

FLORIDA MUNICIPAL INVESTMENT TRUST

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Florida Municipal Investment Trust  
Financial Statements  
September 30, 2018

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February 5, 2019

Independent Auditor's Report

To the Board of Trustees of the  
Florida Municipal Investment Trust:

We have audited the accompanying financial statements of the Florida Municipal Investment Trust, which comprise the combined statement of fiduciary net position as of September 30, 2018, and the related combined statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

We also have audited the financial statements of each of the ten individual portfolios which comprise the Trust presented as supplementary information in the accompanying combining financial statements as of and for the year ended September 30, 2018, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Florida Municipal Investment Trust as of September 30, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the combining financial statements referred to previously present fairly, in all material respects, the respective financial position of each of the ten individual portfolios which comprise the Trust as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Shorsten & Shorsten, P.A.*

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018

The following Management Discussion and Analysis (the "MD&A") presents an overview of the Florida Municipal Investment Trust's financial activities for the fiscal year ended September 30, 2018. This is to be read in conjunction with the Trust's financial statements following the MD&A.

**Financial Highlights**

- The Trust provides local government members a variety of investment options consisting of 10 separate funds and portfolios to diversify surplus, investment or pension funds while utilizing economies of scale. The Trust's net position at the close of fiscal year 2018 was \$1.753 billion, compared to \$1.597 billion in 2017, an increase of \$156 million or 9.74%. For 2018, the increase in net position was a result of a net increase in share transactions and investment income.
- On October 1, 2017, the Trust combined the three large cap equity portfolios into one portfolio. The Russell 1000 Enhanced Index Portfolio, the High Quality Growth Portfolio and the Large Cap Diversified Value Portfolio were combined into one new portfolio, the Diversified Large Cap Equity Portfolio. The investment managers remain the same.
- On October 1, 2017, the Trust created the Core Real Estate Portfolio. The Core Real Estate Portfolio is an open-ended commingled real estate investment fund diversified by property type and location that is designed to provide a stable, income driven rate of return over the long term with potential for growth of income and appreciation of value. The portfolio was initially funded in March 2018 with transfers from certain members' accounts in the Intermediate and Broad Market High Quality Bond Funds and the Diversified Large Cap Equity Portfolio.
- The components of additions represent investment income, investment expenses and share transactions. Total additions for fiscal year 2018 were \$158.1 million, compared to \$(12.6) million in 2017. This is an increase of \$170.7 million over prior year.
- Net investment income was \$74.3 million for fiscal year 2018 compared to \$105.8 million in 2017, a decrease of \$31.5 million. The decrease in investment income is attributed to the performance of the financial markets.
- Net share transactions are the net effect of contributions to the Trust versus redemptions from the Trust. Net share transactions were \$83.8 million for fiscal year 2018 compared to \$(118.4) million for 2017.
- Total deductions were \$2.52 million for fiscal year 2018, compared to \$2.31 million for 2017. Deductions consist of fees associated with the operation of the Trust. The increase in total deductions is 9.0%. The majority of the increase was due to administrative fees.
- For fiscal year 2018, the net-of-fee returns of the various portfolios ranged from as low as (2.04)% for the Core Plus Fixed Income Fund to as high as 24.15% for the Diversified Small to Mid Cap Equity Portfolio.

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018

**Overview of the Basic Financial Statements**

This overview is intended to serve as an introduction to the Trust's basic financial statements. The Trust's financial statements comprise: 1) entity-wide or combined financial statements; 2) notes to the financial statements; and 3) supplementary combining financial statements. The Trust operates six fixed-income portfolios, three equity portfolios, and one real estate portfolio, for a total of ten investment funds or portfolios.

**Combined Financial Statements**

The Trust operates as a fiduciary trust fund under governmental accounting standards that require the Trust to prepare a series of financial statements. The combined statement of fiduciary net position provides information about the assets, liabilities and net position at a specific point in time, in this case September 30, 2018. The combined statement of changes in fiduciary net position provides information about revenues, expenses, and sales and redemptions of shares recorded during the entire fiscal year from October 1, 2017 through September 30, 2018.

The accrual basis of accounting was used to prepare the Trust's financial statements. Revenues are recorded when earned and expenses when incurred, regardless of whether or not cash has been received or paid. Investments are recorded at fair value, as provided by an independent pricing service. The fair value of the positions in the Trust's portfolios is the same as the value of the portfolio shares. Information on the specific types of investments owned by each portfolio as well as total shares sold and redeemed by each portfolio is detailed in the notes to the financial statements.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to an understanding of the data provided in the Trust's financial statements. The notes to the financial statements can be found following the Trust's basic financial statements.

**Supplementary Combining Financial Statements**

Combining financial statements for each individual portfolio are included in the supplementary section of this report and are prepared using the same measurement focus and basis of accounting as the combined financial statements. The amounts reported in the combined statement of fiduciary net position and the combined statement of changes in fiduciary net position are the sums of the amounts reported in the combining financial statements.

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018

**Financial Analysis of the Trust as a Whole  
Comparative Financial Information**

	Fiduciary Net Position			%
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>Change</u>	
<b>ASSETS</b>				
Investments in Securities at Fair Value	\$ 1,737,850,574	\$ 1,546,712,959	\$ 191,137,615	12.36%
Cash and Cash Equivalents	12,265,354	29,460,423	(17,195,069)	-58.37%
Receivables:				
Interest and Dividends	2,599,470	2,870,422	(270,952)	-9.44%
Securities Sold	<u>4,412,203</u>	<u>30,938,875</u>	<u>(26,526,672)</u>	-85.74%
<b>TOTAL ASSETS</b>	<b>1,757,127,601</b>	<b>1,609,982,679</b>	<b>147,144,922</b>	<b>9.14%</b>
<b>LIABILITIES</b>				
Payables:				
Securities Purchased	2,700,967	11,296,635	(8,595,668)	-76.09%
Accrued Expenses:				
Investment Management Fee Payable	790,916	752,970	37,946	5.04%
Administrative Fee Payable	568,329	494,291	74,038	14.98%
Audit Fee Payable	135,797	133,200	2,597	1.95%
Consulting Fee Payable	34,441	-	34,441	N/A
Miscellaneous Fees Payable	<u>255</u>	<u>-</u>	<u>255</u>	N/A
<b>TOTAL LIABILITIES</b>	<b>4,230,705</b>	<b>12,677,096</b>	<b>(8,446,391)</b>	<b>-66.63%</b>
<b>NET POSITION RESTRICTED FOR TRUST PARTICIPANTS</b>	<b><u>\$ 1,752,896,896</u></b>	<b><u>\$ 1,597,305,583</u></b>	<b><u>\$ 155,591,313</u></b>	<b>9.74%</b>

