,153
International equities		493,737
Total securities on loan for cash collateral	\$	1,947,280
Securities on loan for non-cash collateral, by security type		
U.S. guaranteed obligations	\$	1,134,410
Federal agencies		2,489
Domestic corporate bonds and notes		19,111
International bonds and notes		11,226
Domestic equities		8,458,175
International equities		678,931
Total securities on loan for non-cash collateral		10,304,342
Total securities on loan	\$	12,251,622

¹ Fair value includes accrued interest on fixed income securities.

9. Derivatives

The FRS Pension Trust Fund accounts for derivatives in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). This statement defines a derivative instrument as a financial instrument or other contract that has all of the following characteristics:

- a. Settlement factors. It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. Those terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- b. Leverage. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- c. Net settlement. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments in the FRS Pension Trust Fund as of June 30, 2021, consisted of futures, forward currency contracts, and swaps. There were no option contracts held as of June 30, 2021.

The SBA has established investment guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets and may only be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgage-backed security prepayment risk, and to effectively manage exposure to domestic and international equities, bonds, and real estate markets.

A futures contract is an agreement between a buyer and a seller to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all members in a market on an organized futures exchange. Upon entering into a futures contract, collateral (cash and/or securities) is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the SBA and third-party counterparties. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Position. Losses may arise from future changes in the value of the underlying instrument.

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price.

A forward contract is a contractual obligation, typically over-the-counter, traded between two parties to exchange a particular good or instrument at a set price on a future date. The buyer of the forward agrees to pay the price and take delivery of the good or instrument and is said to be "long" in the forward contract, while the seller of the forward, or "short", agrees to deliver the good or instrument at the agreed price on the agreed date.

A swap is a contractual agreement to exchange a stream of periodic payments utilizing a central clearing house whereby each party in the transaction enters into a contract with the central counterparty. These agreements may be over-the-counter or exchange-traded. Upon entering into a swap contract through a clearing house, collateral is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Swaps are available in and between all active financial markets. Examples include:

Interest rate swap - An agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate.

Credit default swap - An agreement that allows one party to "buy" protection from another party for losses that might be incurred as a result of default by a specified reference credit (or credits). The "buyer" of protection pays a premium for the protection, and the "seller" of protection agrees to make a payment to compensate the buyer for losses incurred if a defined credit event occurs.

The fair value, changes in fair value, and notional amounts of the derivative investments for the fiscal year ended June 30, 2021, are classified by type and presented in the table below (in thousands):

FRS Pension Trust Fund

	Notional (in U.S. dollars)	Increase/(Decrease) in Fair Value		Fair Value at June 30, 2021	
		Classification	Amount (in U.S. Dollars)	Classification	Amount (in U.S. dollars)
Investment derivatives:					
Futures¹					
Fixed income futures	\$ 7,199,391	Investment Income	\$ 5,730	Investment	\$ (12,762)
Equity futures	2,357,517	Investment Income	438,779	Investment	2,466
Total futures	<u>\$ 9,556,908</u>		<u>\$ 444,509</u>		<u>\$ (10,296)</u>
Foreign currency forwards	<u>\$ 3,911,879</u>	Investment Income	<u>\$ (32,876)</u>	Receivable/ (Payable), net	<u>\$ 10,250</u>
Swaps					
Credit default swaps	\$ 786,630	Investment Income	\$ (1,289)	Investment	\$ 5,164
Interest rate swaps	135,213	Investment Income	(1,436)	Investment	(4,172)
Total swaps	<u>\$ 921,843</u>		<u>\$ (2,725)</u>		<u>\$ 992</u>

¹The total notional values of long and short fixed income futures positions were \$5.1 billion and \$2.1 billion, respectively. The total notional value of long equity futures positions was \$2.3 billion.

10. Commitments

Each year the FRS Pension Trust Fund enters into a number of agreements that commit the fund, upon request, to make additional investment purchases (i.e., capital commitments) up to predetermined amounts over certain investment time periods. The unfunded capital commitments for private equity, real estate and strategic investments not reported on the FRS Pension Trust Fund Statement of Fiduciary Net Position totaled \$18.2 billion as of June 30, 2021.

Note 4 – NET PENSION LIABILITY

The components of the net pension liability of the state-administered pension plans are presented below:

A. Florida Retirement System (FRS) Pension Plan

Net Pension Liability	June 30, 2020	June 30, 2021
Total pension liability	\$ 204,909,739,000	\$ 209,636,046,000
Fiduciary net position	\$ 161,568,265,280	\$ 202,082,182,546
Net pension liability	\$ 43,341,473,720	\$ 7,553,863,454
Fiduciary net position as a % of total pension liability	78.85%	96.40%
Covered payroll ¹	\$ 36,898,200,000	\$ 37,590,100,000
Net pension liability as a % of covered payroll	117.46%	20.10%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method.

¹ Covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

Discount Rate	June 30, 2020	June 30, 2021
Discount rate	6.80%	6.80%
Long-term expected rate of return, net of investment	6.80%	6.80%
Municipal bond rate	N/A	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.80 percent rate of return assumption used in the June 30, 2021, calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2021 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Valuation Date	July 1, 2020	July 1, 2021
Measurement date	June 30, 2020	June 30, 2021
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	PUB-2010 base table varies by member category and sex; projected generationally with Scale MP-2018; details in valuation report	PUB-2010 base table varies by member category and sex; projected generationally with Scale MP-2018; details in valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances as of June 30, 2020	\$ 204,909,739,000	\$ 161,568,265,280	\$ 43,341,473,720
Changes for the year:			
Service cost	2,648,469,100		2,648,469,100
Interest on total pension liability	13,713,165,933		13,713,165,933
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	349,778,878		349,778,878
Effect of assumptions changes or inputs	-		-
Benefit payments ¹	(11,985,106,911)	(11,985,106,911)	-
Employer contributions		3,809,567,951	(3,809,567,951)
Member contributions		756,530,214	(756,530,214)
Net investment income		47,954,666,610	(47,954,666,610)
Administrative expenses		(21,740,598)	21,740,598
Balances as of June 30, 2021	<u>\$ 209,636,046,000</u>	<u>\$ 202,082,182,546</u>	<u>\$ 7,553,863,454</u>

¹ Benefit payments shown above include outbound transfers to the Investment Plan and returns of contributions, net of \$89,899,880 inbound transfers from the Investment Plan.

Sensitivity Analysis

The following presents the net pension liability of the pension plan, calculated using the discount rate of 6.80 percent, as well as what the pension plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80 percent) or one percentage point higher (7.80 percent) than the current rate.

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Total pension liability	\$ 235,863,566,000	\$ 209,636,046,000	\$ 187,712,780,000
Fiduciary net position	202,082,182,546	202,082,182,546	202,082,182,546
Net pension liability	<u>\$ 33,781,383,454</u>	<u>\$ 7,553,863,454</u>	<u>(\$14,369,402,546)</u>

Long-Term Expected Rate of Return

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.30 percent, which is consistent with the 4.17 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2021 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption is the same as the investment return assumption chosen by the 2021 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%

Assumed Inflation – Mean	2.4%	1.2%
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¹ As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Calculation of Money-Weighted Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on FRS pension plan investments, net of pension plan investment expense, was 30.41 percent.² The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

² The money-weighted plan rate of return is an estimate using estimated level monthly net external cash flows. It may differ from the more precise return calculated by the State Board of Administration.

B. Retiree Health Insurance Subsidy (HIS) Program

Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2020, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2021, financial reporting exhibits shown below. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures. The discount rates used at the two liability measurement dates differ due to changes in the applicable municipal bond index between dates.

Net Pension Liability	June 30, 2020	June 30, 2021
Total pension liability	\$12,588,098,255	\$12,719,121,120
Fiduciary net position	\$378,261,130	\$452,617,639
Net pension liability	\$12,209,837,125	\$12,266,503,481
Fiduciary net position as a % of total pension liability	3.00%	3.56%
Covered payroll	\$34,715,390,695	\$35,406,396,814
Net pension liability as a % of covered payroll	35.17%	34.64%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

Discount Rate	June 30, 2020	June 30, 2021
Discount rate	2.21%	2.16%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	2.21%	2.16%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable municipal bond index.

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 - June 30, 2018.

Valuation Date	July 1, 2020	July 1, 2020
Measurement date	June 30, 2020	June 30, 2021
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018; details in valuation report	Generational PUB-2010 with Projection Scale MP-2018; details in valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Changes in Net Pension Liability			
Balances as of June 30, 2020	\$12,588,098,255	\$378,261,130	\$12,209,837,125
Changes for the year:			
Service cost	280,658,909		280,658,909
Interest on total pension liability	278,746,908		278,746,908
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	-		-
Effect of assumptions changes or inputs	85,977,717		85,977,717
Benefit payments	(514,360,669)	(514,360,669)	-
Employer contributions		587,800,843	(587,800,843)
Member contributions		55,181	(55,181)
Net investment income		1,054,220	(1,054,220)
Administrative expenses		(193,066)	193,066
Balances as of June 30, 2021	<u>\$12,719,121,120</u>	<u>\$452,617,639</u>	<u>\$12,266,503,481</u>

Sensitivity Analysis

The following presents the net pension liability of the HIS, calculated using the discount rate of 2.16 percent, as well as what the HIS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16 percent) or one percentage point higher (3.16 percent) than the current rate.

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total pension liability	\$14,633,883,847	\$12,719,121,120	\$11,150,401,256
Fiduciary net position	<u>452,617,639</u>	<u>452,617,639</u>	<u>452,617,639</u>
Net pension liability	<u>\$14,181,266,208</u>	<u>\$12,266,503,481</u>	<u>\$10,697,783,617</u>

C. Florida National Guard Supplemental Retirement Benefit Plan

Actuarial valuations for the Florida National Guard Supplemental Retirement Benefit Plan are performed biennially. The July 1, 2020, National Guard valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2021, financial reporting exhibits shown below. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures. The discount rates used at the two liability measurement dates differ due to changes in the applicable municipal bond index between dates.

Net Pension Liability	June 30, 2020	June 30, 2021
Total pension liability	\$1,142,129,836	\$1,190,776,748
Fiduciary net position	-	-
Net pension liability	\$1,142,129,836	\$1,190,776,748
Fiduciary net position as a % of total pension liability	0.00%	0.00%
Covered payroll ¹	\$508,895,000	\$519,073,000
Net pension liability as a % of covered payroll	224.43%	229.40%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

¹ Covered payroll is based on the total annual wages from the active duty military pay tables for the rank held by individuals in the Army and Air National Guard, which is the basis of the benefit formula.

Discount Rate	June 30, 2020	June 30, 2021
Discount rate	2.21%	2.16%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	2.21%	2.16%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the National Guard benefit is funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate adopted by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable bond index.

Other Key Actuarial Assumptions

The plan has not had a formal actuarial experience study performed.

Valuation Date	July 1, 2020	July 1, 2020
Measurement date	June 30, 2020	June 30, 2021
Individual Member Salary Increase	Varies by service; separate tables for officers and enlisted;	Varies by service; separate tables for officers and enlisted;
Annual Increase for net Florida National Guard benefit	2.80%	2.80%
Mortality	PUB-2010 with Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Entry Age Normal	Entry Age Normal

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances as of June 30, 2020	\$1,142,129,836	\$ -	\$1,142,129,836
Changes for the year:			
Service cost	24,859,084		24,859,084
Interest on total pension liability	25,620,062		25,620,062
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	-		-
Effect of assumptions changes or inputs	13,672,669		13,672,669
Benefit payments	(15,504,903)	(15,504,903)	-
Employer contributions ¹		15,550,903	(15,550,903)
Member contributions ²		-	-
Net investment income ²		-	-
Administrative expenses		(46,000)	46,000
Balances as of June 30, 2021	<u>\$1,190,776,748</u>	<u>\$ -</u>	<u>\$1,190,776,748</u>

¹ Contributions are provided by annual legislative appropriation to cover expenses and benefit payments.

² This plan is funded by general revenue funding with no member contributions and no plan assets. Therefore, Member Contributions and Net Investment Income will always be \$0.

Sensitivity Analysis

The following presents the net pension liability of the plan, calculated using the discount rate of 2.16 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16 percent) or one percentage point higher (3.16 percent) than the current rate.

	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total pension liability	\$1,514,932,086	\$1,190,776,748	\$953,333,234
Fiduciary net position	-	-	-
Net pension liability	<u>\$1,514,932,086</u>	<u>\$1,190,776,748</u>	<u>\$953,333,234</u>

Note 5 – INTERFUND BALANCES AND TRANSFERS

At June 30, 2021, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances from other funds. Interfund balances at June 30, 2021, consist of the following:

	Due from Other Funds within Division		
	Fiduciary Funds		
	Florida Retirement System	Senior Management Service Optional Annuity Program	Health Insurance Subsidy Trust Fund
Due to Other Funds within Division			
Fiduciary Funds			
Florida Retirement System	\$ -	\$ 10,296	\$ 6,493,834
State University System Optional Retirement Program	143,970	-	-
Total	<u>\$ 143,970</u>	<u>\$ 10,296</u>	<u>\$ 6,493,834</u>

There were no interfund transfers during the year.

Note 6 – CHANGES IN LONG TERM LIABILITIES

Changes in long-term liabilities for fiduciary and governmental activities during the fiscal year ended June 30, 2021, are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year (Current)
Fiduciary Activities					
Pension Liability	\$ 82,564	\$ 15,005	\$ -	\$ 97,569	\$ 307
Compensated absences	1,072,086	163,124	-	1,235,210	363,483
Other postemployment benefits	14,680,199	31,411	3,050,320	11,661,290	189,207
Total Fiduciary Activities	\$15,834,849	\$ 209,540	\$3,050,320	\$ 12,994,069	\$ 552,997
Governmental Activities					
Compensated absences	\$ 132,872	\$ 16,397	\$ -	\$ 149,269	\$ 37,604
Other postemployment benefits	531,410	24,717	-	556,127	9,023
Total Governmental Activities	\$ 664,282	\$ 41,114	\$ -	\$ 705,396	\$ 46,627

The long-term liability for fiduciary activities related to pension liability represents the State University System Optional Retirement Plan (SUSORP) Trust Fund's allocated share of the applicable state's pension liability. Changes to the trust fund's allocated share of the liability occur as a result of the state's allocation process and are non-liquidating by the trust fund itself. The liability related to compensated absences will be liquidated by the SUSORP Trust Fund. The allocated share of the state's Other Postemployment Benefits (OPEB) liability in the Florida Retirement System Trust Fund and the SUSORP Trust Fund is also reported above. The state does not currently fund the OPEB liability; therefore, it is non-liquidating.

The long-term liabilities for governmental activities related to compensated absences will be liquidated by the Police and Firefighters' Premium Tax Trust Fund, a special revenue fund. The fund's allocated share of the state's OPEB liability is also reported above. The state does not currently fund the OPEB liability; therefore, it is non-liquidating.

NOTE 7 – RELATED PARTIES

The State Board of Administration (SBA), the FRS Investment Plan Trust Fund, and the Department of Management Services (DMS) state-administered retirement systems are considered to be related parties for the purposes of the system's financial statements.

The defined benefit state-administered pension funds have a variety of transactions with the SBA and the FRS Investment Plan. The DMS administers the state-administered defined benefit pension plans, including collecting employer and employee contributions, remitting those contributions to SBA for investment, requesting withdrawals from SBA for benefit payments, and paying those benefit payments to members. The SBA administers the FRS Investment Plan Trust Fund, including working with DMS to collect employer and employee contributions and processing member-directed benefit amounts between the FRS Pension Plan Trust Fund and the FRS Investment Plan Trust Fund. The SBA provides investment services to the FRS Pension Plan and the Retiree Health Insurance Subsidy Pension Plan and charges an investment service charge on the net asset value at the end of each month.

In addition to the defined benefit pension plans, the DMS administers the Police and Firefighters' Premium Tax Trust Fund, a supplemental funding of defined benefit plans for municipal police officers and firefighters who are not in the FRS. The SBA provides investment services to the Police and Firefighters' Premium Tax Trust Fund.

Significant transactions between the SBA, the FRS Investment Plan Trust Fund and the DMS state-administered retirement systems for the fiscal year ended June 30, 2021 are as follows (in thousands):

	Florida Retirement System Pension Plan	Retiree Health Insurance Subsidy Trust Fund	Police and Firefighters' Premium Tax Trust Fund
<u>Payables:</u>			
Due to SBA for investment service charges	\$ 7,467	\$ -	\$ -
Funds received from SBA for distributions	\$ 11,419,813	\$ 514,371	\$ 203,396
Transfers from FRS Investment Plan Trust Fund	140,431	-	-
Total Additions	<u>\$ 11,560,244</u>	<u>\$ 514,371</u>	<u>\$ 203,396</u>
<u>Deductions:</u>			
Employer/employee contributions sent to SBA	\$ 4,485,623	\$ 588,316	\$ -
Member-directed benefits sent to FRS Investment Plan Trust Fund	668,696	-	-
Investment service charges to the SBA	40,815	-	-
Premium taxes sent to SBA	-	-	208,300
Total Deductions	<u>\$ 5,195,134</u>	<u>\$ 588,316</u>	<u>\$ 208,300</u>

Note 8 – OTHER POSTEMPLOYMENT BENEFITS

The Florida Department of Management Services, Division of Retirement (division) is part of the primary government of the State of Florida. The division participates in the State Employees' Group Health Insurance Plan administered by the Department of Management Services, Division of State Group Insurance (DSGI). The plan covers retired employees and is considered an 'other postemployment benefits' plan.

Plan Description

The DSGI Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan which provides healthcare benefits in accordance with Section 110.123, Florida Statutes, and the design documents located on DSGI's website at <https://www.mybenefits.myflorida.com/health/resources>. DSGI pays the medical costs incurred by participating retired employees, net of related premiums that are paid entirely by the retiree. Pursuant to provisions of Section 112.0801, Florida Statutes, the OPEB Plan allows all employees who retire and meet retirement eligibility requirements under one of the state's retirement plans to continue medical coverage as a participant in the state's group health insurance program. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. There are 6 participating employers in the Plan, including the primary government of the state and 15 of its component units which are reported as one employer in the valuation, along with 5 other governmental entities. Although retirees pay 100 percent of the premium amount, the premium cost to the retiree is implicitly subsidized by commingling of the claims experience in a single risk pool with a single premium determination for active employees and retirees under age 65. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the Plan is secondary payer to Medicare Parts A and B. Employees must make an election to participate in the Plan within 60 days of the effective date of retirement or the termination date to finalized Deferred Retirement Option Program participation to be eligible to continue in the Plan as a retiree. The Plan does not provide for a cost of living allowance increase.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan operates on a pay-as-you-go basis based on the budget supported by the General Appropriations Act enacted into law each year.

Employees Covered by Benefit Terms

At July 1, 2020, there were 194,496 employees covered by the OPEB Plan, as shown in the following table:

Active Members	137,884
No Coverage Active Members	21,032
Retired and Inactive Members	35,580
Total	<u>194,496</u>

There are currently no inactive plan members entitled to but not yet receiving benefits because the Plan does not provide a vested termination benefit.

Benefits Provided

The OPEB Plan provides the same healthcare benefits to retirees as those provided to active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All full-time equivalent employees of the state are eligible to receive postemployment health care benefits. Four types of health plans are offered to eligible participants:

- Standard statewide Preferred Provider Organization (PPO) Plan
- High Deductible PPO Plan
- Standard Health Maintenance Organization (HMO) Plan
- High Deductible HMO Plan

HMO coverage is available only to those retirees who live or work in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks. Benefit provisions are described by Section 110.123, Florida Statutes, and the design documents located on DSGI's website. The Florida Legislature establishes and amends the contribution requirements, benefit terms and benefit payments of the OPEB Plan. There were no changes in benefit terms during the measurement period. During the reporting period, the division paid \$202,312 for OPEB as the benefits came due.

Contributions

Retirees participating in the group insurance plans offered by the State of Florida are required to contribute 100 percent of the premiums. The State of Florida implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same health plan offered to active employees. Retirees under age 65 pay the same premium amounts as applicable to the active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because Medicare is the primary payer for those retirees.

Note that the projected post-65 employee contributions for the fully-insured HMO plan are assumed to cover the entire cost of the program.

OPEB Liability

Actuarial valuations for the OPEB Plan are conducted biennially. The July 1, 2020, OPEB valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2021, financial reporting exhibits.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Florida's OPEB plan and additions to / deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The Florida Retirement System (FRS) Trust Fund, the State University System Optional Retirement Program (SUSORP) Trust Fund and the Police and Firefighters' Premium Tax (Police and Fire) Trust Fund are allocated a share of the state's OPEB liability, deferred outflows, deferred inflows and expense based on the number of full-time equivalent positions funded by each trust fund. The division's OPEB liability is shown below:

	FRS Trust Fund	SUSORP Trust Fund	Police and Fire Trust Fund	Total
State's share of OPEB liability	\$ 7,151,589,279	\$ 7,151,589,279	\$ 7,151,589,279	
Fund's proportion	0.1601426168%	0.0029161023%	0.0077762727%	
Fund's proportionate share	\$ 11,452,742	\$ 208,548	\$ 556,127	\$ 12,217,417

The funds' proportion of the total OPEB liability and the change in proportion from the prior measurement date are shown below:

	FRS Trust Fund	SUSORP Trust Fund	Police and Fire Trust Fund
Fund's proportion at prior measurement date, June 30, 2019	0.1583703799%	0.0019342947%	0.0058028841%
Fund's proportion at measurement date, June 30, 2020	0.1601426168%	0.0029161023%	0.0077762727%
Increase / (decrease) in proportion	0.0017722369%	0.0009818076%	0.0019733886%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 updated to July 1, 2021. The service cost and interest cost components of the GASB 75 expense are based on the discount rate of 2.66 percent. The following actuarial assumptions were used:

Discount Rate	
Discount rate	2.66%
Long-term expected rate of return, net of investment expense	N/A
Bond buyer general obligation 20-bond municipal bond index	2.66%

In general, the discount rate for calculating the total OPEB liability under GASB 75 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the OPEB benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. All future benefits were discounted using a high-quality municipal bond rate of 2.66 percent. This rate was based on the week closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index. The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Healthcare Cost Trend Rates

The trend rates are a key assumption used in determining the costs of the plan, and these rates have been developed in a manner consistent with actuarial industry standards. The healthcare cost trend rates used are consistent with the Report on the Financial Outlook for the Fiscal Years Ending June 30, 2020, through June 30, 2025, as presented on August 5, 2020, by the Self-Insurance Estimating Conference conducted by the Office of Economic and Demographic Research. The August 2020 report is available online at <http://edr.state.fl.us/Content/conferences/healthinsurance/archives/index.cfm>.

Trend rate assumptions vary slightly by medical plan and pre-Medicare versus post-Medicare status. For the PPO plans, age-relative cost information was used to develop preliminary age-related cost tables separately for Medicare and non-Medicare PPO members. The PPO age-related costs of members not eligible for Medicare were adjusted to take into account the expected additional cost which retired members incur compared to active members the same age. The PPO age-related costs of Medicare eligible members were adjusted to reflect the mix of services between Part D prescription drug claim costs and non-Part D prescription drug claim costs (i.e., Part A, B, and non-Medicare eligible claim costs). The Part D subsidy was not subtracted from the drug experience since it is not recognized under the GASB valuation rules. For the PPO plans, the initial rate for both pre-Medicare and post-Medicare retirees is 7.78 percent, reaching an ultimate rate of 4.04 percent for years after 2075.

For the HMO plans, age-related costs for HMO members not eligible for Medicare were developed using the same methodology used for PPO members. For the fully-insured HMO, age-related costs for Medicare eligible HMO members was not developed because the assumption was made that the HMO premium rates reflect that the Medicare-eligible members pay the entire cost of coverage. For the HMO plans, the initial rate for both pre-Medicare and post-Medicare retirees is 5.66 percent, reaching an ultimate rate of 4.04 percent for years after 2075.

Other Key Actuarial Assumptions

The demographic assumptions that determined the total OPEB liability as of June 30, 2020, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 - June 30, 2018.

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Actuarial value of assets	N/A – no plan assets
Inflation	2.60%
Salary Increases	Varies by FRS class
Medical aging factors	4% per year prior to age 65; 3% per year between ages 65 and 75; 2% per year between ages 75 and 85; 0% per year thereafter.
Mortality	Pub-2010 Mortality tables with fully generational improvement; ScaleMP-2018 See details in valuation report
Actuarial cost method	Entry Age Normal
Marital status	80% assumed married, with male spouses 3 years older than female spouses

Changes Since the Prior Valuation

The following changes have been made since the prior valuation:

- Census Data - The census data reflects changes in status for the 12-month period since July 1, 2020.
- Discount Rate - The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB 75. The discount rate decreased from 2.79 percent to 2.66 percent.
- Excise ("Cadillac") Tax – The previous valuation conducted as of July 1, 2019, reflected the full impact of the Excise Tax that was to go into effect in 2022. The impact of this change was an increase in liabilities of about 12 percent. Since the previous valuation, this tax was repealed. The current valuation reflects this. The impact of this change is a decrease in the Total OPEB Liability of about 13 percent.
- Claims Costs and Premium Rates – The assumed claims and premiums reflect the actual claims information as well as the premiums that are actually being charged to participants. These updates resulted in lower liabilities as of June 30, 2020.
- Trend Rate – The medical trend assumption is updated each year based on the Getzen Model. Medical trend rates used were consistent with the August 2020 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment. The impact of the trend rate changes is a small decrease in the liability, due primarily to lower trend rates in the first several years.
- Mortality – The mortality rates were updated to those required by Chapter 2015-157, Florida Statutes, for pension plans. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates are those outlined in Milliman's July 1, 2019 FRS valuation report. Rates were previously based on RP-2000 mortality tables with fully generational improvement using Scale BB. Underlying tables were updated to use Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. This change decreased the Total OPEB Liability by about 5 percent.

All other assumptions for this update report are the same as the prior valuation.

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the division's allocated share of the state's OPEB liability in each of the affected funds, calculated using the discount rate of 2.66 percent, as well as what the funds' OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.66 percent) or one percentage point higher (3.66 percent) than the current rate.

FRS Trust Fund			SUSORP Trust Fund		
1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%	1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
\$ 14,030,250	\$ 11,452,742	\$ 9,455,125	\$ 255,483	\$ 208,548	\$ 172,172

Police and Fire Trust Fund		
1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
\$ 681,287	\$ 556,127	\$ 459,126

Sensitivity of the total OPEB liability to changes in the healthcare cost trends:

The following presents the division's allocated share of the state's OPEB liability in each of the affected funds, calculated using the current healthcare trend rate, as well as what the funds' OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates.

FRS Trust Fund			SUSORP Trust Fund		
1% Decrease	Current Healthcare Trend Rate	1% Increase	1% Decrease	Current Healthcare Trend Rate	1% Increase
\$ 9,201,369	\$ 11,452,742	\$ 14,508,603	\$ 167,551	\$ 208,548	\$ 264,193

Police and Fire Trust Fund		
1% Decrease 1.66%	Current Healthcare Trend Rate	1% Increase 3.66%
\$ 446,804	\$ 556,127	\$ 704,515

OPEB Liabilities, OPEB Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

In accordance with GASB 75, paragraphs 157 and 158, changes in the total OPEB liability and costs incurred by the employer related to the administration of OPEB are recognized in expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees who are provided with benefits through the OPEB plan (active and inactive employees).
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees who are provided with benefits through the OPEB Plan (active and inactive employees).

The average expected remaining service life of all employees provided with benefits through the OPEB Plan at June 30, 2021, was 7.0 years.

The division's proportionate share for all funds of the components of OPEB expense and deferred outflows and inflows of resources reported in the OPEB allocation schedules for the measurement date year ended June 30, 2020, are presented below:

State Employees Group Health Insurance OPEB Plan				
	Recognized in Expense Period Ended June 30, 2021	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 780,674	Current	\$ -	\$ -
Interest cost	425,999	Current	-	-
Effect of plan changes	-	Current	-	-
Effect of economic/demographic gains or losses (difference between expected actual experience)	(118,972)	7.0 years	-	(713,830)
Effect of assumption changes or inputs	(610,821)	7.0 years	1,615,183	(4,623,515)
Changes in proportion and differences between benefit payments and proportionate share of benefit payments	(120,154)	7.0 years	671,629	(1,521,429)
Benefit payments subsequent to the measurement date	(233,416)	1 year	233,416	-
Administrative expenses subsequent to measurement date	(4,583)	1 year	4,583	-
Administrative expenses	4,963	Current	-	-
Total	<u>\$ 123,690</u>		<u>\$ 2,524,811</u>	<u>\$ (6,858,774)</u>

Deferred outflows of resources related to benefit payments and administrative expense paid subsequent to the measurement date as shown in the table above will be recognized as a reduction of the OPEB liability in the reporting period ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB expense will be recognized as follows:

Reporting Period Ending June 30	OPEB Expense
2022	\$ (849,947)
2023	(849,947)
2024	(849,947)
2025	(849,947)
2026	(630,167)
Thereafter	<u>(542,006)</u>
Total	<u>\$ (4,571,961)</u>

Additional Information

The actuarial report for the OPEB plan may be obtained by contacting the Division of State Group Insurance at:

Department of Management Services
Division of State Group Insurance
Chief of Financial and Fiscal Management
P. O. Box 5450
Tallahassee, FL 32314-5450
850-921-4600 or toll free at 800-226-3734

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REQUIRED SUPPLEMENTARY INFORMATION

A. Florida Retirement System (FRS) Pension Plan

Required supplementary information for the FRS Pension Plan is presented below:

Schedule of Changes in Net Pension Liability and Related Ratios¹ For the Period Ended June 30 (in thousands)

Total Pension Liability	2021	2020	2019	2018
Service cost	\$ 2,648,469	\$ 2,647,456	\$ 2,523,070	\$ 2,423,987
Interest on total pension liability	13,713,166	13,458,929	13,194,902	12,847,930
Effect of plan changes	-	-	11,404	-
Effect of economic/demographic (gains) or losses	349,779	448,646	247,482	554,811
Effect of assumption changes or inputs	-	1,738,139	1,585,626	2,235,654
Benefit payments	(11,985,107)	(11,395,765)	(10,867,549)	(10,377,575)
Net change in total pension liability	4,726,307	6,897,405	6,694,935	7,684,807
Total pension liability, beginning	204,909,739	198,012,334	191,317,399	183,632,592
Total pension liability, ending (a)	<u>\$209,636,046</u>	<u>\$204,909,739</u>	<u>\$ 198,012,334</u>	<u>\$191,317,399</u>
Fiduciary Net Position				
Employer contributions	\$ 3,809,568	\$ 3,322,557	\$ 3,100,721	\$ 2,849,920
Member contributions	756,530	748,455	752,813	746,370
Investment income net of investment expenses	47,954,667	5,339,908	9,410,440	13,955,233
Benefit payments	(11,985,107)	(11,395,765)	(10,867,549)	(10,377,575)
Administrative expenses	(21,741)	(21,556)	(19,580)	(20,178)
Net change in plan fiduciary net position	40,513,917	(2,006,402)	2,376,845	7,153,770
Fiduciary net position, beginning	161,568,265	163,574,667	161,196,881	154,043,111
Fiduciary net position, ending (b)	<u>\$202,082,183</u>	<u>\$161,568,265</u>	<u>\$163,573,726²</u>	<u>\$161,196,881</u>
Net pension liability, ending = (a) - (b)	\$ 7,553,863	\$ 43,341,474	\$ 34,438,608	\$ 30,120,518
Fiduciary net position as a % of total pension liability	96.40%	78.85%	82.61%	84.26%
Covered payroll ⁴	\$ 37,590,100	\$ 36,898,200	\$ 35,571,200	\$ 34,675,000
Net pension liability as a % of covered payroll	20.10%	117.46%	96.82%	86.87%

The notes to required supplementary information are an integral part of these schedules.

¹ This schedule will fill in to a ten-year schedule as results for new fiscal years are calculated. Columns may not foot due to rounding.

² Reflects restatement of beginning net position at July 1, 2019, due to correction for an interfund receivable amount.

³ Reflects restatement of beginning net position at July 1, 2017, due to implementation of GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

⁴ For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

2017	2016	2015	2014
\$ 2,073,754	\$ 2,132,906	\$ 2,114,047	\$ 2,256,738
12,484,167	12,109,114	11,721,563	11,489,921
92,185	32,310	-	-
1,412,462	980,192	1,620,863	(448,818)
10,398,344	1,030,667	-	1,256,045
(9,859,319)	(10,624,925)	(10,201,501)	(8,714,251)
16,601,593	5,660,264	5,254,972	5,839,635
167,030,999	161,370,735	156,115,763	150,276,128
\$183,632,592	\$167,030,999	\$161,370,735	\$156,115,763

\$ 2,603,246	\$ 2,438,659	\$ 2,438,085	\$ 2,190,424
744,839	710,717	698,304	682,507
18,801,917	820,583	5,523,287	22,812,286
(9,859,319)	(10,624,925)	(10,201,500)	(8,714,250)
(18,340)	(18,507)	(18,074)	(18,352)
12,272,343	(6,673,473)	(1,559,898)	16,952,615
141,780,921	148,454,394	150,014,292	133,061,677
\$154,053,263 ³	\$141,780,921	\$148,454,394	\$150,014,292

\$ 29,579,329	\$ 25,250,078	\$ 12,916,341	\$ 6,101,471
83.89%	84.88%	92.00%	96.09%
\$ 33,775,800	\$ 33,214,217	\$ 32,726,034	\$ 24,723,565
87.58%	76.02%	39.47%	24.68%

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios

The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2021, calculated based on the discount rate and actuarial assumptions below:

Discount Rate	June 30, 2020	June 30, 2021
Discount rate	6.80%	6.80%
Long-term expected rate of return, net of investment expense	6.80%	6.80%
Bond Buyer General Obligation 20-Bond Municipal Bond Index	N/A	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.80 percent rate of return assumption used in the June 30, 2021, calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2021 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on the Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018.

Valuation Date	July 1, 2020	July 1, 2021
Measurement Date	June 30, 2020	June 30, 2021
Asset Valuation Method	Fair Market Value	Fair Market Value
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	PUB-2010 base table varies by member category and sex, projected	PUB-2010 base table varies by member category and sex, projected
Actuarial cost method	generationally with Scale MP- 2018 ¹ Individual Entry Age	generationally with Scale MP- 2018 ² Individual Entry Age

¹See July 1, 2020, Actuarial Valuation Report for details.

²See July 1, 2021, Actuarial Valuation Report for details.

Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution ¹	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll ²	Contribution as a % of Covered Payroll
2012	\$ 1,962,816,000	\$ 1,185,310,000	\$ 777,506,000	\$ 24,476,272,000	4.84%
2013	2,091,343,000	1,388,656,000	702,687,000	24,553,693,000	5.66%
2014	2,190,424,344	2,190,424,344	-	24,723,565,000	8.86%
2015	2,438,084,925	2,438,084,925	-	32,726,034,000	7.45%
2016	2,438,659,458	2,438,659,458	-	33,214,217,000	7.34%
2017	2,603,246,196	2,603,246,196	-	33,775,800,000	7.71%
2018	2,849,919,659	2,849,919,659	-	34,675,000,000	8.22%
2019	3,100,721,573	3,100,721,573	-	35,571,200,000	8.72%
2020	3,322,556,872	3,322,556,872	-	36,898,200,000	9.00%
2021	3,809,567,951	3,809,567,951	-	37,590,100,000	10.13%

Notes to the Schedule of Employer Contributions

The following actuarial methods and assumptions were used in the July 1, 2021, funding valuation. Refer to the valuation report dated December 1, 2021, for further details.

Valuation Timing	Actuarially determined contribution rates for a given plan year are calculated in the valuation conducted as of the beginning of the preceding plan year (e.g., rates for the 2022-2023 plan year are calculated in the July 1, 2021 actuarial valuation).
Actuarial Cost Method	Individual entry age
Amortization Method	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Closed, layered
Amortization period at July 1, 2021	Effective July 1, 2021: New bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over maximum of 20 years
2019 actuarial cost method change	Amortized over 30 years as level percentage of Tier I pay
Payroll growth rate	3.25%
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Asymptotic
Corridor	80% - 120% of fair market value
Inflation	2.40%
Salary Increases	Varies by membership class and length of service; details in funding valuation report
Investment Rate of Return³	6.80%
Cost of Living Adjustments	3% for pre-July 2011 benefit service; 0% thereafter
Retirement Age	Varies by tier, membership class, age and gender; details in funding valuation report
Turnover	Varies by membership class, length of service, age and gender; details in funding valuation report
Mortality	PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2018, details in funding actuarial valuation report

¹For fiscal years prior to 2013-14 the Annual Required Contribution shown is determined under GASB Statement No. 27.

²For the fiscal years ending 2014 and before, covered payroll shown includes defined benefit plan actives and members in DROP, but excludes the payroll for Investment Plan members and payroll on which only UAL rates are charged. For the fiscal years 2015 and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

³The 6.80 percent return was chosen by the 2021 FRS Actuarial Assumption Conference and is the same as the investment return assumption that is used as the discount rate for determining the net pension liability.

Money-Weighted Rate of Return

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2014	17.57%
2015	3.77%
2016	0.57%
2017	13.59%
2018	9.28%
2019	5.98%
2020	3.35%
2021	30.41%

The above schedule is presented to illustrate the requirement to show information for ten years and will fill in to a ten-year schedule as results for new fiscal years are calculated. For the calculation of the money-weighted rate of return, refer to the 2021 GASB 67 Supplement to the FRS Actuarial Valuation available from Actuarial Valuations on Publications page of the Division of Retirement's website at www.frs.myflorida.com.

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B. Retiree Health Insurance Subsidy (HIS) Program

Required supplementary information for the HIS Program is presented below:

Schedule of Changes in Net Pension Liability and Related Ratios¹ For the Period Ended June 30 (in thousands)

Total Pension Liability	2021	2020	2019	2018
Service cost	\$ 280,659	\$ 265,521	\$ 232,118	\$ 258,450
Interest on total pension liability	278,747	402,709	418,157	389,705
Effect of plan changes	-	-	-	-
Effect of economic/demographic (gains) or losses	-	452,542	-	188,173
Effect of assumption changes or inputs	85,978	481,833	516,083	(398,996)
Benefit payments	(514,361)	(505,549)	(491,890)	(491,528)
Net change in total pension liability	131,023	1,097,056	674,468	(54,196)
Total pension liability, beginning	12,588,098	11,491,044	10,816,576	10,870,772
Total pension liability, ending (a)	<u>\$12,719,121</u>	<u>\$12,588,098</u>	<u>\$11,491,044</u>	<u>\$10,816,576</u>
Fiduciary Net Position				
Employer contributions	\$ 587,801	\$ 576,253	\$ 555,291	\$ 542,303
Member contributions	55	370	195	237
Investment income net of investment expenses	1,054	5,315	6,181	3,311
Benefit payments	(514,361)	(505,549)	(491,890)	(491,531)
Administrative expenses	(193)	(172)	(195)	(168)
Net change in plan fiduciary net position	74,356	76,217	69,582	54,152
Fiduciary net position, beginning	378,261	302,045	232,463	178,311
Fiduciary net position, ending (b)	<u>\$ 452,618</u>	<u>\$ 378,261</u>	<u>\$ 302,045</u>	<u>\$ 232,463</u>
Net pension liability, ending = (a) - (b)	\$12,266,503	\$12,209,837	\$11,188,999	\$10,584,113
Fiduciary net position as a % of total pension liability	3.56%	3.00%	2.63%	2.15%
Covered payroll	\$35,406,397	\$34,715,391	\$33,452,626	\$32,670,918
Net pension liability as a % of covered payroll	34.64%	35.17%	33.45%	32.40%

The notes to required supplementary information are an integral part of these schedules.

¹ This schedule will fill in to a ten-year schedule as results for new fiscal years are calculated. Columns may not foot due to rounding.

2017	2016	2015	2014
\$ 304,537	\$ 256,710	\$ 217,519	\$ 190,371
337,486	390,757	405,441	409,907
-	-	-	-
-	(30,826)	-	-
(1,073,716)	1,352,459	607,698	386,383
(465,980)	(449,857)	(425,086)	(407,276)
<u>(897,673)</u>	<u>1,519,243</u>	<u>805,572</u>	<u>579,385</u>
11,768,445	10,249,201	9,443,629	8,864,244
<u>\$10,870,772</u>	<u>\$11,768,445</u>	<u>\$ 10,249,201</u>	<u>\$ 9,443,629</u>

\$ 529,229	\$ 512,564	\$ 382,454	\$ 342,566
-	-	-	-
1,380	565	208	219
(465,980)	(449,857)	(425,085)	(407,275)
(177)	(188)	(188)	(54)
<u>64,452</u>	<u>63,084</u>	<u>(42,611)</u>	<u>(64,544)</u>
113,859	50,774	93,385	157,929
<u>\$ 178,311</u>	<u>\$ 113,859</u>	<u>\$ 50,774</u>	<u>\$ 93,385</u>

\$ 10,692,461	\$ 11,654,586	\$ 10,198,427	\$ 9,350,244
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1.64%	0.97%	0.50%	0.99%
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\$ 31,885,633	\$ 30,875,274	\$ 30,340,449	\$ 29,676,340
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33.53%	37.75%	33.61%	31.51%
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Notes to Schedule of Changes in Net Pension Liability and Related Ratios

The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2020, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

Actuarial Methods and Assumptions

The same demographic and pay-related assumptions that were used in the Florida Retirement System Actuarial Valuation as of July 1, 2021, ("funding valuation") were used for the HIS program, unless otherwise noted. In a given membership class and tier, the same assumptions for both Investment Plan (IP) members and for FRS Pension Plan members were used.

