



Annual Report

DECEMBER 31, 2019
(REPORT OF INDEPENDENT AUDITORS WITHIN)

FLCLASS Rated AAAm by Standard & Poor's

Standard & Poor's Ratings in no way guarantee favorable performance results and should not be construed as safety in an investment.



Chairman's Letter

December 31, 2019

To the Participants of FLCLASS:

On behalf of the FLCLASS Board of Trustees and Public Trust Advisors, LLC (Public Trust), the pool administrator and investment advisor, we are pleased to present the audited financials for the period ending December 31, 2019.

The FLCLASS Audited Financial Statements offer us an opportunity to reflect on the past year of operations as we begin 2020. By the end of 2019, The Federal Reserve (Fed) completed its "mid-cycle" adjustment to monetary policy by cutting the Federal Funds Target Rate a total of 75 basis points in 2019; the range sits at 1.50% to 1.75% to close the year, with the Fed now stating the rate is "appropriate" to support growth and the labor market. The Fed also removed references to "uncertainties" around the outlook, as trade tensions have recently thawed between the U.S. and China. If a completed phase one deal fails to alleviate fears in 2020 or additional tariffs are discussed, the optimism shared today by market participants may quickly dissipate. The Fed does not project any change to its target rate in 2020, followed by one 25 basis point hike for both 2021 and 2022, respectively. The market is largely in agreement with the Fed but does lean toward one additional 25 basis point cut in 2020. Taking comfort in the stable yet accommodative outlook for the Fed, the U.S. economy should continue to grind out solid, albeit unspectacular growth for a record eleventh consecutive year.

Safety: The safety of the public's funds under our management will always be our top priority. Several FLCLASS marketing initiatives in the past year focused on providing Participants with the information necessary to ensure the ongoing security of their accounts as well as a continued focus on cybersecurity. If you missed any of these important pieces, they are available on the FLCLASS website.

Liquidity: The investment and operations departments at Public Trust have a well-developed understanding of the cash flow cycles related to the various participating entity types. This allows the teams to customize the portfolio to maximize yields without compromising Participant access to daily liquidity. In 2019, FLCLASS Participants requested 1,789 withdrawals totaling over \$6.5 billion. With average daily yields of 2.37%, FLCLASS accumulated an equally as impressive grand total of \$63 million interest earned in 2019.

Growth: Since our inception in 2015, the FLCLASS program has seen exponential growth. In fact, the FLCLASS program has increased in assets under management by \$1 billion every year since inception, bringing us to our all-time high AUM in December of 2019 of \$4 billion and representing a 37.5% increase over 2018! Additionally, the fund welcomed nineteen new Participants over the year, giving us a grand total of 102 Participants!

It is a pleasure and an honor to represent the FLCLASS Board of Trustees. The Board is devoted to providing our Participants with transparent oversight, meeting regularly to monitor the funds and operations on your behalf. Each year reminds us that the FLCLASS Participants are in fact our greatest asset.

Respectfully,



Ken Burke, CPA
Chairman, Board of Trustees



CliftonLarsonAllen LLP
 CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
 Florida Cooperative Liquid Assets Securities System
 C/O Public Trust Advisors
 Denver, Colorado

We have audited the accompanying financial statements of Florida Cooperative Liquid Assets Securities System (FLCLASS), which comprise the statement of net assets as of December 31, 2019, the statement of operations for the year then ended, the related statements of changes in net assets for the years ended December 31, 2019 and 2018 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FLCLASS as of December 31, 2019, the results of its operations for the year then ended, and the changes in net assets for the years ended December 31, 2019 and 2018 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial highlights included in Notes 7 for the years ended December 31, 2015 through 2017, were audited by other auditors whose report dated March 9, 2018, expressed an unmodified opinion on that statement and related footnotes.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Chairman's letter, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