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018

**Financial Analysis of the Trust as a Whole  
Comparative Financial Information**

	Changes in Fiduciary Net Position			%
	9/30/2018	9/30/2017	Change	
<b>ADDITIONS:</b>				
<b>INVESTMENT INCOME</b>				
Interest and Dividend Income	\$ 27,208,904	\$ 22,022,363	\$ 5,186,541	23.55%
Fair Value Increases and Decreases	<u>50,800,891</u>	<u>87,111,931</u>	<u>(36,311,040)</u>	-41.68%
Total Investment Income	78,009,795	109,134,294	(31,124,499)	-28.52%
<b>INVESTMENT EXPENSES</b>				
Investment Management Fees	<u>3,716,842</u>	<u>3,360,332</u>	<u>356,510</u>	10.61%
Net Investment Income	74,292,953	105,773,962	(31,481,009)	-29.76%
<b>Beneficial Interest Share Transactions</b>				
Proceeds from Sale of Shares	467,730,760	187,553,430	280,177,330	149.39%
Cost of Shares Redeemed	<u>(383,916,657)</u>	<u>(305,927,044)</u>	<u>(77,989,613)</u>	25.49%
Net Increase (Decrease) from Share Transactions	<u>83,814,103</u>	<u>(118,373,614)</u>	<u>202,187,717</u>	-170.80%
Total Additions	158,107,056	(12,599,652)	170,706,708	-1354.85%
<b>DEDUCTIONS:</b>				
Administrative Fees	2,169,866	1,960,281	209,585	10.69%
Audit Fees	137,576	138,292	(716)	-0.52%
Consulting Fees	124,603	122,031	2,572	2.11%
Rating Agency Fees	36,000	36,000	-	0.00%
General Insurance	30,402	29,007	1,395	4.81%
Trustee Fees and Travel	10,331	13,288	(2,957)	-22.25%
Miscellaneous	<u>6,965</u>	<u>9,053</u>	<u>(2,088)</u>	-23.06%
Total Deductions	<u>2,515,743</u>	<u>2,307,952</u>	<u>207,791</u>	9.00%
Change in Net Position Restricted for Trust Participants	155,591,313	(14,907,604)	170,498,917	-1143.70%
<b>Net Position</b>				
Beginning of Year	<u>1,597,305,583</u>	<u>1,612,213,187</u>	<u>(14,907,604)</u>	-0.92%
End of Year	<u>\$ 1,752,896,896</u>	<u>\$ 1,597,305,583</u>	<u>\$ 155,591,313</u>	9.74%



Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018

**Capital Asset and Long-Term Debt Activity**

The Trust has no capital assets or long-term debt.

**Economic Factors**

The Trust's operations are dependent on the financial markets, overall economic conditions and the members' ability to budget surplus funds and pension obligations. Our performance consultant, Asset Consulting Group, reported the following Economic and Market Update for the fiscal year ending September 30, 2018.

**Economic and Market Update**

Global growth continued to decelerate through the fiscal year ending September 30, 2018, with the divergence between the buoyant U.S. economy and the rest of the world becoming more apparent. Trade relations with China remained a key source of anxiety for global markets, even as things eased after a tentative agreement with Canada and Mexico in a new, revised NAFTA.

The Federal Open Market Committee (FOMC) met at the end of September 2018, voting unanimously to increase short-term interest rates to a targeted range of 2.00% to 2.25%. The official statement dropped the word "accommodative" in describing monetary policy, with Chairman Powell noting that it's no longer necessary to signal a cautious approach. Projections for future increases were essentially unchanged, and still suggested four more rate hikes by the end of 2019.

The Fed's preferred measure of inflation, Core PCE, came in at 2.0% and consumer confidence remains elevated. The third estimate of 2Q-18 GDP remained at an annualized rate of 4.2%. Business investment and imports were revised downward, but this was offset by an increase in state and government spending, fixed investments and exports. The consensus forecast for 3Q-18 moved higher to around 3.2%, with the Atlanta Fed's GDP Now model projecting 4.1%.

The unemployment rate was down 0.2% in September to 3.7% despite employers adding only 134,000 new jobs. The labor force participation rate remained anchored at 62.7%. Average hourly wages continued to rise, with a year-over-year increase of 2.8%, but real wage gains remain subdued after accounting for inflation expectations.

Country-specific shocks and tightening global financial conditions have pressured emerging market economies beyond what internal fundamentals might suggest. Despite some settling toward the end of the fiscal year, this has caused the implied volatility for the JP Morgan EM Currency Index to recently spike above levels witnessed during the "Taper Tantrum" of 2013. As the linchpin for transmitting growth more broadly, it's notable how China is attempting to offset trade tensions with policy.

Global equities were a mixed bag for the fiscal year ending September 30, 2018, with U.S. Stocks across all market caps leading the way. The S&P 500, which represents large U.S.-based companies, finished the fiscal year up 17.31%, while the Russell 2000 Index, which represents small cap U.S.-based companies, finished the fiscal year up 15.24%.

Non-U.S. stocks, while positive, posted much more muted returns than U.S. stocks for the year. The MSCI EAFE index, which represents non-U.S. developed market stocks, was up 3.25% for the fiscal year, and the MSCI Emerging Market Index was slightly negative for the year at -4%. The ongoing weakness in the MSCI Emerging Markets index continues as investors have struggled with escalating trade frictions and local currency weakness versus the U.S. dollar.

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018

**Economic Factors (Continued)**

Real estate, as measured by the NFI-ODCE Index, returned 7.71% for the fiscal year ending September 30, 2018.

U.S. Treasury (UST) yields moved meaningfully higher during the fiscal year ending September 30, 2018, creating a challenging environment for high-quality fixed income. Given signs of strength in the domestic economy, the rates market essentially passed through tighter financial conditions while discounting the ongoing uncertainty associated with global trade. The yield curve flattened dramatically over the course of the fiscal year with short rates rising dramatically. The 2-year U.S. Treasury bill finished September at 2.82%, which represented a 1.53% increase in yield from the prior fiscal year end. Over the same period the yield on the 10-year U.S. Treasury Bond went from 2.33% to 3.06%.

Market-implied probabilities indicate a 70% chance that the Federal Open Market Committee (FOMC) will hike rates by another 25 bps at its December meeting.

Total returns for the Bloomberg US Aggregate Bond Index were down -1.2% for the fiscal year ending September 30, 2018.

Shorter duration bond indexes fared slightly better as sensitivity to rising rates is more muted and they can benefit from reinvestment of coupon payments at higher yields throughout the year to offset some mark to market declines.

Consistent with the positive response in U.S. equities, High Yield bonds were able to produce a positive return of 3.05% for the year as measured by the Bloomberg US Corporate High Yield benchmark.