Discount Rate	June 30, 2020	June 30, 2021
Discount rate	2.21 %	2.16%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	2.21%	2.16%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2021 valuation was updated from 2.21 percent to 2.16 percent, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2021.

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on the results of an actuarial experience study of the FRS for the period July 1, 2013 - June 30, 2018.

Valuation Date	July 1, 2020	July 1, 2020
Measurement Date	June 30, 2020	June 30, 2021
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP- 2018 ¹	Generational PUB-2010 with Projection Scale MP- 2018 ¹
Actuarial cost method	Individual Entry Age	Individual Entry Age

Program Contribution Rates

The HIS essentially uses a pay-as-you-go funding structure. As of June 30, 2021, accumulated HIS assets constituted approximately ten months of projected benefit payments. The ability of the current statutory contribution rate to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

¹See July 1, 2020, Actuarial Valuation Report for details.

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C. Florida National Guard Supplemental Retirement Benefit (National Guard) Plan

Required supplementary information for the National Guard Plan is presented below:

Schedule of Changes in Net Pension Liability and Related Ratios¹
For the Period Ended June 30
(in thousands)

Total Pension Liability	2021	2020	2019	2018
Service cost	\$ 24,859	\$ 13,967	\$ 11,581	\$ 9,925
Interest on total pension liability	25,620	28,874	28,506	21,080
Effect of plan changes	-	-	-	-
Effect of economic/demographic (gains) or losses	-	24,815	-	39,056
Effect of assumption changes or inputs	13,673	271,102	60,964	90,990
Benefit payments	(15,505)	(15,121)	(14,999)	(14,898)
Net change in total pension liability	48,647	323,637	86,052	146,153
 Total pension liability, beginning	 1,142,130	 818,493	 732,441	 586,288
Total pension liability, ending (a)	<u>\$1,190,777</u>	<u>\$1,142,130</u>	<u>\$ 818,493</u>	<u>\$ 732,441</u>
 Fiduciary Net Position				
Employer contributions	\$ 15,551	\$ 15,129	\$ 15,044	\$ 14,905
Member contributions	-	-	-	-
Investment income net of investment expenses	-	-	-	-
Benefit payments	(15,505)	(15,121)	(14,999)	(14,897)
Administrative expenses	(46)	(8)	(45)	(8)
Net change in plan fiduciary net position	-	-	-	-
 Fiduciary net position, beginning	 -	 -	 -	 -
Fiduciary net position, ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Net pension liability, ending = (a) -(b)	 \$1,190,777	 \$1,142,130	 \$ 818,493	 \$ 732,441
 Fiduciary net position as a % of total pension liability	 0.00%	 0.00%	 0.00%	 0.00%
 Covered payroll	 \$ 519,073	 \$ 508,895	 \$ 495,379	 \$ 485,666
 Net pension liability as a % of covered payroll	 229.40%	 224.43%	 165.23%	 150.81%

The notes to required supplementary information are an integral part of these schedules.

¹This schedule will fill in to a ten-year schedule as results for new fiscal years are calculated.

2017	2016	2015	2014
\$ 12,904	\$ 9,044	\$ 7,161	\$ 5,979
19,100	19,259	19,164	18,852
-	-	-	-
-	27,462	-	-
(95,585)	118,279	46,330	27,926
(14,677)	(14,413)	(14,423)	(14,366)
(78,258)	159,631	58,232	38,391
664,547	504,915	446,683	408,292
\$ 586,288	\$ 664,547	\$ 504,915	\$ 446,683

\$ 14,720	\$ 14,423	\$ 14,495	\$ 14,366
-	-	-	-
-	-	-	-
(14,677)	(14,413)	(14,423)	(14,366)
(43)	(10)	(72)	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ 586,288	\$ 664,547	\$ 504,915	\$ 446,683
------------	------------	------------	------------

0.00%	0.00%	0.00%	0.00%
-------	-------	-------	-------

\$ 487,100	\$ 477,549	\$ 476,278	\$ 466,939
------------	------------	------------	------------

120.36%	139.16%	106.01%	95.66%
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Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

The Florida National Guard Supplemental Retirement Benefit Plan is funded on a pay-as-you-go basis by an annual appropriation from General Revenue by the Legislature, rather than by employer contributions and investment earnings. Any appropriated funds not obligated for benefit payments and expenses owed at June 30 of each year revert to the General Revenue Fund.

Discount Rate	June 30, 2020	June 30, 2021
Discount rate	2.21%	2.16%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	2.21%	2.16%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the National Guard benefit is funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used was updated from 2.21 percent to 2.16 percent as of June 30, 2021 reflecting the change during the fiscal year in the Bond Buyer General Obligation 20- Bond Municipal Bond Index.

Other Key Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2020, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GAB 67.

Valuation Date	July 1, 2020	July 1, 2020
Measurement date	June 30, 2020	June 30, 2021
Individual Member Salary Increase	Varies by service; separate tables for officers and enlisted ¹	Varies by service; separate tables for officers and enlisted ¹
Annual increase for net Florida National Guard benefit	2.80%	2.80%
Mortality	PUB-2010 With Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Entry Age Normal	Entry Age Normal

¹See July 1, 2020, Actuarial Valuation Report for details.

D. Other Postemployment Benefits (OPEB) Plan

Required supplementary information for the OPEB Plan is presented below:¹

Schedule of FRS Trust Fund's Proportionate Share Of the State's Total OPEB Liability

	2020	2019	2018	2017
Proportion of the State's OPEB liability	0.1601426168%	0.1583703799%	0.1687397873%	0.1635221539%
Proportionate share of the State's OPEB liability	\$ 11,452,742	\$ 14,503,062	\$ 13,161,211	\$ 13,068,952
Covered-employee payroll	\$ 10,262,856	\$ 9,798,551	\$ 9,842,854	\$ 9,417,561
Proportionate share of the State's OPEB liability as a percentage of covered-employee payroll	111.59%	148.01%	133.71%	138.77%

Schedule of SUSORP Trust Fund's Proportionate Share Of the State's Total OPEB Liability

	2020	2019	2018	2017
Proportion of the State's OPEB liability	0.0029161023%	0.0019342947%	0.0019093611%	0.0019041881%
Proportionate share of the State's OPEB liability	\$ 208,548	\$ 177,137	\$ 148,925	\$ 152,186
Covered-employee payroll	\$ 174,356	\$ 162,978	\$ 159,384	\$ 151,057
Proportionate share of the State's OPEB liability as a percentage of covered-employee payroll	119.61%	108.69%	93.44%	100.75%

Schedule of Police and Firefighters' Trust Fund's Proportionate Share Of the State's Total OPEB Liability

	2020	2019	2018	2017
Proportion of the State's OPEB liability	0.0077762727%	0.0058028841%	0.0076374444%	0.0085688465%
Proportionate share of the State's OPEB liability	\$ 556,127	\$ 531,410	\$ 595,698	\$ 684,836
Covered-employee payroll	\$ 678,047	\$ 659,804	\$ 677,093	\$ 672,525
Proportionate share of the State's OPEB liability as a percentage of covered-employee payroll	82.02%	80.54%	87.98%	101.83%

Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits. There were no changes to benefit terms during the measurement period. Amounts reported as changes of assumptions resulted primarily from decreasing the assumed discount rate from 2.79 percent to 2.66 percent. All other assumptions for this update report are the same as the prior valuation.

¹ These schedules will fill into ten-year schedules as results for new fiscal years are calculated.

E. Budgetary Reporting

Budget Process

Each year, the head of the Department of Management Services submits a legislative budget request to the Governor and Legislature as required by Section 216.023(01), Florida Statutes (F.S.). The Governor, as Chief Budget Officer, submits his recommended budget to each legislator at least 30 days before the annual legislative session.

Revenue estimates for trust funds not projected by the Revenue Estimating Conference, such as the Police and Firefighters' Premium Tax Trust Fund, are provided by the state agency. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Governor during the preparation of annual spending plans. Adjustments to the original budget's trust fund revenue estimates may be made to conform agency revenue estimates to actual and projected revenue streams.

The Legislature considers and amends the Governor's recommended budget and a final appropriations bill is then approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature); this bill then becomes the General Appropriations Act. The Governor may, under certain conditions and subject to the review and objection procedures set forth in Section 216.177, F.S., establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies. This includes appropriations for non-operating disbursements, such as the purchase of investments and the transfer of money between state funds.

The head of a department may transfer appropriations, but only to the extent of 5 percent of the original appropriation or \$250,000, whichever is greater, or within certain programs and between identical funding sources and specific appropriation categories. The Governor may approve changes of expenditure authority within any trust fund if the changes are less than \$1 million. The Legislative Budget Commission may approve trust fund changes in excess of \$1 million. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances), may be carried forward into the next fiscal year. Any appropriations not disbursed by September 30 will revert pursuant to Section 216.301(1), F.S.

The Chief Financial Officer approves disbursements in accordance with legislative authorizations. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries and benefits), and funded within a budget entity. The Governor and Chief Financial Officer are responsible for detecting conditions which could lead to a deficit in an agency's funds and reporting that fact to the Legislative Budget Commission. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the state for each fiscal period."

Budgetary Basis of Accounting

The budgetary basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from various funds that are prescribed by law, such as the Police and Firefighters' Premium Tax Trust Fund.

A budgetary comparison schedule for the Police and Firefighters' Premium Tax Trust Fund is presented as part of the other required supplementary information.

Budgetary basis revenues are essentially reported on a cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except for those for prior year carry/certified forwards, plus current year payables and encumbrances which are carried/certified forward into

the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not carried/certified forward to be paid from the current year budget.

Budget to GAAP Reconciliation

The budgetary comparison schedules for the Police and Firefighters' Premium Tax Trust Fund present comparisons of the original budget and final budget with actual revenues and expenditures on a budgetary basis. A budget to GAAP reconciliation is presented following the budgetary comparison schedules because accounting principles for budgetary basis differ significantly from those used to present financial statements in conformity with GAAP.

**BUDGETARY COMPARISON SCHEDULES
MAJOR SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balance, July 1, 2020	\$ 277,155,843	\$ 277,155,843	\$ 277,155,843	\$ -
Reversions	3,920	3,920	3,920	-
Fund Balance, July 1, 2020	<u>277,159,763</u>	<u>277,159,763</u>	<u>277,159,763</u>	<u>-</u>
REVENUES				
Premium tax	195,600,000	195,600,000	206,032,814	10,432,814
Interest	2,750,000	379,000	382,652	3,652
General Revenue	2	501,869	501,869	-
Total Revenues	<u>198,350,002</u>	<u>196,480,869</u>	<u>206,917,335</u>	<u>10,436,466</u>
Total Available Resources	<u>475,509,765</u>	<u>473,640,632</u>	<u>484,077,098</u>	<u>10,436,466</u>
EXPENDITURES				
<u>Operating Expenditures:</u>				
Salaries and Benefits	854,070	884,009	709,728	174,281
Expenses	57,139	57,139	37,242	19,897
Special Categories	244,102	244,088	204,104	39,984
Total Operating Expenditures	<u>1,155,311</u>	<u>1,185,236</u>	<u>951,074</u>	<u>234,162</u>
<u>Nonoperating expenditures:</u>				
Transfers	25,600,000	25,600,000	11,618,960	13,981,040
Refunds	100,000	100,000	-	100,000
Distributions to Municipalities	214,940,000	214,940,000	172,655,950	42,284,050
Other	18,708,900	18,708,900	16,362,625	2,346,275
Total Nonoperating Expenditures	<u>259,348,900</u>	<u>259,348,900</u>	<u>200,637,535</u>	<u>58,711,365</u>
Total Expenditures	<u>260,504,211</u>	<u>260,534,136</u>	<u>201,588,609</u>	<u>58,945,527</u>
Fund Balance, June 30, 2021	<u>\$ 215,005,554</u>	<u>\$ 213,106,496</u>	<u>\$ 282,488,489</u>	<u>\$ 69,381,993</u>

**BUDGET TO GAAP RECONCILIATION
MAJOR SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Police and Firefighters' Premium Tax Trust Fund
Budgetary basis fund balance	\$ 282,488,489
Other GAAP basis fund balances not included in budgetary basis fund balances	-
Adjusted budgetary basis fund balances	<u>282,488,489</u>
Adjustments (basis differences)	
Net receivables (payables) not carried forward	(117,212,381)
Encumbrances	87,610
GAAP basis fund balances	<u>\$ 165,363,718</u>

OTHER SUPPLEMENTARY INFORMATION



Panama City Beach

SCHEDULE OF ADMINISTRATIVE EXPENSES

As of June 30, 2021

	Florida Retirement System	Retiree Health Insurance Subsidy	Florida National Guard Supplemental Retirement Benefit Plan	State University System Optional Retirement Program
Personnel services				
Salaries	\$ 7,658,076	\$ 134,646	\$ -	\$ 107,663
State retirement contributions	831,285	-	-	9,517
Insurance contributions	2,241,344	-	-	20,097
Social security	559,356	-	-	6,766
Workers' compensation	41,092	-	-	-
Other postemployment benefits ¹	114,210	-	-	16,181
Compensated absences ²	157,309	-	-	5,814
Pension expense ³	-	-	-	(4,461)
Subtotal	11,602,672	134,646	-	161,577
Professional services				
Actuarial services	559,474	39,600	46,000	-
Contractual IT services and monitoring	3,812,396	-	-	-
Legal services	95,323	-	-	-
Other contractual services	768,743	-	-	23,407
Other contractual services - data processing	809,430	-	-	-
Subtotal	6,045,366	39,600	46,000	23,407
Communication				
Postage and freight	339,734	17,817	-	-
Printing and reproduction	24,020	-	-	-
Telephone	451,921	-	-	-
Subtotal	815,675	17,817	-	-
Other operating expenses				
Administrative overhead assessment	1,314,960	-	-	-
Data processing licenses and supplies	337,351	-	-	-
Depreciation	155,436	-	-	-
Dues and subscriptions	12,736	-	-	2,030
Equipment leasing	13,246	-	-	-
Furniture and equipment	11,400	-	-	-
Human resources overhead assessment	55,184	1,003	-	1,204
Insurance	7,128	-	-	-
Materials and supplies	8,804	-	-	-
Miscellaneous	60,316	-	-	-
Office rental	1,169,133	-	-	20,328
Office supplies	39,363	-	-	-
Repairs and maintenance	2,470	-	-	-
Utilities	89,358	-	-	-
Subtotal	3,276,885	1,003	-	23,562
Total Administrative Expenses	\$ 21,740,598	\$ 193,066	\$ 46,000	\$ 208,546

¹ This represents the FRS Trust Fund's and SUSORP Trust Fund's allocated share of OPEB-related expense. Charges may be positive or negative.

² This represents the change in Compensated Absences Liability from the prior year. Charges may be positive or negative.

³ This represents the SUSORP Trust Fund's allocated share of pension-related expense. Charges may be positive or negative.

INVESTMENT SECTION



Key Biscayne Beach



**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

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GOVERNOR
CHAIR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

LAMAR TAYLOR
INTERIM EXECUTIVE DIRECTOR &
CHIEF INVESTMENT OFFICER

December 22, 2021

TO: Members of the Florida Legislature
Members of the Florida Retirement System

RE: Assets of the Florida Retirement System Pension Plan

The State Board of Administration of Florida (SBA) manages the assets of the Florida Retirement System (FRS). The Board consists of Governor Ron DeSantis, Chairman, Chief Financial Officer Jimmy Patronis, and Attorney General Ashley Moody. The primary investment objectives for the FRS Pension Plan are to provide investment returns sufficient to ensure timely payment of promised benefits and keep plan costs at a reasonable level. The portfolio consists of a highly diversified asset mix of investments, which includes government and corporate bonds, common stocks, income-producing real estate, alternative investments, and short-term money market instruments. The proportions of major asset classes in the FRS Pension Plan portfolio, by quarter, are shown below:

**FRS Pension Plan Market Value
Fiscal Year 2020-2021**

	<u>9/30/20</u>	<u>12/31/20</u>	<u>3/31/21</u>	<u>6/30/21</u>
Fund Market Value	\$168.0 billion	\$183.1 billion	\$188.6 billion	\$199.6 billion

**Actual Quarter-End Asset Allocation
Fiscal Year 2020-2021**

<u>Asset Classes</u>	<u>9/30/20</u>	<u>12/31/20</u>	<u>3/31/21</u>	<u>6/30/21</u>
Global Equity	55.3%	56.3%	55.9%	55.2%
Fixed Income	17.6%	17.3%	17.0%	17.3%
Real Estate	9.3%	8.8%	8.7%	8.4%
Private Equity	7.5%	7.5%	7.8%	8.7%
Strategic Investments	9.0%	8.9%	9.2%	9.1%
Cash Equivalents/Short Term	1.1%	1.3%	1.3%	1.3%
Total	100.0%	100.0%	100.0%	100.0%

Columns may not total due to rounding.

**Annualized FRS Pension Plan Investment Performance
By Fiscal Year Periods Ending June 30, 2021**

	10 Years	5 Years	3 Years	1 Year
FRS Pension Plan Public and <u>Private Markets</u>	<u>2011-2021</u>	<u>2016-2021</u>	<u>2018-2021</u>	<u>2020-2021</u>
Total FRS Pension Plan	9.33%	11.95%	12.34%	29.46%

Investment performance of the FRS Pension Plan is reported in the SBA's 2020-21 Investment Report. The annual report is prepared before January 1, in compliance with Section 215.44(5), Florida Statutes, and includes detailed information on FRS Pension Plan investment assets, strategy, and performance. The SBA's performance consultant, Bank of New York Mellon, independently prepares reported performance data.

Respectfully submitted,

Lamar Taylor
Interim Executive Director & Chief Investment Officer

Overview and Investment Objective

The State Board of Administration of Florida (SBA) is responsible for managing and investing the assets of the Florida Retirement System (FRS) Trust Fund in accordance with applicable law, policies, and fiduciary standards for the benefit of the members and surviving beneficiaries of the FRS Pension Plan. The Florida Retirement System (FRS) Pension Plan, a defined benefit plan, comprises over 80 percent of total assets under SBA management. The FRS Pension Plan serves a working and retired membership base of nearly one million public employees.

The Investment Section provides an overview of the investment activities of the FRS Trust Fund for the fiscal year ended June 30, 2021. This section should be read in conjunction with the financial statements and other information provided in this Annual Comprehensive Financial Report (ACFR). For more information see the State Board of Administration 2020-21 Annual Investment Report available from Annual Investment Reports on the Performance and Reports page of the SBA's website at www.sbafla.com.

The SBA follows statutory guidelines and a substantial body of internal policies and procedures in investing the FRS Pension Plan assets. It has a robust governance and control structure in place, utilizes a wide array of professional consultants and external analysts, and employs a highly qualified staff of investment professionals. In keeping with the SBA's commitment to disciplined investment management services, the Investment Advisory Council provides independent oversight of the FRS Pension Fund's general objectives, policies and strategies.

The Pension Plan's long-term financial health rests on three legs: solid long-term investment performance, receipt of actuarially required annual contributions, and a reasonable benefit package.

The SBA's commitment to obtaining solid long-term performance is vital to ensuring that the FRS Pension Plan continues to help participating retirees meet their financial goals and that fund assets are invested prudently. However, investment gains alone are not sufficient to maintain the fund's financial health. Approximately 60 percent+ paid to a retiree comes from investment gains, not from taxpayers or participants through contributions.

Annually determined actuarially sound rates of contribution into the fund are necessary to ensure that the investment base is large enough to meet future Pension Plan benefit obligations. Contribution rates are set by the state legislature, along with plan structure and benefit levels. The Division of Retirement in the Department of Management Services administers the Pension Plan, directs actuarial studies, and makes benefit payments.

Performance

The SBA's investment policy objective for the FRS Pension Plan portfolio is to provide investment returns sufficient for the plan to be maintained in a manner that ensures the timely payment of promised benefits to current and future participants and to keep costs at a reasonable level, given actuarially required contributions. The SBA's investment objective is to earn a compounded return of 4 percent plus the rate of inflation per annum over the long run.

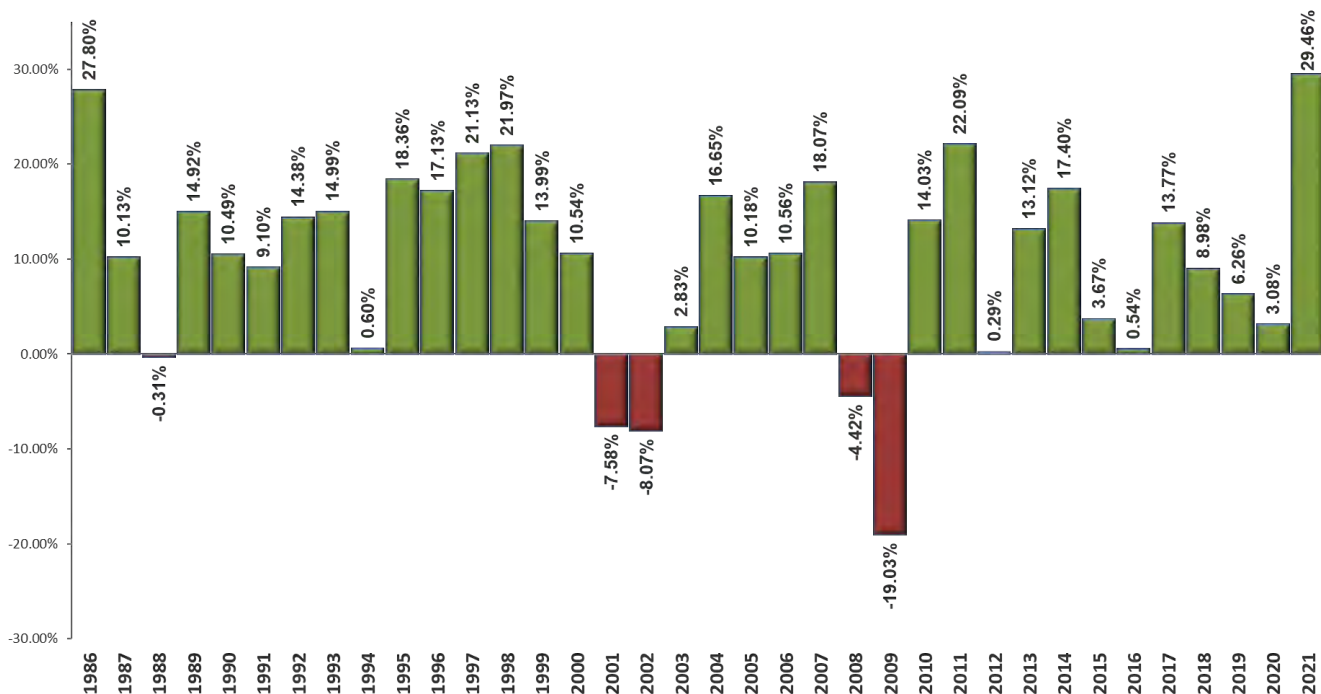
The chart below compares the SBA's actual return on Pension Plan assets to its investment objective of 4 percent real growth (inflation plus 4 percent) for the fund. This objective is derived from an asset/liability analysis of expected benefit growth, contribution levels, market performance, and a risk tolerance for the fund. Over the long-term, 20 years and greater, the SBA has met its long-term objective.



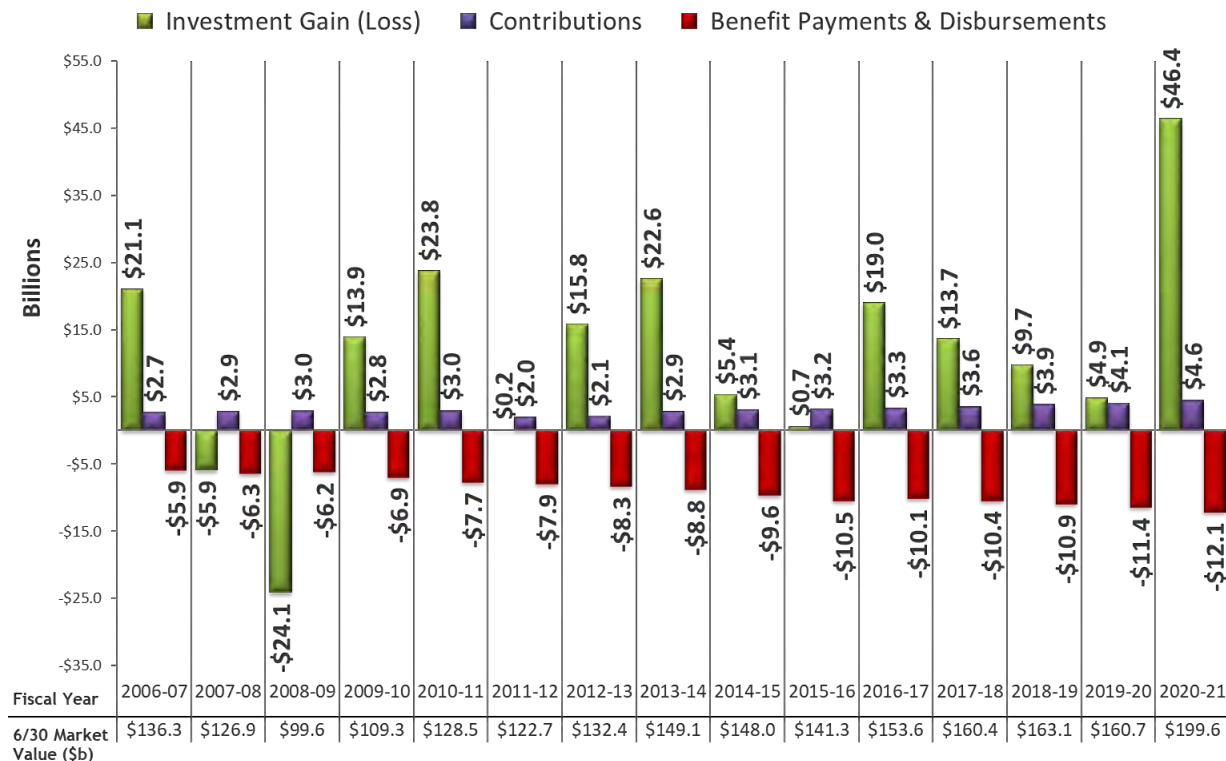
In addition to its investment objective for the Pension Plan, the SBA measures its investment performance relative to market-based benchmarks. The chart below compares actual returns to the total fund benchmark for various periods ending June 30, 2021:

	SBA Managed Return	Benchmark Return	Managed Over (Under) Benchmark
One Year	29.46%	26.25%	3.21%
Three Years	12.34%	11.16%	1.18%
Five Years	11.95%	10.93%	1.02%
Ten Years	9.33%	8.39%	0.95%
Fifteen Years	7.85%	7.12%	0.72%

- All returns are annualized for periods indicated through June 30, 2021.
- Benchmark is a weighted blend of individual asset class target indices as applicable; weights and benchmarks are established in the FRS Pension Plan Investment Policy Statement.



The key drivers of growth in the FRS Pension Plan's asset base are represented in the chart below. Over the period shown, investment returns (green bars) have generally been positive, with two notable exceptions: the bursting of the tech bubble in the early part of this century and the mortgage crisis that began in 2008. Benefit payments (the red bars falling downward, representing outflows) have grown steadily over the period. This is typical of a mature plan. Contributions into the fund (purple bars) represent approximately 1/3 of the total cost of benefits paid to participants, the remaining 2/3 are derived from investment earnings.



The tables below show the external investment management fees and net brokerage commission for Fiscal Year 2020-21.

**FRS PENSION PLAN – EXTERNAL INVESTMENT MANAGEMENT FEES
FOR FISCAL YEAR 2020-21**

Asset Class	Dollar Amount	Return Basis ¹
Global Equity	\$ 156,777,844	0.32%
Strategic Investments	211,039,278	1.35%
Fixed Income	10,010,483	0.09%
Real Estate	90,950,098	0.56%
Private Equity	162,843,030	1.19%
Total	\$ 631,620,735	0.59%

¹ Return basis expresses external management fees as a percent of the average of the month-end net asset value of externally managed portfolios in each asset class (including month-ends from June 30, 2020 through June 30, 2021). This measure is comparable to an annual expense ratio.

• Totals may not foot due to rounding.

**FRS PENSION PLAN – NET BROKERAGE COMMISSIONS
FOR FISCAL YEAR 2020-21**

Asset Class	Dollar Amount ¹
Global Equity	\$ 24,146,105
Fixed Income	533,338
Real Estate	1,959,699
Strategic Investments	-
Private Equity	35,703
Total	\$ 26,674,846

¹ Brokerage commission amounts for the entire fiscal year are presented in the appropriate year-end asset class. Dollar amounts reported do not include broker commission amounts paid in commingled funds.

• Totals may not foot due to rounding.

Asset Allocation

Returns attributed to asset allocation arise from differences between asset class actual and target allocations as percentages of the Total Fund.

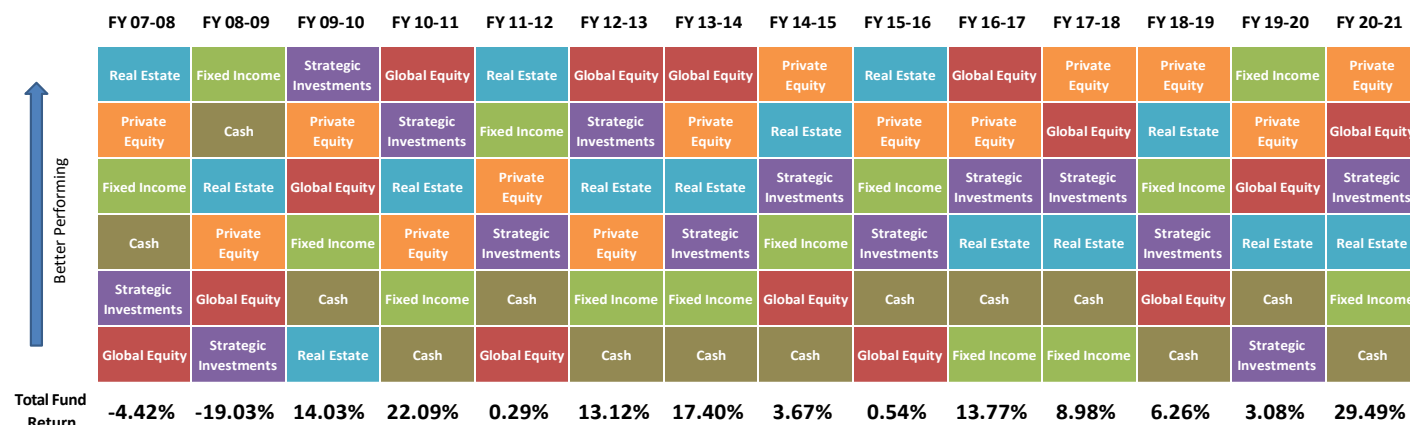
Asset Classes

The Pension Plan portfolio is currently divided into six asset classes: Global Equity, Fixed Income, Real Estate, Private Equity, Strategic Investments, and Cash Equivalents. Asset class performance is measured against a broad market index appropriate to the asset class.

Rebalancing

The investment strategy for the Pension Plan is to implement the policy allocation within relatively narrow bands around policy target weights. The SBA manages this strategy through asset allocation and risk-budgeting policies.

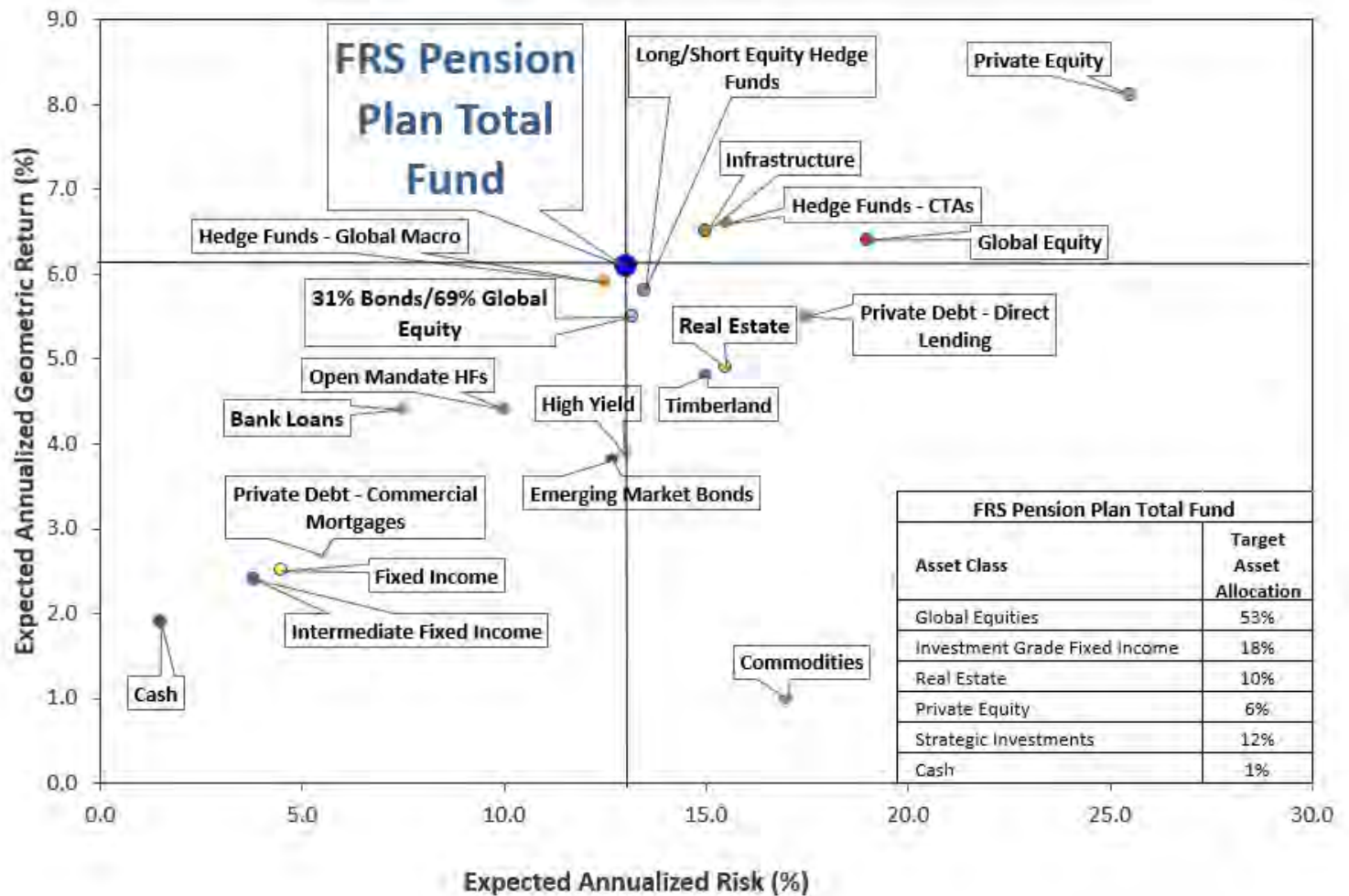
The following chart shows the related asset allocation performance of the FRS Pension Plan by fiscal year that demonstrates rebalancing to maximize investment objectives.



The SBA's exposure to various major asset types or classes is considered its asset allocation. Because asset allocation is a key driver of investment portfolio returns, determining the proper asset allocation (i.e., the desired relative exposure to each asset class) is the most fundamental way in which the SBA pursues its investment objective. Likewise, managing actual asset class exposure over time (i.e., managing asset allocation) is important if the SBA is to avoid unnecessary risk. For example, if 60 percent exposure to stocks is determined to be necessary to meet a long-term return objective, exposure below that, if persistent or poorly timed, will cause the actual return to fall short of the objective. Conversely, an exposure to stocks greater than necessary will subject the portfolio to higher levels of volatility than necessary, which can also result in disappointing returns, particularly when equity markets are stressed.

A thoughtfully constructed portfolio will provide diversification across a sufficiently broad range of investments so that the portfolio has a high probability of meeting the investment objective, notwithstanding the wide distribution of performance often associated with individual investments. In other words, some individual investments may be poor performers during a specific time frame but, in a highly diversified portfolio, their overall impact on the portfolio will often be offset by other investments that, at the time, are better performers.

The following chart presents examples of how various asset classes and investment strategies carry different risk/return tradeoffs. For example, investing in a mix of 31 percent Bonds and 69 percent Global Equity has slightly higher risk and a lower return than the target allocation for the overall FRS Pension Plan.



Passive vs Active Investing

There are two approaches to investment management, passive and active investing. Passive managers construct their portfolios to closely approximate the performance of well-recognized market indices such as the Russell 1000 Index (large U.S. companies), Russell 3000 Index (large and small U.S. companies) or MSCI World ex-US Investable Market Index (international companies). Passive investing typically has the lowest management costs. Additional savings can be realized when these portfolios are managed internally.

Active managers select specific investments and build stock portfolios with the goal of beating the return of a benchmark index. Active investing, because of research and time requirements, tends to be more costly.

The SBA employs an active investment strategy where the probability of being paid for assuming the increased cost and risk of active investing is greatest. Conversely, where there is the least likelihood to outperform market indices, the SBA tends to passively invest and save management costs associated with active management. One of the SBA's historical strengths has been operating at a very low cost. The SBA's size and significant proportion of passive investments are contributors to the SBA's cost advantage.

The table below shows internal versus external management and the passive versus active management of the funds' resources as of June 30, 2021.

FRS DEFINED BENEFIT TOTAL FUND ASSET CLASS ALLOCATION FOR FISCAL YEAR 2020-21

Asset Class	Internal As % of Asset Class	External As % of Asset Class	Passive As % of Asset Class	Active As % of Asset Class	As % of Total Fund
Cash ¹	100.0%	0.0%	35.5%	88.5%	1.3%
Fixed Income ²	61.8%	38.2%	43.0%	57.0%	17.3%
Global Equity ³	51.9%	48.1%	50.6%	49.4%	55.2%
Private Equity	0.0%	100.0%	0.0%	100.0%	8.7%
Real Estate	60.3%	39.7%	0.0%	100.0%	8.4%
Strategic Investments	0.0%	100.0%	0.0%	100.0%	9.1%
Total Fund	45.7%	54.3%	35.5%	64.5%	100.0%

Asset Class	Internal Market Value (in Millions)	External Market Value (in Millions)	Passive Market Value (in Millions)	Active Market Value (in Millions)	Total Fund Market Value (in Millions)
Cash ¹	\$ 2,597	\$ -	\$ 297	\$ 2,300	\$ 2,597
Fixed Income ²	21,351	13,201	14,853	19,699	34,551
Global Equity ³	57,146	53,011	55,721	54,435	110,157
Private Equity	-	17,340	-	17,340	17,340
Real Estate	10,151	6,670	-	16,822	16,822
Strategic Investments	1	18,133	-	18,134	18,134
Total Fund	\$ 91,245	\$ 108,355	\$ 70,871	\$ 128,792	\$ 199,600

¹ Includes Securities Lending Account, Total Fund STIP FRS NAV Adjustment Account and the collateral accounts.

² Includes STIP FRS Reserve Liquidation Account and Fixed Income Liquidity Portfolio.

³ Includes Global Equity Liquidity Portfolio and the Cash Equitization Portfolio.

The SBA's actual returns on Pension Plan assets have met or exceeded the long-term investment objective of the fund for the 20-, 25- and 30-year periods.

**FRS PENSION PLAN – RETURNS BY ASSET CLASS
FOR PERIODS ENDING JUNE 30, 2021**

		SBA Managed Return	Benchmark Return	Managed Over (Under) Benchmark
Global Equity¹	One Year	41.78%	40.95%	0.83%
	Three Years	14.94%	14.27%	0.67%
	Five Years	15.17%	14.57%	0.60%
	Ten Years	10.77%	9.95%	0.82%
	Fifteen Years	8.36%	7.68%	0.69%
Fixed Income	One Year	1.08%	0.05%	1.03%
	Three Years	4.84%	4.41%	0.42%
	Five Years	2.92%	2.53%	0.39%
	Ten Years	3.26%	2.87%	0.39%
	Fifteen Years	4.44%	4.10%	0.34%
Real Estate	One Year	8.58%	4.63%	3.96%
	Three Years	5.73%	4.60%	1.13%
	Five Years	6.62%	5.57%	1.05%
	Ten Years	9.97%	8.71%	1.26%
	Fifteen Years	6.95%	5.28%	1.67%
Private Equity²	One Year	67.93%	44.41%	23.52%
	Three Years	25.03%	16.10%	8.92%
	Five Years	21.78%	16.97%	4.81%
	Ten Years	16.05%	14.39%	1.66%
	Fifteen Years	12.53%	12.02%	0.51%
Strategic Investments	One Year	17.14%	15.96%	1.19%
	Three Years	7.21%	7.34%	(0.13%)
	Five Years	7.82%	7.04%	0.78%
	Ten Years	8.01%	6.33%	1.68%
Cash Equivalents	One Year	0.10%	0.08%	0.01%
	Three Years	1.30%	1.34%	(0.03%)
	Five Years	1.19%	1.17%	0.02%
	Ten Years	0.72%	0.61%	0.11%
	Fifteen Years	0.68%	1.19%	(0.51%)

¹ Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic, Foreign and Global Equities components.

² Per industry convention, Private Equity returns are presented on a dollar-weighted basis.