CliftonLarsonAllen LLP

Denver, Colorado
 March 12, 2020

STATEMENT OF NET ASSETS – DECEMBER 31, 2019

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Market Value
Repurchase Agreements (1%)*					
Bank of America/Merrill Lynch Tri-Party (0%)* (Collateralized by U.S. Agency Obligations with coupon rates between 3.289% and 3.813% and maturing on 11/20/2069.) Market value plus accrued interest: \$11,704,224	\$11,474,730	1.57%	01/02/20	1.57%	\$11,474,730
JP Morgan Tri-Party (1%)* (Collateralized by a U.S. Agency Obligation with a coupon rate of 3.50% and maturing on 08/01/2049.) Market value plus accrued interest: \$25,500,000	25,000,000	1.60	01/06/20	1.60	25,000,000
RBC Tri-Party (0%)* (Collateralized by U.S. Agency Obligations with coupon rates between 2.55% and 4.50% and maturing between 12/01/2029 and 09/01/2049.) Market value plus accrued interest: \$13,351,607	13,089,811	1.50	01/02/20	1.50	13,089,811
Cost of (\$49,564,541)					49,564,541
U.S. Government Treasury & Agency Securities (1%)*					
US Government Treasury Bills	25,000,000	Disc**	01/09/20	2.05	24,991,245
Cost of (\$24,988,764)					24,991,245
Certificates of Deposit (8%)*					
Canadian Imperial Bank of Commerce New York	25,000,000	1.99	01/16/20	1.99	24,999,978
Mizuho Bank Ltd.	25,000,000	2.01	01/22/20	2.01	25,001,698
HSBC Bank PLC	25,000,000	1.96 - Var.	01/23/20	1.96	25,000,000
Toronto Dominion Bank	30,000,000	2.20	01/31/20	2.20	29,999,466
Bank of America NA	25,000,000	1.79 - Var.	02/03/20	1.85	24,997,500
Sumitomo Mitsui Banking	25,000,000	1.89 - Var.	02/07/20	1.89	25,000,000
Toronto Dominion Bank	25,000,000	1.87 - Var.	02/12/20	1.87	25,000,000
Commonwealth Bank of Australia	35,000,000	1.88 - Var.	02/14/20	1.88	35,000,000
DZ Bank New York	25,000,000	1.87	03/12/20	1.87	24,999,908
Bank of Nova Scotia	25,000,000	1.93 - Var.	04/07/20	1.93	25,000,000
MUFG Bank Ltd.	25,000,000	2.06 - Var.	05/26/20	2.06	25,000,000
Svenska Handelsbanken AB	25,000,000	1.93 - Var.	06/15/20	1.93	25,000,000
Cost of (\$315,001,503)					314,998,550
Commercial Paper (77%)*					
Longship Funding LLC	26,080,000	Disc**	01/03/20	1.85	26,075,783
Fairway Finance Corp.	20,000,000	1.70 - Var.	01/06/20	1.70	20,001,008
LMA Americas LLC	25,000,000	Disc**	01/06/20	1.85	24,992,418
Anglesea Funding LLC	39,400,000	Disc**	01/07/20	1.93	39,385,446
Longship Funding LLC	50,000,000	Disc**	01/07/20	1.81	49,981,040
Manhattan Asset Funding Co.	50,000,000	Disc**	01/07/20	1.88	49,982,015
Barton Capital SA	11,750,000	Disc**	01/08/20	2.03	11,744,778
Chariot Funding LLC	25,000,000	Disc**	01/08/20	1.85	24,991,000
Victory Receivables Corp.	25,000,000	Disc**	01/08/20	1.85	24,989,890
Chariot Funding LLC	138,000,000	Disc**	01/09/20	2.03	137,943,765
Gotham Funding Corp.	35,976,000	Disc**	01/09/20	1.98	35,961,340