**State of Florida**

The U.S. and global economies have an impact on the investments of the Trust, whereas the Florida economy has an impact on the members of the Trust. All members of the Trust operate in Florida, and the economic well-being of the state will impact investment decisions. The Florida Legislature Office of Economic and Demographic Research, in August of 2018, issued a report entitled "Florida: An Economic Overview." The report showed Florida's Gross Domestic Product dropped to 17th in the nation with a real growth gain of 2.2% for the 2017 calendar year. This rate, while slightly lower than the 2016 rate of 2.6%, was still above the national average of 2.1%. Revised data for State Personal Income showed a 7.4% growth rate in 2015 compared to the national average of 5.0%. In 2016 the growth rate slowed to 3.0% which was still above the national average of 2.3%. Preliminary 2017 figures reflect an increase of 3.8% compared to 3.1% for the national average. However, Florida's 2017 per capita personal income growth of 2.2% was less than the national average of 2.4% for the second consecutive year.

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2018

**Economic Factors (Continued)**

Population growth is the state's primary engine of economic growth, fueling both employment and income growth. Florida's population growth is expected to remain above 1.4% over the next four years. But it is also expected that the future will be different than the past. Florida's long-term growth rate between 1970 and 1995 was over 3%. Projections show that total population will grow to more than 24.2 million by 2030 and more than 26.3 million by 2040. Home ownership rates for 2017 dropped to 64.1% which is the lowest rate recorded since 1989 (64.4%). Existing home sales volume in the 2014, 2015, 2016 and 2017 calendar years exceeded the 2005 peak year. 2018 home sales appear to be following that same pattern. Overall, the report closed by saying that the state's growth rates are generally returning to more typical levels and continue to show progress. However, the drags, particularly construction, continue to be more persistent than past events. The report notes that the strength in tourism is largely compensating for this. The downside risk is that the forecast relies heavily on tourism growth which is very sensitive to disease outbreaks or natural and manmade disasters.

The economic conditions and financial markets are important elements to consider for the Trust as well as the members throughout the state of Florida. The Trust will continue to monitor the financial landscape in order to offer strategic and competitive investment products that serve our members' short-term and long-term investment objectives.

**Request for Information**

The information contained in this MD&A was designed to provide readers with a general overview of the Trust's existing and foreseeable financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Michael Sittig, Administrator for the Florida Municipal Investment Trust, 301 South Bronough Street, Suite 300, Tallahassee, FL 32301.

Florida Municipal Investment Trust  
 \*COMBINED STATEMENT OF FIDUCIARY NET POSITION  
September 30, 2018

ASSETS

Investment in Securities at Fair Value	\$ 1,737,850,574	
Cash and Cash Equivalents	12,265,354	
Receivables:		
Interest and Dividends	2,599,470	
Securities Sold	<u>4,412,203</u>	
Total Assets		<u>\$ 1,757,127,601</u>

LIABILITIES

Payables:		
Securities Purchased	2,700,967	
Accrued Expenses:		
Investment Management Fee Payable	790,916	
Administrative Fee Payable	568,329	
Audit Fee Payable	135,797	
Consulting Fee Payable	34,441	
Miscellaneous Fees Payable	<u>255</u>	
Total Liabilities		<u>4,230,705</u>
Net Position Restricted for Trust Participants		<u><u>\$ 1,752,896,896</u></u>

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

Florida Municipal Investment Trust  
 \*COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 For the Year Ended September 30, 2018

ADDITIONS:

Investment Income

Interest and Dividend Income	\$ 27,208,904	
Fair Value Increases and Decreases	50,800,891	
Total Investment Income		\$ 78,009,795

Investment Expenses

Investment Management Fees		3,716,842
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Net Investment Income

74,292,953

Beneficial Interest Share Transactions

Proceeds from Sale of Shares	467,730,760	
Cost of Shares Redeemed	(383,916,657)	
Net Increase from Share Transactions		83,814,103

Total Additions		158,107,056
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DEDUCTIONS:

Administrative Fees	2,169,866	
Audit Fees	137,576	
Consulting Fees	124,603	
Rating Agency Fees	36,000	
General Insurance	30,402	
Trustee Fees and Travel	10,331	
Miscellaneous	6,965	
Total Deductions		2,515,743

Change in Net Position Restricted for Trust Participants		155,591,313
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Net Position Beginning of Year		1,597,305,583
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Net Position End of Year		\$ 1,752,896,896
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\*The accompanying notes are an integral part of these financial statements.

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 1 - Organization and Significant Accounting Policies

- A. Organization and Purpose - The Trust was created on April 28, 1993, under the laws of the State of Florida, to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Trust began operations on October 1, 1993.

The Trust is comprised of the following bond funds, equity portfolios, and a real estate portfolio (collectively referred to as funds or portfolios):

- 0-2 Year High Quality Bond Fund
- 1-3 Year High Quality Bond Fund
- Intermediate High Quality Bond Fund
- Broad Market High Quality Bond Fund
- Expanded High Yield Bond Fund
- Core Plus Fixed Income Fund
- Diversified Small to Mid Cap Equity Portfolio
- Diversified Large Cap Equity Portfolio
- International Equity Portfolio
- Core Real Estate Portfolio

The Trust's attorneys have advised that the Trust is exempt from registration under the Securities Act of 1933, the Investment Company Act of 1940, and the Florida Securities and Investor Protection Act.

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

- B. Reporting Entity and Basis of Accounting - The Trust is an independent reporting entity accounted for as a fiduciary trust fund in accordance with generally accepted accounting principles for governments as established by the Governmental Accounting Standards Board (GASB). The Trust uses the flow of economic resources measurement focus and accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. These financial statements have been prepared utilizing accounting principles for governmental external investment pools.

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

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 1 - Organization and Significant Accounting Policies (Continued)

- C. Security Valuation - Securities are reported at fair value, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Securities' market values of each portfolio were obtained from an independent pricing service, when available. Pricing services typically consider such factors as security prices, yields, maturities, call features, prepayment rates, ratings and other information as it relates in determining a specific security's market price.

Securities for which information is unavailable from pricing services are reported at their fair value as estimated in good faith by the administrator based on information provided by the investment managers responsible for such investments. Fair values for investments in pooled investment vehicles are based on that vehicle's net asset value or equivalent as determined by the investment manager.

- D. Cash equivalents include short-term investments with original maturities of three months or less.
- E. Federal Income Taxes - The Trust is exempt from federal income taxes.
- F. Other - The Trust follows industry practice and records security transactions on a trade date basis. Dividend and interest income is recognized on the accrual basis. Fair value increases and decreases include both realized gains and losses and the change in unrealized gains and losses during the period.