SBA contracts with private equity partnerships require the following disclosure:

- Because of the long-term nature of investing in private equity, funds can produce low or negative returns in the early years of the partnership. In the first few years of the partnership, management fees are drawn from partner's capital, and portfolio companies are held at cost, leading to a potential understatement of ultimate value.
- Due to numerous factors, including limited valuation and reporting standards, the return information for private equity in this report may not reflect the expected return of the partnerships. The returns contained in this report are calculated by the SBA or its agent and have not been reviewed by the general partners.
- Interim returns may not be meaningful or indicative of ultimate performance during the early stages of the investment life cycle.

**FRS PENSION PLAN – CHANGE IN MARKET VALUE
FOR FISCAL YEAR 2020-21**

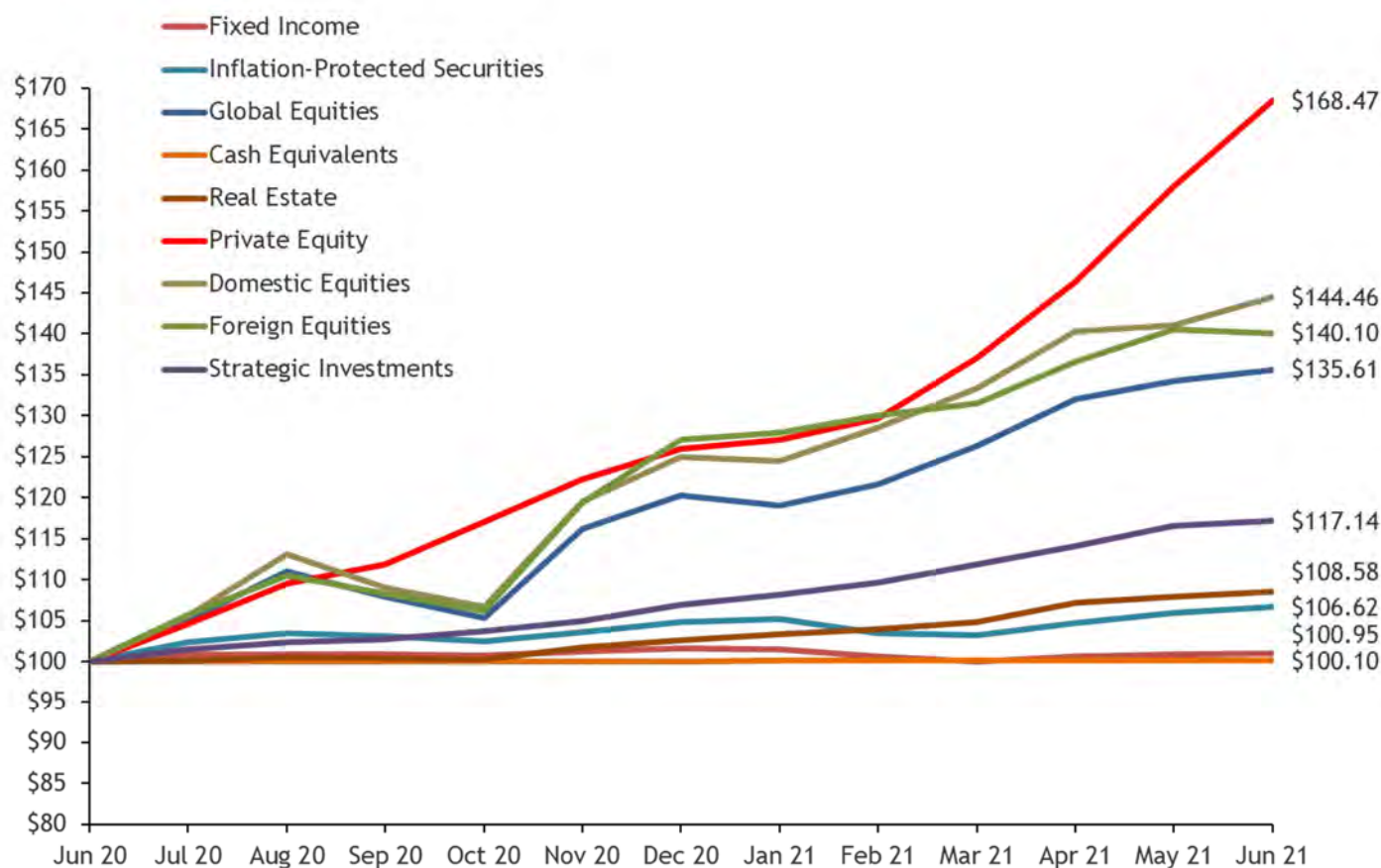
	Market Value 6/30/20	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/21
Global Equity	\$ 86,914,257,838	\$ (11,514,721,910)	\$ 34,757,045,848	\$ 10,156,581,775
Fixed Income	29,334,978,007	4,941,955,564	274,387,363	34,551,320,934
Real Estate¹	15,629,056,067	(151,006,740)	1,343,642,868	16,821,692,195
Private Equity¹	11,615,815,740	(1,747,431,626)	7,471,472,888	17,339,857,003
Strategic Investments¹	14,347,154,068	1,177,422,943	2,609,559,099	18,134,136,110
Cash/Short-Term Securities¹	2,872,941,983	(242,247,730)	(33,783,885)	2,596,910,368
Total FRS Pension Plan	\$ 160,714,203,703	\$ (7,536,029,498)	\$ 46,422,324,180	\$ 199,600,498,385

¹The investment gain (loss) reported for the Cash/Short-Term Securities asset class includes \$39,431,195 in SBA investment service charges and Other fees paid in one cash expense account on behalf of the entire FRS Pension Plan. Excluding these expenses, the reported gain (loss) would have been a positive \$5,647,309.

•Totals may not foot due to rounding.

The chart below illustrates how returns over the year performed for each class:

Asset Class Net Investment Gains Showing Growth of \$100 Invested During FY 2020-21



Based on FRS Pension Plan asset class returns except that Inflation-Protected Securities is based on that class in the Lawton Chiles Endowment Fund.

Securities lending is the short-term loan of securities for a fee. With its large portfolio of assets, the Pension Plan is well suited to such a program. Mutual funds and ETFs typically have lending programs for the same reasons. The demand to borrow shares usually comes from hedge funds or short-sellers. When securities are loaned, borrowers provide collateral, such as cash or government securities, of value equal to, or greater than, the loaned securities. As shown in the table below, the program has provided significant gains over the long-term. However, fallout from the mortgage crisis resulted in losses during Fiscal Year 2009-10. In response, the program was restructured to a more conservative set of re-investment guidelines.

FRS PENSION PLAN NET SECURITIES LENDING REVENUE BY FISCAL YEAR		
2006-07	\$	54,097,509
2007-08		115,505,817
2008-09		96,168,151
2009-10 ¹		(134,528,845)
2010-11		43,594,622
2011-12		43,777,884
2012-13		48,168,513
2013-14		44,532,896
2014-15		38,044,668
2015-16		41,398,835
2016-17		49,210,608
2017-18		41,689,317
2018-19		31,482,495
2019-20		27,542,370
2020-21		22,169,408
Total	\$	562,854,248

¹ The loss for 2009-10 resulted from a decline in value of various investments held in the securities lending portfolio.

The recovery in value of these investments was not considered probable. Therefore, the underlying securities were written down resulting in a net realized loss. Net income without this loss was \$38,001,712.

- This table is on an accrual basis, not a cash basis, meaning distributed lending income is recorded when received. Realized gains (losses) in investments purchased with cash collateral are included in the calculation of net security lending revenue (loss). The change in net unrealized appreciation (depreciation) in investments purchased with cash collateral is not included.
- Total may not foot due to rounding.

The following tables show the beginning and ending market values for each individual Pension Plan portfolio, together with net contributions and transfers, and investment gain or loss. The portfolios are grouped into separate tables by asset class.

FRS PENSION PLAN – GLOBAL EQUITY
CHANGE IN MARKET VALUE FOR FISCAL YEAR 2020-21

Account Name	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
Domestic Equities				
- AJO, LP ²	\$ 722,303,495	\$ (771,187,195)	\$ 48,883,834	\$ 134
- Acuitas	218,987,592	(48,833)	186,527,529	405,466,287
- AQR R2000 Equity ³	-	(30,731)	30,731	-
- Avatar R1000 Index Fund	17,815,394,162	(199,647,962)	7,727,426,230	25,343,172,430
- BMO Large Cap Core ¹	-	873,346,087	85,708,641	959,054,728
- BMO US Large Cap Growth ²	927,699,658	(1,111,706,311)	184,006,653	-
- BMO US Small Cap Value	133,956,994	-	93,514,385	227,471,379
- Delta	149,355,362	(19,958,526)	88,429,834	217,826,670
- Fisher Investments	170,467,050	(59,920,417)	115,884,700	226,431,333
- Los Angeles Capital	159,598,941	(25,491,962)	83,379,665	217,486,643
- Mondrian US Small Cap Equity	132,307,038	-	59,988,126	192,295,163
- Nova Portfolio	6,724,738,048	(1,244,310,126)	2,828,941,093	8,309,369,016
- PanAgora Asset Management	162,421,771	(20,054,457)	93,046,268	235,413,581
- Phoenix Portfolio	13,464,427,552	(3,033,890,802)	5,569,263,027	15,999,799,777
- Quantitative Management Associates ²	590,028,776	(896,066,227)	306,037,451	-
- Seneca	108,940,878	-	69,127,837	178,068,715
- Silvercrest Asset Management	174,681,418	(49,849,354)	132,851,344	257,683,408
- Smith Asset Management Large Cap Enhanced ²	824,606,868	(993,654,523)	169,047,655	-
- Smith Large Cap Core ¹	-	776,189,512	73,068,822	849,258,334
- Stephens Investment Management Group	179,806,751	(25,362,360)	71,323,350	225,767,741
- Vaughan Nelson Investment Management	165,562,729	(19,531,601)	101,658,340	247,689,468
- Wellington PPC ¹	-	418,828,552	31,581,768	450,410,319
Total Domestic Equity	42,825,285,082	(6,402,347,238)	18,119,727,283	54,542,665,127
Foreign Equities				
- Aberdeen Asset Management ³	4,554,624	(5,240,667)	713,312	27,269
- Aberdeen Frontier Markets ²	88,550,584	(106,857,351)	18,752,352	445,585
- Acadian Asset Management	1,583,424,963	(252,200,717)	670,929,010	2,002,153,255
- Acadian Asset Management Inc.	880,626,796	(91,000,000)	422,217,196	1,211,843,993
- Alliance Bernstein	1,079,242,030	-	425,337,111	1,504,579,141
- AQR Capital Management Small Cap ²	336,466,390	(423,654,214)	88,941,982	1,754,158
- AQR Capital Mgt. Emerging Markets Small Cap	234,773,232	(12,000,000)	154,660,134	377,433,366
- Artisan Partners	1,802,122,369	(200,000,000)	412,965,508	2,015,087,877
- Ballie Gifford Overseas Limited	1,782,492,320	(445,591,341)	860,140,827	2,197,041,806
- BlackRock China A Shares	133,632,625	28,500,000	64,561,891	226,694,516
- BlackRock Emerging Markets Index Plus ³	480,177	(253,308)	(20,385)	206,484
- BlackRock Global Inv. Index Plus	2,926,455,982	(1,268,000,000)	899,772,390	2,558,228,372
- BlackRock Global Inv. Small Cap Strategy	1,254,572,206	(616,000,000)	468,779,348	1,107,351,554
- BlackRock Global Inv. World Ex-US	2,076,610,240	(1,294,696,051)	463,700,993	1,245,615,182
- BlackRock Global Inv. World Ex-US Alpha Tilts	1,499,372,890	-	536,537,786	2,035,910,676
- Clarivest International Small Cap ¹	-	412,547,337	49,299,014	461,846,351
- Dimensional Fund Advisors ²	288,413,739	(379,128,256)	92,322,042	1,607,525
- Dimensional Fund Advisors Emerging Markets ³	314,698	(16,222)	(96,830)	201,646
- Eastspring Investments ¹	-	439,507,991	157,884,992	597,392,983
- Epoch Investment Partners ³	78,770	(148)	5,060	83,682
- Fidelity Institutional ³	199,016	(6,035)	12,055	205,035
- First Sentier Frontier Markets ^{2,5}	84,231,220	(80,719,755)	6,975,394	10,486,859
- Foreign Equity Internal Active Tax Reclaim	1,176	-	66	1,242
- Franklin Templeton Small Cap ³	627,910	(1,932)	36,562	662,539
- Genesis Emerging Markets	945,802,440	-	382,240,115	1,328,042,555
- Global Alpha ¹	-	405,969,057	32,699,193	438,668,250
- GMO	1,202,543,883	-	477,330,817	1,679,874,700
- HSBC Global Frontier Markets ²	113,856,788	(123,455,546)	9,598,758	-
- Investec	842,544,334	(125,000,000)	369,727,606	1,087,271,940
- M&G Investment Management ³	2,496	(2,760)	264	-
- Mondrian Investment Partners Ltd.	878,668,609	(100,000,000)	393,919,896	1,172,588,504
- Mondrian Investment Partners Small Cap	415,249,938	(101,735,593)	158,199,563	471,713,909
- Morgan Stanley Investment Management	1,913,180,234	(175,000,000)	499,860,250	2,238,040,484
- Numeric Investors	327,451,808	-	137,425,386	464,877,194
- Principal Global Investors - FE	406,924,276	(80,426,364)	148,774,010	475,271,922
- Robeco Institutional Asset Management	856,825,173	(22,000,000)	356,359,780	1,191,184,953
- Somerset Capital	893,870,152	(109,997,403)	358,802,258	1,142,675,006
- Sophus Capital	866,510,236	(85,000,000)	403,018,486	1,184,528,722
- Sprucegrove Investment Management	1,351,492,826	-	612,748,892	1,964,241,719
- State Street Global Advisors EM Sm Cap	211,189,892	-	127,179,395	338,369,287

Account Name - continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- Templeton Investment Counsel LLC ²	957,657,220	(982,188,893)	31,564,043	7,032,370
- TS&W Florida Retirement System	423,838,107	(101,236,716)	168,479,835	491,081,226
- TSW International	-	1,182,110,804	371,234,598	1,553,345,401
- Walter, Scott & Partners, Ltd.	2,155,206,726	(584,401,421)	617,387,580	2,188,192,884
- Wellington Emerging Markets Small Cap	240,592,720	-	138,607,705	379,200,425
- Wells Capital Management Emerging Markets	1,031,612,447	(249,720,918)	390,101,882	1,171,993,412
- Wells Fargo International Small Cap ¹	-	398,544,983	42,581,804	441,126,788
- William Blair	470,140,910	(173,208,740)	170,902,008	467,834,177
- William Blair & Company, LLC	966,710,078	(267,337,099)	464,596,120	1,163,969,099
- William Blair China A Shares	153,418,533	2,000,000	80,647,730	236,066,263
- William Blair Emerging Markets Small Cap	281,333,714	(40,007,705)	132,879,934	374,205,943
Total Foreign Equity	33,963,867,496	(5,626,904,983)	12,871,295,716	41,208,258,229
Dedicated Global Equity				
- Atlas Portfolio	2,227,707,829	(5,002,956)	881,719,138	3,104,424,011
- Epoch Investment Partners Global	1,267,912,647	-	405,260,069	1,673,172,716
- Franklin Templeton ³	-	(3,324)	3,324	-
- Hexavest Inc. ³	1,597,390	(135,582)	81,390	1,543,198
- Intech Investment Management	1,160,647,736	-	434,443,638	1,595,091,375
- MFG Asset Management	1,551,383,172	100,841,274	350,906,789	2,003,131,235
- Schiehallion Fund	252,942,515	-	103,086,000	356,028,515
- Schroders Investment Management	1,302,886,898	98,861,954	628,111,579	2,029,860,432
- Sinensis	1,133,694,854	291,010,083	492,508,791	1,917,213,728
- Trilogy Global Advisors ³	645,638	(33,016)	65,167	677,789
Total Dedicated Global Equity	8,899,418,680	485,538,432	3,296,185,886	12,681,142,998
Currency Overlay				
- CIBC Global Managed	1,127,081	(23,427,061)	24,325,725	2,025,744
- P/E Global Managed	(222,071)	23,566,968	(22,859,222)	485,675
- Record Managed	(4,134,639)	(4,855,538)	11,236,363	2,246,186
Total Currency Overlay	(3,229,629)	(4,715,631)	12,702,865	4,757,605
Other				
- BlackRock Transition ⁴	-	-	-	-
- Cash Equitization Portfolio	3	43,000,000	11,366,354	54,366,357
- Citigroup Global Transition	64,271	(18,153,187)	18,177,474	88,558
- Domestic Equity Asset Class Transition	50,610	(754,619)	706,758	2,750
- Global Equity Cash	1,572,092	(12,180,088)	11,061,582	453,587
- Global Equity Cash Expense	-	2,319,960	(2,319,960)	-
- Global Equity Liquidity Portfolio	1,227,094,894	(1,000,000)	438,350,741	1,664,445,635
- Global Equity Policy Transition Portfolio ¹	-	(69)	69	-
- Global Equity Policy Transition Portfolio ²	-	(5,232)	5,232	-
- Global Equity Policy Transition Portfolio ^{3,4}	-	-	-	-
- Global Equity Suspended Asset Account	17	3,325,528	(3,268,379)	57,165
- Global Equity Transition Account ¹	134,320	10,395,874	(10,186,435)	343,759
- Pavilion Transition ¹	-	6,759,344	(6,759,339)	5
Total Other	1,228,916,209	33,707,510	457,134,098	1,719,757,816
Total Global Equity	\$ 86,914,257,838	\$(11,514,721,910)	\$ 34,757,045,848	\$ 110,156,581,775

¹ Account opened during the fiscal year.

² Strategy terminated during the fiscal year. Balances reflect residual activity.

³ Strategy terminated in a prior fiscal year. Residual activity occurred in the current fiscal year.

⁴ Account inactive during the fiscal year.

⁵ Account name changed from "First State Frontier Markets" to "First Sentier Frontier Markets" during the fiscal year.

• Totals may not foot due to rounding.

FRS PENSION PLAN – FIXED INCOME
CHANGE IN MARKET VALUE FOR FISCAL YEAR 2020-21

Account Name	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
Aggregate:				
- Active Core	\$ 6,367,420,040	\$ 26,200,000	\$ 31,115,786	\$ 6,424,735,825
- Amundi Pioneer Investments	2,467,356,649	500,000,000	102,062,354	3,069,419,003
- BlackRock Core Bond Enhanced Index	2,706,984,280	-	29,368,933	2,736,353,213
- Investment Grade AA Account	68,010,564	-	1,077,618	69,088,182
- Lord Abbett	504,029,023	1,065,300,000	32,450,113	1,601,779,136
- Neuberger Berman Core	2,050,578,723	600,000,000	33,928,474	2,684,507,197
- PGIM Core Plus	1,384,796,186	200,002,555	36,965,396	1,621,764,138
- Prudential Conservative Core ¹	1,245	(2,555)	1,310	-
- Taplin, Canida & Habacht	1,475,726,095	-	11,132,953	1,486,859,048
Government/Corporate:				
- Fixed Income Gov't./Corp. Passive Account	7,498,518,304	1,201,500,000	16,460,983	8,716,479,287
Mortgage:				
- Fixed Income MBS Passive	3,676,392,096	776,900,000	6,267,802	4,459,559,898
Other:				
- Fixed Income Cash Expense Account	-	305,597	(305,597)	-
- Fixed Income Liquidity Portfolio	1,130,641,172	573,000,000	(26,943,785)	1,676,697,388
- Fixed Income Transition ²	-	-	-	-
- Fixed Income Transition II ²	-	-	-	-
- STIPFRS Reserve Liquidation Fund	4,523,630	(1,250,032)	805,022	4,078,619
Total Fixed Income	\$ 9,334,978,007	\$ 4,941,955,564	\$ 274,387,363	\$ 34,551,320,934

¹ Strategy terminated during the prior fiscal year. Remaining balances reflect residual activity.

² Account inactive during the fiscal year.

• Totals may not foot due to rounding.

FRS PENSION PLAN – PRIVATE EQUITY
CHANGE IN MARKET VALUE FOR FISCAL YEAR 2020-21

Account Name	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
Partnerships:				
- Accel-KKR Capital Partners V, L.P.	\$ 26,461,707	\$ (415,646)	\$ 20,625,639	\$ 46,671,701
- Accel-KKR Capital Partners VI, L.P.	-	2,258,815	(1,208,502)	1,050,314
- Accel-KKR Growth Capital Partners II, L.P.	16,194,977	(8,881,654)	15,889,230	23,202,553
- Advent International GPE VI	6,873,478	(3,279,489)	2,186,777	5,780,766
- Advent International GPE VII, L.P.	55,018,582	(14,535,462)	25,473,790	65,956,911
- Advent International GPE VIII, L.P.	147,462,706	(50,419,871)	149,329,264	246,372,099
- Advent International GPE IX, L.P.	33,291,256	14,649,098	44,284,528	92,224,882
- American Industrial Partners Capital Fund VI, L.P.	52,098,503	(13,244,548)	15,983,800	54,837,755
- American Industrial Partners Capital Fund VII, L.P.	2,274,589	27,667,756	1,885,685	31,828,030
- Apollo Investment Fund VIII, L.P.	134,613,040	(64,308,281)	59,494,935	129,799,693
- Apollo Investment Fund IX, L.P.	43,177,734	36,053,075	23,931,565	103,162,374
- Arbor Debt Opportunities II, L.P. ¹	-	77,407	(77,407)	-
- Arbor Investment Fund V ¹	-	76,682	(76,682)	-
- Ardian LBO Fund VI, L.P.	93,999,700	(18,771,160)	19,801,299	95,029,839
- Ares Corporate Opportunities Fund III, L.P.	7,201,107	(9,150,119)	8,821,830	6,872,818
- Ares Corporate Opportunities Fund IV, L.P.	124,757,620	(84,451,982)	74,477,266	114,782,904
- Ares Corporate Opportunities Fund V, L.P.	154,607,959	(1,955,288)	20,942,722	173,595,393
- ASF VI, L.P.	33,180,251	(19,803,340)	7,333,044	20,709,955
- ASF VII, L.P.	84,659,053	(31,458,550)	22,596,461	75,796,964
- ASF VIII, L.P.	39,767,278	(54,585)	22,404,437	62,117,130
- Asia Alternatives FL Investor, L.P.	195,586,893	(9,521,464)	75,527,661	261,593,090
- Asia Alternatives FL Investor II, LLC	115,723,485	74,058,841	55,087,671	244,869,997
- Asia Alternatives FL Investor III, LLC	22,636,635	(1,414,593)	4,863,338	26,085,380
- Atlas Capital Resources II, L.P.	18,298,138	(3,531,825)	2,667,080	17,433,392
- Atlas Capital Resources III, L.P.	12,936,814	9,939,374	2,955,987	25,832,175

Account Name – continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- Atlas Capital Resources IV, L.P. ¹	-	80,372	(80,372)	-
- AXA LBO Fund V, L.P.	28,550,606	(5,771,260)	999,428	23,778,774
- AXA Secondary Fund V, L.P.	739,381	-	(92,313)	647,068
- Blackstone Capital Partners VI, L.P.	98,230,972	(40,772,690)	66,823,103	124,281,386
- Blackstone Capital Partners VII, L.P.	168,580,404	(5,877,762)	55,862,334	218,564,975
- Blackstone Capital Partners VIII, L.P.	(148,911)	12,936,348	(514,280)	12,273,157
- Carlyle Asia Growth Partners IV, L.P.	12,482,952	(2,760,145)	(214,085)	9,508,722
- Carlyle Partners VI, L.P.	113,204,392	(34,972,785)	81,503,585	159,735,192
- Carlyle Partners VII, L.P.	33,849,677	20,659,807	10,665,716	65,175,200
- Carnelian Energy Capital II, L.P.	14,862,327	5,234,018	1,901,433	21,997,778
- Carnelian Energy Capital III, L.P.	539,979	27,971,022	(1,374,396)	27,136,605
- Charlesbank Equity Fund VII, L.P.	23,147,129	(21,371,867)	19,149,072	20,924,334
- Charlesbank Equity Fund VIII, L.P.	64,231,660	(19,852,021)	12,579,291	56,958,930
- Charlesbank Equity Fund IX, L.P.	33,455,211	26,318,985	18,646,172	78,420,368
- Charlesbank Equity Fund X, L.P. ¹	-	109,056	(109,056)	-
- Charlesbank Fund IX Overage Allocation Program	12,942,590	(508,749)	6,232,161	18,666,002
- Charlesbank Equity Overage Fund X, L.P. ¹	-	9,483	(9,483)	-
- Cortec Group V, L.P.	8,210,246	(20,580,457)	21,090,909	8,720,698
- Cortec Group VI, L.P.	73,445,416	4,348,933	(1,136,219)	76,658,130
- Cressey & Company Fund IV, L.P.	495,032	(439,115)	1,371,574	1,427,491
- Cressey & Company Fund V, L.P.	80,559,943	(49,244,284)	60,675,503	91,991,162
- Cressey & Company Fund VI, L.P.	26,495,502	23,500,000	16,657,560	66,653,062
- Cressey & Company Overage Fund VI, L.P.	3,847,689	3,000,000	2,864,755	9,712,444
- CVC Capital Partners VI, L.P.	89,594,309	(7,523,559)	20,374,593	102,445,342
- CVC Capital Partners VII, L.P.	55,434,157	15,913,652	20,772,210	92,120,019
- CVC Capital Partners VIII, L.P. ¹	-	98,901	(98,901)	-
- CVC European Equity Partners V, L.P.	8,358,102	(8,852,038)	4,679,631	4,185,695
- DCP Capital Partners II, L.P. ¹	-	39,481	(39,481)	-
- DCPF VI Oil and Gas Coinvestment Fund, L.P.	4,908,412	(3,114,400)	37,281	1,831,293
- Denham Commodity Partners Fund VI, L.P.	49,573,694	224,537	(329,018)	49,469,212
- Denham Oil & Gas Investment Fund, L.P.	22,746,518	20,083,112	14,242,626	57,072,256
- Denham Oil & Gas Investment Fund II, L.P. ²	-	-	-	-
- EnCap Energy Capital Fund VIII, L.P.	10,059,544	1,308,785	7,068,264	18,436,594
- EnCap Energy Capital Fund IX, L.P.	18,464,743	(1,388,860)	11,841,213	28,917,096
- EnCap Energy Capital Fund X, L.P.	57,680,116	(7,578,267)	23,224,558	73,326,408
- EnCap Energy Capital Fund XI, L.P.	17,813,047	13,083,968	829,698	31,726,713
- EnCap Flatrock Midstream Fund III, L.P.	38,491,116	(842,388)	2,820,993	40,469,721
- EnCap Flatrock Midstream Fund IV, L.P.	23,212,522	3,439,800	2,042,698	28,695,020
- Energy & Minerals Group Fund III, L.P.	40,894,623	-	(1,405,803)	39,488,820
- Energy Capital Partners II, L.P.	3,959,106	-	2,429,492	6,388,598
- Energy Capital Partners III, L.P.	128,389,938	(50,393,344)	28,137,219	106,133,813
- EnerVest Energy Fund XII-A, L.P.	272,225	-	(49,352)	222,873
- EnerVest Energy Institutional Fund XIV-A, L.P.	34,965,514	(8,221,911)	25,243,954	51,987,557
- Equistone Partners Europe Fund V, L.P.	65,601,465	(16,449,402)	28,243,598	77,395,661
- Equistone Partners Europe Fund VI, L.P.	29,772,028	11,775,054	13,125,097	54,672,179
- European Private Equity Opportunities I, L.P.	15,494,133	16,256,009	3,905,978	35,656,120
- European Private Equity Opportunities II, L.P.	-	6,586,875	(1,218,276)	5,368,600
- Fairview Special Opportunities Fund, L.P.	316,867,740	(111,489,288)	302,906,726	508,285,178
- Fairview Special Opportunities Fund II, L.P.	111,241,392	(6,175,823)	133,601,325	238,666,894
- Falfurrias Capital Partners IV, L.P.	18,350,856	27,540,000	13,344,272	59,235,128
- First Reserve Fund XI, L.P.	78,416	(1,120,830)	1,042,415	1
- First Reserve Fund XII, L.P.	21,765,930	(1,538,277)	(9,159,041)	11,068,612
- Francisco Partners III, L.P.	54,399,226	(43,026,165)	47,749,509	59,122,570
- Francisco Partners IV, L.P.	90,993,325	(29,073,657)	94,683,257	156,602,925
- Francisco Partners V, L.P.	42,246,371	29,062,500	22,304,238	93,613,109
- Francisco Partners VI, L.P. ¹	-	11,326,047	(426,143)	10,899,904
- FS Equity Partners VI, L.P.	27,177,687	(22,215,124)	24,605,097	29,567,660
- FS Equity Partners VII, L.P.	91,158,876	(29,490,756)	27,932,715	89,600,835
- FS Equity Partners VIII, L.P.	25,406,187	12,938,079	3,906,817	42,251,083
- Grove Street Partners Buyouts LLC	21,336,068	(6,287,585)	7,412,843	22,461,326
- Grove Street Partners Buyouts II, LLC	161,057,335	(53,780,408)	75,738,308	183,015,235
- Grove Street Partners Ventures II, LLC	278,408,906	(144,433,956)	237,197,356	371,172,306

Account Name – continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- GS Partners Ventures III, L.P.	225,938,365	(91,952,981)	313,042,703	447,028,087
- Hahn & Company III, L.P.	4,842,797	9,307,594	865,092	15,015,483
- Hahn & Company III-S, L.P.	3,794,768	1,276,830	1,144,361	6,215,959
- Hellman & Friedman Capital Partners VII, L.P.	229,068,624	(246,052,150)	109,135,716	92,152,189
- Hellman & Friedman Capital Partners VIII, L.P.	189,376,330	(34,908,391)	130,577,263	285,045,202
- Hellman & Friedman Capital Partners IX, L.P.	43,145,813	119,004,010	35,297,980	197,447,803
- Inflexion Buyout Fund IV, L.P.	42,106,795	(20,390,914)	26,106,921	47,822,803
- Inflexion Enterprise Fund IV, L.P.	17,744,956	515,156	11,412,676	29,672,788
- Inflexion Partnership Capital Fund I, L.P.	16,906,816	(12,856,712)	11,973,444	16,023,549
- Insight Venture Partners VIII, L.P.	71,440,279	(50,467,677)	49,352,141	70,324,743
- Insight Venture Partners IX, L.P.	140,892,650	(31,970,369)	102,558,688	211,480,969
- Insight Venture Partners Growth-Buyout Coinvest Fund,	87,299,763	(35,641,526)	70,562,162	122,220,399
- Investindustrial VI, L.P.	44,414,426	(1,288,262)	27,032,017	70,158,182
- Investindustrial VII, L.P.	4,285,959	14,747,803	274,987	19,308,749
- JH Whitney VII, L.P.	70,612,267	(17,120,310)	24,306,183	77,798,140
- KKR Asia Fund II, L.P.	86,332,453	(15,888,659)	12,071,820	82,515,614
- KKR Asia Fund III (EEA) SCSp	89,407,417	20,063,095	45,075,090	154,545,602
- KPS Special Situations Fund III, L.P.	438,971	(223,193)	19,645	235,423
- KPS Special Situations Fund IV, L.P.	115,024,781	859,169	42,362,290	158,246,240
- KPS Special Situations Fund V, L.P.	-	45,649,874	(70,860)	45,579,014
- KPS Special Situations Mid Cap Fund, L.P.	8,538,876	5,301,529	551,914	14,392,319
- LCP FSBA Co-Invest Account L.P.	91,100,424	(3,412,056)	45,604,564	133,292,932
- Lexington Capital Partners V, L.P.	540,076	-	(153,105)	386,971
- Lexington Capital Partners VI-B, L.P.	6,612,001	(2,657,299)	786,675	4,741,377
- Lexington Capital Partners VII, L.P.	40,844,277	(12,416,165)	10,826,741	39,254,853
- Lexington Capital Partners VIII, L.P.	159,965,915	(35,447,211)	55,390,363	179,909,067
- Lexington Capital Partners IX, L.P.	24,299,474	56,504,844	32,749,168	113,553,486
- Lexington Co-Investment Partners Pools III & IV, L.P.	11,194,586	(1,019,035)	(4,255,368)	5,920,183
- Lexington Co-Investment Partners 2005, L.P.	54,767,524	(27,358,269)	24,445,934	51,855,189
- Lexington Co-Investment Partners 2005 Pool III, L.P.	299,938,851	(120,705,911)	156,309,878	335,542,818
- Lexington Co-Investment Partners 2005 Pool IV, L.P.	491,028,285	(95,259,507)	232,614,587	628,383,365
- Lexington Co-Investment Partners V, L.P.	-	60,505,434	2,386,732	62,892,166
- Lexington CIP V-F-O, L.P.	-	17,191,089	660,953	17,852,042
- Lexington Middle Market Investors III, L.P.	49,691,540	(13,446,310)	15,927,099	52,172,329
- Liberty Partners VII	2,417,608	50,805	486,933	2,955,346
- Liberty Partners Group II	295	2,735	(3,398)	(368)
- LightBay Capital Partners, L.P.	11,602,337	18,439,736	7,206,431	37,248,504
- Livingbridge Enterprises 3, L.P.	154,153	9,533,430	(798,702)	8,888,881
- Livingbridge Enterprises 7, L.P.	-	92,767	(1,336,783)	(1,244,016)
- MBK Partners V, L.P.	-	9,078,481	(240,456)	8,838,025
- Montagu Private Equity Fund IV, L.P.	5,824,254	272,396	6,473,242	12,569,893
- Montagu V, L.P.	70,928,432	12,437,761	51,578,968	134,945,160
- Montagu VI, L.P.	-	8,255,523	(2,681,734)	5,573,789
- New Mountain Partners II, L.P.	779,211	-	(250,140)	529,071
- New Mountain Partners III, L.P.	64,105,276	(34,348,475)	44,438,393	74,195,194
- NIC Fund II, L.P. ¹	-	2,027,636	(215,002)	1,812,634
- OpCapita Consumer Opportunities Fund II, L.P.	23,521,081	3,069,932	4,272,739	30,863,753
- OpCapita Consumer Opportunities Fund III, L.P.	(609,057)	707,325	(671,125)	(572,857)
- OpenView Venture Partners IV, L.P.	31,839,078	(1,802,493)	19,003,484	49,040,070
- OpenView Venture Partners V, L.P.	24,261,139	(2,630,954)	36,917,309	58,547,494
- OpenView Venture Partners VI, L.P.	446,667	6,182,500	200,552	6,829,718
- Pantheon Global Secondary Fund IV, L.P.	13,824,970	(6,193,020)	2,668,654	10,300,604
- Peak Rock Capital II, L.P.	25,030,608	12,613,005	15,013,748	52,657,360
- Peak Rock Capital III, L.P. ¹	-	55,269	(55,269)	-
- Peak Rock Capital Credit Fund II, L.P.	1,823,078	(39,698)	461,545	2,244,925
- Permira V, L.P.	91,664,567	(31,603,206)	63,908,610	123,969,971
- Platinum Equity Capital Partners II, L.P.	4,113,798	(190,907)	4,492,805	8,415,696
- Platinum Equity Capital Partners III, L.P.	72,156,430	(67,061,151)	51,484,803	56,580,082
- Pomona Capital VI, L.P.	1,915,368	(428,510)	180,142	1,667,000
- Pomona Capital VII, L.P. ³	-	-	64,138	64,138
- Post Oak Energy Partners II, L.P.	19,079,362	(55,223)	4,531,427	23,555,566
- Post Oak Energy Partners III, L.P.	26,392,809	1,410,853	1,396,985	29,200,647

Account Name – continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- Post Oak Energy Partners IV, L.P.	15,303,047	2,992,180	(650,043)	17,645,184
- RCP Advisors Fund IV, L.P.	5,100,486	(3,943,263)	(1,013,545)	143,678
- RCP Advisors Fund V, L.P.	10,785,514	(8,431,855)	(1,053,997)	1,299,662
- RCP Advisors Fund VI, L.P.	20,445,571	(7,447,787)	3,782,045	16,779,830
- RCP Advisors Fund VII, L.P.	30,727,866	(12,002,472)	15,020,264	33,745,657
- RCP Advisors Fund VIII, L.P.	43,998,280	(18,558,974)	17,411,617	42,850,922
- RCP Advisors Fund IX, L.P.	45,756,676	(11,226,554)	20,644,011	55,174,132
- RCP Advisors Fund X, L.P.	38,653,225	(1,345,485)	18,437,521	55,745,261
- Rise Fund, L.P. (The)	16,369,517	1,848,334	8,160,408	26,378,259
- Rise Fund II, L.P. (The)	-	8,612,643	(852,180)	7,760,463
- Rubicon Technology Partners, L.P.	19,141,036	-	4,651,076	23,792,112
- Rubicon Technology Partners II, L.P.	63,884,645	13,157,652	34,232,927	111,275,224
- Rubicon Technology Partners III, L.P.	-	43,135,793	619,603	43,755,395
- Searchlight Capital II, L.P.	70,746,182	(76,854,531)	71,671,873	65,563,524
- Searchlight Capital III, L.P.	21,347,862	30,853,379	14,934,337	67,135,578
- Silver Lake Partners IV, L.P.	118,984,523	(13,042,343)	65,687,187	171,629,367
- Silver Lake Partners V, L.P.	99,700,567	11,064,103	77,736,386	188,501,056
- Silver Lake Partners VI, L.P. ¹	-	41,273,044	4,976,490	46,249,534
- Siris Partners III, L.P.	61,507,711	(10,524,637)	13,940,277	64,923,351
- Siris Partners IV, L.P.	33,304,472	(4,556,710)	14,284,015	43,031,777
- Summa Equity Fund II AB	6,759,065	4,933,109	45,783,420	57,475,594
- SVB Capital Partners III, L.P.	29,628,747	(15,270,531)	24,102,881	38,461,096
- SVB Capital Partners IV, L.P.	17,122,011	3,400,000	3,410,209	23,932,220
- SVB Capital Partners V, L.P. ¹	-	11,533,682	110,235	11,643,917
- SVB Strategic Investors Fund V-A, L.P.	172,858,004	(184,208,010)	285,787,563	274,437,557
- SVB Strategic Investors Fund V-A Opportunity, L.P.	94,537,773	(47,761,005)	202,305,434	249,082,202
- SVB Strategic Investors VI-A, L.P.	197,421,024	(30,871,876)	156,684,335	323,233,483
- SVB Strategic Investors Fund VII-A, L.P.	180,919,123	(27,923,442)	167,810,742	320,806,423
- SVB Strategic Investors Fund VIII-A, L.P.	103,479,352	5,569,998	89,356,142	198,405,492
- SVB Strategic Investors Fund IX-A, L.P.	24,409,662	23,025,000	21,752,644	69,187,306
- SVB Strategic Investors Fund X, L.P. ¹	-	15,663,633	(587,018)	15,076,615
- Thoma Bravo Discover Fund, L.P.	61,605,088	(9,539,013)	49,549,196	101,615,271
- Thoma Bravo Discover Fund II, L.P.	44,603,338	14,940,516	43,371,468	102,915,322
- Thoma Bravo Discover Fund III, L.P. ¹	-	33,992,402	(988,560)	33,003,842
- Thoma Bravo Fund IX, L.P.	515,195	-	47,519	562,715
- Thoma Bravo Fund X, L.P.	41,716,669	(27,067,166)	35,284,174	49,933,677
- Thoma Bravo Fund XI, L.P.	127,061,410	(41,756,823)	85,068,649	170,373,236
- Thoma Bravo Fund XII, L.P.	194,469,949	(17,976,614)	61,081,424	237,574,759
- Thoma Bravo Fund XIII, L.P.	113,724,584	(37,535,578)	102,854,375	179,043,380
- Thoma Bravo Fund XIV, L.P. ¹	-	78,733,061	(1,295,631)	77,437,429
- Thoma Bravo Special Opportunities Fund I, L.P.	26,136,291	(21,820,242)	21,910,546	26,226,595
- Thoma Bravo Special Opportunities Fund II, L.P.	57,980,711	(7,273,832)	20,620,777	71,327,657
- Tiger Iron Special Opportunities Fund, L.P.	133,885,471	28,148,620	75,958,503	237,992,594
- Tiger Iron Special Opportunities Fund II, L.P.	22,132,156	73,036,407	26,624,532	121,793,095
- Top Tier Special Opportunities Fund, L.P.	1,778,793	(901,865)	1,358,369	2,235,297
- Top Tier Venture Capital III, L.P.	8,524,141	(11,388,574)	3,221,649	357,216
- TowerBrook Investors II, L.P.	1,474,354	(3,029,067)	4,621,840	3,067,127
- TowerBrook Investors III, L.P.	1,960,880	-	(1,248,935)	711,945
- TowerBrook Investors IV, L.P.	146,724,803	(18,226,145)	92,708,133	221,206,791
- TowerBrook Investors V, L.P.	13,997,724	29,226,173	(2,296,081)	40,927,816
- TPG Growth II, L.P.	52,137,090	(32,292,615)	41,618,790	61,463,265
- TPG Growth III, L.P.	77,581,142	(25,754,583)	41,817,134	93,643,693
- TPG Growth IV, L.P.	53,267,137	3,870,174	32,688,847	89,826,158
- TPG Growth V, L.P. ¹	-	61,221,896	1,874,077	63,095,973
- Trident V, L.P.	42,223,710	(5,604,335)	12,529,923	49,149,298
- Trident VI, L.P.	61,266,436	(21,902,869)	34,071,616	73,435,183
- Trident VII, L.P.	64,258,822	9,307,724	22,473,769	96,040,315
- Trident VIII, L.P.	7,171,376	52,838,682	5,865,057	65,875,115
- Trive Capital Fund IV ¹	-	94,261	(94,261)	-
- TrueBridge Capital FSA, LLC	78,764,743	10,882,943	103,333,340	192,981,026
- TrueBridge Capital Partners V, L.P.	55,637,291	24,000,000	61,911,075	141,548,366
- TrueBridge Capital Partners VI, L.P.	4,600,323	31,000,000	4,976,256	40,576,579

Account Name – continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- TrueBridge FSA II, L.P.	3,937,354	20,317,354	8,603,623	32,858,330
- TrueBridge/FLSBA Special Purpose, LLC	70,196,744	(31,015,243)	109,106,897	148,288,398
- TrueBridge/FLSBA Special Purpose II, LLC	37,941,402	(7,173,950)	29,133,198	59,900,650
- TrueBridge-Kauffman Fellows Endowment Fund II, L.P.	156,623,606	(116,658,767)	214,632,942	254,597,781
- TrueBridge-Kauffman Fellows Endowment Fund III, L.P.	188,092,544	(33,510,831)	143,523,010	298,104,723
- TrueBridge-Kauffman Fellows Endowment Fund IV, L.P.	167,898,045	(23,185,369)	161,302,458	306,015,134
- Venture Overage Fund, L.P.	117,096,392	(176,756,991)	127,532,123	67,871,524
- W Capital Partners III, L.P.	38,547,944	(14,251,102)	7,812,828	32,109,670
- Warburg Pincus China, L.P.	72,572,793	(3,577,821)	32,810,320	101,805,292
- Warburg Pincus China-Southeast Asia II, L.P.	2,085,707	8,146,400	5,449,514	15,681,621
- Warburg Pincus Private Equity IX, L.P.	2,899,732	(1,286,100)	(416,595)	1,197,038
- Warburg Pincus Private Equity X, L.P.	27,910,610	(41,240,909)	17,309,586	3,979,286
- Warburg Pincus Private Equity XI, L.P.	101,874,110	(26,470,300)	37,591,303	112,995,113
- Warburg Pincus Private Equity XII, L.P.	94,585,693	(19,415,701)	39,384,509	114,554,501
- Waterland Private Equity Fund VII, C.V.	28,729,452	24,140,017	12,319,254	65,188,723
- Waterland Private Equity Fund VIII, C.V. ¹	-	87,400	(87,400)	-
- WindRose Health Investors V, L.P.	5,643,168	21,197,275	3,483,526	30,323,969
- WPEF VI Feeder Fund, L.P.	53,504,025	(30,091,741)	30,838,099	54,250,384
Other:				
- Private Equity Cash Expense	-	2,397,264	(2,397,264)	-
- Private Equity Transition ²	-	-	-	-
Total Private Equity	\$11,615,815,740	\$(1,747,431,626)	\$ 7,471,472,888	\$ 17,339,857,033

¹ Account opened during the fiscal year.