Note 2 - Investments and Cash and Cash Equivalents

The Board of Trustees adopted an investment policy which identifies various authorized investment instruments, issuer diversification, maturity constraints, investment ratings and liquidity parameters. Authorized investments include obligations of the United States of America and its agencies, corporate debt obligations, asset-backed securities, money market instruments or funds, common stocks, convertible preferred stocks or bonds, repurchase agreements, commercial paper, banker's acceptances, municipal obligations, commingled investment funds, guaranteed investment contracts, certain nonnegotiable certificates of deposit, mortgage obligations and real property located within the state of Florida. Each portfolio's informational statement includes investment guidelines which describe the investments authorized within the portfolio.

*Interest Rate Risk.* Through its investment policy and guidelines, the Trust manages its exposure to fair value losses arising from increasing interest rates by limiting the modified duration of certain bond funds as follows:

<u>Fund</u>	<u>Expected Target Duration</u>
0-2 Year High Quality Bond Fund	0.5 to 1.25 years
1-3 Year High Quality Bond Fund	1.0 to 2.25 years
Intermediate High Quality Bond Fund	3.0 to 4.5 years
Broad Market High Quality Bond Fund	4.0 to 5.5 years

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

The Expanded High Yield Bond Fund should provide broad exposure to the domestic and European high-yield markets through investment in fixed-income securities. There is currently no set target duration for this fund.

The Core Plus Fixed Income Fund invests in a broad spectrum of fixed and floating rate debt securities that are diversified by credit quality, geography and duration. There is currently no set target duration for this fund.

*Credit Risk.* Except for the Expanded High Yield Bond Fund and the Core Plus Fixed Income Fund, which are not rated, the investment guidelines of the remaining bond funds state that each fund will seek to maintain a bond fund credit rating from a nationally recognized statistical rating organization (NRSRO) as follows:

<u>Fund</u>	<u>Target Rating</u>	<u>NRSRO Rating</u>
0-2 Year High Quality Bond Fund	AAA	AAAf/S1
1-3 Year High Quality Bond Fund	AAA	AAAf/S2
Intermediate High Quality Bond Fund	AAA	AAAf/S3
Broad Market High Quality Bond Fund	AA	Aaf/S4

Funds having an AAA bond fund credit rating are composed of a preponderance of assets that carry the highest credit ratings from an NRSRO. Funds having an AA bond fund credit rating are composed of a large percentage of assets that carry the highest credit rating from an NRSRO. The 0-2 Year High Quality Bond Fund and the 1-3 Year High Quality Bond Fund may invest in direct obligations issued or guaranteed by the U.S. Government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMOs, and commingled investment funds. The Intermediate High Quality Bond Fund and the Broad Market High Quality Bond Fund may also invest in corporate bonds issued by any corporation in the United States with at least an A rating from any NRSRO and non-agency collateralized mortgage obligations having a rating of AAA from any NRSRO. The Expanded High Yield Bond Fund may invest in commingled funds that provide exposure to the high yield fixed-income markets in the United States, Canada and Europe. The Core Plus Fixed Income Fund also may invest in commingled funds which seek a broadly diversified portfolio of fixed-income securities that maximize return through a combination of interest income, capital appreciation and currency gains.



Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

As required by the GASB, the following tables present information based on the lowest credit ratings on individual securities provided by an NRSRO. The fund target ratings discussed above are calculated by the NRSRO providing the rating and do not require utilizing the lowest credit rating on individual securities.

0-2 Year High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Total</u>	<u>Rating</u>
\$ 1,457,434	\$ -	\$ -	\$ 72,317,483	\$ 73,774,917	AAA
-	77,202,702	29,982,777	-	107,185,479	AA
<u>\$ 1,457,434</u>	<u>\$ 77,202,702</u>	<u>\$ 29,982,777</u>	<u>\$ 72,317,483</u>	<u>\$ 180,960,396</u>	

1-3 Year High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Total</u>	<u>Rating</u>
\$ 3,881,401	\$ -	\$ -	\$ 151,799,391	\$ 155,680,792	AAA
-	156,789,528	85,790,651	-	242,580,179	AA
<u>\$ 3,881,401</u>	<u>\$ 156,789,528</u>	<u>\$ 85,790,651</u>	<u>\$ 151,799,391</u>	<u>\$ 398,260,971</u>	

Intermediate High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Corporates</u>	<u>Total</u>	<u>Rating</u>
\$ 2,443,362	\$ -	\$ -	\$ 58,677,898	\$ -	\$ 61,121,260	AAA
-	65,390,267	67,055,590	-	5,028,139	137,473,996	AA
-	-	-	-	3,784,519	3,784,519	A
<u>\$ 2,443,362</u>	<u>\$ 65,390,267</u>	<u>\$ 67,055,590</u>	<u>\$ 58,677,898</u>	<u>\$ 8,812,658</u>	<u>\$ 202,379,775</u>	

Broad Market High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Corporates</u>	<u>Total</u>	<u>Rating</u>
\$ 789,034	\$ -	\$ -	\$ 37,428,681	\$ -	\$ 38,217,715	AAA
-	56,580,899	34,952,380	-	3,053,142	94,586,421	AA
-	-	-	-	1,591,940	1,591,940	A
<u>\$ 789,034</u>	<u>\$ 56,580,899</u>	<u>\$ 34,952,380</u>	<u>\$ 37,428,681</u>	<u>\$ 4,645,082</u>	<u>\$ 134,396,076</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

Expanded High Yield Bond Fund - At September 30, 2018, the fund's only investment, the OCM Expanded High Yield Fund, was not rated.

Core Plus Fixed Income Fund - At September 30, 2018, the fund's only investments, Franklin Templeton Global Multisector Plus Fund, L.P. and Institutional Multi-Sector Fixed Income Portfolio, LLC, were not rated.

*Concentration of Credit Risk.* The investment guidelines of each bond fund limit the amount that may be invested in corporate securities of an individual issuer to three percent at the time of purchase and five percent based on market value. The guidelines also limit the amount that may be invested in an individual series of asset-backed securities or non-agency collateralized mortgage obligations to five percent of each portfolio. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or of any United States agency.

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

The following provides information about the concentration of credit risk in the individual fixed-income portfolios at September 30, 2018 by disclosing investments that represent more than five percent of total investments in any one issuer or in any one security.

	<u>Fair Value of Security</u>	<u>Percentage of Portfolio Investments</u>
<u>0-2 Year High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal Home Loan Mortgage Corporation	N/A	12.80%
CarMax Auto Owner Trust	N/A	7.04%
CNH Industrial	N/A	5.58%
<u>1-3 Year High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal Home Loan Mortgage Corporation	N/A	11.97%
CarMax Auto Owner Trust	N/A	8.71%
Federal National Mortgage Association	N/A	6.88%
CNH Industrial	N/A	5.45%
<u>Intermediate High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal Home Loan Mortgage Corporation	N/A	24.35%
Santander Drive Auto Receivable	N/A	6.99%
Federal National Mortgage Association	N/A	6.79%
<u>Broad Market High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal Home Loan Mortgage Corporation	N/A	16.23%
Federal National Mortgage Association	N/A	7.48%

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

The following are the details of investments and cash and cash equivalents by bond fund or equity portfolio:

0-2 YEAR HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
79,000,000	United States Treasury Bills, due 2019	\$ 77,202,702	0.91
22,928,129	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 1.00% to 6.00%; due 2018 to 2038	22,883,184	0.70
7,088,556	Variable-Rate United States Agencies - CMOs and Pass-throughs, 2.366% to 2.646%; due 2020 to 2040	7,099,593	0.10
226,200	Variable-Rate Asset-Backed Securities, 2.385% to 2.698%; due 2019 to 2021	226,652	0.10
72,347,444	Fixed-Rate Asset-Backed Securities, 1.33% to 2.96%; due 2019 to 2022	72,090,831	0.55
<u>181,590,329</u>	Total Investments	<u>\$ 179,502,962</u>	0.70

Cash and Cash Equivalents

1,457,434	Money Market Mutual Fund	\$ 1,457,434	0.10
<u>1,457,434</u>	Total Cash and Cash Equivalents	<u>\$ 1,457,434</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

1-3 YEAR HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
161,500,000	United States Treasury Notes, 1.00% to 2.75%; due 2019 to 2021	\$ 156,789,528	2.08
19,650,000	United States Agencies, 1.00% to 1.125%; due 2019	19,495,588	0.56
63,757,979	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 1.00% to 6.00%; due 2018 to 2040	63,292,990	1.50
3,002,254	Variable-Rate United States Agencies - CMOs, 2.438% to 2.566%; due 2025 to 2036	3,002,073	0.10
152,837,987	Fixed-Rate Asset-Backed Securities, 1.18% to 3.19%; due 2019 to 2023	151,799,391	0.95
<u>400,748,220</u>	Total Investments	<u>\$ 394,379,570</u>	1.46

Cash and Cash Equivalents

3,881,401	Money Market Mutual Fund	\$ 3,881,401	0.10
<u>3,881,401</u>	Total Cash and Cash Equivalents	<u>\$ 3,881,401</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

INTERMEDIATE HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
68,565,000	United States Treasury Notes, 1.25% to 2.875%; due 2021 to 2028	\$ 65,390,267	5.76
4,600,000	United States Agencies, 1.07% to 3.00%; due 2018 to 2027	4,506,922	6.66
61,282,651	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 2.00% to 10.00%; due 2018 to 2048	60,600,234	4.72
1,944,991	Variable-Rate United States Agencies - CMOs and Pass-throughs, 2.325% to 2.615%; due 2035 to 2039	1,948,434	0.10
58,930,321	Fixed-Rate Asset-Backed Securities, 1.34% to 3.15%; due 2019 to 2025	58,677,898	0.62
8,950,000	Corporate Bonds and Notes, 2.75% to 3.40%; due 2023 to 2024	8,812,658	4.42
<u>204,272,963</u>	Total Investments	<u>\$ 199,936,413</u>	3.84

Cash and Cash Equivalents

2,443,362	Money Market Mutual Fund	\$ 2,443,362	0.10
<u>2,443,362</u>	Total Cash and Cash Equivalents	<u>\$ 2,443,362</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

BROAD MARKET HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
58,670,000	United States Treasury Notes and Bonds, 1.25% to 6.25%; due 2021 to 2045	\$ 56,580,899	8.41
1,695,000	United States Agencies, 3.00%; due 2027	1,658,168	7.38
27,938,955	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 2.50% to 5.50%; due 2019 to 2048	27,831,091	5.04
5,440,270	Variable-Rate United States Agencies - CMOs and Pass-throughs, 2.314% to 2.716%; due 2023 to 2040	5,463,121	0.10
37,556,291	Fixed-Rate Asset-Backed Securities, 1.39% to 3.19%; due 2019 to 2025	37,428,681	0.68
4,715,000	Corporate Bonds and Notes, 2.75% to 3.40%; due 2023 to 2024	4,645,082	4.48
<u>136,015,516</u>	Total Investments	<u>\$ 133,607,042</u>	5.05

Cash and Cash Equivalents

789,034	Money Market Mutual Fund	\$ 789,034	0.10
<u>789,034</u>	Total Cash and Cash Equivalents	<u>\$ 789,034</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

EXPANDED HIGH YIELD BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
787,037	Commingled Fund	\$ 51,031,120	3.59
<u>787,037</u>	Total Investments	<u>\$ 51,031,120</u>	

Cash and Cash Equivalents

26,639	Money Market Mutual Fund	\$ 26,639	0.10
<u>26,639</u>	Total Cash and Cash Equivalents	<u>\$ 26,639</u>	

CORE PLUS FIXED INCOME FUND

Investments

N/A	Commingled Funds	\$ 142,151,301	2.13
<u>N/A</u>	Total Investments	<u>\$ 142,151,301</u>	

Cash and Cash Equivalents

23,689	Money Market Mutual Fund	\$ 23,689	0.10
<u>23,689</u>	Total Cash and Cash Equivalents	<u>\$ 23,689</u>	

DIVERSIFIED SMALL TO MID CAP EQUITY PORTFOLIO

Investments

1,599,550	Common Stocks	\$ 137,350,043	
<u>1,599,550</u>	Total Investments	<u>\$ 137,350,043</u>	

Cash and Cash Equivalents

709,630	Money Market Mutual Fund	\$ 709,630	0.10
<u>709,630</u>	Total Cash and Cash Equivalents	<u>\$ 709,630</u>	



Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

DIVERSIFIED LARGE CAP EQUITY PORTFOLIO

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
6,006,311	Commingled Fund	\$ 161,403,345	N/A
2,085,782	Common Stocks	113,732,851	N/A
<u>8,092,093</u>	Total Investments	<u>\$ 275,136,196</u>	

Cash and Cash Equivalents

2,906,492	Money Market Mutual Fund	\$ 2,906,492	0.10
<u>2,906,492</u>	Total Cash and Cash Equivalents	<u>\$ 2,906,492</u>	

INTERNATIONAL EQUITY PORTFOLIO

Investments

2,111,414	Commingled Funds	\$ 122,337,666	N/A
<u>2,111,414</u>	Total Investments	<u>\$ 122,337,666</u>	

Cash and Cash Equivalents

27,673	Money Market Mutual Fund	\$ 27,673	0.10
<u>27,673</u>	Total Cash and Cash Equivalents	<u>\$ 27,673</u>	