² Account inactive during the fiscal year.

³ Pomona Capital VII, L.P. was incorrectly footnoted as "closed in a prior fiscal year" in the fiscal year 2019-2020 table. The account is still open.

• Private Equity market values are estimates of value which may or may not represent what would be actually realized in arm's-length sales transactions. The market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Totals may not foot due to rounding.

FRS PENSION PLAN – STRATEGIC INVESTMENTS CHANGE IN MARKET VALUE FOR FISCAL YEAR 2020-21

Account Name	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
Strategic-Investments:				
- ABRY Advanced Securities Fund, L.P.	\$ 1,878,978	\$ (501,644)	\$ 144,920	\$ 1,522,254
- ABRY Advanced Securities Fund II, L.P.	9,570,713	(5,194,841)	3,239,260	7,615,132
- ABRY Advanced Securities Fund III, L.P.	96,953,461	-	47,049,213	144,002,673
- ABRY Senior Equity III, L.P.	1,685,514	(55,558)	68,538	1,698,495
- ABRY Senior Equity IV, L.P.	19,257,533	(8,800,162)	5,382,485	15,839,856
- ABRY Senior Equity V, L.P.	31,334,932	15,905,657	8,017,174	55,257,763
- Actis Energy 5 ¹	-	103,354	(103,354)	-
- Aeolus Property Catastrophe Keystone PF Fund, L.P.	147,853,926	6,636,527	(3,548,945)	150,941,508
- Apollo Accord Fund IV, L.P. ¹	-	37,058,648	2,038,555	39,097,203
- AQR Managed Futures Fund II, L.P.	211,336,880	-	2,510,495	213,847,375
- AQR Style Premia Fund, L.P.	102,589,093	-	13,547,278	116,136,371
- Atalaya Special Opportunities Fund VI, L.P.	58,063,166	(43,841,289)	23,129,127	37,351,004
- Atalaya Special Opportunities Fund VII, L.P.	45,836,429	64,051,113	15,264,365	125,151,907
- Audax Credit Opportunities, LLC	327,027,968	252,350	28,163,463	355,443,781
- Audax Mezzanine Fund IV-A, L.P.	49,209,904	7,994,175	7,979,339	65,183,417
- Audax Mezzanine Fund V-A, L.P. ¹	-	72,752	(72,752)	-
- Bayview Opportunity Master Fund IIIb, L.P. ²	2,871,600	(2,912,955)	41,355	-
- Bayview Opportunity Master Fund IVb, L.P.	27,379,171	(10,836,163)	4,931,367	21,474,470
- Benefit Street Debt Fund IV, L.P.	74,883,247	30,650,630	14,926,086	120,459,963
- BFAM Asian Opportunities Fund ¹	-	142,663	(142,663)	-
- BlackRock Carbon Capital V, Inc.	1,085,117	-	(111,509)	973,608
- BlackRock Carbon Capital VI, L.P.	105,404,981	(12,476,138)	(9,957,292)	82,971,550
- BlackRock US CRE Debt Fund - C7, L.P. ¹	-	56,833,189	(96,864)	56,736,325
- Blackstone/GSO Capital Solutions Fund, L.P.	1,683,919	(225,540)	(410,714)	1,047,665
- Blackstone Tactical Opportunities Fund II, L.P.	101,171,712	(23,603,175)	40,787,432	118,355,969
- Blackstone Tactical Opportunities Fund - FD, L.P.	59,885,703	37,446,640	61,013,800	158,346,143
- Blantyre Special Situations Fund II, L.P. ¹	-	10,865,795	5,713	10,871,508
- Blue Torch Credit Opportunities FSBA, L.P.	7,766,991	70,555,441	2,825,797	81,148,229
- Boston Timber Opportunities LLC	305,919,277	8,878,241	2,275,450	317,072,968

Account Name - continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- Bridgewater Pure Alpha Major Markets, LP PAMM	185,034,853	-	22,496,450	207,531,303
- Caerus DT Fund, LLC	550,418,943	-	35,475,099	585,894,042
- Canyon Value Realization Fund, L.P.	106,674,045	-	32,219,166	138,893,211
- Capula Global Relative Value Fund Ltd. ²	176,148,525	(177,889,027)	1,740,503	-
- Carlyle Aviation Leasing Fund, L.P. ¹	-	5,749,069	(1,696,696)	4,052,373
- Carlyle Mezzanine Partners II, L.P.	307,252	-	257,748	565,000
- Castlelake Aviation II, L.P.	6,637,905	(1,998,253)	(82,343)	4,557,309
- Castlelake Aviation III Stable Yield, L.P.	156,033,597	-	(7,689,551)	148,344,046
- Castlelake III, L.P.	52,151,782	(4,537,813)	5,342,548	52,956,517
- Castlelake IV, L.P.	97,423,990	(10,652,030)	7,548,148	94,320,108
- Centerbridge Capital Partners III, L.P.	99,109,157	(6,862,845)	44,252,520	136,498,832
- Centerbridge Capital Partners IV, L.P. ¹	-	124,291	(459,123)	(334,832)
- Cerberus Corporate Credit SBA ¹	-	67,033,043	18,579,747	85,612,790
- Cerebus FSBA Levered Loan Opportunities Fund, L.P.	226,026,043	(29,702,970)	26,197,928	222,521,001
- Cerberus Institutional RE Partners III, L.P.	60,198,117	(17,092,639)	7,090,318	50,195,796
- Cerberus Institutional RE Partners IV, L.P.	165,298,520	-	10,558,871	175,857,391
- Cerberus Institutional RE Partners V, L.P.	(499,871)	59,522,754	(1,139,415)	57,883,468
- Cevian Capital II, Ltd.	202,140,236	-	103,207,632	305,347,868
- Chambers Energy Capital III, L.P.	26,336,238	(769,747)	10,532,736	36,099,227
- Chambers Energy Capital IV, L.P.	23,060,280	24,804,527	20,241,388	68,106,195
- Coastline Fund, L.P.	134,346,404	(31,788,656)	17,131,042	119,688,789
- Coastline Fund, L.P. Tranche II	152,222,504	22,714,114	21,773,395	196,710,013
- Colony Distressed Credit Fund II, L.P.	13,606,596	(1,538,698)	(4,652,518)	7,415,380
- Colony Distressed Credit & Special Sit Fund III, L.P.	49,573,604	(2,630,951)	(5,865,821)	41,076,832
- Colony Distressed Credit & Special Sit Fund IV, L.P.	146,334,519	6,390,566	(23,327,800)	129,397,285
- Crescent Credit Solutions VIII, L.P. ¹	-	135,470	(135,470)	-
- Crescent Mezzanine Partners VI, L.P.	43,271,641	(25,247,508)	5,687,275	23,711,408
- Crescent Mezzanine Partners VII, L.P.	79,348,720	10,228,465	14,895,935	104,473,120
- CVI Credit Fund A V, L.P. ¹	-	52,654,463	4,602,504	57,256,967
- CVI Credit Value Fund A, L.P.	3,840,201	(3,409,004)	59,113	490,310
- CVI Credit Value Fund II A, L.P.	7,723,377	(6,242,817)	1,979,524	3,460,084
- CVI Credit Value Fund III A, L.P.	90,556,851	(32,542,401)	11,761,441	69,775,891
- CVI Credit Value Fund IV A, L.P.	127,796,793	(15,000,000)	31,140,414	143,937,207
- CVI Global Value Fund A, L.P.	6,968,538	(6,909,993)	83,931	142,475
- Deerfield Private Design Fund IV, L.P.	89,906,486	(6,000,000)	37,481,803	121,388,289
- DoubleLine Opportunistic Income Fund, L.P.	203,572,559	100,002,222	38,804,469	342,379,250
- Dymon Asia Macro (US) Fund ²	111,268,552	(94,252,987)	(17,015,565)	-
- EFL Special Partners, L.P. ¹	-	49,797,390	436,201	50,233,591
- EIG Energy Fund XVI, L.P.	63,028,052	(6,191,284)	5,288,105	62,124,873
- EIG Global Project Fund V, L.P.	7,191,799	9,780,740	(117,466)	16,855,073
- Elan Fund, L.P.	633,860,869	-	46,868,674	680,729,543
- EQMC Europe Development Capital Fund, PLC ¹	-	120,087,898	18,795,205	138,883,103
- Falcon Strategic Partners III, L.P.	12,590,260	(5,326,145)	2,072,181	9,336,296
- Falcon Strategic Partners IV, L.P.	78,334,189	(7,036,509)	5,395,122	76,692,802
- Falko Regional Aircraft Opportunities Fund II, L.P.	92,012,183	(43,770,477)	1,070,866	49,312,572
- Florida Growth Fund, LLC	109,588,311	(6,564,788)	(598,654)	102,424,869
- Florida Growth Fund Credit Tranche, LLC	43,832,990	(10,996,330)	3,672,729	36,509,389
- Florida Growth Fund Tranche II, LLC	120,007,153	(24,320,959)	26,120,781	121,806,975
- Florida Growth Fund II, Tranche I, LLC	199,796,154	(33,200,245)	41,899,479	208,495,388
- Florida Growth Fund II, Tranche II, LLC	32,539,968	25,401,049	16,545,556	74,486,573
- Florida Sunshine State Fund, L.P.	39,473,445	16,356,621	13,328,386	69,158,452
- Gallatin Point Capital Partners, L.P.	30,357,815	19,128,760	17,247,967	66,734,542
- Gallatin Point Capital Partners II, L.P. ¹	-	24,329	(500,711)	(476,382)
- Garda Fixed Inc. Relative Value Opp Fd (Onshore) Ltd.	240,825,463	100,000,761	34,240,512	375,066,737
- GI Partners Fund III, L.P.	1,193,494	(1,035,647)	(157,846)	-
- GI Partners Fund IV, L.P.	181,390,954	(37,899,419)	18,751,251	162,242,786
- Global Infrastructure Partners II, L.P.	146,465,257	(16,264,903)	20,764,617	150,964,971
- Global Infrastructure Partners III, L.P.	104,374,698	1,015,637	27,230,774	132,621,109
- Global Infrastructure Partners IV, L.P.	(75,838)	26,944,004	(3,300,414)	23,567,751
- Global Transport Income Fund	-	198,531,393	1,298,389	199,829,782
- GOF II Feeder B, L.P.	60,981,939	18,750,000	37,681,831	117,413,770
- Graham Absolute Return Trading Ltd. ²	155,095,196	(186,789,872)	31,694,675	-
- Grain Communications Opportunity Fund II, L.P.	35,993,827	16,328,490	8,058,138	60,380,455
- Grain Communications Opportunity Fund III, L.P. ¹	-	9,994,615	(1,884,277)	8,110,338
- Grain Spectrum Holdings III, L.P. ¹	-	77,514,796	(976,247)	76,538,549
- Graticule Asia Macro Fund, L.P.	152,537,696	-	37,126,736	189,664,432
- Gruss Global Investors (Enhanced) II, L.P. ³	2,503,041	(1,494,336)	(1,008,705)	-
- GSO Capital Opportunities Fund, L.P.	2,044,175	-	917,492	2,961,667

Account Name - continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- GSO Capital Opportunities Fund II, L.P.	30,611,133	(9,012,213)	8,204,968	29,803,888
- GSO Capital Opportunities Fund III, L.P.	95,318,223	(8,012,580)	23,328,462	110,634,105
- GSO Capital Solutions Fund II, L.P.	18,744,957	(636,694)	7,873,657	25,981,920
- GSO Capital Solutions Fund III, L.P.	27,415,147	(2,875,376)	11,798,248	36,338,019
- GSO Energy Select Opportunities Fund, L.P.	33,529,744	(10,525,725)	16,991,127	39,995,146
- GSO Energy Select Opportunities Fund II, L.P.	6,999,866	7,846,494	8,107,071	22,953,431
- HBK Fund II, L.P.	183,797,855	-	25,188,156	208,986,011
- Healthcare Royalty Partners III, L.P.	42,245,365	(6,208,750)	5,918,305	41,954,920
- Highbridge Convertible Dislocation Fd (Delaware), L.P. ¹	-	140,562,553	25,811,559	166,374,112
- Highbridge SPAC Opportunity Fund (Delaware), L.P. ¹	-	39,919,022	(142,870)	39,776,152
- Highbridge Tactical Credit Fund, L.P.	-	200,042,167	50,566,044	250,608,211
- Hudson Bay Fund, L.P.	202,456,233	6,071	42,297,663	244,759,967
- Hull State Energy Partners II, L.P. ¹	-	19,006	(19,006)	-
- ICE EM Credit Absolute Return Fund, L.P.	55,040,053	(57,912,172)	4,619,519	1,747,400
- IFM Global Infrastructure (US), L.P.	538,627,643	-	79,500,775	618,128,418
- ILS Property & Casualty Fund II, L.P.	20,544,576	211,378	(14,753,215)	6,002,739
- ITE Rail Fund, L.P.	210,099,928	13,734,842	17,509,061	241,343,831
- Jackson Timberland Opportunities, LLC	197,413,291	(6,899,913)	(1,342,255)	189,171,123
- Juniperus Insurance Opportunity Fund Ltd	166,089,559	75,010,081	13,763,763	254,863,403
- King Street Capital Fund, L.P.	20,055,959	(2,588,158)	2,817,128	20,284,929
- KLCP ERISA Fund E2 (US), L.P.	24,988,906	93,432,565	12,009,892	130,431,363
- KV Partners, LLC	727,641	-	40,653	768,294
- Lake Jackson, L.P.	2,000,042	99,079,769	19,080,590	120,160,401
- LCM Credit Opportunities Fund III(a), L.P.	91,138,882	(12,258,544)	(455,456)	78,424,882
- LCM Credit Opportunities Fund IV, SLP ¹	-	25,393,488	1,825,684	27,219,172
- LCM Partners SOLO V, SLP ¹	-	14,724,913	(883,092)	13,841,821
- Levine Leichtman Capital Partners IV, L.P.	8,441,651	(36,122)	5,692,914	14,098,443
- Levine Leichtman Capital Partners V, L.P.	174,659,206	(101,959,735)	80,337,624	153,037,095
- Levine Leichtman Capital Partners VI, L.P.	67,174,260	40,458,584	13,598,556	121,231,400
- Lexington GP Holdings, L.P.	157,767,651	(21,004,636)	12,013,812	148,776,827
- LLCP Lower Middle Market Fund III, L.P. ¹	-	72,366	(73,530)	(1,164)
- Luxor Capital Partners, L.P.	136,135,369	-	43,827,876	179,963,246
- Marathon European Credit Opp Fund II, L.P.	22,953,647	(1,530,041)	(998,859)	20,424,747
- MCP Private Capital Fund, III SCSp	51,966,154	(10,342,315)	19,324,524	60,948,363
- MCP Private Capital Fund IV SCSp	12,745,857	17,694,007	(3,544,374)	26,895,490
- Mill Road Capital III, L.P.	54,214,334	(34,175,329)	101,240,590	121,279,596
- Miravest ILS Credit Opportunities Fund I, L.P.	65,661,959	29,436,553	10,652,033	105,750,545
- Monashee Pure Alpha SPV I, L.P.	183,037,726	2,115	20,522,140	203,561,982
- MSD SBAFL Fund, L.P. ¹	-	74,349,263	1,758,202	76,107,466
- MW Eureka (US) Fund	110,641,743	-	22,567,829	133,209,573
- NovaQuest Pharma Opportunities Fund V, L.P.	41,793,400	(5,184,762)	11,963,062	48,571,700
- Oaktree Opportunities Fund VIII, L.P.	2,196,922	(2,667,702)	1,560,054	1,089,274
- Oaktree Opportunities Fund VIIb, L.P.	12,469,609	(3,064,440)	6,575,697	15,980,866
- Oaktree Opportunities Fund IX, L.P.	57,388,265	(14,280,695)	22,918,259	66,025,829
- Oaktree Opportunities Fund Xb, L.P.	64,665,650	40,000,000	40,780,969	145,446,619
- OCM Opportunities Fund VIIb, L.P.	111,030	(51,633)	(20,516)	38,881
- OHA Tactical Investment Fund, L.P.	-	32,119,386	10,354,868	42,474,254
- Orion Energy Credit Opportunities Fund III, L.P. ¹	-	14,552,183	(1,390,492)	13,161,691
- Orion Mine Finance Co-Investment Fund II, L.P.	28,413,263	2,987,028	6,952,175	38,352,465
- Orion Mine Finance Fund I, L.P.	36,920,172	(6,820,713)	7,738,565	37,838,025
- Orion Mine Finance Fund II, L.P.	75,545,005	10,859,399	22,334,380	108,738,784
- P2 Capital Fund, L.P.	242,899,099	-	141,520,573	384,419,672
- PAG Loan Fund IV, L.P.	25,305,658	40,787,925	8,166,533	74,260,116
- Patria Infrastructure Fund IV, L.P.	619,764	10,116,305	153,245	10,889,314
- PCG Special Situation Partners, L.P. ²	158,938	(135,459)	(23,479)	-
- Primary Wave Music IP Fund 1, L.P.	75,685,503	(49,700,913)	15,749,587	41,734,177
- Primary Wave Music IP Fund 2, L.P.	24,510,906	95,901,255	11,636,727	132,048,888
- Primary Wave Music IP Fund 3, L.P. ¹	-	33,987,935	(20,560)	33,967,375
- Principal RE Debt (SBAF Mortgage Fund), LLC	69,932,402	42,006,200	8,722,073	120,660,675
- Providence Debt Fund III, L.P.	80,937,364	(33,333,894)	13,414,242	61,017,712
- Providence Equity Global Group, LLC	180,175,461	(17,333,859)	(47,793,011)	115,048,591
- Providence TMT Special Situation Fund, L.P.	1,235,962	(1,567,353)	449,170	117,779

Account Name - continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
- Rubik Holdings Ltd.	183,776,774	-	(16,655,826)	167,120,948
- SASOF III, L.P.	11,248,142	(767,638)	2,046,454	12,526,958
- SASOF IV, L.P.	68,418,506	(2,928,947)	(4,120,960)	61,368,599
- SASOF V, L.P.	1,524,736	5,231,230	(3,114,121)	3,641,845
- Sculptor Domestic Partners II, L.P.	222,238,645	-	49,407,721	271,646,365
- Searchlight Opportunities Fund II, L.P. ¹	-	8,730,935	(15,935)	8,715,000
- Silver Lake Waterman Fund III, L.P.	10,241,127	35,694,988	673,303	46,609,418
- Special Situation Partners II, L.P.	24,087,435	(3,088,754)	17,955,555	38,954,236
- Sprott Private Resource Lending (US), L.P.	20,539,212	(17,932,110)	5,953,729	8,560,831
- Sprott Private Resource Lending II, L.P.	53,246,031	30,537,214	12,039,124	95,822,368
- Square Mile Partners III, L.P.	396,540	-	(137,496)	259,044
- Starboard Value and Opportunity Fund, LLC	451,448,778	3,500	171,986,909	623,439,187
- Taconic Opportunity Fund, L.P.	297,407,181	-	54,540,820	351,948,001
- TCW Crescent Mezzanine Partners V, L.P.	5,358,031	(11,847,349)	6,987,687	498,369
- Tintoretto Partners, L.P.	253,379,702	17,826,510	11,936,670	283,142,881
- Torchlight Debt Fund VII, L.P. ¹	-	50,062,826	920,839	50,983,665
- Tricon Housing Partners I US, L.P.	18,052,835	(6,740,267)	507,001	11,819,569
- Tricon Housing Partners II US, L.P.	11,822,277	(7,776,353)	5,268,467	9,314,390
- Trigate Property Partners II, L.P.	16,576,106	(412,325)	1,241,992	17,405,774
- Trigate Property Partners III, L.P.	51,747,432	(4,741,045)	7,559,834	54,566,221
- Trigate Property Partners IV, L.P.	166,234	18,156,697	(5,622,311)	12,700,620
- TSSP Adjacent Opportunities Partners, L.P.	154,868,607	(11,048,572)	22,432,769	166,252,804
- Varde Fund X, L.P.	14,209,210	(1,440,210)	(788,849)	11,980,151
- Varde Fund XI, L.P.	129,514,555	(25,180,009)	(9,952,390)	94,382,155
- Varde Fund XII (C), L.P.	221,931,177	(86,634,782)	18,500,020	153,796,415
- Vine Media Opportunities Fund III, L.P.	59,613,869	(4,565,382)	13,536,754	68,585,241
- Vine Media Opportunities Fund IV, L.P.	19,505,071	28,556,816	5,596,774	53,658,661
- VSS Structured Capital II, L.P.	6,029,821	(21,466,370)	18,300,855	2,864,306
- Wayzata Opportunities Fund II, L.P.	676,790	-	705,429	1,382,219
- Wayzata Opportunities Fund III, L.P.	22,591,802	-	(42,607)	22,549,195
- WestRiver Innovation Lending Fund VIII, L.P.	87,804,000	(10,583,867)	33,947,043	111,167,176
- Yiheng Capital Partners, L.P.	164,255,724	-	76,067,783	240,323,507
Other:				
- Strategic Investment Cash Expense	-	2,527,159	(2,527,159)	-
- Strategic Investments Transition	838,523	-	169,426	1,007,950
Total Strategic Investments	\$ 14,347,154,068	\$ 1,177,422,943	\$ 2,609,559,099	\$ 18,134,136,110

¹ Account opened during the fiscal year.

² Account assets sold or partnership interest sold during the fiscal year. Remaining balances reflect residual activity.

³ Account assets sold or partnership interest sold during a prior fiscal year. Balances and activity reflect residual activity.

• For certain strategic investments accounts, market values are estimates of value which may or may not represent what would be actually in arm's-length sales transactions. In such cases the market values are self-reported by the external managers of these accounts and their estimate of the value of illiquid publicly traded securities and private market holdings.

• Totals may not foot due to rounding.

FRS PENSION PLAN – REAL ESTATE
CHANGE IN MARKET VALUE FOR FISCAL YEAR 2020-21

Account Name	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
Pooled Funds:				
- AEW Senior Housing Investors III, L.P.	\$ 45,269,748	\$ (759,626)	\$ (2,647,684)	\$ 41,862,438
- AEW Value Investors Asia III, L.P.	87,905,487	2,646,407	12,072,851	102,624,745
- AEW Value Investors Asia IV, L.P. ^{1,2}	-	4,520	(4,520)	-
- BlackRock Europe Property Fund IV	5,808,616	124,699	2,486,451	8,419,766
- BlackRock Europe Property Fund V	5,835,646	2,159,075	(1,827,164)	6,167,556
- Blackstone Real Estate Partners Asia, L.P.	122,067,105	(48,663,529)	24,868,442	98,272,019
- Blackstone Real Estate Partners Europe V, L.P.	87,291,195	(9,094,360)	15,577,721	93,774,556
- Blackstone Real Estate Partners VI, L.P.	10,040,835	(3,409,545)	391,696	7,022,986
- Blackstone Real Estate Partners VII, L.P.	128,452,465	(6,089,264)	(7,122,759)	115,240,441
- Blackstone Real Estate Partners VIII, L.P.	96,006,985	(39,289,562)	16,347,676	73,065,099
- Blackstone Real Estate Partners IX, L.P.	25,973,491	15,749,362	8,407,733	50,130,587
- Brookfield-Fairfield US Multifamily Fund II, L.P.	14,696,893	(1,826,087)	(760,685)	12,110,121
- CapMan Nordic Real Estate Fund	42,862,312	(10,261,986)	4,318,016	36,918,343
- CapMan Nordic Real Estate II	36,228,301	7,907,185	8,338,711	52,474,197
- CapMan Nordic Real Estate III ¹	-	14,545,895	(1,125,791)	13,420,104
- Carlyle Property Investors, L.P.	106,742,674	(5,020,477)	9,693,801	111,415,998
- Carlyle Realty Partners VI, L.P.	7,080,303	(418,686)	(613,179)	6,048,438
- Carlyle Realty Partners VII, L.P.	19,439,348	(4,133,585)	1,358,257	16,664,020
- Carlyle Realty Partners VIII, L.P.	27,883,065	1,257,173	4,022,640	33,162,878
- CBRE Asia Value Partners V	25,003,635	11,446,196	5,710,806	42,160,637
- CBRE Asia Value Partners V Japan Co-Investment ¹	-	13,952,488	(77,770)	13,874,718
- CBRE Asia Value Partners VI ¹	-	11,953	(11,953)	-
- CIM Fund VIII, L.P.	51,944,304	595,256	(7,938,387)	44,601,173
- EMI Pooled Fund Expenses Account ³	-	-	-	-
- Europa Fund IV, L.P.	37,521,114	(12,183,159)	(5,198,689)	20,139,266
- Heitman Global RE Partners II, L.P. ¹	-	303,865	(303,865)	-
- Heitman Coinvest Red Arrow, L.P. ⁴	-	751,850	(31,850)	720,000
- Heitman Value Partners III, L.P.	7,429,710	(7,932,787)	907,436	404,359
- Heitman Value Partners IV, L.P.	33,811,651	9,021,209	6,745,622	49,578,482
- Invesco Strategic Opportunities III, L.P.	17,191,113	(1,424,347)	2,347,755	18,114,521
- Invesco Strategic Opportunities III LCP Co-Invest, L.P. ¹	-	35,360,288	(153,288)	35,207,000
- JP Morgan European Opportunistic Property Fund III	44,579,657	(3,252,734)	9,937,070	51,263,993
- JP Morgan European Opportunistic Property Fund IV	25,503,560	17,389,021	3,140,743	46,033,324
- JP Morgan Special Situation Property Fund	199,681,001	(30,716,423)	15,632,080	184,596,657
- JP Morgan Strategic Property Fund	207,353,873	(56,171,756)	11,306,907	162,489,023
- Landmark Real Estate Fund VIII, L.P.	25,133,390	(1,089,759)	514,794	24,558,426
- Prime Property Fund, LLC	395,461,067	(15,686,826)	28,790,527	408,564,767
- Principal Digital Real Estate Fund, L.P. ¹	-	140,096	(140,096)	-
- Principal US Property Fund	429,670,653	-	34,975,653	464,646,307
- Prologis USLF, L.P.	296,215,520	(8,562,902)	37,920,098	325,572,717
- Prudential PRISA	367,969,778	(10,908,399)	22,226,750	379,288,129
- Prudential PRISA Fund III, L.P.	256,260,793	(17,565,018)	37,044,187	275,739,961
- Rockpoint Real Estate Fund III, L.P.	4,263,654	118,901	359,602	4,742,157
- Rockpoint Real Estate Fund IV, L.P.	15,955,599	(9,740,769)	2,783,059	8,997,889
- Rockpoint Real Estate Fund V, L.P.	74,630,961	(5,405,970)	3,493,337	72,718,328
- Rockpoint Real Estate Fund VI, L.P.	4,040,669	(249,590)	273,603	4,064,682
- RREEF America REIT II Pooled Fund	331,886,009	(10,003,225)	6,865,724	328,748,509
- RREEF Core Plus Industrial Fund	118,696,550	56,067,050	22,436,069	197,199,669
- Starwood Distressed Opp. Fund IX Global, L.P.	31,090,133	(337,567)	(1,035,343)	29,717,223
- Starwood Distressed Opportunity Fund XII Global, L.P. ¹	-	141,504	(190,290)	(48,786)
- Starwood Global Opportunity Fund X, L.P.	56,721,784	(17,594,367)	2,461,322	41,588,739
- Starwood Global Opportunity Fund XI, L.P.	24,947,904	21,375,000	4,226,253	50,549,157
- Tristan EPISO 3, L.P.	21,584,580	(3,582,174)	3,610,927	21,613,333
- Tristan EPISO 4, L.P.	46,454,146	(2,988,564)	9,761,746	53,227,327
- UBS Pooled Fund, L.P.	61,030,831	(4,271,419)	584,914	57,344,327
- Waterton Residential Property Venture XIV ^{1,2}	-	79,500	(79,500)	-

Account Name - continued	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
Principal Investments	\$ 9,846,036,681	\$ (63,970,117)	\$ 369,170,406	\$ 10,151,236,969
Real Estate Investment Trusts (REITs):				
- AEW Global REIT	364,956,616	-	122,410,730	487,367,347
- CohenSteers Global REIT	312,353,339	95,436,022	150,165,009	557,954,370
- FloridaRetSys CNSGlobalREITRecov	148,267,515	50,000,000	70,995,710	269,263,226
- FloridaRetSys RREEFGlobalREITRecov	153,650,193	-	59,218,426	212,868,619
- Invesco Global REIT ²	345,027,791	(411,495,655)	69,341,880	2,874,015
- RREEF Global REIT	377,145,824	47,837,019	156,082,633	581,065,476
Other:				
- Real Estate Cash Expense Account	-	522,234	(522,234)	-
- Real Estate Transition Account	-	268,149,726	(5,897,857)	262,251,869
Total Real Estate Investments	\$ 15,629,056,067	\$ (151,006,740)	\$ 1,343,642,868	\$ 16,821,692,195

¹ Account opened during the fiscal year.

² Strategy terminated or account closed during the current fiscal year. Ending market values reflect residual balances.

³ Account inactive during the fiscal year.

⁴ The Real Estate Cash Account moved from the Real Estate Asset Class to the Cash/Short-Term Asset Class effective July 1, 2019.

• For certain real estate accounts, market values are estimated of value which may or may not represent what would be actually realized in arm's-length sales transactions. In such cases the market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Totals may not foot due to rounding.

FRS PENSION PLAN – CASH/SHORT-TERM AND MISCELLANEOUS PORTFOLIOS CHANGE IN MARKET VALUE FOR FISCAL YEAR 2020-21

Account Name	Market Value 6/30/20	Net Contributions And Transfers	Investment Gain (Loss)	Market Value 6/30/21
Cash Expense Account ²	\$ -	\$ 90,469	\$ (90,469)	\$ -
Cash Securities Lending Account ³	(33,565,035)	-	1,922,667	(31,642,368)
Central Cash/Short-Term	1,956,808,509	(706,784,816)	1,841,263	1,251,864,956
Centralized Cleared IM Collateral Account	172,736,396	-	282,010	173,018,406
Centralized MSFTA Collateral Account	21,077,488	20,000,000	24,704	41,102,192
Centralized Non-Cleared Cash Collateral	83,168,998	-	81,170	83,250,168
FRS Cash Enhanced	351,434,004	399,975,043	1,467,574	752,876,621
FRS Cash Transition ¹	-	24,957	(24,957)	-
Private Equity Cash	50,267,246	87,431,626	183,107	137,881,978
Real Estate Cash	20,221,837	60,006,740	15,297	80,243,875
Strategic Investments Cash	250,726,146	(142,422,943)	76,857	108,380,059
TF STIPFRS NAV Adjustment Account ⁴	66,394	-	(131,914)	(65,519)
Total Fund Cash Expense Account ²	-	39,431,195	(39,431,195)	-
Total Cash/Short-Term	\$ 2,872,941,983	\$ (242,247,730)	\$ (33,783,885)	\$ 2,596,910,368

¹ Account opened during the fiscal year.

² The Cash Expense Account and the Total Fund Cash Expense Account are used to pay various expenses (including SBA investment charges and bank fees) on behalf of the Cash/Short-Term asset class or the entire FRS Pension Plan, respectively. Excluding these reported investment gain (loss) would have been \$0 for each account.

³ The Cash Securities Lending Account holds certain investments purchased in the securities lending program prior to the policy guidelines established in December 2008. These investments are generally being held to maturity. In fiscal year 2021, the overall net unrealized decreased by \$1,866,895. The account also received \$54,398 in class action settlement proceeds and earned \$1,374 in interest.

⁴ The TF STIPFRS NAV Adjustment Account is used to record the difference between the net market value of the Short-Term Investment Pool (STIPFRS) that SBA utilizes to invest cash balances in the FRS Pension Plan and the total STIPFRS participant balances (carried at cost) in all the individual portfolios that are invested in the pool. This can fluctuate and will be negative if the amortized cost of participant balances is higher than the net market value of the STIPFRS.

• Totals may not foot due to rounding.

ACTUARIAL SECTION



Saint Augustine Beach

Florida Retirement System Pension Plan

Overview of GASB 67 and GASB 68

In 2012, the Governmental Accounting Standards Board (GASB) released GASB Statements No. 67 and 68 for public pension plans and participating employers.

GASB 67 applies to financial reporting for public pension plans. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

Relationship Between Valuation Date and Measurement Date

The Valuation Date is July 1, 2021. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2021.

Depletion Date Projection

In order to determine if the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, we have prepared a depletion date projection using the following techniques and assumptions:

- Current active members contribute the required employee contribution amounts.
- The employer contributes the actuarially determined contribution amounts based on the 6.8% investment rate of return assumption selected by the 2021 FRS Actuarial Assumption Conference.
- Benefit payments are projected based on the actuarial assumptions and the current plan provisions.
- Members are assumed to receive pay increases, terminate, retire, become disabled, die, and so forth according to the actuarial assumptions used for the July 1, 2021 valuation.
- Terminating and retiring members are replaced in a manner such that the proportions of Pension Plan and Investment Plan payroll modify gradually to 50% and 50% over a thirty-year timeframe that began in 2018 when the default plan changed from the FRS Pension Plan to the FRS Investment Plan.
- All cash flows are assumed to occur on average halfway through the year.
- In the depletion date test's projections, the actual return achieved each year on invested assets is 6.80%.
- The funding policy used to determine actuarially determined contributions does not change.
- The actuarial assumptions do not change.
- Once the system is projected to reach a surplus position (smoothed actuarial value of assets greater than actuarial liability) the UAL Rate contribution is set to 0.00% for purposes of this exhibit, rather than modeling a contribution rate offset credit. Please note that this is projected to occur inside the 20-year period for amortizing unfunded liability that is current Conference policy.



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December 22, 2021

Members of the Florida Legislature and of the Florida Retirement System

Re: Actuary's Statement Regarding FRS 2021 Pension Plan Actuarial Valuation

Dear Florida Legislators and FRS Members:

Milliman has conducted an actuarial valuation as of July 1, 2021 for the Florida Retirement System (FRS) Pension Plan. Current Governmental Accounting Standards Board (GASB) rules necessitate two distinct sets of actuarial valuation calculations to fulfill two separate requirements:

- System funding calculations as of July 1, 2021, which assess system funded status and determine actuarially calculated contribution rates for the July 1, 2022 – June 30, 2023 plan year. The updated methods and assumptions for these system funding calculations include a decrease in the investment return assumption from 7.00% to 6.80% and use of a 20-year amortization period for amortization bases established on or after July 1, 2021. Additionally, and apart from the 2019 Method Changes established June 30, 2019, level percent of projected statutory UAL Cost payroll bases established before July 1, 2021 were modified to have a remaining amortization period of the lesser of their current remaining amortization period and a 20-year amortization period effective with the amortization payment for the 2022-2023 fiscal year. Preliminary 2021 valuation results were presented by the actuary to the 2021 FRS Actuarial Assumption Conference held in October 2021. In my professional opinion, I believe the assumptions and methods used in the system funding valuation report for the purpose of developing actuarially calculated contribution rates are reasonable per Actuarial Standards of Practice.
- System GASB 67 financial reporting calculations as of June 30, 2021, which satisfy relevant accounting standards for annual financial reporting to interested parties. These calculations use demographic assumptions identical to those used in system funding calculations. The long-term average annual future investment return assumption of 6.80% used in the GASB calculations is the same assumption used in the system funding calculations. A 6.80% nominal investment return assumption can be compared to the combined effect of a median real (in excess of inflation) return of 4.3%, which is consistent with the 4.17% 50th percentile geometric average annual long-term future real return assumption developed by Milliman's 2021 capital outlook model and the 2.40% average annual future inflation assumption selected by the Conference. Geometrically combining those building blocks using the formula $(1 + .0417) \times (1 + .024) - 1$ generates an expected nominal return of 6.67%. In my opinion, the 6.80% nominal return assumption is reasonable under Actuarial Standards of Practice.

The two sets of calculations were issued as distinct valuation reports under separate cover due to the differing assumptions and purposes, as noted above and as discussed later in this letter.

System Funding Calculations

On the smoothed Actuarial Value of Assets (AVA) basis used to determine actuarially calculated contribution rates, FRS Pension Plan funded status increased from 82.0% to 83.4%. On a Market Value of Assets (MVA) basis, FRS Pension Plan funded status calculated with the assumptions and methods used in the report for system funding purposes increased from 80.7% to 86.4% due to actual plan year investment return of approximately +30.38%, which is above the assumed return in the prior year's valuation of 7.00%, along with a decrease in the investment return assumption for funding purposes.

Due to strong market value investment performance over the past plan year, the MVA is higher than the smoothed AVA used for contribution rate calculations by approximately \$27.2 billion as of July 1, 2021. That \$27.2 billion not yet recognized market investment gain will be systematically recognized as a sequence of actuarial investment gains in the Unfunded Actuarial Liability (UAL) via recognition in the AVA over the next several years. If actual market value investment experience during that period fails to meet or exceed the 6.80% assumption used in this valuation, new investment losses will arise and the not yet recognized market investment gain will serve as a buffer, either mitigating or eliminating increases in actuarially calculated employer contribution rates.

The FRS Pension Plan-only actuarially calculated employer contribution rates derived in the funding valuation are combined with FRS Investment Plan contribution rates to create proposed blended statutory employer contribution rates. At a system-wide composite level, the blended employer contribution rate increased by 0.52% of payroll from 12.33% of payroll in the 2021-2022 plan year to 12.85% of payroll in the 2022-2023 plan year. Please note that the blended rate study is issued under separate cover shortly after the publication of the valuation report for funding purposes. The 0.52% of payroll increase was mostly due to the assumption and amortization method changes adopted effective July 1, 2021. The contribution rate increase due to assumption and method changes was partially offset by a plan year investment return on a smoothed Actuarial Value of Assets basis of +11.23%, which is above the assumed prior year return of 7.00%.

The FRS Pension Plan-only actuarially calculated contribution rates in the funding valuation are determined in a manner such that they would remain level as a percentage of projected payroll in future years if actual future experience follows the valuation's assumptions until system funded status nears 100%, with the exception of a) rate changes due to the effects of the not yet recognized market investment losses noted above and b) a decrease in the FRS Pension Plan normal cost rate as newly enrolling Tier II Pension Plan members replace currently active Tier I Pension Plan members as they leave FRS-covered employment.

For this valuation, a long-term average annual future investment return assumption of 6.80% was selected by the 2021 FRS Actuarial Assumption Conference. That assumption is 0.20% lower than the assumption used in the previous valuation. In our professional opinion, the 6.80% assumption does **not** significantly conflict with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement Actuarial Standard of Practice No. 27 (ASOP 27). Our basis for that opinion is that both the 4.17% 50th percentile geometric average annual long-term future real return assumption developed by Milliman's 2021 capital

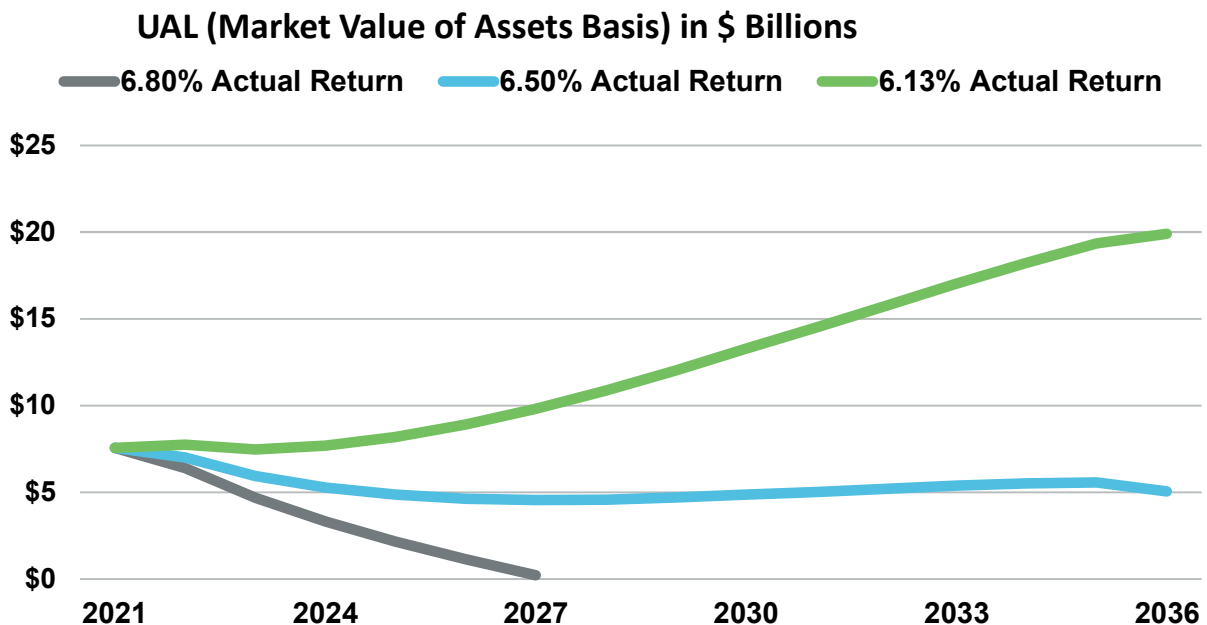
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outlook model and the 2.40% average annual future inflation assumption selected by the Conference are each individually reasonable. Combined, those two individually reasonable assumption components would produce a geometric average annual nominal return assumption of approximately 6.67%, which in our opinion is reasonable. The Conference's selected 6.80% investment return assumption does not significantly conflict with the reasonable 6.67% assumption level. More details on the return assumption are shown in our 2021 FRS Actuarial Assumption Conference presentation materials.

All else being equal, the lower the selected investment return assumption, the higher the likelihood the FRS Pension Plan will meet or exceed its assumed investment return in future years. A lower assumption would result in higher short-term actuarially calculated contribution rates for employers, but would also serve to lessen the magnitude of actuarially calculated contribution rate increases in the event that actual future investment performance fails to meet or exceed the assumption.

Actual future investment return experience for the FRS Pension Plan is not affected by the assumption used in the actuarial valuation. Applying the 6.80% valuation assumption, the following graph illustrates the UAL on a Market Value of Assets basis under three scenarios for steady actual future market investment returns:

- 6.80%, which is the assumption selected for the valuation for system funding purposes by the 2020 FRS Actuarial Assumption Conference
- 6.50%, which is close to the 50th percentile assumption of 6.44% developed by geometrically combining the 3.95% median real return rate from Aon's model and the 2.4% inflation assumption selected by the Conference
- 6.13%, which is the 50th percentile assumption in the asset/liability model developed for the SBA by Aon in consultation with the 2021 FRS Actuarial Assumption Conference (the Aon model's 6.13% return consists of the geometric combination of 3.95% median real return and 2.1% inflation)



As illustrated in the graph, if actual future investment returns match the funding valuation's 6.80% assumption the UAL would decrease to \$0 during the 2027-2028 plan year. If actual returns underperform the 6.80% assumption by 0.30%, the UAL on a market value basis would decrease during the first several years and then remain fairly level during the remainder of the illustrated 15-year projection period. If actual market investment returns equal the 50th percentile return of 6.13% from the 2021 Aon model, the UAL would increase by over \$12 billion over the modeled 15-year period if actuarially calculated contributions are made and all other experience follows the assumptions used in this valuation.

The individual entry age normal (individual EAN) actuarial cost allocation method was selected by the 2021 FRS Actuarial Assumption Conference for the system funding valuation. The actuarial cost allocation method divides the present value of total projected benefits for each active member between past service (actuarial liability, or AL) and future service (present value of future normal costs). The actuarial cost allocation method does not impact the calculation of the present value of total projected benefits. In funding valuations prior to 2019, the ultimate entry age normal (ultimate EAN) actuarial cost allocation method was used. The change in the actuarial cost allocation method increased the normal cost rate and decreased the actuarial liability and UAL rate when compared to the prior method. The individual EAN methodology is mandated by GASB for financial reporting calculations under GASB Statements Nos. 67 & 68, and has been used for GASB reporting in all years those two statements have been in effect.

System GASB Financial Reporting Calculations

GASB Statement No. 67 is the governing standard for financial reporting of governmental pension systems. Our GASB 67 calculations differ in two significant ways from the methodology used for system funding calculations. First, GASB 67 mandates use of fair market asset values

for the calculation of unfunded liability, which is referred to as the fiduciary net position under GASB 67. Second, the long-term expected rate of investment return assumption used in GASB calculations is 6.80%. The 6.80% nominal investment return assumption can be compared to the combined effect of a median real (in excess of inflation) return of approximately 4.17% 50th percentile geometric average annual long-term future real return assumption developed by Milliman's 2021 capital outlook model and an average inflation assumption of 2.40% as adopted in October 2021 by the FRS Actuarial Assumption Conference.

As of the date of this valuation, the effect of the difference in the asset valuation methodology caused the calculated unfunded liability for financial reporting calculations (the net pension liability, or NPL) to be lower than the unfunded liability determined for system funding calculations (the unfunded actuarial liability, or UAL). For FRS Pension Plan GASB 67 financial reporting calculations, the NPL as of June 30, 2021 is \$7.6 billion.

Other Comments

Actuarial assumptions are needed to estimate the future economic and demographic experience of the system. Any deviations between actual and expected future experience will result in corresponding changes in the ongoing costs of the system. The economic assumptions were developed from both external economic forecasts and information and forecasts furnished by the Florida State Board of Administration. The demographic actuarial assumptions were developed both from recent experience of the system and from standard actuarial sources. The actuarial assumptions are based on Milliman's most recent review of the system's experience, which was for the observation period from July 1, 2013 through June 30, 2018. Additional details on that review of system experience can be located in our October 8, October 23, and October 28, 2019 presentation materials to the 2019 FRS Actuarial Assumption Conference and our formal 2019 Experience Study report, which was issued on December 20, 2019. The actuarial assumptions used in performing the July 1, 2021 system funding valuation were approved by the 2021 FRS Actuarial Assumption Conference.

The methodology differences between the funding and GASB financial reporting calculations are identified above. The assumptions and methods used in performing the GASB calculations meet the parameters set by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The results of the reports are dependent upon future experience conforming to these assumptions. Future actuarial measurements may differ significantly from the current measurements presented in the reports due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In performing the valuations, we relied without audit upon the financial statements, membership data, and other cost and benefits provision information furnished by the Florida Department of Management Services, Division of Retirement. Although membership data was subjected to standard editing procedures and the other information was reviewed for reasonableness, Milliman does not assume responsibility for either its accuracy or its completeness.

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In preparing our reports we relied, without audit, on information (some oral and some written) supplied by the Florida Department of Management Services, Division of Retirement. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of this data, we have found it to be reasonably consistent and comparable with data used for other purposes. Since valuation results are dependent on the integrity of the data supplied, results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The reports have been prepared exclusively for the Florida Department of Management Services, Division of Retirement for specific and limited purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. The valuations are complex, technical analyses that assume a high level of knowledge concerning the Florida Retirement System's operations, and use data provided by the Florida Department of Management Services, Division of Retirement, which Milliman has not audited.

Milliman does not intend to benefit or create a legal duty to any third party recipient of the reports. No third party recipient of Milliman's work product should rely upon the reports. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsors. I am not aware of any relationship that would impair the objectivity of Milliman's work.

These actuarial valuations were prepared and completed by me and those under my direct supervision, and I acknowledge responsibility for the results. I hereby certify that the valuation reports are complete and accurate to the best of my knowledge. In my opinion the techniques and assumptions used are reasonable. In my opinion these valuations meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and Section 14, Article X of the Florida State Constitution. Section 216.136(10) of Florida Statutes indicates that the 2021 FRS Actuarial Assumption Conference holds the statutory authority to determine the investment return assumption for the system funding valuation, which differs from the long-term expected rate of return assumption used in GASB discount rate calculations. There is no benefit provision or related expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuations.

To the best of my knowledge, there were no known events that were not taken into account in the valuations. On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, the reports are complete and accurate and have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

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December 22, 2021
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I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,



Matt Larrabee, FSA, EA, MAAA
Principal & Consulting Actuary

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This work product was prepared solely for the Florida Department of Management Services for the purposes stated herein, and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Certification

Actuarial computations presented in this report under Statement No. 67 of the Governmental Accounting Standards Board are for purposes of assisting the Florida Department of Management Services in fulfilling its financial accounting requirements. No attempt is being made to offer any accounting opinion or advice. This report is for fiscal year July 1, 2020 to June 30, 2021. The reporting date for determining plan assets and obligations is June 30, 2021. The calculations enclosed in this report have been made on a basis consistent with our understanding of the plan provisions. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

In preparing this report, we relied, without audit, on information as of June 30, 2020 and June 30, 2021 furnished by the Florida Department of Management Services. This information includes, but is not limited to, statutory provisions, member census data, and financial information. Please note that this report is based on the June 30, 2021 assets for the program as reported to us by the Florida State Board of Administration. Please see Milliman's funding valuation report to be published in December 2021 for more information on the plan's participant group as of July 1, 2021 as well as a summary of the plan provisions and a summary of the actuarial methods and assumptions used for funding purposes.

We performed a limited review of the census and financial information used directly in our analysis and have found them to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurements.

GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2021 **Florida Retirement System Pension Plan**

This work product was prepared solely for the Florida Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Certification

Milliman's work is prepared solely for the internal use and benefit of the Florida Department of Management Services. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Plan; and (b) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

The valuation results were developed using models intended for valuations that use standard actuarial techniques.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Matt R. Larrabee, FSA, EA, MAAA
Principal and Consulting Actuary



Kathryn M. Hunter, FSA, EA, MAAA
Consulting Actuary

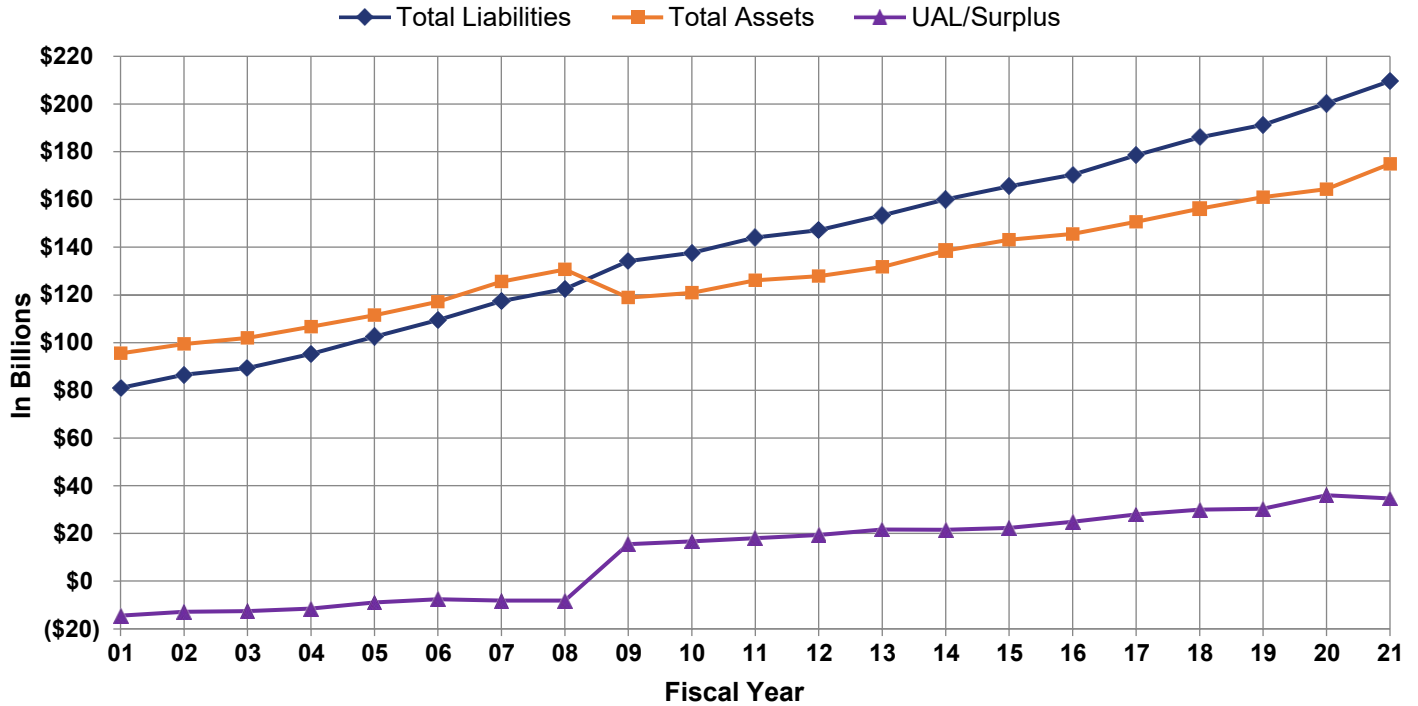


Daniel R. Wade, FSA, EA, MAAA
Principal and Consulting Actuary

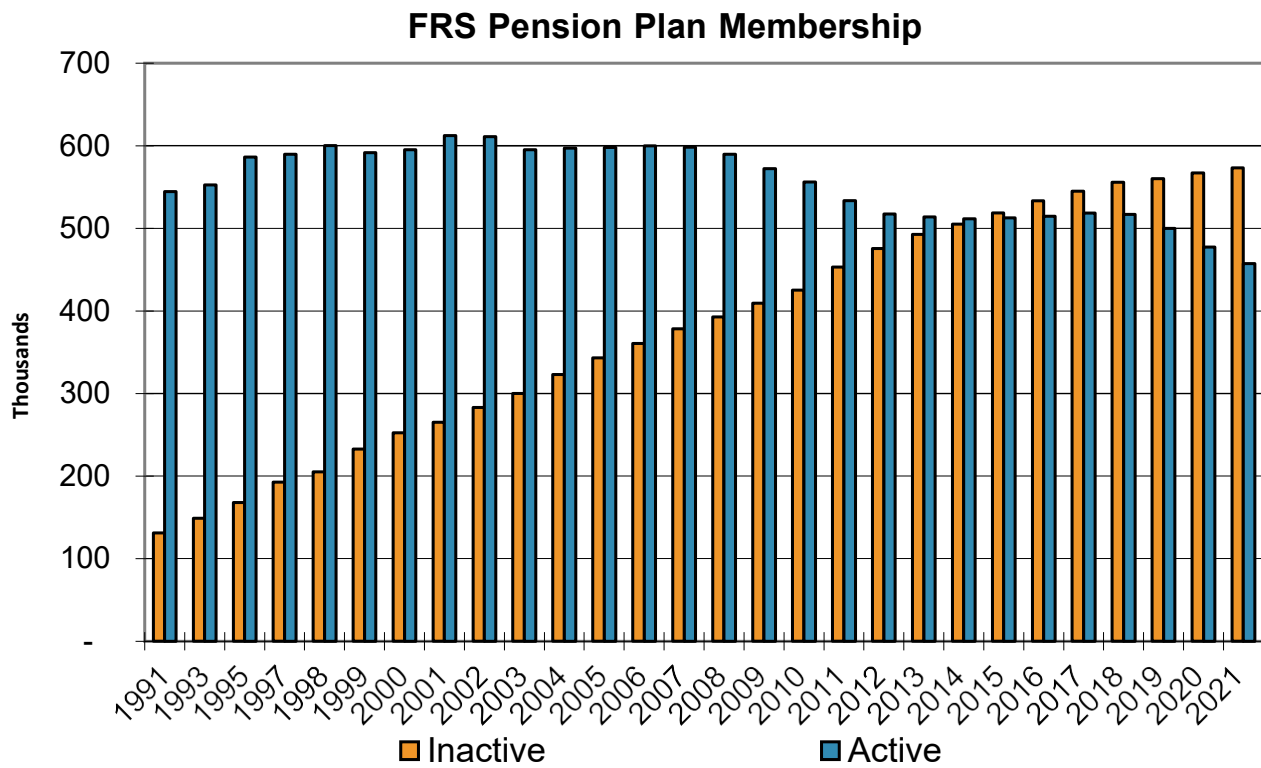
GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2021 **Florida Retirement System Pension Plan**

This work product was prepared solely for the Florida Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

HISTORY OF THE FRS PENSION PLAN UNFUNDED ACTUARIAL LIABILITY/SURPLUS WITH TOTAL LIABILITIES AND TOTAL ASSETS FROM 2002 THROUGH 2021

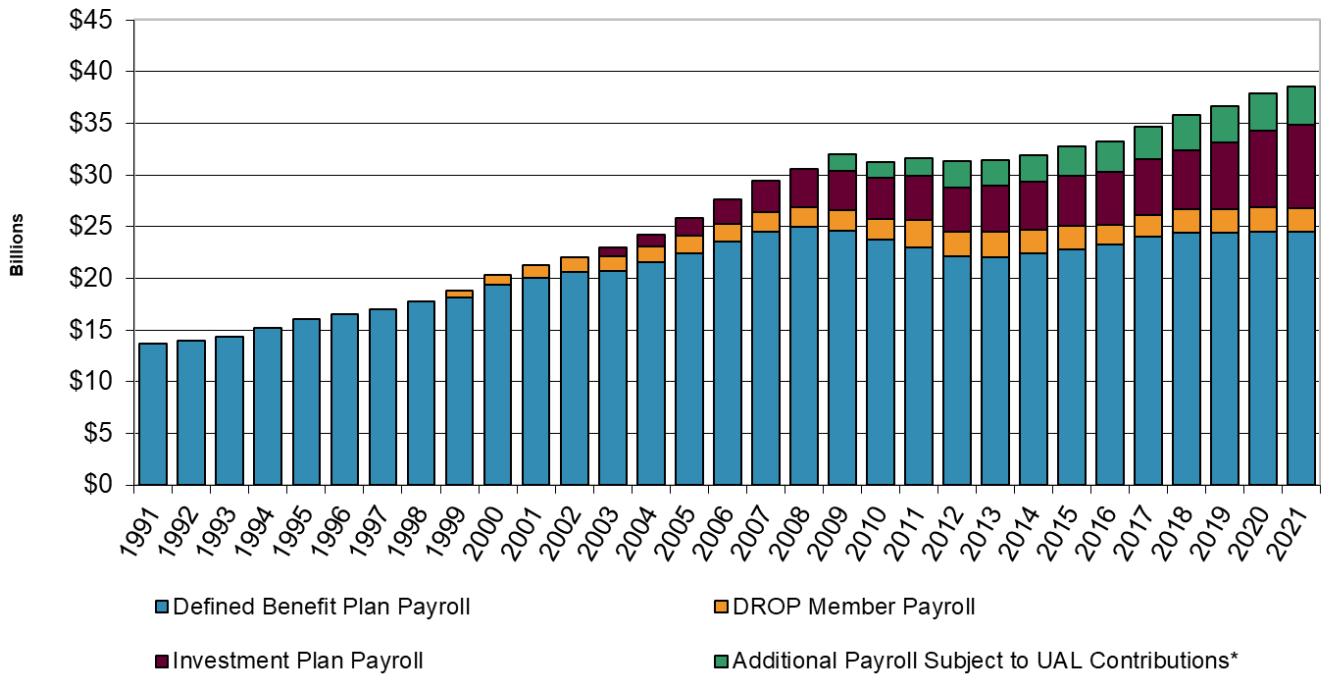


FISCAL YEAR	TOTAL LIABILITIES (IN BILLIONS)	TOTAL ASSETS (IN BILLIONS)	UAL/(SURPLUS) (IN BILLIONS)
2002	\$86.5	\$99.4	(\$12.9)
2003	\$89.3	\$101.9	(\$12.6)
2004	\$95.2	\$106.7	(\$11.5)
2005	\$102.5	\$111.5	(\$9.0)
2006	\$109.5	\$117.1	(\$7.6)
2007	\$117.4	\$125.6	(\$8.2)
2008	\$122.5	\$130.7	(\$8.2)
2009	\$134.2	\$118.8	\$15.4
2010	\$137.6	\$120.9	\$16.7
2011	\$144.1	\$126.1	\$18.0
2012	\$147.2	\$127.9	\$19.3
2013	\$153.3	\$131.7	\$21.6
2014	\$160.1	\$138.6	\$21.5
2015	\$165.5	\$143.2	\$22.3
2016	\$170.4	\$145.5	\$24.9
2017	\$178.6	\$150.6	\$28.0
2018	\$186.0	\$156.1	\$29.9
2019	\$191.3	\$161.0	\$30.3
2020	\$200.3	\$164.3	\$36.0
2021	\$209.6	\$174.9	\$34.7



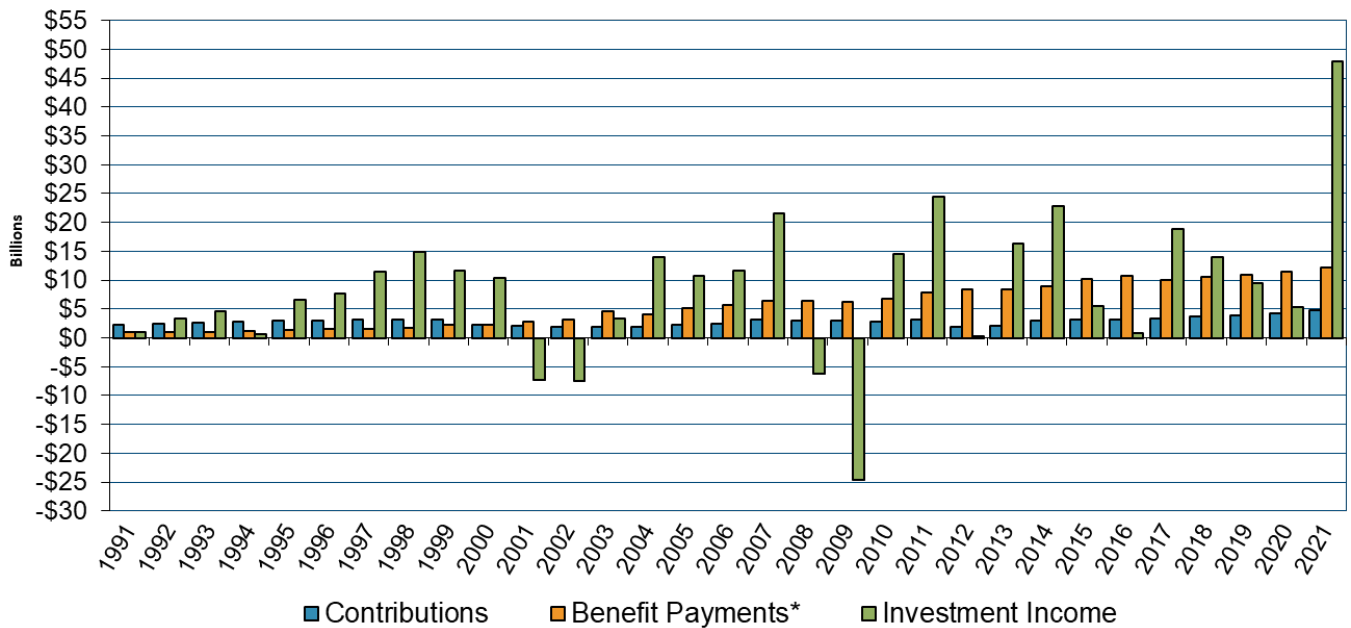
Inactive members include retirees, DROP participants and vested terminated pension plan members. Active members include only pension plan members.

FRS PENSION PLAN PAYROLL



* Includes payroll for participants in certain non-FRS defined contribution plans upon which UAL rate contributions to the FRS Pension Plan are made.

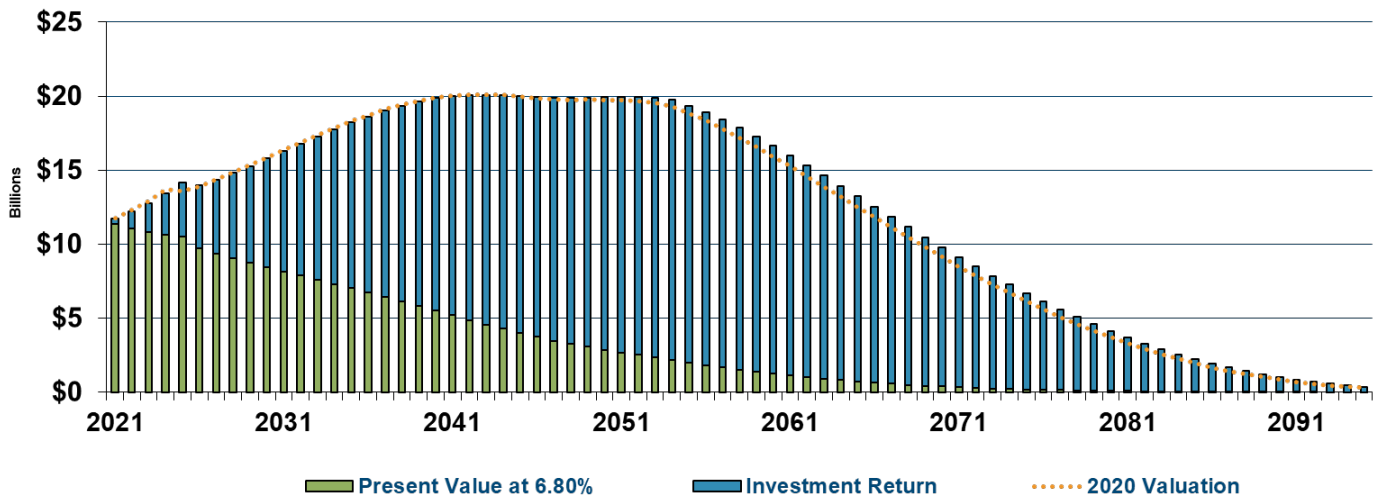
FRS PENSION PLAN CASH FLOWS



* Includes transfers to IP; Initial transfers in 2003 were \$353 Million.

PROJECTED FRS PENSION PLAN BENEFIT PAYMENTS

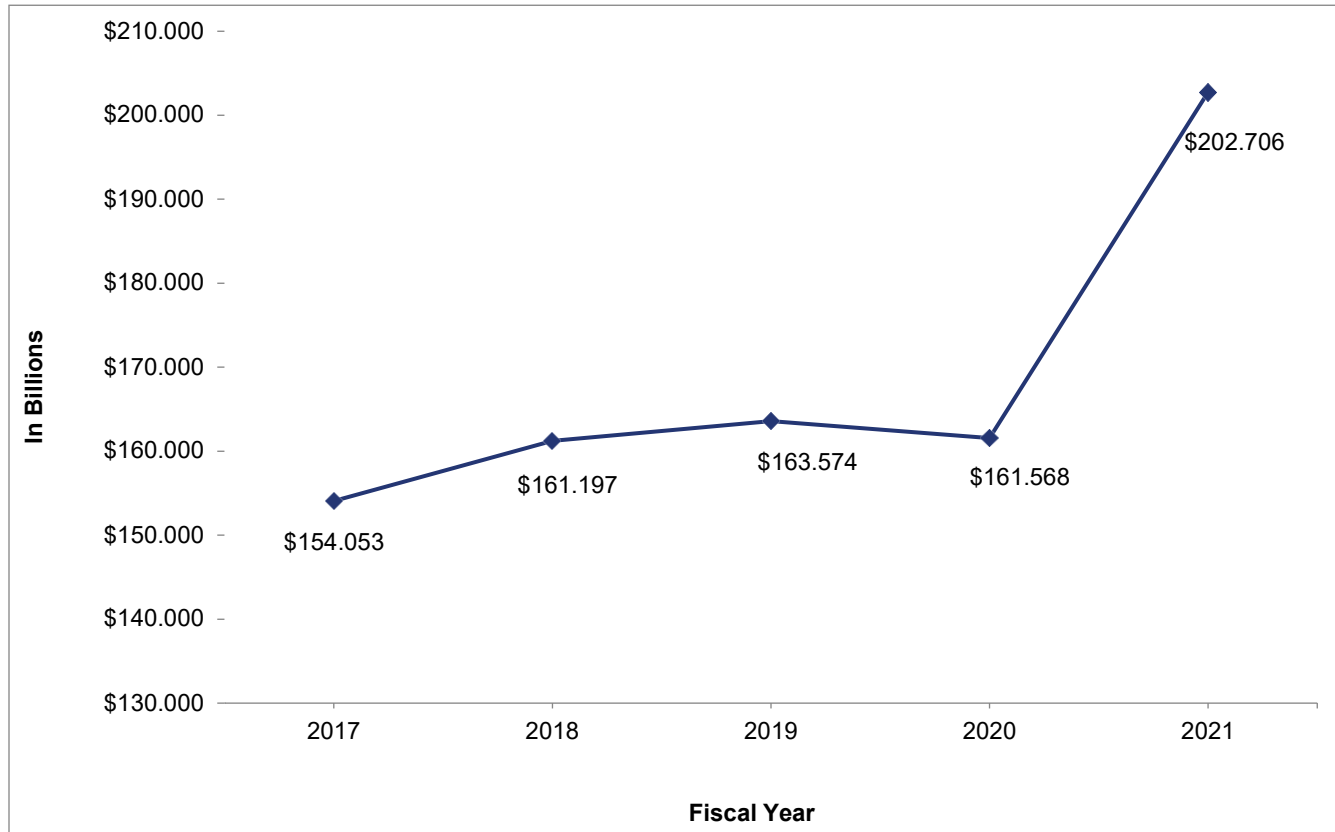
(Dates are as of July 1)



The chart represents the effect of the time-value of money on promised benefit payments to current and former members (no future hires). In each year, the total bar is equal to expected benefit payments (exclusive of transfers to the Investment Plan). The green portion represents each year's benefit payments, discounted at 6.80% to July 1, 2021 (ie., the value of benefit payments in "today's dollars"). The blue portion of each bar represents the difference in dollars between the total value to be paid that year less the value in today's dollars.

FRS PENSION PLAN TRUST FUND ASSETS

As of June 30



STATEMENT OF FUND BALANCE/FIDUCIARY NET POSITION

As of June 30

	2020	2021
Florida Retirement System Trust Fund	\$ 161,568,265,280	\$ 202,082,182,546
Health Insurance Subsidy Trust Fund	378,261,130	452,617,639
State University System Optional Retirement Program Trust Fund ¹	6,435,504	7,585,887
Senior Management Service Optional Annuity Program Trust Fund ¹	18,688	18,520
National Guard	-	-
Police Officers and Firefighters' Premium Tax Trust Fund	230,597,083	164,487,729
Total Fund Balance/Fiduciary Net Position	<u>\$ 162,183,577,685</u>	<u>\$ 202,706,892,321</u>

¹ Fund Balance represents residual funds pending transfer to individual member accounts with program provider companies.

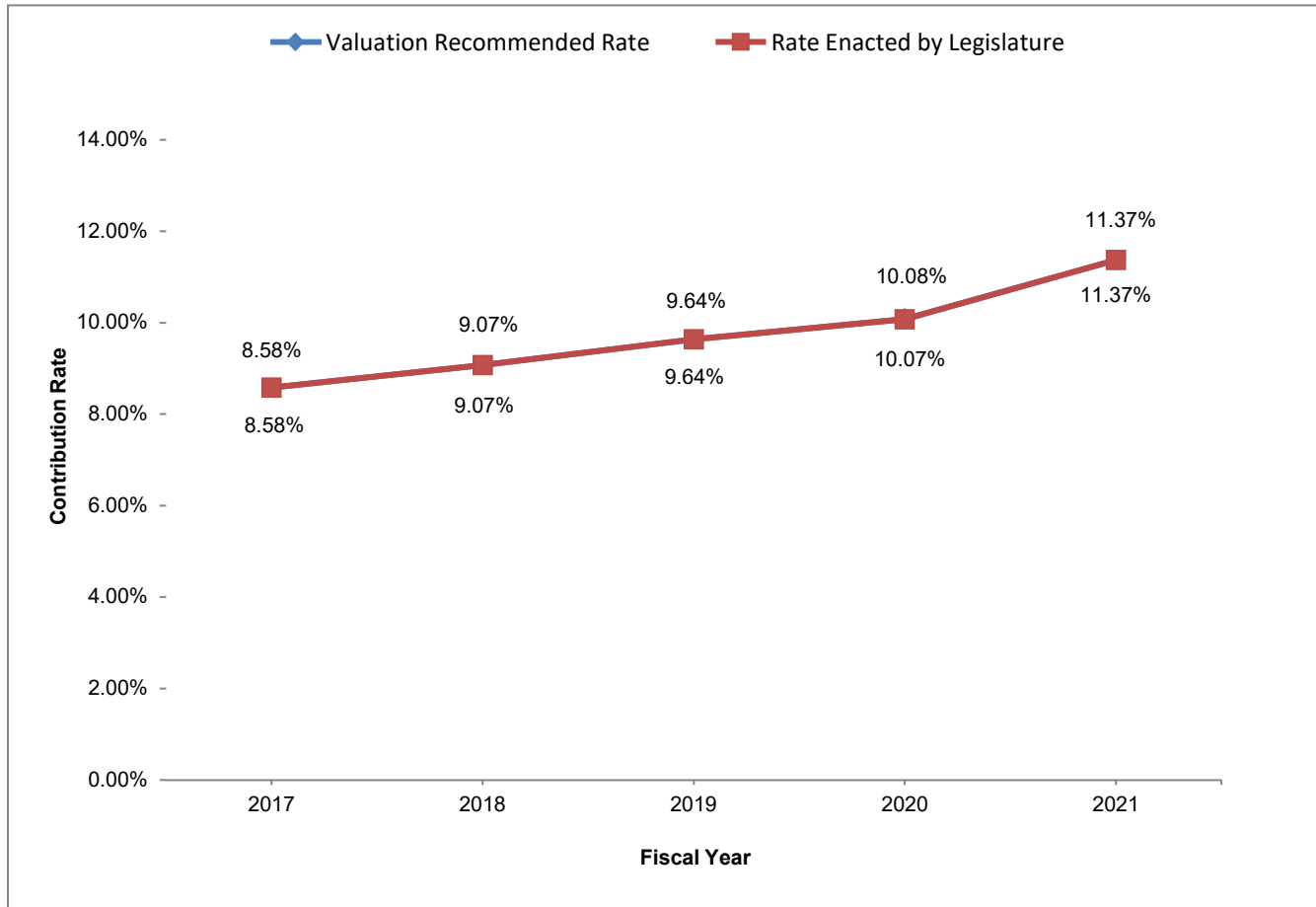
FRS PENSION PLAN TOTAL ACTUARIAL ASSETS COMPARED TO TOTAL ACTUARIAL LIABILITIES

This chart illustrates the overall financial health of the FRS defined benefit plan. Annual benefit payments are identified as part of the total liabilities.



TOTAL COMPOSITE BLENDED RATE

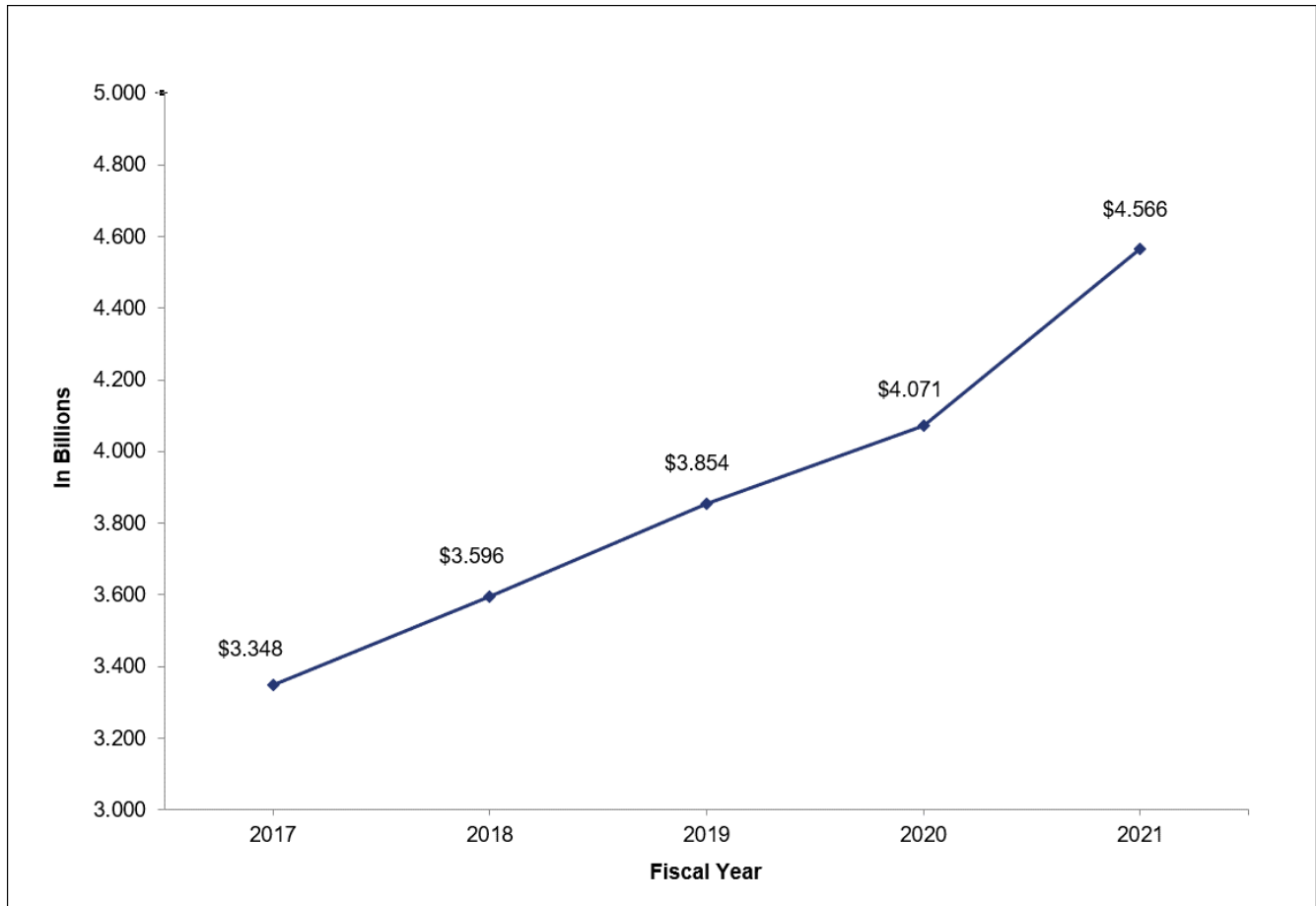
as of June 30



Except for 2019-2020, the valuation recommended rates and the rates enacted by the Legislature are the same.

FRS PENSION PLAN RETIREMENT CONTRIBUTIONS

As of June 30



All other disclosures and information not separately contained in this section may be found in the RSI, the Note disclosures, and the 2021 FRS Valuation dated Dec. 1, 2021.

RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM

Overview of GASB 67 and GASB 68

In 2012, the Governmental Accounting Standards Board (GASB) released GASB Statements Nos. 67 and 68 for public pension plans and participating employers. GASB Statements Nos. 67 and 68 substantially revised the accounting requirements previously mandated under GASB Statements Nos. 25 and 27. The Annual Required Contribution (ARC) has been eliminated under GASB 67 and 68 and is no longer relevant for financial reporting purposes.

GASB 67 applies to financial reporting for public pension plans. Based on discussions with the Division of Retirement, it is our understanding that this is the applicable accounting standard for the HIS program. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue stand-alone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability are immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

Demographic Data

We received demographic census data from the Division of Retirement as of June 30, 2020. The following table summarizes the demographic census data we used in our valuation.

	Total
Active Members ¹	643,002
Retirees and Dependents ²	394,114
Terminated Vested Members ^{1,3}	170,308
Members in DROP ¹	35,861
Total	1,243,285

¹ Used to project future Health Insurance Subsidy benefit recipients.

² HIS benefit recipients identified by the Division; includes FRS Pension Plan and FRS Investment Plan retirees.

³ Includes 53,206 terminated vested FRS Investment Plan members who are eligible for the HIS benefit, or will be eligible once they reach normal retirement age.

Benefits

The benefits are described in §112.363 of the Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$5 per month per year of service, with a minimum benefit of \$30 per month and a maximum benefit of \$150 per month. The retiree must apply for and provide certification of health insurance coverage to be eligible for the subsidy. The benefit is a cash payment without direct relationship to the member's health insurance cost or type of health coverage.