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

CORE REAL ESTATE PORTFOLIO

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
5,486	Commingled Fund	\$ 102,418,261	N/A
<u>5,486</u>	Total Investments	<u>\$ 102,418,261</u>	

Florida Municipal Investment Trust Grand Totals

Total Investments	<u>\$ 1,737,850,574</u>
Total Cash and Cash Equivalents	<u>\$ 12,265,354</u>

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

The Trust adopted GASB Statement No. 72, (GASB 72), *Fair Value Measurement and Application*, which defines fair value as the price the Trust would receive upon selling the investment in an orderly transaction to an independent buyer in the principal market for the investment. GASB 72 also establishes a three-tier hierarchy of inputs to valuation techniques used to measure fair value and requires the Trust to categorize its fair value measurements within that hierarchy. The three-tier hierarchy of inputs is summarized in the three broad levels below:

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

The Trust has the following recurring fair value measurements as of September 30, 2018:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Level</u>		
U.S. Treasury Bills and Notes	\$ 355,963,396	1		
U.S. Agencies	217,781,398	2		
Asset-Backed Securities	320,223,453	2		
Corporate Bonds and Notes	13,457,740	2		
Common Stocks	251,082,894	1		
<u>Investments measured at the net asset value (NAV)</u>			<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>
			<u>Redemption Notice Period</u>	
Commingled Bond Funds	193,182,421	-	Semi-Monthly & Monthly	5-15 days
Commingled Equity Funds	283,741,011	-	Daily	1-3 days
Core Real Estate Portfolio	102,418,261	-	Quarterly	90 days
Total Investments	<u>\$ 1,737,850,574</u>			

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 2 - Investments and Cash and Cash Equivalents (Continued)

Debt and equity securities classified in Level 1 are valued by independent pricing services using quoted prices and bid/ask prices for identical securities in active markets for those securities. Debt securities classified in Level 2 are valued based on market-corroborated inputs, such as quoted prices for similar securities, matrix pricing and prices based on yield curves or credit spreads as provided by independent pricing services.

The fair values of the commingled equity and bond funds have been determined using the NAV per share or its equivalent of the investments.

The International Equity Portfolio and a portion of the Diversified Large Cap Equity Portfolio each invest in one or more commingled equity funds. The investment objective of each commingled equity fund is to exceed the return of its benchmark over a complete market cycle (usually 3 to 5 years) while reducing the risk of underperformance. The commingled fund of the Diversified Large Cap Equity Portfolio invests in common stocks of companies included in the Russell 1000 Index. The commingled funds of the International Equity Portfolio invest primarily in foreign stocks that offer attractive return potential. Withdrawals from the commingled equity funds can be made on a daily basis and require one to three days' notice of impending withdrawal.

The Expanded High Yield Bond Fund and the Core Plus Fixed Income Fund are invested in commingled bond funds. The Expanded High Yield Bond Fund is designed to provide an investment alternative to members seeking a higher-yielding longer-term bond fund. The commingled fund's objective is to obtain a high total return as compared to both the relevant high yield bond index and the investment grade market by providing exposure to the domestic and European high-yield markets through investment in below-grade corporate fixed-income securities. Withdrawals from the commingled fund require a ten day notice and can be made on a monthly basis. The Core Plus Fixed Income Fund is designed to provide an investment alternative to members that seek a broadly diversified portfolio of fixed-income securities in order to maximize total investment return through a combination of interest income, capital appreciation and currency gains. The commingled funds of the Core Plus Fixed Income Fund invest in a broad spectrum of fixed and floating rate debt securities that are diversified by credit quality, geography and duration. Withdrawals from the commingled funds can be made on a monthly or semi-monthly basis and require a five to fifteen day notice of impending withdrawal.

The Trust's Core Real Estate Portfolio owns an interest in the Prime Property Fund, L.L.C. The L.L.C. holds real property, interests in partnerships and operating companies, and mortgage loans and notes receivable. Investments in real property are valued based on appraisals prepared by independent real estate appraisers or on estimated valuations determined by the manager of the L.L.C. Interests in partnerships and operating companies are stated at the L.L.C.'s share of the net asset value. The L.L.C. is diversified by property type and location and is designed to provide a stable, income-driven rate of return over the longer term with potential for appreciation of value. Withdrawals from the portfolio can be made on the last business day of each quarter with a minimum notice of ninety days.

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 3 - Shares of Beneficial Interest

The Agreement and Declaration of Trust authorizes the Trustees to issue an unlimited number of shares of beneficial interest, no par value. Sales and redemptions of shares are made only on a valuation date at the net asset value used to report investments. No legally binding guarantees have been provided or obtained to support the value of the shares. The net asset value of the 1-3 Year High Quality Bond Fund and the 0-2 Year High Quality Bond Fund are determined on the 15th day and last business day of each month. The net asset value of the Core Real Estate Portfolio is determined once a quarter, on the last business day of each calendar quarter. The net asset value of the other funds and portfolios is determined on the last business day of each month.

Beneficial interest share transactions for the year ended September 30, 2018 were as follows:

	Shares	Amount
<u>0-2 Year High Quality Bond Fund</u>		
Shares Sold	2,884,417.08	\$ 30,390,323
Shares Redeemed	(3,098,675.90)	(32,728,752)
Net Decrease	(214,258.82)	\$ (2,338,429)
<u>1-3 Year High Quality Bond Fund</u>		
Shares Sold	13,305,354.92	\$ 244,167,691
Shares Redeemed	(6,093,043.84)	(112,104,309)
Net Increase	7,212,311.08	\$ 132,063,382
<u>Intermediate High Quality Bond Fund</u>		
Shares Sold	253,965.37	\$ 5,908,616
Shares Redeemed	(3,691,825.40)	(86,018,196)
Net Decrease	(3,437,860.03)	\$ (80,109,580)
<u>Broad Market High Quality Bond Fund</u>		
Shares Sold	1,091,207.01	\$ 25,075,825
Shares Redeemed	(1,015,387.54)	(23,364,000)
Net Increase	75,819.47	\$ 1,711,825
<u>Expanded High Yield Bond Fund</u>		
Shares Sold	5,456.02	\$ 100,000
Shares Redeemed	(109,698.10)	(2,000,000)
Net Decrease	(104,242.08)	\$ (1,900,000)

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 3 - Shares of Beneficial Interest (Continued)