The projected year-by-year HIS benefit payments for the next forty years are shown on the table below. The table is based on this valuation's demographic data and actuarial assumptions. It does not reflect the effects of projected benefits for individuals who join the FRS Pension Plan or the FRS Investment Plan subsequent to the actuarial valuation date.

Projected Annual Benefit Payments			
Fiscal Year	(\$millions)	Fiscal Year	(\$millions)
2020-2021	\$513	2040-2041	\$601
2021-2022	518	2041-2042	596
2022-2023	525	2042-2043	590
2023-2024	533	2043-2044	583
2024-2025	546	2044-2045	574
2025-2026	554	2045-2046	564
2026-2027	561	2046-2047	553
2027-2028	567	2047-2048	542
2028-2029	574	2048-2049	530
2029-2030	580	2049-2050	519
2030-2031	586	2050-2051	508
2031-2032	591	2051-2052	497
2032-2033	596	2052-2053	486
2033-2034	600	2053-2054	476
2034-2035	603	2054-2055	465
2035-2036	606	2055-2056	453
2036-2037	607	2056-2057	441
2037-2038	607	2057-2058	428
2038-2039	606	2058-2059	413
2039-2040	604	2059-2060	397

All other disclosures and information not separately contained in this section may be found in the RSI, the Note disclosures, and the 2020 HIS Valuation dated Nov. 23, 2020.



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December 22, 2021

Members of the Florida Legislature and of the Health Insurance Subsidy (HIS) Program

Re: Actuary's Statement Regarding HIS Program 2021 Actuarial Valuation

Dear Florida Legislators and HIS Program Members:

Milliman has conducted an actuarial valuation as of June 30, 2021 for the Florida Health Insurance Subsidy (HIS) program to assess program assets and liabilities as of that date. Full actuarial valuations for the HIS program are conducted every other year. In intervening years actuarial valuation results are estimated based on results of the previous year's valuation, with adjustment to reflect the passage of time and pertinent market conditions that affect valuation calculations. The most recent full actuarial valuation for HIS was as of June 30, 2020. The valuation as of June 30, 2021 was an intervening year roll-forward valuation. Actuarial valuations of the HIS program serve two primary purposes:

- Compliance with standards mandated by the Governmental Accounting Standards Board (GASB) for program and participating employer financial reporting. These calculations are conducted annually in both the full and intervening year roll-forward valuations.
- Estimation of the employer program contribution rate necessary to provide complete funding of projected statutory benefits over the next five years on a pay-as-you-go basis if actual future program experience follows the demographic assumptions used in the valuation. These calculations are conducted every other year in the full actuarial valuation.

For GASB compliance, the relevant GASB standards are Statement No. 67 (for program financial reporting) and Statement No. 68 (for the financial reporting of participating employers). Under GASB 67 the unfunded liability of the program, which is referred to as the Net Pension Liability (NPL), was approximately \$12.3 billion as of June 30, 2021.

The Net Pension Liability increased by approximately \$56.7 million compared to the prior measurement as of June 30, 2020. (As noted above, the measured liability as of June 30, 2021 was estimated and based on the results of the valuation conducted as of June 30, 2020.) This year-over-year increase was caused primarily by a modest decrease in the discount rate used to calculate the present value of projected future program benefit payments since the prior measurement, rather than by a significant change in the level of projected future benefits. The GASB standards mandate use of a market discount rate that reflects yields as of the measurement date on long-duration tax-exempt general obligation municipal bonds. The bond index used to set the discount rate decreased from 2.21% to 2.16% between measurement dates. All else being equal, the lower the discount rate used in a measurement, the higher the calculated program liability.

The current statutory program contribution rate is 1.66% of employer payroll and the program is effectively funded on a pay-as-you-go basis. The most recently conducted full valuation estimated that if actual future experience matches the valuation's assumptions, including 3.25% annual growth in employer payroll, the current statutory rate will be sufficient to provide

complete pay-as-you-go funding of program benefits over the five year period commencing June 30, 2020. The most recent valuation report illustrates the sensitivity of the pay-as-you-go contribution rate to actual payroll growth. Even if zero employer payroll growth occurred over the five-year projection period, the valuation estimated that the current statutory rate is projected to be sufficient to provide complete pay-as-you-go funding of program benefits through the 2025-2026 plan year.

Actuarial assumptions are needed to estimate the future economic and demographic experience of the program. Any deviations between actual and assumed future experience will result in corresponding changes in the ongoing costs of the program. The 2021 valuation of the HIS program uses the same demographic and pay-related assumptions used in the FRS valuation as of July 1, 2020. Details on the development of FRS assumptions can be found in our October 8, October 23, and October 28, 2019 presentation materials to the 2019 FRS Actuarial Assumption Conference and also in the formal 2019 FRS Experience Study report, which reviewed FRS Pension Plan experience for the five-year observation period ending June 30, 2018 and was published on December 20, 2019.

Additionally, the HIS valuation uses coverage election assumptions specific to the HIS program, which were developed based on recent experience of the program and standard actuarial sources. The 2021 valuation of the HIS program uses the same coverage election assumptions used in the July 1, 2020 full valuation of the HIS. The actuarial assumptions used in performing the July 1, 2020 full valuation of the HIS were approved by the 2020 FRS Actuarial Assumption Conference.

A single set of assumptions was used in the GASB calculations. We believe the assumptions used in the valuation report are reasonable, and that the assumptions and methods used in performing the GASB calculations meet the parameters set by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The results of the valuation report are dependent upon future experience conforming to the valuation's assumptions. Future actuarial measurements may differ significantly from the current measurements presented in the valuation report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in program provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In performing the actuarial valuation, we relied without audit upon the financial statements, membership data, and other cost and benefit provisions information furnished by the Florida Department of Management Services, Division of Retirement. Although membership data was subjected to standard editing procedures and the other information was reviewed for reasonableness, Milliman does not assume responsibility for either its accuracy or its completeness.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Florida Department of Management Services, Division of Retirement. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of this data, we have found it to be reasonably consistent and

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comparable with data used for other purposes. Since valuation results are dependent on the integrity of the data supplied, results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The valuation report was prepared exclusively for the Florida Department of Management Services, Division of Retirement for a specific and limited purpose. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. It is a complex, technical analysis that assumes a high level of knowledge concerning the program's operations, and uses data provided by the Florida Department of Management Services, Division of Retirement, which Milliman has not audited.

The valuation results were developed and rolled forward using models intended for valuations that use standard actuarial techniques.

Milliman does not intend to benefit or create a legal duty to any third party recipient of the valuation report. No third party recipient of Milliman's work product should rely upon the valuation report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel. The signing actuary is independent of the plan sponsors. I am not aware of any relationship that would impair the objectivity of Milliman's work.

The actuarial valuation report was prepared and completed by me and those under my direct supervision, and I acknowledge responsibility for the results. I hereby certify that the valuation report is complete and accurate to the best of my knowledge. In my opinion the techniques and assumptions used are reasonable. There is no benefit provision or related expense to be provided by the program and/or paid from the program's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation report.

To the best of my knowledge, there were no known events that were not taken into account in the valuation report. On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, the valuation report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the *Code of Professional Conduct* and *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,



Matt Larrabee, FSA, EA, MAAA
Principal & Consulting Actuary

Milliman

FLORIDA NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN

Overview of GASB 67 and GASB 68

In 2012, the Governmental Accounting Standards Board (GASB) released GASB Statements Nos. 67 and 68 for public pension plans and participating employers.

GASB 67 applies to financial reporting for public pension plans. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue stand-alone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for a sponsoring employer. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

Demographic Data

We received demographic census data from the Division of Retirement as of June 30, 2020. The following table summarizes the demographic census data we used in our valuation.

	Total
Active Members ¹	11,525
Retirees	745
Terminated Vested Members ²	532
Total	12,802

¹ Used to project future National Guard Benefit recipients.

² Former employees who have met the service requirement for the benefit, but are not yet receiving benefits (most have not met the age requirements to commence receipt.)

Benefits

The benefits are described in §250.22 of the Florida Statutes. In general, an eligible retiree is entitled to a benefit equal to 50% of the base military salary for the highest rank attained, less any federal retirement benefit derived from military service. Eligibility for the benefit is met when service members have completed at least 30 years of service in the Florida National Guard. Benefits may start as early as age 60¹.

In 2018, the federal military retirement benefit was changed by the implementation of the Uniform Services Blended Retirement System (BRS). The BRS applies to all new entrants after January 1, 2018 and eligible existing service members who opt-in to the new system. The BRS combines a defined contribution component with a defined benefit annuity component based on a lower multiplier than the legacy federal military retirement benefit. Since the Florida National Guard benefit is offset by the defined benefit component of the federal military retirement benefit, a reduction in the federal benefit offset will result in an increase to the Florida National Guard benefit, absent statutory changes.

This valuation models all new entrants hired on or after January 1, 2018 as participants of the BRS. Existing service members hired between January 1, 2006 and December 31, 2017 were given the opportunity to elect into the BRS during an election window that closed December 31, 2018. The demographic census data provided to us for this valuation does not identify whether a member opted into the BRS or elected to stay in the legacy federal military retirement system. For purposes of this actuarial valuation, we have assumed that all members hired between January 1, 2006 and December 31, 2017 elected to stay in the legacy federal military retirement system. As such, only new entrants hired on or after January 1, 2018 were valued as participating in the BRS.

Members participating in the BRS will not commence receiving benefits for 16 or more years into the future, which means, absent a statutory change to the Florida National Guard benefit, the impact of the federal military retirement benefit change on projected Florida National Guard benefit payments will emerge gradually over time.

The projected year-by-year National Guard benefit payments for the next 40 years are shown in the table below. The table is based on this valuation's demographic data and actuarial assumptions. It does not reflect the effects of projected benefits for individuals who join the Florida National Guard subsequent to the actuarial valuation date.

Projected Annual Benefit Payments			
Fiscal Year	(\$millions)	Fiscal Year	(\$millions)
2020-2021	\$17.2	2040-2041	\$41.9
2021-2022	17.5	2041-2042	43.1
2022-2023	18.1	2042-2043	45.1
2023-2024	18.8	2043-2044	46.9
2024-2025	19.7	2044-2045	48.7
2025-2026	21.5	2045-2046	50.3
2026-2027	22.8	2046-2047	51.9
2027-2028	24.6	2047-2048	52.9
2028-2029	26.1	2048-2049	53.9
2029-2030	27.3	2049-2050	55.0
2030-2031	28.8	2050-2051	55.9
2031-2032	30.2	2051-2052	56.7
2032-2033	31.8	2052-2053	57.3
2033-2034	33.6	2053-2054	57.5
2034-2035	34.6	2054-2055	57.6
2035-2036	35.7	2055-2056	57.6
2036-2037	36.9	2056-2057	57.5
2037-2038	38.0	2057-2058	57.0
2038-2039	39.1	2058-2059	56.6
2039-2040	40.5	2059-2060	55.8

¹ The benefit is unreduced at age 62; an Early Retirement Factor applies to benefits paid as early as age 60.



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December 22, 2021

Members of the Florida Legislature and of the Florida National Guard

Re: Actuary's Statement Regarding Florida National Guard Supplemental Retirement Benefit 2021 Actuarial Valuation

Dear Florida Legislators and Florida National Guard Members:

Milliman has conducted an actuarial valuation as of June 30, 2021 for the Florida National Guard Supplemental Retirement Benefit program. The first full actuarial valuation for the program was conducted as of June 30, 2014, and full valuations for the program are conducted every other year. In intervening years actuarial valuation results are estimated based on results for the previous year's valuation, with adjustment to reflect pertinent market conditions that affect valuation calculations. The valuation as of June 30, 2021 was an intervening year valuation.

The program is funded on a pay-as-you-go basis, so rather than program funding, the sole purpose of the actuarial valuation is for compliance with standards mandated by the Governmental Accounting Standards Board (GASB) for program financial reporting. For GASB compliance, the relevant GASB standards are Statement No. 67 (for program financial reporting) and Statement No. 68 (for financial reporting by the sponsoring employer). Under GASB 67 the unfunded liability of the program, which is referred to as the Net Pension Liability (NPL), was approximately \$1.2 billion as of June 30, 2021.

The Net Pension Liability increased by approximately \$49 million compared to the prior measurement as of June 30, 2020. (As noted above, the measured liability as of June 30, 2021 was estimated and based on the results of the valuation conducted as of June 30, 2020.) This year-over-year increase was caused primarily by a decrease in the discount rate used to calculate the present value of projected future program benefit payments from 2.21% to 2.16%. The GASB standards mandate use of a market discount rate that reflects yields as of the measurement date on long-duration tax-exempt general obligation municipal bonds. All else being equal, the higher the discount rate used in a measurement, the lower the calculated program liability.

Actuarial assumptions are needed to estimate the future economic and demographic experience of the program. Any deviations between actual and expected future experience will result in corresponding changes in the ongoing costs of the program. The demographic actuarial assumptions were developed from recent turnover, retirement and promotion experience for National Guard personnel, from mortality experience for FRS Pension Plan members, and from standard actuarial sources.

We believe the assumptions used are reasonable, and that the assumptions and methods used in performing the GASB calculations meet the parameters set by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

This work product was prepared solely for the Florida Department of Management Services for the purposes stated herein, and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

The results of the valuation report are dependent upon future experience conforming to these assumptions. Future actuarial measurements may differ significantly from the current measurements presented in the valuation report due to many factors, including: program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in program provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In performing the valuation, we relied without audit upon the financial statements, membership data, and other cost and benefits provision information furnished by the Florida Department of Management Services, Division of Retirement. Although membership data, some of which was provided to the Division of Retirement by the Florida Department of Military Affairs, was subjected to standard editing procedures and was reviewed for reasonableness, Milliman does not assume responsibility for either its accuracy or its completeness.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Florida Department of Management Services, Division of Retirement. This information includes, but is not limited to, statutory provisions, program membership census, and financial information. In our examination of this data, we have found it to be reasonably consistent and comparable with data used for other purposes. Since valuation results are dependent on the integrity of the data supplied, results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The valuation report was prepared exclusively for the Florida Department of Management Services, Division of Retirement for a specific and limited purpose. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. It is a complex, technical analysis that assumes a high level of knowledge concerning the program's operations, and uses data provided by the Florida Department of Management Services, Division of Retirement, which Milliman has not audited.

Milliman does not intend to benefit or create a legal duty to any third party recipient of the valuation report. No third party recipient of Milliman's work product should rely upon the valuation report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsors. I am not aware of any relationship that would impair the objectivity of Milliman's work.

The actuarial valuation was prepared and completed by me and those under my direct supervision, and I acknowledge responsibility for the results. I hereby certify that the valuation report is complete and accurate to the best of my knowledge. In my opinion the techniques and assumptions used are reasonable. There is no benefit provision or related expense to be

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provided by the program and/or paid from the program's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation.

To the best of my knowledge, there were no known events that were not taken into account in the valuation. On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, the valuation report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,



Matt Larrabee, FSA, EA, MAAA
Principal & Consulting Actuary

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This work product was prepared solely for the Florida Department of Management Services for the purposes stated herein, and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

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STATISTICAL SECTION



Fort Lauderdale Beach

MEMBERSHIP AND PAYROLL

As of June 30

TOTAL FRS MEMBERSHIP

	2020 ¹	2021 ¹	% Change
Members	644,338	635,266	(1.41)
Annual Payroll ²	\$34,419,071,531	\$35,133,996,743	2.08
Average Annual Salary	\$48,784	\$50,395	3.30

FRS INVESTMENT PLAN MEMBERSHIP

	2020 ¹	2021 ¹	% Change
Members	165,295	176,577	6.83
Annual Payroll ²	\$9,653,348,588	\$10,396,227,631	7.70
Average Annual Salary	\$44,457	\$45,372	2.06

FRS PENSION PLAN MEMBERSHIP

	2020 ¹	2021 ¹	% Change
Members	479,043	458,689	(4.25)
Annual Payroll ²	\$24,765,722,942	\$24,737,769,112	(0.11)
Average Annual Salary	\$50,277	\$52,328	4.08

ANNUITANTS AND BENEFIT PAYMENTS FOR THE FRS PENSION PLAN

As of June 30

The increase in benefit payments is the result of several factors: (1) an increase in the number of new retirees; (2) higher salaries; and (3) cost-of-living adjustments to retirees. The figures below include disability payments, IFAS, General Revenue, and TRS-SB, but do not include refunds of member contributions.

	2020 ¹	2021 ¹	% Change
Annuityants	432,258	440,307	1.86
Benefit Payments (Annualized)	\$10,249,540,071	\$10,732,490,040	4.71
Average Benefits (Annualized)	\$23,712	\$24,375	2.80

DISABILITIES

	2020 ¹	2021 ¹	% Change
Disabled Retirees	15,512	15,138	(2.41)
Benefit Payments (Annualized)	\$260,049,283	\$261,140,959	0.42
Average Benefits (Annualized)	\$16,764	\$17,251	2.91

DROP PARTICIPANTS

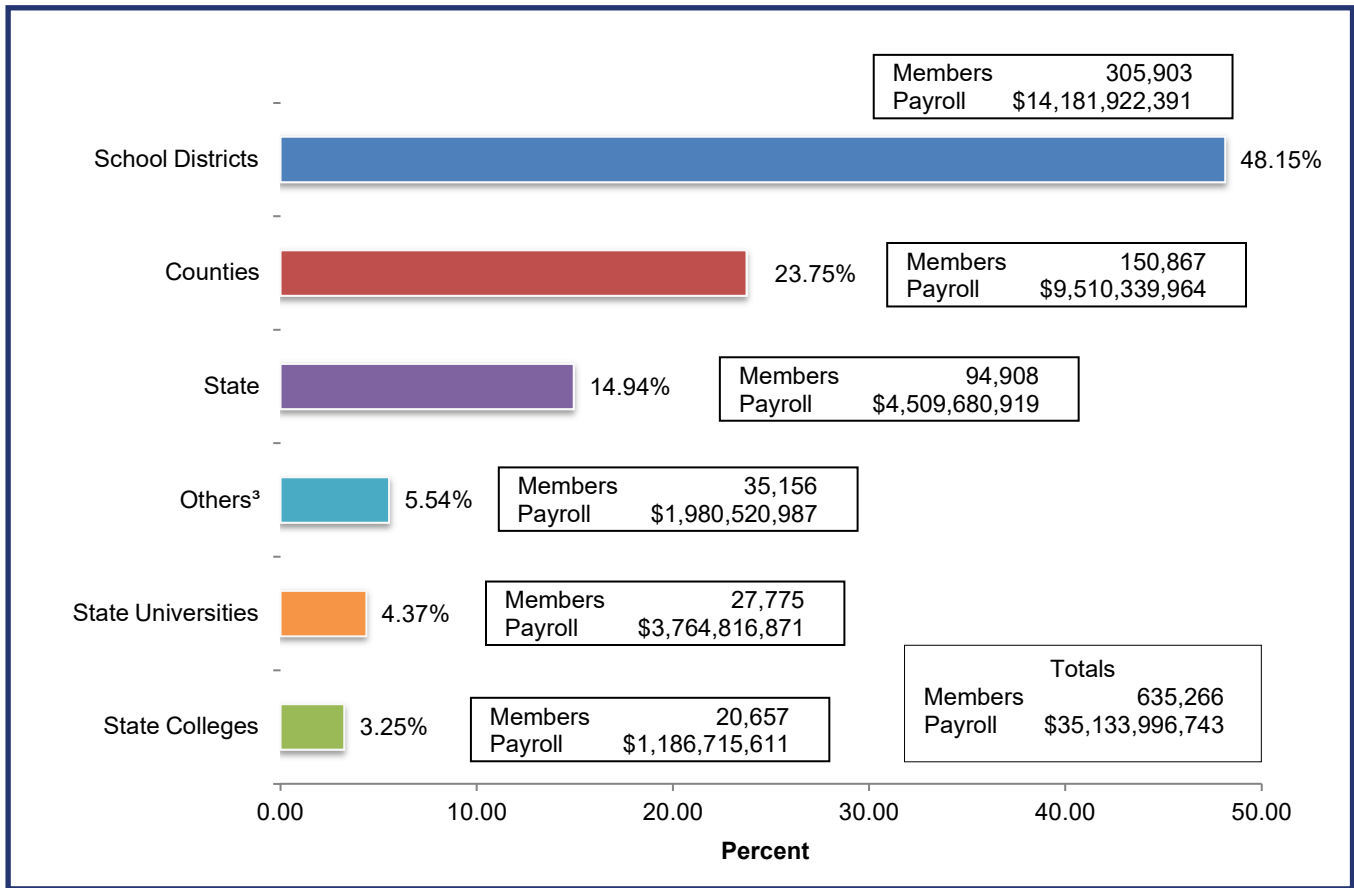
	2020	2021	% Change
DROP Participants	33,593	31,655	(5.77)
Annual Payroll	\$2,094,329,799	\$2,057,860,910	(1.74)
DROP Accrued Liability	\$2,424,654,473	\$2,414,990,055	(0.40)

¹ Excludes DROP participants.

² Totals include non-member funding payroll.

SOURCE OF FRS MEMBERSHIP¹ AND COVERED PAYROLL² **FOR FISCAL YEAR 2020-21¹**

% = Percent of Total Active Members



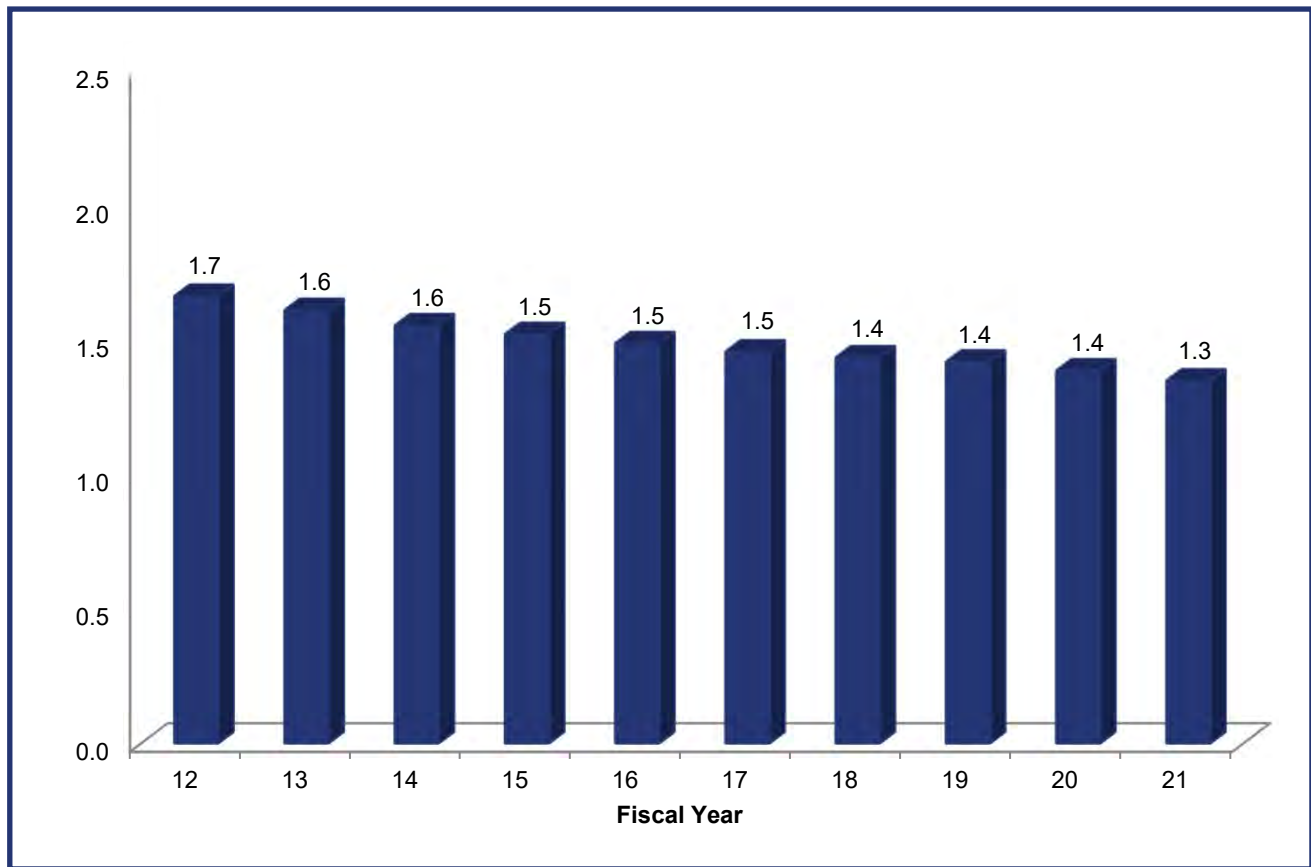
¹ Includes both FRS Pension Plan and Investment Plan members and excludes DROP participants.

² Includes non-member funding payroll.

³ Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

RATIO OF FRS ACTIVE MEMBERS TO RETIREES¹

2012-2021



¹ Includes DROP participants.

ACTIVE FRS MEMBERS BY SYSTEM/CLASS¹

As of June 30

System/Class	2017	2018	2019	2020	2021
FRS Regular	552,600	551,997	554,631	550,053	541,698
FRS Senior Management Service	7,912	7,881	7,767	7,771	7,875
FRS Special Risk	71,612	72,642	74,274	75,161	74,355
FRS Special Risk Adm. Sup.	93	87	100	107	98
FRS Elected Officers'	2,082	2,050	2,088	2,040	2,095
Renewed Membership					
Regular	3,116	7,349	7,629	7,691	7,645
Senior Management Service	116	207	214	209	220
Special Risk	0	76	1,112	1,182	1,163
Special Risk Adm. Sup.	0	0	1	1	1
Elected Officers'	85	120	112	113	110
Subtotal	637,616	43,309	647,928	644,328	635,260
TRS	13	10	9	8	5
IFAS	14	14	5	2	1
Subtotal	27	24	14	10	6
Grand Total	637,643	643,333	647,942	644,338	635,266

ANNUAL FRS PAYROLL BY SYSTEM/CLASS^{1,2}

As of June 30

System/Class	2017	2018	2019	2020	2021
FRS Regular	\$ 28,213,175,622	\$ 26,373,088,230	\$ 26,909,126,076	\$ 27,905,141,463	\$ 28,325,850,890
FRS Senior Management Service	724,042,608	737,271,805	751,396,287	772,870,192	803,329,129
FRS Special Risk	4,445,360,974	4,644,123,864	4,863,620,171	5,040,982,910	5,278,947,000
FRS Special Risk Adm. Sup.	4,256,448	4,220,102	4,637,891	5,302,775	5,408,200
FRS Elected Officers'	195,062,418	192,140,256	196,819,213	196,978,069	203,963,996
Renewed Membership					
Regular	169,355,890	353,465,237	372,634,716	399,720,462	412,394,739
Senior Management Service	15,259,022	23,027,893	22,952,898	23,412,748	24,059,273
Special Risk	0	47,504,228	57,278,419	64,739,131	69,947,086
Special Risk Adm. Sup.	0	0	29,208	13,253	42,666
Elected Officers'	6,180,829	7,795,841	7,950,186	8,685,376	9,351,824
Subtotal	33,772,693,811	32,382,637,456	33,186,445,065	34,417,846,379	35,133,294,804
TRS	1,549,210	1,288,129	1,123,473	810,322	521,214
IFAS	1,557,012	1,588,476	1,322,166	414,829	180,724
Subtotal	3,106,222	2,876,605	2,445,639	1,225,151	701,938
Grand Total	\$ 33,775,800,033	\$ 32,385,514,061	\$ 33,188,890,704	\$ 34,419,071,531	\$ 35,133,996,743
Average	\$45,287	\$46,164	\$46,870	\$48,784	\$50,395

MEMBERS' REQUIRED CONTRIBUTIONS BY SYSTEM/CLASS^{1,2}

As of June 30

System/Class	2017	2018	2019	2020	2021
FRS Regular	\$ 767,563,396	\$ 782,237,354	\$ 797,769,738	\$ 827,310,597	\$ 840,074,711
FRS Senior Management Service	21,124,323	21,373,486	21,709,274	22,315,205	23,130,184
FRS Special Risk	131,524,310	138,589,989	145,024,158	150,272,170	157,086,156
FRS Special Risk Adm. Sup.	127,695	126,644	139,182	9,603	162,246
FRS Elected Officers'	5,229,484	5,610,995	5,737,120	5,727,263	5,907,094
Renewed Membership					
Regular	5,019,630	10,518,985	11,089,573	11,900,608	12,280,15
Senior Management Service	448,676	648,943	654,519	668,835	701,846
Special Risk	0	1,424,825	1,718,222	1,941,278	2,096,091
Special Risk Adm. Sup.	0	0	878	398	1,280
Elected Officers'	185,426	231,442	238,352	260,560	280,554
Subtotal	931,222,940	960,762,663	984,081,016	1,020,406,516	1,041,720,178
TRS	92,286	80,508	70,216	50,645	32,576
IFAS	0	0	0	0	0
Subtotal	92,286	80,508	70,216	50,645	32,576
Grand Total	\$ 931,315,226	\$ 960,843,171	\$ 984,151,232	\$ 1,020,457,161	\$ 1,041,752,754

¹ Includes both FRS Pension Plan and Investment Plan members and excludes DROP participants.

² Totals include non-member funding payroll.

PROFILE OF ACTIVE FRS MEMBERS

As of June 30, 2021

Years of Service	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	22,310	17,067	39,377	5,266	3,536	8,802	17,044	13,531	30,575
1 – 5	126,148	77,981	204,129	19,717	13,222	32,939	106,431	64,759	171,190
6 – 9	62,348	37,933	100,281	8,309	5,859	14,168	54,039	32,074	86,113
10 – 19	113,174	65,036	178,210	13,771	9,472	23,243	99,403	55,564	154,967
20 – 29	63,801	32,957	96,758	7,907	5,247	13,154	55,894	27,710	83,604
30 or More Years	10,572	5,939	16,511	1,583	1,019	2,602	8,989	4,920	13,909
Total	398,353	236,913	635,266	56,553	38,355	94,908	341,800	198,558	540,358

Age Range	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	47,788	32,253	80,041	9,084	6,713	15,797	38,704	25,540	64,244
30 – 39	87,232	55,011	142,243	13,700	9,665	23,365	73,532	45,346	118,878
40 – 49	105,056	57,657	162,713	13,436	8,483	21,919	91,620	49,174	140,794
50 – 59	112,556	60,667	173,223	14,397	8,957	23,354	98,159	51,710	149,869
60 – 69	41,222	26,491	67,713	5,447	3,988	9,435	35,775	22,503	58,278
70 and Over	4,499	4,834	9,333	489	549	1,038	4,010	4,285	8,295
Total	398,353	236,913	635,266	56,553	38,355	94,908	341,800	198,558	540,358

Average Age	45.11	44.82	45.00	43.53	43.23	43.41	45.37	45.13	45.28
Average Years of Service	11.24	10.63	11.01	10.23	10.18	10.21	11.41	10.71	11.15
Average Annual Salary	\$46,419	\$57,080	\$50,395	\$43,048	\$49,639	\$45,712	\$46,976	\$58,518	\$51,217
Percentage Entitled to a Benefit if Terminated June 30, 2021	73.0%	67.2%	70.8%	66.7%	63.8%	65.5%	74.0%	67.8%	71.7%

¹ Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF ACTIVE FRS INVESTMENT PLAN MEMBERS

As of June 30, 2021

Years of Service	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	6,281	4,260	10,541	1,372	813	2,185	4,909	3,447	8,356
1 – 5	63,999	33,192	97,191	9,222	5,252	14,474	54,777	27,940	82,717
6 – 9	14,146	7,540	21,686	1,885	1,305	3,190	12,261	6,235	18,496
10 – 19	22,453	12,430	34,883	2,929	2,080	5,009	19,524	10,350	29,874
20 – 29	5,461	3,780	9,241	968	794	1,762	4,493	2,986	7,479
30 or More Years	1,677	1,358	3,035	272	253	525	1,405	1,105	2,510
Total	114,017	62,560	176,577	16,648	10,497	27,145	97,369	52,063	149,432

Age Range	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	22,514	10,658	33,172	3,699	1,892	5,591	18,815	8,766	27,581
30 – 39	27,204	13,977	41,181	4,398	2,688	7,086	22,806	11,289	34,095
40 – 49	26,399	13,122	39,521	3,583	2,234	5,817	22,816	10,888	33,704
50 – 59	23,823	13,702	37,525	3,165	2,184	5,349	20,658	11,518	32,176
60 – 69	12,020	8,741	20,761	1,616	1,271	2,887	10,404	7,470	17,874
70 and Over	2,057	2,360	4,417	187	228	415	1,870	2,132	4,002
Total	114,017	62,560	176,577	16,648	10,497	27,145	97,369	52,063	149,432

Average Age	42.89	44.95	43.62	41.61	43.48	42.33	43.11	45.25	43.86
Average Years of Service	7.03	7.57	7.22	6.95	8.02	7.37	7.04	7.48	7.19
Average Annual Salary	\$42,174	\$51,201	\$45,372	\$41,845	\$49,343	\$44,745	\$42,231	\$51,575	\$45,486
Percentage Entitled to a Benefit if Terminated June 30, 2021	94.5%	93.2%	94.0%	91.8%	92.3%	92.0%	95.0%	93.4%	94.4%

¹ Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF ACTIVE FRS PENSION PLAN MEMBERS

As of June 30, 2021

Years of Service	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	16,029	12,807	28,836	3,894	2,723	6,617	12,135	10,084	22,219
1 – 5	62,149	44,789	106,938	10,495	7,970	18,465	51,654	36,819	88,473
6 – 9	48,202	30,393	78,595	6,424	4,554	10,978	41,778	25,839	67,617
10 – 19	90,721	52,606	143,327	10,842	7,392	18,234	79,879	45,214	125,093
20 – 29	58,340	29,177	87,517	6,939	4,453	11,392	51,401	24,724	76,125
30 or More Years	8,895	4,581	13,476	1,311	766	2,077	7,584	3,815	11,399
Total	284,336	174,353	458,689	39,905	27,858	67,763	244,431	146,495	390,926

Age Range	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	25,274	21,595	46,869	5,385	4,821	10,206	19,889	16,774	36,663
30 – 39	60,028	41,034	101,062	9,302	6,977	16,279	50,726	34,057	84,783
40 – 49	78,657	44,535	123,192	9,853	6,249	16,102	68,804	38,286	107,090
50 – 59	88,733	46,965	135,698	11,232	6,773	18,005	77,501	40,192	117,693
60 – 69	29,202	17,750	46,952	3,831	2,717	6,548	25,371	15,033	40,404
70 and Over	2,442	2,474	4,916	302	321	623	2,140	2,153	4,293
Total	284,336	174,353	458,689	39,905	27,858	67,763	244,431	146,495	390,926

Average Age	45.99	44.77	45.53	44.33	43.14	43.84	46.26	45.09	45.82
Average Years of Service	12.93	11.72	12.47	11.59	11.00	11.35	13.15	11.86	12.66
Average Annual Salary	\$48,121	\$59,190	\$52,328	\$43,550	\$49,750	\$46,099	\$48,867	\$60,985	\$53,408
Percentage Entitled to a Benefit if Terminated June 30, 2021	64.3%	57.9%	61.9%	56.2%	53.1%	55.0%	65.6%	58.7%	63.1%

¹ Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF ACTIVE FRS PENSION PLAN MEMBERS INITIALLY ENROLLED BEFORE JULY 1, 2011

As of June 30, 2021

Years of Service	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	173	113	286	41	21	62	132	92	224
1 – 5	4,938	2,452	7,390	834	422	1,256	4,104	2,030	6,134
6 – 9	10,190	4,468	14,658	1,443	830	2,273	8,747	3,638	12,385
10 – 19	89,254	51,984	141,238	10,795	7,355	18,150	78,459	44,629	123,088
20 – 29	58,337	29,173	87,510	6,939	4,453	11,392	51,398	24,720	76,118
30 or More Years	8,895	4,581	13,476	1,311	766	2,077	7,584	3,815	11,399
Total	171,787	92,771	264,558	21,363	13,847	35,210	150,424	78,924	229,348

Age Range	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	177	104	281	19	14	33	158	90	249
30 – 39	21,061	13,338	34,399	2,674	2,073	4,747	18,387	11,265	29,652
40 – 49	54,903	30,347	85,250	6,564	4,192	10,756	48,339	26,155	74,494
50 – 59	70,045	34,252	104,297	8,777	5,141	13,918	61,268	29,111	90,379
60 – 69	23,569	12,901	36,470	3,061	2,151	5,212	20,508	10,750	31,258
70 and Over	2,032	1,829	3,861	268	276	544	1,764	1,553	3,317
Total	171,787	92,771	264,558	21,363	13,847	35,210	150,424	78,924	229,348

Average Age	50.41	50.11	50.31	50.56	50.35	50.48	50.39	50.07	50.28
Average Years of Service	18.35	18.12	18.27	18.15	18.11	18.13	18.38	18.13	18.29
Average Annual Salary	\$53,763	\$68,932	\$59,082	\$48,559	\$57,562	\$52,100	\$54,502	\$70,926	\$60,154
Percentage Entitled to a Benefit if Terminated June 30, 2021	97.0%	97.2%	97.1%	95.9%	96.8%	96.3%	97.2%	97.3%	97.2%

¹ Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF ACTIVE FRS PENSION PLAN MEMBERS INITIALLY ENROLLED ON OR AFTER JULY 1, 2011

As of June 30, 2021

Years of Service	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	15,856	12,694	28,550	3,853	2,702	6,555	12,003	9,992	21,995
1 – 3	27,700	22,743	50,443	5,233	4,536	9,769	22,467	18,207	40,674
4 – 7	52,779	35,484	88,263	7,501	5,373	12,874	45,278	30,111	75,389
8 – 19	16,211	10,657	26,868	1,955	1,400	3,355	14,256	9,257	23,513
20 – 32	3	4	7	0	0	0	3	4	7
33 or More Years	0	0	0	0	0	0	0	0	0
Total	112,549	81,582	194,131	18,542	14,011	32,553	94,007	67,571	161,578

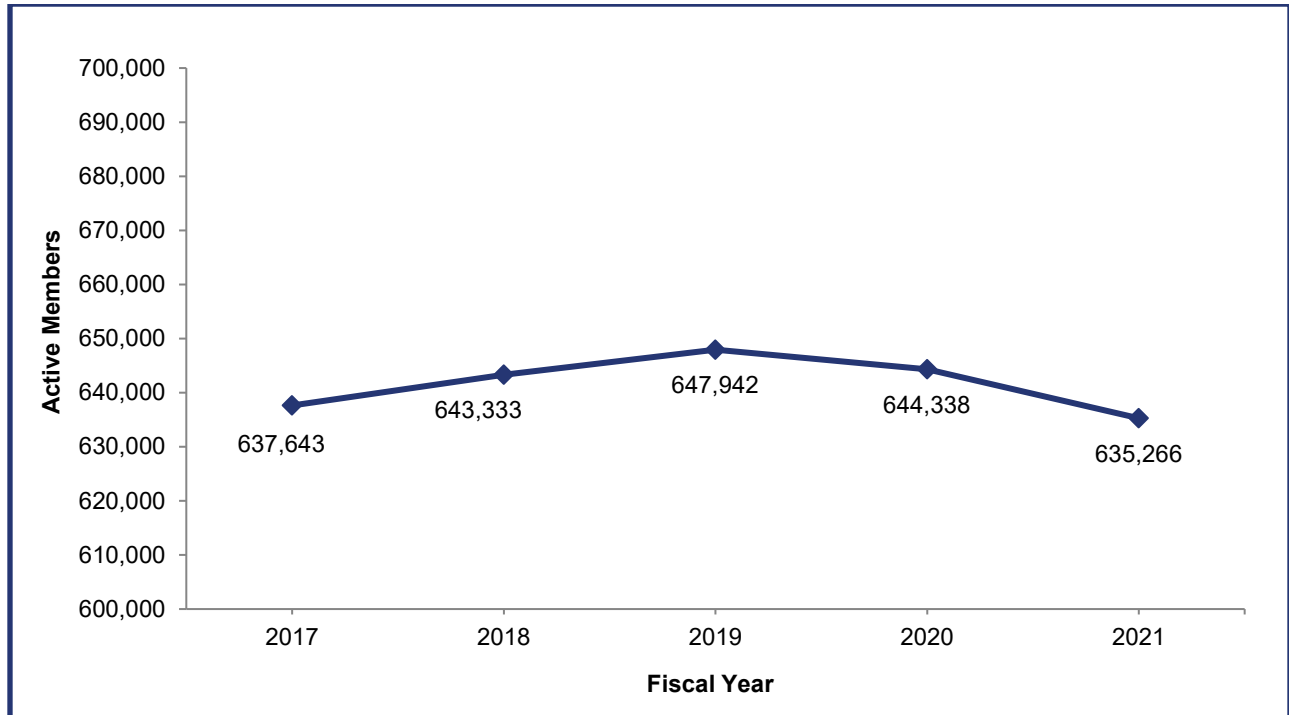
Age Range	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	25,097	21,491	46,588	5,366	4,807	10,173	19,731	16,684	36,415
30 – 39	38,967	27,696	66,663	6,628	4,904	11,532	32,339	22,792	55,131
40 – 49	23,754	14,188	37,942	3,289	2,057	5,346	20,465	12,131	32,596
50 – 59	18,688	12,713	31,401	2,455	1,632	4,087	16,233	11,081	27,314
60 – 69	5,633	4,849	10,482	770	566	1,336	4,863	4,283	9,146
70 and Over	410	645	1,055	34	45	79	376	600	976
Total	112,549	81,582	194,131	18,542	14,011	32,553	94,007	67,571	161,578

Average Age	39.25	38.71	39.02	37.16	36.01	36.66	39.66	39.27	39.50
Average Years of Service	4.65	4.44	4.56	4.04	3.97	4.01	4.77	4.54	4.67
Average Annual Salary	\$39,508	\$48,112	\$43,124	\$37,779	\$42,029	\$39,608	\$39,850	\$49,374	\$43,833
Percentage Entitled to a Benefit if Terminated June 30, 2021	14.4%	13.1%	13.8%	10.5%	10.0%	10.3%	15.2%	13.7%	14.6%

¹ Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

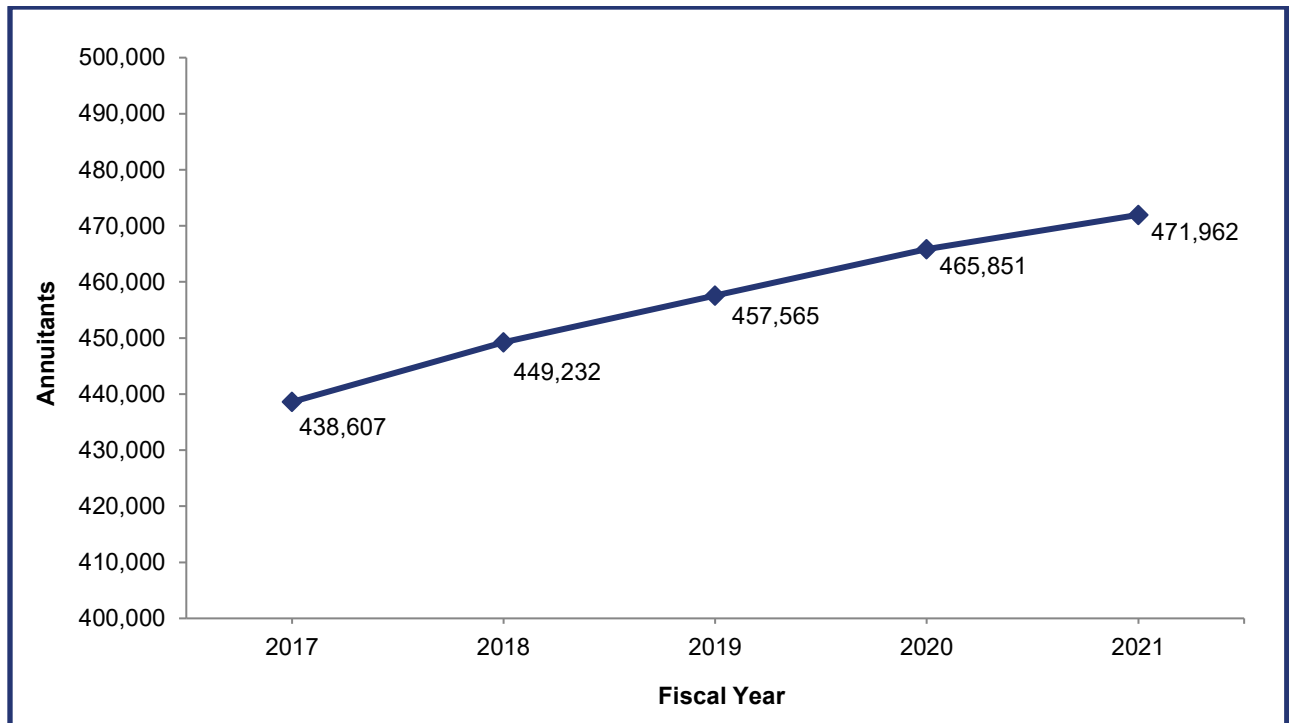
ACTIVE FRS MEMBERS 2017-2021 ¹

as of June 30



GROWTH OF FRS ANNUITANTS — ALL SYSTEMS 2017-2021 ²

as of June 30



¹ Includes both FRS Pension Plan and Investment Plan members and excludes DROP participants.

² Includes DROP participants.

FRS PENSION PLAN REFUND PAYMENTS BY TYPE

As of June 30

Type of Refund	2017	2018	2019	2020	2021
Separated Members	4,810	5,674	5,305	5,161	5,081
Surviving Beneficiaries	201	275	306	183	409
Other	128	64	38	73	53
Total	5,139	6,013	5,649	5,417	5,543

FRS PENSION PLAN TOTAL REFUND PAYMENTS BY TYPE

As of June 30

Type of Refund	2017	2018	2019	2020	2021
Separated Members	\$13,607,174	\$17,948,761	\$16,840,353	\$17,831,645	\$18,937,392
Surviving Beneficiaries	894,693	1,092,468	1,273,703	759,778	2,246,371
Other	360,974	257,842	142,292	203,115	105,874
Total	\$14,862,841	\$19,299,071	\$18,256,348	\$18,794,538	\$21,289,637

ACTIVE FRS PENSION PLAN DROP PARTICIPANTS BY SYSTEM/CLASS

As of June 30, 2021

System/Class	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
FRS Regular	27,280	26.53	\$58,038	\$24,663	\$27,250
FRS Senior Management Service	591	28.55	114,675	55,397	61,227
FRS Special Risk	3,546	25.19	95,640	67,143	73,737
FRS Special Risk Adm. Sup.	8	26.29	50,195	29,784	32,617
FRS Elected Officers	230	26.90	130,731	84,654	93,637
Total/Average	31,655	26.42	\$63,834	\$30,433	\$33,575

PROFILE OF ACTIVE FRS PENSION PLAN DROP PARTICIPANTS

As of June 30, 2021

By Monthly Benefit Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Less Than \$250	130	9.43	\$16,274	\$2,229	\$2,326
\$250 – \$499	827	13.42	23,681	4,479	4,740
\$500 – \$999	3,162	18.19	33,130	8,591	9,268
\$1,000 – \$1,999	8,851	24.81	45,083	16,462	18,050
\$2,000 – \$2,999	7,728	28.88	61,034	27,014	29,860
\$3,000 – \$3,999	5,230	30.38	75,730	37,238	41,320
\$4,000 – \$4,999	2,234	30.24	91,481	48,003	53,174
\$5,000 or More	3,493	27.86	121,119	78,934	87,000
Total/Average	31,655	26.42	\$63,834	\$30,433	\$33,575

By Option Selection ¹					
Lifetime Benefit (1)	15,953	26.22	\$61,265	\$29,907	\$32,999
Benefit with a Guarantee (2)	4,656	26.25	59,202	28,459	31,385
Member with a Joint Annuitant (3)	10,295	26.80	68,633	31,315	34,551
Reduced Benefit on 1st Death (4)	751	26.73	81,328	41,723	46,020
Total/Average	31,655	26.42	\$63,834	\$30,433	\$33,575

By Employer Group					
State	5,490	27.22	\$55,123	\$26,802	\$29,560
State Universities	1,066	25.90	60,239	25,403	27,991
Counties	8,103	25.89	80,351	43,758	48,107
School Boards	14,773	26.53	57,003	24,634	27,288
State Colleges	836	24.84	65,834	26,448	29,127
Others ²	1,387	26.59	76,134	34,986	38,519
Total/Average	31,655	26.42	\$63,834	\$30,433	\$33,575

¹ Option selections for existing systems have been included in the FRS options outlined even though they are different.

² Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF ACTIVE FRS PENSION PLAN DROP PARTICIPANTS

As of June 30, 2021

Years of Service	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
6 – 9	207	136	343	49	15	64	158	121	279
10 – 14	1,128	675	1,803	191	81	272	937	594	1,531
15 – 19	2,357	1,256	3,613	290	153	443	2,067	1,103	3,170
20 – 24	2,828	1,499	4,327	398	224	622	2,430	1,275	3,705
25 – 29	3,022	3,051	6,073	510	518	1,028	2,512	2,533	5,045
30 – 34	9,590	4,748	14,338	1,941	935	2,876	7,649	3,813	11,462
35 or More Years	810	348	1,158	149	36	185	661	312	973
Total	19,942	11,713	31,655	3,528	1,962	5,490	16,414	9,751	26,165

Age Range	Total Membership			State Membership			Non-State Membership ¹		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 50	93	331	424	19	39	58	74	292	366
50 – 54	1,033	1,441	2,474	205	199	404	828	1,242	2,070
55 – 59	4,887	3,412	8,299	1,095	593	1,688	3,792	2,819	6,611
60 – 64	10,113	4,728	14,841	1,723	813	2,536	8,390	3,915	12,305
65 – 69	3,674	1,735	5,409	480	312	792	3,194	1,423	4,617
70 – 74	134	58	192	6	6	12	128	52	180
75 – 79	7	7	14	0	0	0	7	7	14
80 and Over	1	1	2	0	0	0	1	1	2
Total	19,942	11,713	31,655	3,528	1,962	5,490	16,414	9,751	26,165

Average Age	61.30	59.76	60.73	60.62	60.05	60.41	61.45	59.71	60.80
Average Years of Service	26.58	26.15	26.42	27.32	27.03	27.22	26.42	25.98	26.26
Average AFC	\$56,893	\$75,651	\$63,834	\$50,053	\$64,240	\$55,123	\$58,364	\$77,947	\$65,662
Average Annual Initial Benefit	\$25,656	\$38,564	\$30,433	\$23,439	\$32,850	\$26,802	\$26,133	\$39,714	\$31,194
Average Annual Current Benefit	\$28,349	\$42,474	\$33,575	\$25,855	\$36,223	\$29,560	\$28,885	\$43,732	\$34,418

¹ Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

FRS PENSION PLAN DROP ACCRUED BENEFITS AND INTEREST BY SYSTEM/CLASS

As of June 30, 2021

System/Class	Females	Total Membership	
		Males	Total
FRS Regular	\$1,134,424,753	\$582,432,391	\$1,716,857,144
FRS Senior Management Service	38,897,664	42,699,139	81,596,803
FRS Special Risk	97,408,893	453,611,194	551,020,087
FRS Special Risk Adm. Sup.	219,474	299,311	518,785
FRS Elected Officers	28,193,904	36,803,332	64,997,236
Total	<u>\$1,299,144,688</u>	<u>\$1,115,845,367</u>	<u>\$2,414,990,055</u>

System/Class	Females	State Membership	
		Males	Total
FRS Regular	\$162,072,403	\$81,056,848	\$243,129,251
FRS Senior Management Service	13,040,981	16,411,419	29,452,400
FRS Special Risk	18,469,620	44,746,116	63,215,736
FRS Special Risk Adm. Sup.	219,474	129,778	349,252
FRS Elected Officers	19,199,699	29,646,979	48,846,678
Total	<u>\$213,002,177</u>	<u>\$171,991,140</u>	<u>\$384,993,317</u>

System/Class	Females	Non-State Membership ¹	
		Males	Total
FRS Regular	\$972,352,351	\$501,375,542	\$1,473,727,893
FRS Senior Management Service	25,856,683	26,287,720	52,144,403
FRS Special Risk	78,939,274	408,865,078	487,804,352
FRS Special Risk Adm. Sup.	0	169,533	169,533
FRS Elected Officers	8,994,205	7,156,352	16,150,557
Total	<u>\$1,086,142,513</u>	<u>\$943,854,225</u>	<u>\$2,029,996,738</u>

¹ Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

TERMINATED FRS PENSION PLAN DROP PARTICIPANTS BY SYSTEM/CLASS¹

From July 1, 2020 – June 30, 2021

System/Class	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
FRS Regular	8,934	25.44	\$55,093	\$22,506	\$24,472
FRS Senior Management Service	192	27.87	107,781	51,088	55,471
FRS Special Risk	1,041	24.83	83,830	58,195	63,078
FRS Elected Officers	47	24.51	127,407	76,000	82,506
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

PROFILE OF TERMINATED FRS PENSION PLAN DROP PARTICIPANTS¹

From July 1, 2020 – June 30, 2021

By Monthly Benefit Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Less Than \$250	79	9.76	\$16,112	\$2,219	\$2,316
\$250 – \$499	371	12.94	24,265	4,438	4,680
\$500 – \$999	1,279	18.08	33,794	8,646	9,197
\$1,000 – \$1,999	3,160	24.37	45,954	16,503	17,793
\$2,000 – \$2,999	2,490	28.52	61,860	27,481	29,781
\$3,000 – \$3,999	1,487	30.09	76,903	37,574	41,147
\$4,000 – \$4,999	583	29.69	88,477	48,202	52,838
\$5,000 or More	765	27.31	114,341	75,294	82,060
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

By Option Selection²

Lifetime Benefit (1)	5,498	25.24	\$58,084	\$27,046	\$29,433
Benefit with a Guarantee (2)	1,492	25.30	54,401	24,803	26,871
Member with a Joint Annuitant (3)	2,993	25.75	63,028	27,139	29,444
Reduced Benefit on 1st Death (4)	231	26.29	73,571	35,076	38,046
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

By Employer Group

State	1,513	26.20	\$52,694	\$24,851	\$27,050
State Universities	353	25.37	55,918	23,492	25,600
Counties	2,309	25.04	72,629	38,292	41,500
School Boards	5,359	25.46	54,714	22,670	24,668
State Colleges	265	23.77	61,196	23,212	25,280
Others ³	415	25.37	71,226	31,529	34,094
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

By Gender

Female	6,751	25.51	\$54,087	\$23,264	\$25,270
Male	3,463	25.25	69,595	34,067	37,029
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

¹ Terminated DROP participants are also included with the statistics of all annuitants on pages 180-187.

² Option selections for existing systems have been included in the FRS options outlined even though they are different.

³ Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF TERMINATED FRS PENSION PLAN DROP PARTICIPANTS¹

From July 1, 2020 – June 30, 2021

By Years of Service	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
6 – 9	201	8.28	\$36,678	\$4,863	\$5,074
10 – 14	776	12.76	45,737	9,738	10,337
15 – 19	1,269	17.51	49,146	14,626	15,674
20 – 24	1,500	22.44	53,595	20,717	22,277
25 – 29	2,187	27.05	66,773	36,435	39,471
30 – 34	4,052	30.76	64,064	31,665	34,633
35 or More Years	229	36.69	65,103	38,744	42,909
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

By Age Range					
Less than 50	58	25.71	\$85,403	\$61,406	\$63,513
50 – 54	435	27.55	80,124	54,288	58,029
55 – 59	1,518	28.86	70,544	40,015	43,385
60 – 64	3,581	27.90	60,279	27,681	30,031
65 – 69	4,454	22.27	52,391	18,990	20,819
70 – 74	154	19.70	60,766	20,669	22,953
75 – 79	13	18.78	52,356	16,789	18,350
80 and Over	1	13.33	10,789	2,416	2,683
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

By Cause of Termination					
Deceased	86	25.75	\$59,057	\$25,361	\$26,673
Termination	10,128	25.42	59,347	26,940	29,279
Total/Average	10,214	25.42	\$59,345	\$26,927	\$29,257

Average length of participation – 3.05 years

¹ Terminated DROP participants are also included with the statistics of all annuitants on pages 180-187.

TOTAL ANNUITANTS BY SYSTEM/CLASS¹

As of June 30

System/Class	2017	2018	2019	2020	2021
FRS Pension Plan					
Regular	357,487	365,219	372,909	379,017	385,567
Senior Management Service	4,487	4,759	5,043	5,294	5,628
Special Risk	36,582	38,320	39,649	40,897	42,220
Special Risk Adm. Sup.	175	172	166	170	168
Elected Officers'	2,524	2,515	2,590	2,576	2,692
Subtotal	401,255	410,985	420,357	427,954	436,275
TRS	3,438	3,233	3,035	2,869	2,663
TRS-SB	356	317	283	260	238
SCOERS	325	296	259	223	199
Highway Patrol	25	21	17	15	14
JRS	3	3	2	2	2
IFAS	167	165	172	175	175
Subtotal	4,314	4,035	3,768	3,544	3,291
Total	405,569	415,020	424,125	431,498	439,566
General Revenue					
Noncontributory (s. 112.05, F.S.)	9	8	6	4	2
National Guard	784	761	753	745	728
Judicial Retirement	12	11	11	11	11
Total	805	780	770	760	741
Grand Total	406,374	415,800	424,895	432,258	440,307

AVERAGE BENEFITS BY SYSTEM/CLASS

As of June 30

System/Class	2017	2018	2019	2020	2021
FRS Pension Plan					
Regular	\$19,010	\$19,466	\$19,968	\$20,473	\$20,972
Senior Management Service	49,772	50,627	51,871	52,903	53,888
Special Risk	42,364	43,518	44,861	46,369	47,879
Special Risk Adm. Sup.	39,465	40,324	41,609	41,873	43,365
Elected Officers'	53,223	54,862	56,737	58,522	60,401
TRS	40,455	42,355	44,276	46,056	48,155
TRS-SB	1,883	1,882	1,885	1,884	1,887
SCOERS	13,990	14,582	15,389	16,196	16,570
Highway Patrol	17,063	16,198	17,058	17,764	18,779
JRS	14,869	15,315	17,118	17,631	18,160
IFAS	12,810	13,153	13,709	14,609	14,997
Average	\$21,839	\$22,426	\$23,064	\$23,715	\$24,378
General Revenue					
Noncontributory (s. 112.05, F.S.)	\$16,711	\$17,118	\$18,830	\$20,571	\$23,696
National Guard	18,988	19,533	19,855	20,557	21,471
Judicial Retirement	87,223	92,143	94,623	97,173	99,794
Average	\$19,980	\$20,532	\$20,915	\$21,666	\$22,640
Average All Annuitants	\$21,835	\$22,423	\$23,060	\$23,712	\$24,375

¹ Total Annuitants include General Revenue and TRS-SB annuitants and exclude DROP participants.

TOTAL ANNUAL BENEFITS BY SYSTEM/CLASS

As of June 30

System/Class	2017	2018	2019	2020	2021
FRS Pension Plan					
Regular	\$6,795,935,448	\$7,109,410,224	\$7,446,408,210	\$7,759,693,724	\$8,086,200,027
Senior Management Service	223,327,748	240,932,313	261,584,594	280,067,481	303,282,228
Special Risk	1,549,767,553	1,667,627,626	1,778,711,538	1,896,349,013	2,021,441,341
Special Risk Adm. Sup.	6,906,440	6,935,702	6,907,046	7,118,422	7,285,259
Elected Officers'	134,335,905	137,978,766	146,947,993	150,751,499	162,598,826
Subtotal	8,710,273,094	9,162,884,631	9,640,559,381	10,093,980,139	10,580,807,681
TRS	139,083,477	136,933,678	134,378,452	132,133,455	128,236,137
TRS-SB	670,262	596,462	533,354	489,854	449,040
SCOERS	4,546,864	4,316,278	3,985,678	3,611,762	3,297,501
Highway Patrol	426,574	340,168	289,979	266,464	262,912
JRS	44,608	45,946	34,235	35,262	36,320
IFAS	2,139,309	2,170,259	2,357,944	2,556,609	2,624,412
Subtotal	146,911,094	144,402,791	141,579,642	139,093,406	134,906,322
Total	\$8,857,184,188	\$9,307,287,422	\$9,782,139,023	\$10,233,073,545	\$10,715,714,003
General Revenue					
Noncontributory (s. 112.05), F.S.	\$150,398	\$136,940	\$112,981	\$82,285	\$47,392
National Guard	14,886,728	14,864,354	14,950,802	15,315,335	15,630,910
Judicial Retirement	1,046,677	1,013,569	1,040,857	1,068,905	1,097,735
Total	16,083,803	16,014,863	16,104,640	16,466,525	16,776,037
Grand Total	\$8,873,267,991	\$9,323,302,285	\$9,798,243,663	\$10,249,540,070	\$10,732,490,040
Average All Annuitants	\$21,835	\$22,423	\$23,060	\$23,712	\$24,375

TOTAL DISABILITY BENEFITS BY SYSTEM/CLASS

As of June 30

System/Class	Number of Retirees		Total Annual Benefits		Average Annual Benefits	
	2020	2021	2020	2021	2020	2021
FRS Pension Plan						
Regular	13,242	12,866	\$191,433,098	\$190,517,853	\$14,457	\$14,808
Senior Management Service	44	44	1,491,624	1,533,612	33,901	34,855
Special Risk	1,584	1,563	51,633,629	52,476,180	32,597	33,574
Special Risk Adm. Sup.	3	2	87,031	56,627	29,010	28,314
Elected Officers'	7	8	284,789	374,544	40,684	46,818
FRS Investment Plan						
Regular	419	441	6,552,792	7,123,296	15,639	16,153
Senior Management Service	2	2	56,602	57,859	28,301	28,930
Special Risk	140	149	6,326,618	6,919,107	45,190	46,437
Special Risk Adm. Sup.	1	1	54,119	55,743	54,119	55,743
TRS	49	43	940,469	828,930	19,193	19,277
SCOERS	10	8	119,605	99,472	11,961	12,434
General Revenue	11	11	1,068,905	1,097,735	97,173	99,794
Total/Average	15,512	15,138	\$260,049,283	\$261,149,958	\$16,764	\$17,251

PROFILE OF TOTAL ANNUITANTS BY SYSTEM/CLASS¹

As of June 30, 2021

System/Class	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
FRS Pension Plan					
Regular	385,120	21.08	\$41,663	\$14,489	\$20,978
Senior Management Service	5,626	24.36	99,575	39,995	53,897
Special Risk	42,044	21.08	58,431	34,668	47,882
Special Risk Adm. Sup.	167	25.15	49,386	25,819	43,291
Elected Officers'	2,691	20.25	77,549	42,753	60,401
FRS Investment Plan ²					
Regular	447	16.49	43,569	13,620	16,187
Senior Management Service	2	14.12	93,247	25,176	28,930
Special Risk	176	17.71	60,834	40,061	47,211
Special Risk Adm. Sup.	1	32.91	49,487	39,288	55,743
Elected Officers'	1	17.75	143,640	48,645	60,014
TRS	2,663	30.19	41,689	25,671	48,155
TRS-SB	238	0.00	0	2,416	1,887
Judicial Retirement System	2	11.28	20,906	11,618	18,160
Highway Patrol	14	23.83	15,085	12,159	18,779
SCOERS	199	24.77	16,138	8,167	16,570
IFAS	175	0.06	91	11,033	14,997
General Revenue	741	32.84	1,868	13,857	22,640
Total/Average	440,307	21.17	\$44,118	\$16,984	\$24,375

PROFILE OF FRS ANNUITANTS³

As of June 30, 2021

By Years of Service	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
40 or More Years	1,786	42.50	\$63,056	\$44,025	\$61,924
35 – 39	8,656	36.72	54,380	33,943	53,045
30 – 34	106,022	30.87	54,786	27,525	41,129
25 – 29	59,014	26.92	55,672	28,702	39,532
20 – 24	62,205	22.31	45,090	15,996	22,324
15 – 19	71,282	17.35	39,019	10,577	14,688
10 – 14	90,821	12.23	32,031	6,211	8,697
5 – 9	39,053	7.86	31,870	4,208	5,573
Less Than 5 Years	489	2.00	14,315	10,861	18,148
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390

By Age Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Under 40	1,091	17.61	\$42,930	\$8,476	\$9,902
40 – 44	581	16.71	41,038	11,969	13,035
45 – 49	1,448	17.51	50,000	20,509	20,518
50 – 54	5,894	20.56	57,052	28,542	30,631
55 – 59	20,173	21.77	54,834	26,116	29,984
60 – 64	54,195	21.77	49,465	20,327	24,685
65 – 69	98,674	21.55	47,875	18,204	23,619
70 – 74	107,990	21.13	45,663	16,669	24,569
75 – 79	71,040	20.69	40,979	14,763	24,184
80 – 84	41,932	20.43	35,568	12,938	23,202
85 and Older	36,310	21.18	30,295	12,036	23,938
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390

¹ FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

² Option selections for existing systems have been included in the FRS options outlined even though they are different.

³ Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF FRS ANNUITANTS¹

As of June 30, 2021

By Option Selection ²	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Lifetime Benefit (1)	254,079	20.54	\$42,016	\$16,183	\$23,337
Benefit with a Guarantee (2)	68,613	21.91	43,191	17,229	25,697
Member with a Joint Annuitant (3)	100,680	22.02	49,081	18,055	25,361
Reduced Benefit on First Death (4)	15,956	22.58	52,880	22,282	29,409
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390
By Monthly Benefit Range					
Less Than \$250	23,244	10.16	\$15,779	\$1,790	\$2,061
\$250 – \$499	53,268	12.07	23,201	3,611	4,515
\$500 – \$999	86,231	15.50	31,828	6,736	8,803
\$1,000 – \$1,999	105,375	21.23	41,486	12,868	17,445
\$2,000 – \$2,999	67,209	26.49	51,561	21,138	29,727
\$3,000 – \$3,999	49,286	29.14	59,036	27,867	41,392
\$4,000 – \$4,999	24,869	30.00	67,902	34,920	53,304
\$5,000 or More	29,846	29.58	88,509	54,747	82,623
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390
By Benefit Recipient					
Member Deceased	31,649	20.19	\$40,431	\$15,365	\$19,852
Member Living	407,679	21.24	44,507	17,124	24,742
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390
By Retirement Date					
Before 12/1970	24	20.01	\$7,214	\$3,755	\$7,683
12/1970 – 6/2000	74,738	23.16	34,577	14,673	28,825
7/2000 – 6/2005	76,032	21.90	40,943	16,226	27,211
7/2005 – 6/2010	91,512	21.31	46,390	17,984	26,038
7/2010 – 6/2015	108,725	20.53	48,757	18,426	23,126
7/2015 – 6/2016	21,061	20.65	48,901	18,520	20,876
7/2016 – 6/2017	17,478	19.33	46,217	16,275	17,863
7/2017 – 6/2018	14,810	19.46	46,947	16,550	17,813
7/2018 – 6/2019	12,849	19.17	47,381	16,467	17,116
7/2019 – 6/2020	10,976	18.78	47,057	16,178	16,506
7/2020 – 6/2021	11,123	18.50	46,927	16,084	15,991
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390
By Employer					
State	85,743	20.96	\$40,630	\$15,594	\$22,574
State Universities	20,379	22.03	48,960	18,254	26,310
Counties	99,584	20.00	51,079	21,462	29,404
School Boards	204,469	21.87	41,063	15,167	22,469
State Colleges	14,085	20.72	48,303	16,961	24,856
Others ³	15,068	19.76	51,726	18,637	24,625
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390

¹ FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

² Option selections for existing systems have been included in the FRS options outlined even though they are different.

³ Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

PROFILE OF FRS ANNUITANTS

As of June 30, 2021

By Gender	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Female	284,461	21.23	\$40,4772	\$15,127	\$21,376
Male	154,867	21.05	51,075	20,433	29,927
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390

By Type of Retirement					
Line of Duty Death	613	12.84	\$44,063	\$21,309	\$34,537
Not Line of Duty Death	9,142	17.50	38,011	7,841	12,411
Line of Duty Disability	3,247	14.89	33,411	16,112	24,827
Not Line of Duty Disability	11,881	17.57	34,474	10,574	15,107
Early	105,179	16.83	36,803	9,936	14,246
Normal	309,266	22.97	47,404	19,917	28,526
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390

By Duration of Benefit Payments to Date					
Less Than 5 years	67,236	19.10	\$46,855	\$16,325	\$17,178
5 – 9	100,683	20.00	47,986	17,681	21,233
10 – 14	103,848	21.62	48,370	19,108	26,717
15 – 19	80,183	21.61	41,460	16,146	26,367
20 – 24	56,387	23.58	38,947	16,644	30,969
25 – 29	19,951	22.60	32,225	13,272	27,134
30 – 34	7,342	22.27	25,732	10,626	23,956
35 – 39	2,809	21.69	19,595	8,695	20,435
40 or More Years	889	19.37	13,320	5,388	14,525
Total/Average	439,328	21.16	\$44,213	\$16,997	\$24,390

Average duration of benefit payments in years – 12.63 years

By Duration of Benefit Payments - Deaths in Current Year					
Less Than 1 year	218	19.98	\$58,831	\$19,213	\$19,399
1 – 2	132	19.23	50,753	15,458	15,701
2 – 3	129	21.19	52,249	18,799	18,994
3 – 4	123	19.29	47,155	13,976	14,397
4 – 5	192	20.05	45,594	16,134	16,971
5 – 9	857	19.48	45,673	15,566	17,081
10 – 14	623	20.48	48,994	19,312	22,456
15 – 19	696	21.67	45,373	21,732	26,693
20 – 24	710	23.99	41,091	22,240	29,436
25 – 29	298	23.48	37,295	21,143	28,339
30 – 34	86	22.53	27,928	18,348	25,931
35 – 39	26	26.31	24,472	19,842	27,731
40 or More Years	5	25.61	16,788	11,416	19,805
Total/Average	4,095	21.29	\$45,293	\$19,099	\$22,804

Average duration of benefit payments in years – 13.21 years

¹ FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

FRS RETIREES AND BENEFICIARIES¹
BY AGE AT RETIREMENT

As of June 30, 2021

By Retirement Age	Retirees	Retirees' Total Annual Benefits	Beneficiaries	Beneficiaries' Total Annual Benefits
Under 40	876	\$ 14,199,673	298	\$ 5,932,932
40 – 44	2,831	63,802,036	746	9,666,126
45 – 49	17,547	650,447,600	2,422	39,520,653
50 – 54	68,914	2,415,903,388	5,433	117,532,340
55 – 59	100,793	2,829,065,996	7,541	167,245,266
60 – 64	169,330	3,369,927,517	10,221	201,591,127
65 – 69	35,779	578,739,621	3,401	63,630,502
70 – 74	8,470	125,237,473	1,049	17,262,191
75 – 79	2,402	31,197,457	382	4,413,911
80 – 84	596	7,255,333	107	940,860
85 and Older	141	1,195,669	49	557,293
Total	407,679	\$ 10,086,971,763	31,649	\$ 628,293,201

FRS RETIREES AND BENEFICIARIES¹
BY YEARS OF SERVICE AT RETIREMENT

As of June 30, 2021

By Years of Service	Retirees	Retirees' Total Annual Benefits	Beneficiaries	Beneficiaries' Total Annual Benefits
Less Than 5 Years	315	\$ 5,276,494	174	\$ 3,597,934
5 – 9	36,333	201,897,402	2,720	15,749,185
10 – 14	83,134	729,325,501	7,687	60,524,429
15 – 19	65,321	968,208,489	5,961	78,766,896
20 – 24	57,110	1,287,609,665	5,095	101,064,672
25 – 29	55,014	2,206,521,825	4,000	126,421,150
30 – 34	101,352	4,185,846,801	4,670	174,703,116
35 – 39	7,619	408,666,472	1,037	50,487,891
40 or More Years	1,481	93,619,114	305	16,977,928
Total	407,679	\$ 10,086,971,763	31,649	\$ 628,293,201

¹ FRS retirees and beneficiaries exclude General Revenue and TRS-SB retirees and beneficiaries and exclude DROP participants.

TOTAL FRS ANNUITANTS BY TYPE OF RETIREMENT¹

As of June 30

Type of Retirement	2017	2018	2019	2020	2021
Line of Duty Death	379	539	567	581	613
Not Line of Duty Death	9,201	9,182	9,145	9,129	9,142
Line of Duty Disability	3,495	3,443	3,394	3,327	3,247
Not Line of Duty Disability	12,644	12,579	12,379	12,175	11,881
Early	102,482	103,916	104,784	105,251	105,179
Normal	277,012	285,044	293,573	300,775	309,266
Total	405,213	414,703	423,842	431,238	439,328

TOTAL FRS ANNUAL BENEFITS BY TYPE OF RETIREMENT

As of June 30

Type of Retirement	2017	2018	2019	2020	2021
Line of Duty Death	\$ 15,461,802	\$ 17,189,084	\$ 18,388,498	\$ 19,244,463	\$ 21,171,469
Not Line of Duty Death	104,560,416	106,882,817	108,923,959	111,383,970	113,463,462
Line of Duty Disability	70,038,769	76,737,141	78,297,575	79,919,929	80,611,798
Not Line of Duty Disability	172,174,076	176,151,167	177,713,523	179,118,908	179,491,440
Early	1,294,646,937	1,352,625,844	1,404,653,598	1,454,808,160	1,498,403,150
Normal	7,194,631,927	7,577,104,906	7,993,628,517	8,388,108,261	8,822,123,643
Total	\$ 8,856,513,927	\$ 9,306,690,959	\$ 9,781,605,670	\$ 10,232,583,691	\$ 10,715,264,962

TOTAL FRS ANNUITANTS ADDED DURING FISCAL YEAR BY TYPE OF RETIREMENT¹

As of June 30

Type of Retirement	2017	2018	2019	2020	2021
Line of Duty Death	14	22	6	12	33
Not Line of Duty Death	232	319	107	126	169
Line of Duty Disability	57	73	31	36	29
Not Line of Duty Disability	445	545	319	261	270
Early	4,299	4,514	2,905	2,528	2,628
Normal	7,194	8,422	6,960	6,589	7,994
Total	12,241	13,895	10,328	9,552	11,123

TOTAL ANNUAL BENEFITS OF FRS ANNUITANTS ADDED DURING FISCAL YEAR BY TYPE OF RETIREMENT

As of June 30

Type of Retirement	2017	2018	2019	2020	2021
Line of Duty Death	\$ 807,536	\$ 900,675	\$ 177,514	\$ 435,209	\$ 1,288,066
Not Line of Duty Death	3,020,398	3,855,692	1,295,236	1,574,235	2,306,903
Line of Duty Disability	1,561,553	1,984,029	1,081,317	1,368,929	1,000,380
Not Line of Duty Disability	6,596,093	7,847,917	4,092,355	3,735,893	3,876,802
Early	40,252,170	44,541,748	32,232,487	28,076,626	31,664,901
Normal	111,542,570	140,931,143	115,120,186	111,290,731	137,727,014
Total	\$ 163,780,320	\$ 200,061,204	\$ 153,999,095	\$ 146,481,623	\$ 177,864,066

¹ Total annuitants include General Revenue and TRS-SB annuitants and exclude DROP participants.

SCHEDULE OF AVERAGE FRS BENEFITS

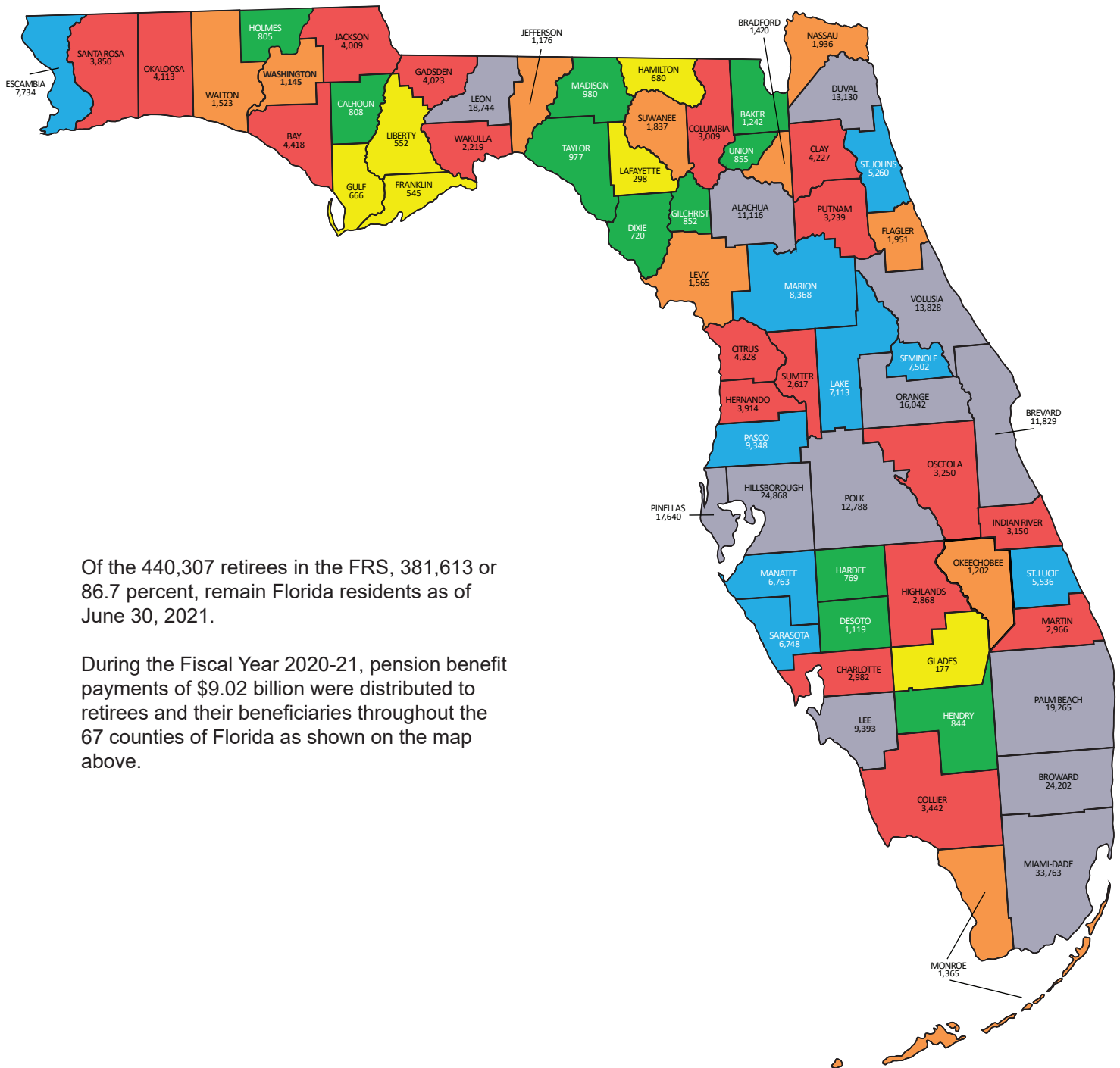
As of June 30

Fiscal Year		Years of Creditable Service								40 or More
		Less Than 5 ¹	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	
2021	Average Annual Benefit	\$18,148	\$5,573	\$8,697	\$14,688	\$22,324	\$39,532	\$41,129	\$53,045	\$61,924
	Average AFC	\$14,315	\$31,870	\$32,031	\$39,019	\$45,090	\$55,672	\$54,786	\$54,380	\$63,056
	Count	489	39,053	90,821	71,282	62,205	59,014	106,022	8,656	1,786
2020	Average Annual Benefit	\$17,549	\$5,461	\$8,458	\$14,305	\$21,765	\$38,465	\$40,246	\$52,123	\$60,726
	Average AFC	\$14,118	\$31,596	\$31,417	\$38,252	\$44,303	\$54,664	\$54,030	\$53,238	\$60,272
	Count	498	38,394	90,454	69,890	60,957	57,225	103,267	8,770	1,783
2019	Average Annual Benefit	\$16,820	\$5,341	\$8,244	\$13,930	\$21,231	\$37,322	\$39,326	\$51,025	\$59,415
	Average AFC	\$14,135	\$31,301	\$30,914	\$37,588	\$13,668	\$53,717	\$53,372	\$52,234	\$58,061
	Count	504	37,764	89,730	68,830	59,959	55,411	100,872	8,942	1,830
2018	Average Annual Benefit	\$16,277	\$5,206	\$8,002	\$13,573	\$20,640	\$36,202	\$38,415	\$49,761	\$58,959
	Average AFC	\$14,228	\$30,995	\$30,320	\$36,897	\$42,938	\$35,202	\$52,753	\$51,109	\$56,975
	Count	499	36,917	88,587	67,323	58,716	53,459	98,257	9,069	1,876
2017	Average Annual Benefit	\$16,128	\$5,083	\$7,783	\$13,222	\$20,079	\$35,082	\$37,495	\$48,661	\$57,845
	Average AFC	\$13,165	\$30,632	\$29,749	\$36,235	\$42,148	\$51,621	\$52,163	\$50,409	\$54,884
	Count	490	35,728	87,232	65,683	57,418	51,412	96,115	9,234	1,901
2016	Average Annual Benefit	\$14,774	\$4,945	\$7,564	\$12,863	\$19,434	\$33,969	\$36,542	\$47,369	\$56,026
	Average AFC	\$12,727	\$30,220	\$29,154	\$35,581	\$41,247	\$50,472	\$51,474	\$49,560	\$52,909
	Count	502	33,930	85,384	64,010	55,737	49,272	93,540	9,407	1,934
2015	Average Annual Benefit	\$14,218	\$4,823	\$7,343	\$12,488	\$18,811	\$32,547	\$35,681	\$46,398	\$54,628
	Average AFC	\$12,578	\$29,757	\$28,543	\$34,845	\$40,311	\$48,944	\$50,424	\$48,289	\$51,246
	Count	503	31,954	83,281	62,096	53,896	46,449	87,114	9,173	1,973
2014	Average Annual Benefit	\$13,921	\$4,686	\$7,118	\$12,113	\$18,198	\$31,189	\$34,775	\$45,352	\$53,674
	Average AFC	\$12,645	\$29,192	\$27,891	\$34,071	\$39,326	\$47,453	\$49,466	\$46,921	\$50,414
	Count	506	29,973	81,618	60,299	51,985	43,894	82,454	9,005	2,041
2013	Average Annual Benefit	\$13,402	\$4,600	\$6,924	\$11,790	\$17,599	\$30,006	\$33,868	\$44,232	\$51,876
	Average AFC	\$12,425	\$28,675	\$27,276	\$33,339	\$38,294	\$46,118	\$48,651	\$45,976	\$48,789
	Count	511	27,340	78,982	58,106	50,062	41,793	78,779	9,002	2,103
2012	Average Annual Benefit	\$12,998	\$4,484	\$6,721	\$11,407	\$16,977	\$28,760	\$32,921	\$43,008	\$50,466
	Average AFC	\$12,311	\$28,079	\$26,638	\$32,516	\$37,234	\$44,734	\$47,754	\$44,983	\$47,727
	Count	512	25,160	74,934	56,235	48,273	39,924	75,046	9,114	2,166

¹ Represents in-line-of-duty disability benefits with guaranteed minimum benefit levels

FRS RETIREES AND PENSION BENEFITS BY FLORIDA COUNTY

As of June 30, 2021



Of the 440,307 retirees in the FRS, 381,613 or 86.7 percent, remain Florida residents as of June 30, 2021.