	Shares	Amount
<u>Core Plus Fixed Income Fund</u>		
Shares Sold	231,999.60	\$ 2,544,085
Shares Redeemed	(2,174,551.18)	(23,739,000)
Net Decrease	(1,942,551.58)	\$ (21,194,915)
<u>Diversified Small to Mid Cap Equity Portfolio</u>		
Shares Sold	84,140.50	\$ 6,578,362
Shares Redeemed	(205,730.58)	(17,717,000)
Net Decrease	(121,590.08)	\$ (11,138,638)
<u>Diversified Large Cap Equity Portfolio</u>		
Shares Sold	1,027,186.51	\$ 10,876,558
Shares Redeemed	(7,334,316.16)	(76,682,100)
Net Decrease	(6,307,129.65)	\$ (65,805,542)
<u>International Equity Portfolio</u>		
Shares Sold	3,062,637.08	\$ 42,089,300
Shares Redeemed	(667,608.60)	(9,563,300)
Net Increase	2,395,028.48	\$ 32,526,000
<u>Core Real Estate Portfolio</u>		
Shares Sold	9,999,997.78	\$ 100,000,000
Shares Redeemed	-	-
Net Increase	9,999,997.78	\$ 100,000,000
<u>Florida Municipal Investment Trust Grand Totals</u>		
Shares Sold	31,946,361.87	\$ 467,730,760
Shares Redeemed	(24,390,837.30)	(383,916,657)
Net Increase	7,555,524.57	\$ 83,814,103

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2018

Note 3 - Shares of Beneficial Interest (Continued)

Effective October 1, 2017, the Russell 1000 Enhanced Index Portfolio, the High Quality Growth Portfolio and the Large Cap Diversified Value Portfolio were combined to create the new Diversified Large Cap Equity Portfolio. Each member's shares in the old portfolios were exchanged for shares in the new portfolio. Beginning net position for the Diversified Large Cap Equity Portfolio comprised the following transferred amounts:

	<u>Amount</u>
Russell 1000 Enhanced Index Portfolio	\$ 178,681,573
High Quality Growth Portfolio	62,409,004
Large Cap Diversified Value Portfolio	<u>60,701,582</u>
Total Beginning Net Position	<u><u>\$ 301,792,159</u></u>

Note 4 - Related Parties

The League serves as Administrator, Investment Manager, and Secretary-Treasurer of the Trust. The League also serves as Administrator of certain of the Trust's members. Certain trustees are appointed by related parties as described in Note 1A.

Note 5 - Investment Manager and Administrator

The Trust entered into an investment management agreement with the League to direct the investments of certain portfolios for fees of ten to one hundred twenty-four basis points of the portfolios' net asset values. The Trust has also entered into an administrative services agreement with the League for fees of ten and one-half to fourteen and one-half basis points of the portfolios' net asset values.

Note 6 - Custodian

Wells Fargo Bank serves as Custodian for the Trust.

Supplementary Information



**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
September 30, 2018

	0-2 Year High Quality Bond Fund	1-3 Year High Quality Bond Fund	Intermediate High Quality Bond Fund	Broad Market High Quality Bond Fund	Expanded High Yield Bond Fund	Core Plus Fixed Income Fund
<u>ASSETS</u>						
Investment in Securities at Fair Value	\$ 179,502,962	\$ 394,379,570	\$ 199,936,413	\$ 133,607,042	\$ 51,031,120	\$ 142,151,301
Cash and Cash Equivalents	1,457,434	3,881,401	2,443,362	789,034	26,639	23,689
Receivables:						
Interest and Dividends	120,856	1,040,654	648,603	573,372	39	36
Securities Sold	2,934,399	-	-	-	-	-
<b>Total Assets</b>	<b>184,015,651</b>	<b>399,301,625</b>	<b>203,028,378</b>	<b>134,969,448</b>	<b>51,057,798</b>	<b>142,175,026</b>
<u>LIABILITIES</u>						
Payables:						
Securities Purchased	-	-	-	-	-	-
Accrued Expenses:						
Investment Management						
Fee Payable	48,601	101,836	53,462	45,018	6,333	35,271
Administrative Fee Payable	51,031	106,928	56,136	43,517	18,367	56,825
Audit Fee Payable	14,335	14,334	14,334	14,334	14,334	14,334
Consulting Fee Payable	3,131	3,131	3,131	3,131	3,131	3,131
Miscellaneous Fees Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>117,098</b>	<b>226,229</b>	<b>127,063</b>	<b>106,000</b>	<b>42,165</b>	<b>109,561</b>
<b>Net Position Restricted for Trust Participants</b>	<b>\$ 183,898,553</b>	<b>\$ 399,075,396</b>	<b>\$ 202,901,315</b>	<b>\$ 134,863,448</b>	<b>\$ 51,015,633</b>	<b>\$ 142,065,465</b>
Shares Outstanding	17,305,340.30	21,569,086.12	8,695,482.10	5,880,589.62	2,728,100.33	13,235,313.36
Net Position Per Share	\$ 10.63	\$ 18.50	\$ 23.33	\$ 22.93	\$ 18.70	\$ 10.73

\*See accompanying notes.

**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF FIDUCIARY NET POSITION (Continued)**  
September 30, 2018

	<u>Diversified Small to Mid Cap Equity Portfolio</u>	<u>Diversified Large Cap Equity Portfolio</u>	<u>International Equity Portfolio</u>	<u>Core Real Estate Portfolio</u>	<u>Totals</u>
<u>ASSETS</u>					
Investment in Securities at Fair Value	\$ 137,350,043	\$ 275,136,196	\$ 122,337,666	\$ 102,418,261	\$ 1,737,850,574
Cash and Cash Equivalents	709,630	2,906,492	27,673	-	12,265,354
Receivables:					
Interest and Dividends	90,889	124,979	42	-	2,599,470
Securities Sold	<u>1,304,739</u>	<u>173,065</u>	<u>-</u>	<u>-</u>	<u>4,412,203</u>
 Total Assets	 <u>139,455,301</u>	 <u>278,340,732</u>	 <u>122,365,381</u>	 <u>102,418,261</u>	 <u>1,757,127,601</u>
<u>LIABILITIES</u>					
Payables:					
Securities Purchased	783,956	1,758,511	158,500	-	2,700,967
Accrued Expenses:					
Investment Management Fee Payable	150,364	203,253	131,096	15,682	790,916
Administrative Fee Payable	48,451	97,390	44,207	45,477	568,329
Audit Fee Payable	14,334	14,334	14,334	6,790	135,797
Consulting Fee Payable	3,131	3,131	3,131	6,262	34,441
Miscellaneous Fees Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
 Total Liabilities	 <u>1,000,236</u>	 <u>2,076,619</u>	 <u>351,268</u>	 <u>74,466</u>	 <u>4,230,705</u>
 Net Position Restricted for Trust Participants	 <u>\$ 138,455,065</u>	 <u>\$ 276,264,113</u>	 <u>\$ 122,014,113</u>	 <u>\$ 102,343,795</u>	 <u>\$ 1,752,896,896</u>
 Shares Outstanding	 1,464,739.85	 23,872,086.04	 8,943,223.14	 9,999,997.78	
 Net Position Per Share	 \$ 94.53	 \$ 11.57	 \$ 13.64	 \$ 10.23	

\*See accompanying notes.

**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended September 30, 2018**

	0-2 Year High Quality Bond Fund	1-3 Year High Quality Bond Fund	Intermediate High Quality Bond Fund	Broad Market High Quality Bond Fund	Expanded High Yield Bond Fund	Core Plus Fixed Income Fund
<b>ADDITIONS:</b>						
<u>Investment Income</u>						
Interest and Dividend Income	\$ 3,657,298	\$ 6,215,053	\$ 5,920,101	\$ 3,163,641	\$ 3,791,798	\$ 511
Fair Value Increases and Decreases	(788,802)	(2,562,614)	(7,196,840)	(3,972,397)	(3,019,716)	(2,626,774)
Total Investment Income	<u>2,868,496</u>	<u>3,652,439</u>	<u>(1,276,739)</u>	<u>(808,756)</u>	<u>772,082</u>	<u>(2,626,263)</u>
<u>Investment Expenses</u>						
Investment Management Fees	186,853	355,113	260,521	186,483	25,697	147,194
Net Investment Income (Loss)	<u>2,681,643</u>	<u>3,297,326</u>	<u>(1,537,260)</u>	<u>(995,239)</u>	<u>746,385</u>	<u>(2,773,457)</u>
<u>Beneficial Interest Share Transactions</u>						
Proceeds from Sale of Shares	30,390,323	244,167,691	5,908,616	25,075,825	100,000	2,544,085
Cost of Shares Redeemed	(32,728,752)	(112,104,309)	(86,018,196)	(23,364,000)	(2,000,000)	(23,739,000)
Net Increase (Decrease) from Share Transactions	<u>(2,338,429)</u>	<u>132,063,382</u>	<u>(80,109,580)</u>	<u>1,711,825</u>	<u>(1,900,000)</u>	<u>(21,194,915)</u>
Total Additions	<u>343,214</u>	<u>135,360,708</u>	<u>(81,646,840)</u>	<u>716,586</u>	<u>(1,153,615)</u>	<u>(23,968,372)</u>
<b>DEDUCTIONS:</b>						
Administrative Fees	196,196	372,868	273,548	180,267	74,521	237,145
Audit Fees	14,496	14,496	14,496	14,496	14,496	14,496
Consulting Fees	13,149	13,149	13,149	13,149	13,149	13,149
Rating Agency Fees	9,000	9,000	9,000	9,000	-	-
General Insurance	3,378	3,378	3,378	3,378	3,378	3,378
Trustee Fees and Travel	1,069	1,069	1,069	1,069	1,069	1,069
Miscellaneous	714	714	714	714	714	714
Total Deductions	<u>238,002</u>	<u>414,674</u>	<u>315,354</u>	<u>222,073</u>	<u>107,327</u>	<u>269,951</u>
Change in Net Position Restricted for Trust Participants	105,212	134,946,034	(81,962,194)	494,513	(1,260,942)	(24,238,323)
Net Position Beginning of Year	<u>183,793,341</u>	<u>264,129,362</u>	<u>284,863,509</u>	<u>134,368,935</u>	<u>52,276,575</u>	<u>166,303,788</u>
Net Position End of Year	<u>\$ 183,898,553</u>	<u>\$ 399,075,396</u>	<u>\$ 202,901,315</u>	<u>\$ 134,863,448</u>	<u>\$ 51,015,633</u>	<u>\$ 142,065,465</u>

\*See accompanying notes.

**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)**  
**For the Year Ended September 30, 2018**

	Diversified Small to Mid Cap Equity Portfolio	Diversified Large Cap Equity Portfolio	International Equity Portfolio	Core Real Estate Portfolio	Totals
<b>ADDITIONS:</b>					
<u>Investment Income</u>					
Interest and Dividend Income	\$ 1,161,228	\$ 2,062,439	\$ 1,271	\$ 1,235,564	\$ 27,208,904
Fair Value Increases and Decreases	<u>28,700,621</u>	<u>40,048,462</u>	<u>1,036,254</u>	<u>1,182,697</u>	<u>50,800,891</u>
Total Investment Income	<u>29,861,849</u>	<u>42,110,901</u>	<u>1,037,525</u>	<u>2,418,261</u>	<u>78,009,795</u>
<u>Investment Expenses</u>					
Investment Management Fees	<u>607,312</u>	<u>1,388,423</u>	<u>543,564</u>	<u>15,682</u>	<u>3,716,842</u>
Net Investment Income (Loss)	<u>29,254,537</u>	<u>40,722,478</u>	<u>493,961</u>	<u>2,402,579</u>	<u>74,292,953</u>
<u>Beneficial Interest Share Transactions</u>					
Proceeds from Sale of Shares	6,578,362	10,876,558	42,089,300	100,000,000	467,730,760
Cost of Shares Redeemed	<u>(17,717,000)</u>	<u>(76,682,100)</u>	<u>(9,563,300)</u>	<u>-</u>	<u>(383,916,657)</u>
Net Increase (Decrease) from Share Transactions	<u>(11,138,638)</u>	<u>(65,805,542)</u>	<u>32,526,000</u>	<u>100,000,000</u>	<u>83,814,103</u>
Total Additions	<u>18,115,899</u>	<u>(25,083,064)</u>	<u>33,019,961</u>	<u>102,402,579</u>	<u>158,107,056</u>
<b>DEDUCTIONS:</b>					
Administrative Fees	195,689	410,860	183,295	45,477	2,169,866
Audit Fees	14,496	14,818	14,496	6,790	137,576
Consulting Fees	13,149	13,149	13,149	6,262	124,603
Rating Agency Fees	-	-	-	-	36,000
General Insurance	3,378	3,378	3,378	-	30,402
Trustee Fees and Travel	1,069	1,597	1,069	182	10,331
Miscellaneous	<u>714</u>	<u>1,180</u>	<u>714</u>	<u>73</u>	<u>6,965</u>
Total Deductions	<u>228,495</u>	<u>444,982</u>	<u>216,101</u>	<u>58,784</u>	<u>2,515,743</u>
Change in Net Position Restricted for Trust Participants	17,887,404	(25,528,046)	32,803,860	102,343,795	155,591,313
Net Position Beginning of Year	<u>120,567,661</u>	<u>301,792,159</u>	<u>89,210,253</u>	<u>-</u>	<u>1,597,305,583</u>
Net Position End of Year	<u>\$ 138,455,065</u>	<u>\$ 276,264,113</u>	<u>\$ 122,014,113</u>	<u>\$ 102,343,795</u>	<u>\$ 1,752,896,896</u>

\*See accompanying notes.