During the Fiscal Year 2020-21, pension benefit payments of \$9.02 billion were distributed to retirees and their beneficiaries throughout the 67 counties of Florida as shown on the map above.

COLOR KEY

\$0 - \$15 million



\$25 - \$50 million



\$100 - \$200 million



\$15 - \$25 million



\$50 - \$100 million



\$200 million +



RETIREES BY STATE

As of June 30, 2021



FRS RETIREES BY OTHER LOCATIONS

As of June 30, 2021

Argentina (4)	Chile (3)	Greece (3)	Netherlands (3)	Sweden (2)
Armed Forces (38)	China (1)	Guam (6)	New Zealand (10)	Switzerland (4)
Australia (23)	Colombia (15)	Honduras (2)	Nicaragua (5)	Taiwan (3)
Austria (1)	Costa Rica (11)	Hungary (4)	Panama (4)	Thailand (19)
Bahamas (1)	Croatia (1)	India (2)	Peru (5)	Trinidad & Tobago (3)
Barbados (2)	Czech Republic (1)	Ireland (7)	Philippines (18)	Turkey (1)
Belgium (1)	Dominican Republic (3)	Israel (11)	Poland (6)	United Kingdom (37)
Belize (1)	Ecuador (2)	Italy (10)	Portugal (3)	Uruguay (2)
Bermuda (1)	Egypt (1)	Jamaica (9)	Puerto Rico (262)	Venezuela (1)
Bosnia-Herzegovina (1)	El Salvador (1)	Japan (4)	Romania (1)	Vietnam (1)
Brazil (3)	Finland (1)	Lebanon (1)	Slovakia (1)	Virgin Islands (21)
Bulgaria (2)	France (15)	Marshall Islands (1)	South Africa (1)	West Indies (14)
Canada (132)	Germany (25)	Mexico (5)	Spain (25)	Other (13)
Cayman Islands (1)	Ghana (1)	Micronesia (8)	Suriname (1)	

**REEMPLOYED RETIREES NOT ELIGIBLE
FOR RENEWED MEMBERSHIP BY SYSTEM/CLASS**

As of June 30

System/Class	2017	2018	2019	2020	2021
FRS Regular	9,607	5,329	5,766	5,677	5,558
FRS Senior Management Service	209	122	130	144	134
FRS Special Risk	1,388	441	518	541	553
FRS Elected Officers'	142	108	119	123	144
Total	11,346	6,000	6,533	6,485	6,389

**PROFILE OF REEMPLOYED RETIREES NOT ELIGIBLE
FOR RENEWED MEMBERSHIP**

As of June 30, 2021

By Employer Group	Count	Average Length of Employment	Average Salary
State	1,223	3.88	\$45,733
State Universities	208	4.56	61,628
School Boards	3,036	3.80	33,708
Counties	1,395	3.65	41,745
State Colleges	223	4.43	39,448
Others ¹	304	3.48	39,312
Total/Average	6,389	3.81	\$39,141

By Age Range			
Under 30	0	0.00	\$0
30 – 39	0	0.00	0
40 – 49	13	1.47	31,637
50 – 59	1,048	2.58	39,849
60 – 69	3,577	3.74	41,308
70 and Over	1,751	4.71	34,346
Total/Average	6,389	3.81	\$39,141

By Gender			
Female	3,603	3.88	\$35,439
Male	2,786	3.73	43,928
Total/Average	6,389	3.81	\$39,141

¹ Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

SYSTEM SUMMARY SECTION



Saint Petersburg Beach

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CHRONOLOGICAL HIGHLIGHTS OF STATE-ADMINISTERED RETIREMENT AND PENSION SYSTEMS SINCE 2000

- 2000** — The Public Employee Optional Retirement Program (also referred to as the Investment Plan) was established to be implemented in 2002.
- Special risk annual retirement credit was upgraded to 3 percent for all years between October 1, 1978, and January 1, 1993, for members retiring on and after July 1, 2000.
- Minimum special risk in-line-of-duty disability benefits were increased from 42 percent to 65 percent, effective July 1, 2000.
- The vesting requirement was reduced to six years for all FRS membership classes, beginning July 1, 2001.
- The vesting requirement for regular disability retirement was reduced to eight years, beginning July 1, 2001.
- 2001** — A one-time special 12 percent benefit increase was provided, effective January 1, 2002, for FRS retirees with special risk service between October 1, 1978, and December 31, 1992, for members retiring before July 1, 2000.
- Cities and special districts already participating in the FRS for their elected officials were given a second opportunity to designate their elected officials for membership in the Elected Officers' Class.
- 2002** — A uniform employer contribution rate structure was created effective July 1, 2002, for members of the Pension Plan and members of the Investment Plan.
- A 90-day window was provided to allow members to convert their Senior Management Service Optional Annuity Program service to creditable service under the Pension Plan.
- 2003** — Participants of the State Community College Optional Retirement Program were provided a one-time opportunity to transfer to the FRS.
- 2005** — Local government service managers who withdrew from the FRS were given a one-time opportunity to transfer to the FRS between January 1, 2006, and June 30, 2006.
- 2007** — Participants of the State University System Optional Retirement Program were provided a one-time opportunity to transfer to the FRS between January 1, 2008, and December 31, 2008.
- The Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated as a closed-retirement system under the Regular Class of the FRS, effective July 1, 2007.
- 2009** — The definition of termination was changed from one calendar month to six calendar months for Pension Plan members whose DROP termination dates or non-DROP retirements are effective on or after July 1, 2010.
- For Pension Plan members whose DROP termination dates or non-DROP retirements are effective on or after July 1, 2010, the reemployment limitation period was changed to six calendar months after meeting the definition of termination.
- All exceptions to employment with FRS-covered employers during the reemployment limitation period were closed to Pension Plan members whose DROP termination dates are on or after July 1, 2010, or whose non-DROP retirements are effective July 1, 2010. Investment Plan members and participants in the State University System Optional Retirement Program, Senior Management Service Optional Annuity Program, State Community College Optional Retirement Program, and withdrawn local senior managers who received a distribution in June 2010 or after no longer have exceptions to employment with FRS-covered employers during the reemployment limitation period.
- Renewed membership was closed to retirees of a state-administered retirement system initially reemployed by an FRS participating employer on or after July 1, 2010.
- 2010** — Continued Special Risk Class participation for employment in a non-special risk position is provided for members suffering specified in-line-of-duty injuries and who reach maximum medical improvement on or after August 1, 2008, for as long as employed by the same employer at the time of injury.
- 2011** — Required 3 percent pre-tax employee contributions on compensation reported on or after July 1, 2011, for all members except those participating in the DROP or reemployed retirees who are not eligible for renewed membership.
- Changed the cost-of-living adjustment formula for FRS Pension Plan retirements effective on or after August 1, 2011, to be a proportional amount of 3 percent excluding service credit earned on or after July 1, 2011.
- Created different benefit structure for FRS Pension Plan members initially enrolled on or after July 1, 2011, in addition to required employee contributions that require:
- Eight-year vesting,
 - Highest eight fiscal years of salary used in the calculation of average final compensation,
 - Normal retirement for Special Risk Class members at age 60 and vested or a total of 30 years of service; and age 65 and vested or a total of 33 years of service for all other classes,
 - Elimination of cost-of-living adjustments after retirement.

- 2016 —** Created enhanced survivor benefits for Special Risk Class members who are killed in the line of duty on or after July 1, 2013, for benefit payments on or after July 1, 2016, with the following stipulations:
- The benefit payable to the surviving spouse or on behalf of an eligible dependent child or children of a Pension Plan Special Risk Class member is increased from 50 percent to 100 percent of the member's base monthly salary at the time of death.
 - A new benefit for the surviving spouse or on behalf of an eligible dependent child or children of an Investment Plan Special Risk Class member is created, with the benefit payable equal to 100 percent of the member's base monthly salary at the time of death. The member's Investment Plan account balance must be transferred to the Survivor Benefit Account of the FRS Trust Fund if the in-line-of-duty death benefit is approved.
 - If there is no surviving spouse, the eligible child or children will receive benefits until the youngest unmarried child reaches age 18. The benefits may be extended up to age 25 if the eligible surviving child is unmarried and enrolled as a full-time student.
- 2017 —** Created defined contribution plan renewed membership for state administered defined contribution plan retirees initially reemployed in a regularly established position on or after July 1, 2010, but initially enrolled in the FRS Investment Plan, the State University System Optional Retirement Program, or the State Community College System Optional Retirement Program on or after July 1, 2017. Membership in the FRS is available in all classes including the Special Risk Class for this tier of renewed membership. Pension Plan retirees remain ineligible for renewed membership.
- Created in-line-of-duty (ILOD) death benefits for members of the Investment Plan in all classes except the Special Risk Class with eligibility retroactive to July 1, 2002, for benefit payments on or after July 1, 2017.
- Extended retroactive eligibility for the existing in-line-of-duty death benefits for Special Risk Class members from July 1, 2013, to July 1, 2002, for eligible survivors of Pension Plan or Investment Plan members.
- Changed the default membership for FRS members initially enrolled on or after January 1, 2018, from the Pension Plan to the Investment Plan for all members except those in a Special Risk Class position at the time of default and extended the initial membership election period from five calendar months to eight calendar months after the month of hire effective January 1, 2018.
- Closed the Senior Management Service Optional Annuity Program to new members effective July 1, 2017. Existing members can continue to participate.
- 2018 —** Created an exception to reemployment restrictions to allow law enforcement officers who retired from the FRS or other state-administered retirement system to be reemployed as a school resource officer by an FRS participating employer FRS during the seventh through twelfth calendar months after their retirement date or their DROP termination date without requiring them to suspend their retirement benefit.
- Requires specified K-12 instructional personnel participating in the DROP who are authorized to extend their DROP participation beyond the initial 60-calendar month period to have their DROP termination date be the end of the month of the last month of the school year. Administrative personnel in grades K-12 participating in DROP who have a DROP termination date on or after July 1, 2018, may be authorized to extend their DROP participation beyond the initial 60 calendar month period if their termination date is before the end of the school year.
- Removed the requirement that a law enforcement officer, firefighter, emergency medical technician, or paramedic employed by a public agency who suffers a mental or nervous injury must also have an accompanying physical injury to be eligible for workers' compensation benefits.
- 2019 —** Established a presumption of in-line-of-duty causation for firefighters who die or are totally and permanently disabled due to one of a specified 21 types of cancers or due to circumstances arising out of the treatment of one of these cancers. The firefighter must be employed full-time within a fire department or public safety department of an employer whose primary responsibilities are the prevention and extinguishing of fires; the protection of life and property; and the enforcement of municipal, county, and state fire prevention codes and laws pertaining to the prevention and control of fires.

FRS PARTICIPATING EMPLOYERS

STATE AGENCIES –

EXECUTIVE BRANCH

Agency for Health Care Administration
Agency for Persons with Disabilities
Department of Agriculture and Consumer Services
Department of Business and Professional Regulation
Department of Children and Families
Department of Citrus
Department of Community Affairs
Department of Corrections
Department of Economic Opportunity
Department of Education
Department of Elder Affairs
Department of Environmental Protection
Department of Financial Services
Department of Health
Department of Highway Safety and Motor Vehicles
Department of Juvenile Justice
Department of Law Enforcement
Department of Legal Affairs
Department of Lottery
Department of Management Services
Department of Military Affairs
Department of Revenue
Department of State
Department of Transportation
Department of Veterans' Affairs
Executive Office of the Governor
Fish and Wildlife Conservation Commission
Florida Commission on Offender Review
Justice Administrative Commission
State Board of Administration
Vending Facilities Operators
Volunteer Florida

LEGISLATIVE BRANCH

Auditor General
Commission on Ethics
The Legislature
Public Service Commission

JUDICIAL BRANCH

Capital Collateral Regional Counsels
Florida Board of Bar Examiners
Guardian Ad Litem
Public Defenders
State Attorneys
State Courts - Circuit Courts
State Courts - County Courts
State Courts - District Courts of Appeal
State Courts - Supreme Court

STATE UNIVERSITIES –

Florida A&M University
Florida Atlantic University
Florida Gulf Coast University
Florida International University
Florida Polytechnic University
Florida State University
New College
University of Central Florida
University of Florida
University of North Florida
University of South Florida
University of West Florida

STATE COLLEGES –

Broward College
Chipola College
College of Central Florida
Daytona State College
Eastern Florida State College
Florida Gateway College
Florida SouthWestern State College
Florida State College at Jacksonville
Gulf Coast State College
Hillsborough Community College
Indian River State College
Lake-Sumter State College
Miami Dade College
North Florida College
Northwest Florida State College
Palm Beach State College
Pasco-Hernando State College
Pensacola State College
Polk State College
Saint Johns River State College
Saint Petersburg College
Santa Fe College
Seminole State College of Florida
South Florida State College
State College of Florida, Manatee-Sarasota
Tallahassee Community College
The College of the Florida Keys
Valencia College

LOCAL AGENCIES –

ALACHUA COUNTY

Alachua County Library District
Alachua MYcroSchool of Integrated Academics and Technologies
Board of County Commissioners
Caring and Sharing Learning School
Children's Trust of Alachua County
City of Alachua ^{1,4}
City of Archer ⁴
City of Gainesville ³
City of High Springs ^{1,2,4}
City of Newberry ^{2,4}
Clerk of Circuit Court
Genesis Preparatory School of Gainesville, Inc.
Micanopy Middle School, Inc.
Property Appraiser
School Board

Sheriff
SIATech Gainesville
Supervisor of Elections
Tax Collector

BAKER COUNTY

Board of County Commissioners
City of MacClenny ^{2,3,4}
Clerk of Circuit Court
New River Solid Waste Association
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Town of Glen St Mary ^{3,4}

BAY COUNTY

Bay Haven Charter Academy Elementary School
Bay Haven Charter Academy Middle School
Beach Mosquito Control District
Board of County Commissioners
Central High School
Chautauqua Learn and Serve Charter School
City of Callaway ^{2,3,4}
City of Mexico Beach ^{1,2,4}
City of Parker
City of Springfield
Clerk of Circuit Court
North Bay Haven Charter Career School
North Bay Haven Charter Elementary School
North Bay Haven Charter Middle School
Palm Bay Elementary School
Palm Bay Preparatory Academy
Panama City Port Authority
Property Appraiser
Rising Leader Academy, Inc.
School Board
Sheriff
Supervisor of Elections
Tax Collector
University Academy, Inc.

BRADFORD COUNTY

Board of County Commissioners
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

BREVARD COUNTY

Board of County Commissioners
City of Cocoa ⁴
City of Indian Harbour Beach ⁴
City of Melbourne ^{1,3,4}
City of Palm Bay ³
City of West Melbourne ⁴
Clerk of Circuit Court
Indian River Lagoon Council
Merritt Island Public Library Tax District

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Property Appraiser
 School Board
 Sebastian Inlet District
 Sheriff
 Space Coast Transportation Planning Organization
 Supervisor of Elections
 Tax Collector
 Town of Malabar
 Town of Melbourne Beach ⁴

BROWARD COUNTY

Board of County Commissioners
 Broward County Housing Authority
 Broward Metropolitan Planning Organization
 Central Broward Water Control District
 Central Charter School
 Charter School of Excellence Davie 1 Campus
 Charter School of Excellence Fort Lauderdale 1 Campus
 Children's Services Council of Broward
 City of Coconut Creek
 City of Cooper City ⁴
 City of Dania Beach ^{3,4}
 City of Deerfield Beach ³
 City of Fort Lauderdale ^{3,4}
 City of Hallandale Beach ⁴
 City of Hollywood ³
 City of Lighthouse Point ^{1,4}
 City of Margate
 City of Miramar ³
 City of North Lauderdale ²
 City of Oakland Park ^{2,4}
 City of Pembroke Pines Charter Elementary School
 City of Pembroke Pines Charter High School
 City of Pembroke Pines Charter Middle School
 City of Pembroke Pines FSU Charter School
 City of Pompano Beach ³
 City of Weston ³
 City of West Park ^{3,4}
 City of Wilton Manors ^{1,3,4}
 Clerk of Circuit and County Courts
 Hillsborough Inlet Improvement and Maintenance
 North Springs Improvement District
 Old Plantation Water Control District
 Plantation Acres Improvement District
 Property Appraiser
 School Board
 Sheriff
 South Broward Drainage District
 South Florida Regional Planning Council
 Supervisor of Elections
 Tax Collector
 Town of Hillsboro Beach ^{1,4}
 Town of Lauderdale-by-the-Sea ^{3,4}
 Town of Pembroke Park ⁴
 Tri-County Commuter Rail

CALHOUN COUNTY

Apalachee Regional Planning Council
 Board of County Commissioners
 City of Blountstown ^{1,2,4}
 Clerk of Circuit Court
 Property Appraiser

School Board
 Sheriff
 Supervisor of Elections
 Tax Collector
 Town of Altha ^{1,4}

CHARLOTTE COUNTY

Board of County Commissioners
 Charlotte County Airport Authority
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

CITRUS COUNTY

Board of County Commissioners
 Citrus County Mosquito Control District
 Citrus MYcroSchool of Integrated Academics and Technologies, Inc.
 City of Crystal River
 City of Inverness ^{2,3,4}
 Clerk of Circuit Court
 Homosassa Special Water District
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

CLAY COUNTY

Board of County Commissioners
 City of Green Cove Springs ^{3,4}
 Clerk of Circuit Court
 First Coast Workforce Consortium
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

COLLIER COUNTY

Board of County Commissioners
 Clerk of Circuit Court
 Collier County Soil and Water Conservation District
 Collier Mosquito Control District
 Greater Naples Fire Rescue District
 Immokalee Fire Control District
 Marco Island Academy
 Marco Island Charter Middle School
 North Collier Fire Rescue District
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

COLUMBIA COUNTY

Board of County Commissioners
 City of Lake City ^{3,4}
 Clerk of Circuit Court
 Lake Shore Hospital Authority
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

DADE COUNTY

See Miami-Dade County

DE SOTO COUNTY

Board of County Commissioners
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

DIXIE COUNTY

Board of County Commissioners
 Clerk of Circuit Court
 Kinder Cub School, Inc.
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Suwannee Water and Sewer District
 Tax Collector
 Three Rivers Regional Library System
 Town of Cross City

DUVAL COUNTY

Biscayne High School
 Duval MYcroSchool of Integrated Academics and Technologies
 Jacksonville Aviation Authority
 Jacksonville Seaport Authority
 Jacksonville Transportation Authority
 Lone Star High School
 Northeast Florida Regional Planning Council
 North Florida Transportation Planning Organization
 River City Science Academy
 River City Science Academy Elementary
 River City Science Academy Innovation
 River City Science Academy at Mandarin
 School Board
 SIATech Jacksonville

ESCAMBIA COUNTY

Board of County Commissioners
 Byrnesville Elementary School, Inc.
 Clerk of Circuit and County Courts
 City of Pensacola ^{1,3,4}
 Emerald Coast Utility Authority
 Pensacola Beach Elementary School
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector
 West Florida Regional Planning Council

FLAGLER COUNTY

Board of County Commissioners
 City of Bunnell
 Clerk of Circuit Court
 East Flagler Mosquito Control District
 Flagler County Housing Authority
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

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FRANKLIN COUNTY

Apalachicola Housing Authority
 Board of County Commissioners
 City of Apalachicola ^{1,4}
 City of Carrabelle ^{1,3,4}
 Clerk of Circuit Court
 Eastpoint Water and Sewer District
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

GADSDEN COUNTY

Board of County Commissioners
 City of Chattahoochee ^{1,3,4}
 City of Gretna
 City of Midway ^{1,3,4}
 Clerk of Circuit Court
 Northwest Florida Water Management District
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector
 Town of Greensboro ^{1,4}
 Town of Havana ^{1,4}

GILCHRIST COUNTY

Board of County Commissioners
 City of Trenton ^{1,3,4}
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

GLADES COUNTY

Board of County Commissioners
 City of Moore Haven ⁴
 Clerk of Circuit Court
 Moore Haven Mosquito Control District
 Pemaicv Emahakv, Inc.
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

GULF COUNTY

Board of County Commissioners
 City of Port Saint Joe
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

HAMILTON COUNTY

Board of County Commissioners
 City of Jasper
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections

Tax Collector
 Town of Jennings ^{1,2,4}

HARDEE COUNTY

Board of County Commissioners
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

HENDRY COUNTY

Barron Water Control District
 Board of County Commissioners
 Central County Water Control District
 City of Clewiston ¹
 City of La Belle ^{3,4}
 Clerk of Circuit Court
 Hendry Soil and Water Conservation District
 Port La Belle Community Development District
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

HERNANDO COUNTY

Board of County Commissioners
 City of Brooksville ^{3,4}
 Clerk of Circuit Court
 Hernando County Housing Authority
 Property Appraiser
 School Board
 Sheriff
 Southwest Florida Water Management District
 Supervisor of Elections
 Tax Collector

HIGHLANDS COUNTY

Board of County Commissioners
 City of Avon Park ^{3,4}
 City of Sebring ^{1,2,4}
 Clerk of Circuit Court
 Highlands Soil and Water Conservation District
 Property Appraiser
 School Board
 Sebring Airport Authority
 Sheriff
 Supervisor of Elections
 Tax Collector
 Town of Lake Placid ^{1,3,4}

HILLSBOROUGH COUNTY

Board of County Commissioners
 Children's Board of Hillsborough County
 Clerk of Circuit Court
 Hillsborough Area Regional Transit
 Hillsborough County Aviation Authority
 Hillsborough County Civil Service Board
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections

Tampa Bay Area Regional Transit Authority
 Tampa Bay Estuary Program
 Tampa-Hillsborough County Expressway Authority
 Tampa Port Authority
 Tampa Sports Authority
 Tax Collector

HOLMES COUNTY

Board of County Commissioners
 Clerk of Circuit Court
 Holmes County Housing Authority
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

INDIAN RIVER COUNTY

Board of County Commissioners
 Clerk of Circuit Court
 Fellsmere Water Control District
 Indian River Farms Water Control District
 Indian River Mosquito Control District
 Property Appraiser
 Saint Johns Water Control District
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

JACKSON COUNTY

Board of County Commissioners
 City of Graceville ^{1,4}
 City of Marianna ⁴
 Clerk of Circuit Court
 Jackson Soil and Water Conservation District
 Northwest Florida Regional Housing Authority
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector
 Town of Alford ⁴
 Town of Grand Ridge ⁴
 Town of Sneads ^{1,4}

JEFFERSON COUNTY

Board of County Commissioners
 City of Monticello ⁴
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector

LAFAYETTE COUNTY

Board of County Commissioners
 Clerk of Circuit Court
 Property Appraiser
 School Board
 Sheriff
 Supervisor of Elections
 Tax Collector
 Town of Mayo ^{3,4}

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LAKE COUNTY

Board of County Commissioners
City of Fruitland Park ^{1,4}
City of Minneola ^{2,4}
City of Tavares ^{1,2,4}
City of Umatilla ⁴
Clerk of Circuit Court
Mascotte Charter School, Inc.
Oklawaha Basin Recreation and Water
Conservation District
Property Appraiser
School Board
Sheriff
Spring Creek Charter School
Supervisor of Elections
Tax Collector
Town of Astatula
Town of Montverde ⁴

LEE COUNTY

Alva Fire and Rescue Service District
Bayshore Fire Protection and Rescue
Service District
Board of County Commissioners
Bonita Springs Fire and Rescue
Cape Coral Charter School
Captiva Fire Control District
City of Bonita Springs
Clerk of Circuit Court
Fort Myers Beach Fire Control District
Fort Myers Beach Library District
Fort Myers Beach Mosquito Control
Fort Myers Shores Fire Department
Hyacinth Control District
Iona McGregor Fire Protection and Rescue
Service
Lee County Metropolitan Planning
Organization
Lee County Mosquito Control District
Lehigh Acres Fire Control and Rescue
District
Lehigh Acres Municipal Services
Improvement District
Matlacha-Pine Fire District
North Fort Myers Fire Control District
Property Appraiser
Public Risk Management of Florida
San Carlos Fire Protection and Rescue
District
Sanibel Fire Control District
School Board
Sheriff
South Trail Protection and Rescue Service
District
Southwest Florida Regional Planning
Council
Supervisor of Elections
Tax Collector
Tice Fire and Rescue District

LEON COUNTY

Board of County Commissioners
Clerk of Circuit Court
Florida Clerk of Court Operations
Corporation
Property Appraiser
The School of Arts and Sciences
Foundation, Inc.

School Board
Sheriff
Stars Middle School
Supervisor of Elections
Tallahassee Housing Authority
Tax Collector

LEVY COUNTY

Board of County Commissioners
City of Cedar Key ¹
City of Chiefland
City of Fanning Springs
City of Williston ²
Clerk of Circuit Court
Levy County Housing Authority
Nature Coast Middle School
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Town of Inglis ^{1,4}
Town of Yankeetown ⁴
Whispering Winds Charter School

LIBERTY COUNTY

Board of County Commissioners
City of Bristol ⁴
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

MADISON COUNTY

Aucilla Area Solid Waste Administration
Board of County Commissioners
Clerk of Circuit Court
James Madison Preparatory High
School
Madison Creative Arts Academy, Inc.
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Town of Greenville ⁴

MANATEE COUNTY

Board of County Commissioners
Braden River Fire Control and Rescue
Cedar Hammock Fire Control District
City of Anna Maria
City of Bradenton ^{3,4}
City of Holmes Beach ⁴
Clerk of Circuit Court
Lincoln Memorial Academy
Manatee County Housing Authority
Manatee County Mosquito Control
District
Myakka City Fire Department
Palmetto Charter School, Inc.
Parrish Fire Control District
Peace River/Manasota Regional Water
Supply Authority
Property Appraiser
School Board
Sheriff

Supervisor of Elections
Tax Collector
Town of Longboat Key ²
William Monroe Rowlett Academy for the
Arts and Communication
William Monroe Rowlett Middle Academy

MARION COUNTY

Board of County Commissioners
Clerk of Circuit Court
Francis Marion Military Academy
Marion Charter School
Property Appraiser
Rainbow Lakes Municipal Service
School Board
Sheriff
Supervisor of Elections
Tax Collector

MARTIN COUNTY

Board of County Commissioners
City of Stuart
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Village of Indiantown ^{3,4}

MIAMI - DADE COUNTY

Bal Harbour Village ¹
The Children's Trust
City of Coral Gables ³
City of Doral ¹
City of Florida City ^{1,4}
City of Miami Gardens ^{1,3,4}
City of North Bay Village ^{1,4}
City of North Miami ^{1,3,4}
City of North Miami Beach ³
City of Opa-Locka ^{1,4}
City of Sunny Isles Beach
City of West Miami ^{1,4}
Clerk of Circuit Court
Coral Reef Montessori Charter School
Dade County Industrial Development
Authority
Miami Beach Housing Authority
Miami-Dade County
Miami-Dade County Expressway Authority
Property Appraiser
School Board
Supervisor of Elections
Tax Collector
Town of Cutler Bay
Town of Miami Lakes ^{1,3,4}
Village of Biscayne Park ^{1,4}
Village of El Portal ^{1,4}
Village of Pinecrest ¹

MONROE COUNTY

Board of County Commissioners
City of Key Colony Beach ^{1,4}
City of Marathon ³
Clerk of Circuit Court
Florida Keys Aqueduct Authority
Florida Keys Mosquito Control District
Islamorada, Village of Islands
Property Appraiser

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School Board
Sheriff
Supervisor of Elections
Tax Collector

NASSAU COUNTY

Amelia Island Mosquito Control
Board of County Commissioners
City of Fernandina Beach ³
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Town of Callahan ^{3,4}
Town of Hilliard ^{3,4}

OKALOOSA COUNTY

Board of County Commissioners
City of Niceville ^{1,2,4}
Clerk of Circuit Court
Liza Jackson Preparatory School
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

OKEECHOBEE COUNTY

Board of County Commissioners
Clerk of Circuit Court
Coquina Water Control District
Okeechobee Soil and Water Conservation
District
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

ORANGE COUNTY

Board of County Commissioners
Central Florida Expressway Authority
City of Edgewood
Clerk of Circuit Court
Florida Virtual High School
Greater Orlando Aviation Authority ²
Lake Apopka Natural Gas District
Nap Ford Community School
Office of the Comptroller
Orlando Science Elementary School
Orlando Science Middle/High School
Property Appraiser
Reedy Creek Improvement District
School Board
Sheriff
Supervisor of Elections
Tax Collector

OSCEOLA COUNTY

Board of County Commissioners
Clerk of Circuit Court
New Dimensions High School
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

PALM BEACH COUNTY

Board of County Commissioners
City of Atlantis ^{1,4}
City of Boca Raton ³
City of Boynton Beach ³
City of Palm Beach Gardens ^{3,4}
City of Riviera Beach
City of South Bay ³
Clerk of Circuit Court
Florida Inland Navigation District
G-STAR School of the Arts for Motion
Pictures and Television
Gulf Stream Goodwill Academies, Inc.
Indian Trail Improvement District
Inlet Grove Community High School,
Inc.
Lake Worth Drainage District
Loxahatchee Groves Water Control
District
Palm Beach County Solid Waste
Authority
Palm Beach Metropolitan Planning
Organization
Palm Beach Soil and Water
Conservation
Palm Beach Workforce Development
Consortium
Port of Palm Beach
Property Appraiser
School Board
Shawano Drainage District
Sheriff
South Florida Conservancy
South Florida Water Management
District
South Tech Charter Academy, Inc.
Supervisor of Elections
Tax Collector
Town of Haverhill ⁴
Town of Highland Beach ^{1,3,4}
Town of Juno Beach ^{1,4}
Town of Jupiter ^{3,4}
Town of Loxahatchee Groves ⁴
Town of Mangonia Park ⁴
Town of Ocean Ridge ^{1,3,4}
Town of Palm Beach Shores ^{1,2,4}
Town of South Palm Beach ^{1,4}
Village of Palm Springs ^{1,3,4}
Village of Royal Palm Beach ^{3,4}
Village of Wellington ^{3,4}
Western Academy Charter School

PASCO COUNTY

Board of County Commissioners
City of New Port Richey ⁴
City of Port Richey
City of San Antonio ⁴
City of Zephyrhills ^{1,2,4}
Clerk of Circuit Court
Learning Lodge Academy, Inc.
Pasco County Mosquito Control District
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

PINELLAS COUNTY

Board of County Commissioners
City of Madeira Beach ^{2,4}
City of Oldsmar ²
City of Seminole ^{3,4}
City of South Pasadena ⁴
City of Treasure Island ^{1,2}
Clerk of Court
Juvenile Welfare Board
Lealman Special Fire Control District
Palm Harbor Special Fire Control District
Pinellas County Planning Council
Pinellas Housing Authority
Pinellas MYcroSchool of Integrated
Academics and Technologies
Pinellas Park Water Management District
Pinellas Suncoast Fire and Rescue District
Pinellas-Suncoast Transit Authority
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tampa Bay Regional Planning Council
Tampa Bay Water
Tax Collector
Town of Indian Shores ³
Town of Kenneth City ¹
Town of North Redington Beach ⁴
Town of Redington Shores ^{3,4}

POLK COUNTY

Berkley Accelerated Middle School
Berkley Charter School
Board of County Commissioners
Clerk of Circuit Court
Compass Charter Middle School
Dale R. Fair Babson Park Elementary
School
Discovery Academy of Lake Alfred
Edward W. Bok Academy, Inc.
Edward W. Bok Academy North
Hillcrest Elementary School
Janie Howard Wilson Elementary School
Lakeland Area Mass Transit District
Lake Wales Charter School, Inc.
Lake Wales Senior High School
Language and Literacy Academy of
Learning, Inc.
New Beginnings High School, Inc.
Our Children's Academy
Polk Avenue Elementary School
Property Appraiser
Ridgeview Global Studies Academy
School Board
Sheriff
Supervisor of Elections
Tax Collector
The Schools of McKeel Academy
Town of Polk City ⁴
Village of Highland Park ⁴

PUTNAM COUNTY

Board of County Commissioners
Clerk of Circuit Court
Property Appraiser
Putnam Academy of Arts and Sciences
Putnam Edge High School

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Saint Johns River Water Management
District
School Board
Sheriff
Supervisor of Elections
Tax Collector

SAINT JOHNS COUNTY

Anastasia Mosquito Control District
Board of County Commissioners
City of Saint Augustine Beach
Clerk of Circuit Court
Property Appraiser
Saint Augustine-Saint Johns County Airport
Authority
School Board
Sheriff
Supervisor of Elections
Tax Collector

SAINT LUCIE COUNTY

Board of County Commissioners
Children's Service Council of Saint Lucie
City of Port Saint Lucie ³
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

SANTA ROSA COUNTY

Avalon Fire Rescue District
Board of County Commissioners
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Town of Jay ^{3,4}

SARASOTA COUNTY

Board of County Commissioners
City of North Port ^{3,4}
City of Venice
Clerk of Circuit Court
Englewood Area Fire Control District
Englewood Water District
Property Appraiser
Sarasota Bay Estuary Program
Sarasota-Manatee Metropolitan Planning
Organization
Sarasota Military Academy
Sarasota Military Academy Prep
Sarasota Suncoast Academy
School Board
Sheriff
Student Leadership Academy of
Venice, Inc.
Supervisor of Elections
Tax Collector
West Coast Inland Navigation District

SEMINOLE COUNTY

Board of County Commissioners
City of Sanford
Clerk of Circuit Court
Property Appraiser

School Board
Seminole Science Charter School
Sheriff
Supervisor of Elections
Tax Collector

SUMTER COUNTY

Board of County Commissioners
City of Center Hill ^{1,4}
City of Coleman ^{1,3,4}
City of Webster ^{1,3,4}
City of Wildwood
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector

SUWANNEE COUNTY

Board of County Commissioners
City of Live Oak
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Suwannee River Water Management
District
Suwannee Valley Transit Authority
Tax Collector

TAYLOR COUNTY

Big Bend Water Authority
Board of County Commissioners
City of Perry ^{3,4}
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Taylor Coastal Water and Sewer District
Taylor County Development Authority

UNION COUNTY

Board of County Commissioners
City of Lake Butler ^{3,4}
Clerk of Circuit Court
New River Library Cooperative
PAL Public Library Cooperative
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Union County Housing Authority

VOLUSIA COUNTY

Board of County Commissioners
City of Daytona Beach ^{3,4}
City of Daytona Beach Shores ^{1,2,4}
City of Deltona ⁴
City of Holly Hill ⁴
City of Lake Helen
City of New Smyrna Beach ³
City of Oak Hill ^{1,4}
City of Orange City
City of South Daytona ^{1,2,4}

Clerk of Circuit Court
Property Appraiser
River to Sea Transportation Planning
Organization
School Board
Sheriff
Southeast Volusia Hospital District
Supervisor of Elections
Tax Collector
Town of Pierson ⁴
Town of Ponce Inlet ^{1,2,4}
Volusia County Law Library

WAKULLA COUNTY

Board of County Commissioners
City of Sopchoppy ⁴
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Wilderness Coast Libraries

WALTON COUNTY

Board of County Commissioners
City of DeFuniak Springs
City of Freeport ^{2,3,4}
Clerk of Circuit Court
Property Appraiser
School Board
Seaside Neighborhood Charter School
Sheriff
South Walton Mosquito Control District
Supervisor of Elections
Tax Collector
Walton Academy

WASHINGTON COUNTY

Board of County Commissioners
City of Chipley
City of Vernon ^{3,4}
Clerk of Circuit Court
Property Appraiser
School Board
Sheriff
Supervisor of Elections
Tax Collector
Town of Wausau ^{3,4}

SUMMARY

State Agencies	45
State Universities	12
State Colleges	28
County Agencies	396
School Boards	67
Cities	179
Independent Hospitals	2
Special Districts	151
Charter Schools	93
Housing Authorities	12
Total	985

¹ This agency participates in the FRS for its police employees.

² This agency participates in the FRS for its fire employees.

³ This agency participates in the FRS for its elected officials.

⁴ This agency participates in the FRS for its general employees.

Non-Participating Employers

The following list of 44 employers report existing FRS members only; new employees are not eligible to participate in the FRS.

Bay County – City of Panama City
Brevard County – Canaveral Port Authority
Broward County – City of Lauderdale Lakes
Broward County – Fort Lauderdale Downtown Development Authority
Broward County – *Memorial Healthcare District*
Broward County – *North Broward Hospital District*
Citrus County – Citrus County Hospital Board
Clay County – *Clay County Utility Authority*
Collier County – City of Marco Island
DeSoto County – Joshua Water Control District
Flagler County – *City of Palm Coast*
Hendry County – Hendry County Hospital Authority
Hillsborough County – City of Temple Terrace
Jackson County – Jackson Hospital
Lake County – City of Eustis
Leon County – City of Tallahassee
Manatee County – *West Manatee Fire and Rescue District*
Marion County – City of Dunnellon
Miami-Dade County – Public Health Trust Jackson Memorial
Okaloosa County – City of Valparaiso
Okaloosa County – Okaloosa County Gas District
Okaloosa County – Town of Shalimar
Orange County – City of Maitland
Orange County – Orange-Seminole-Osceola Transit Authority
Palm Beach County – Acme Improvement District
Palm Beach County – City of Greenacres
Palm Beach County – City of Pahokee
Palm Beach County – Palm Beach County Health Care District
Palm Beach County – South Indian River Water Control District
Palm Beach County – Village of Tequesta
Pasco County – City of Dade City
Pinellas County – City of Belleair Beach
Pinellas County – City of Dunedin
Pinellas County – City of Indian Rocks Beach
Pinellas County – City of Safety Harbor
Pinellas County – Town of Redington Beach
Saint Lucie County – North Saint Lucie River Water Management District
Santa Rosa County – City of Gulf Breeze
Seminole County – City of Altamonte Springs
Seminole County – City of Casselberry
Seminole County – City of Longwood
Seminole County – South Seminole-North Orange Wastewater Authority
Sumter County – City of Bushnell
Volusia County – New Smyrna Beach Utilities Commission

Note: Italicized agencies report FRS employees due to a merger, transfer, or consolidation of governmental services.

POLICE AND FIREFIGHTERS' PREMIUM TAX TRUST FUND

The Division of Retirement's Municipal Police Officers' and Firefighters' Retirement Trust Funds' Office is responsible for the administrative oversight and monitoring of local police and fire pension funds in the State of Florida that participate under Chapters 175 and 185, Florida Statutes for firefighters' and police officers' plans, respectively.

For participating plans, the statutes require defined benefit plans for police officers and firefighters and establish the minimum benefits and standards that must be provided. There are two types of plans that operate under these statutes:

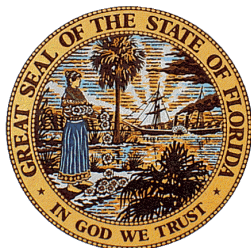
- **Chapter Plans** – plans that incorporate by reference the provisions of the chapter to meet the minimum benefits and standards of the Florida Statutes.
- **Local Law Plans** – plans that are created by a special act, local ordinance, or fire district resolution to set forth all the plan provisions. Local Law plans must meet all chapter minimums but may adopt benefits in excess of the chapter provisions.

For both types of plans, the respective boards of trustees, created at the local level, are responsible for the day-to-day operational control of the individual trust funds and are subject to regulatory oversight by the Division of Retirement.

Participating cities and special fire control districts are eligible to receive annual distributions of state insurance premium tax collections on property and casualty insurance policies written within the city limits or special fire district boundaries of the participating plan. The amount of premium taxes collected under Chapter 175 is equal to 1.85 percent of all property insurance written within the city limits or special fire district boundaries of the participating plan. Chapter 185 collects a 0.85 percent tax on all casualty insurance premiums written within the city limits of the participating plan. The Department of Revenue collects these amounts from the state's property and casualty insurers as reported on the DR-908 tax form and transfers them to the Police and Firefighters' Premium Tax Trust Fund. These funds are then available for distribution to the participating pension plans on an annual basis, once the plan has demonstrated compliance with all applicable statutory requirements.

Additional sources of funding for these plans are provided by employee contributions, employer contributions, investment returns and other revenue sources. The city or special fire district sponsoring the pension plan is required to meet any contribution funding deficiency shown by the plan's actuarial valuation.

The Division of Retirement also monitors all local government sponsored pension plans for compliance with Part VII of Chapter 112, Florida Statutes. This Part ensures that all locally sponsored defined benefit pension plans are being funded on an actuarially sound basis and receive timely actuarial services which meet specified standards in their preparation. This review function covers general employee and other employee group plans, in addition to the police and fire plans monitored under Chapters 175 and 185, Florida Statutes. The Division also provides a local government annual report to the Legislature which details the division's activities, findings and recommendations concerning all local government sponsored retirement systems.



Sherrill F. Norman, CPA
Auditor General

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the fiduciary funds, governmental fund, and governmental activities of the Florida Retirement System Pension Plan and Other State-Administered Systems (System) administered by the Florida Department of Management Services (Department), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 22, 2021, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the assets and investment income of the Florida Retirement System Defined Benefit Plan. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies,

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, administrative rules, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 22, 2021
Audit Report No. 2022-076

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