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – DECEMBER 31, 2019

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Market Value
Lexington Parker Capital	\$25,000,000	Disc**	01/09/20	1.90%	\$24,989,813
NRW. Bank	50,000,000	Disc**	01/09/20	1.87	49,976,940
Starbird Funding Corp.	40,000,000	Disc**	01/09/20	1.98	39,980,500
Australia & New Zealand Intl.	25,000,000	1.83 - Var.	01/10/20	1.83	25,001,150
Bennington Stark Capital Co.	44,609,000	Disc**	01/10/20	1.93	44,588,801
Longship Funding LLC	50,000,000	Disc**	01/10/20	1.91	49,973,890
NRW. Bank	50,000,000	Disc**	01/10/20	1.87	49,974,375
United Overseas Bank Ltd. Singapore	19,700,000	Disc**	01/10/20	1.91	19,689,713
Jupiter Securitization Co.	25,000,000	Disc**	01/13/20	1.84	24,985,195
Kells Funding LLC	37,000,000	Disc**	01/13/20	1.92	36,974,748
Bennington Stark Capital Co.	50,000,000	Disc**	01/14/20	1.89	49,969,665
LMA Americas LLC	30,000,000	Disc**	01/14/20	1.88	29,978,418
Atlantic Asset Securitization LLC	50,000,000	Disc**	01/15/20	2.03	49,959,375
Bedford Row Funding Corp.	25,000,000	Disc**	01/15/20	1.88	24,980,730
Oversea-Chinese Banking Co. Ltd.	25,000,000	Disc**	01/16/20	2.11	24,981,555
Toronto Dominion Bank	25,000,000	Disc**	01/16/20	2.03	24,977,778
Mitsubishi UFJ Trust & Banking Corp.	25,000,000	Disc**	01/17/20	2.16	24,981,583
Erste Abwicklungsanstalt	25,000,000	Disc**	01/23/20	2.03	24,973,485
Concord Minuteman Cap Co.	30,000,000	Disc**	01/24/20	2.03	29,961,000
Toyota Motor Credit Corp.	25,000,000	1.86 - Var.	01/24/20	1.93	24,997,500
LMA Americas LLC	35,000,000	Disc**	01/27/20	2.03	34,947,500
Caisse des Depot et Consignations	25,000,000	Disc**	01/28/20	2.20	24,967,723
Barton Capital SA	45,468,000	Disc**	01/29/20	1.86	45,400,971
Longship Funding LLC	25,000,000	Disc**	01/29/20	1.85	24,963,348
BNG Bank NV	25,000,000	Disc**	01/31/20	2.05	24,964,265
Gotham Funding Corp.	25,000,000	Disc**	02/03/20	1.83	24,957,500
Kells Funding LLC	40,000,000	Disc**	02/03/20	1.86	39,926,712
Toronto Dominion Bank	25,000,000	Disc**	02/03/20	2.22	24,960,805
Victory Receivables Corp.	20,870,000	Disc**	02/03/20	2.02	20,830,777
Bedford Row Funding Corp.	25,000,000	Disc**	02/04/20	1.89	24,954,793
Bennington Stark Capital Co.	25,000,000	Disc**	02/04/20	1.90	24,957,953
LMA Americas LLC	27,000,000	Disc**	02/04/20	1.91	26,950,649
Nieuw Amsterdam Rec. Corp.	25,000,000	Disc**	02/06/20	2.22	24,958,118
Nordea Bank AB	25,000,000	Disc**	02/07/20	2.54	24,956,195
Toronto Dominion Bank	25,000,000	Disc**	02/07/20	1.87	24,956,195
Kells Funding LLC	25,000,000	Disc**	02/10/20	1.89	24,944,765
Oversea-Chinese Banking Co. Ltd.	50,000,000	Disc**	02/11/20	1.87	49,903,750
DBS Bank Ltd.	25,000,000	Disc**	02/13/20	2.02	24,949,583
Nederlandse Waterschaps	25,000,000	1.89 - Var.	02/13/20	1.89	24,997,500
National Australia Bank Ltd.	20,000,000	1.90 - Var.	02/14/20	1.90	19,998,000
Nordea Bank AB	35,000,000	Disc**	02/14/20	2.54	34,927,813
United Overseas Bank Ltd. Singapore	25,000,000	Disc**	02/14/20	1.88	24,948,438
Mitsubishi UFJ Trust & Banking Corp.	25,000,000	Disc**	02/18/20	1.93	24,935,348
Erste Abwicklungsanstalt	10,328,000	Disc**	02/19/20	1.98	10,300,029
Skandinav Enskilda Bank	20,450,000	Disc**	02/19/20	2.11	20,391,206
Mitsubishi UFJ Trust & Banking Corp.	20,000,000	Disc**	02/20/20	1.93	19,952,966

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STATEMENT OF NET ASSETS – DECEMBER 31, 2019

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Market Value
Concord Minuteman Cap Co.	\$50,000,000	Disc**	02/21/20	2.04%	\$49,855,555
Kells Funding LLC	21,000,000	Disc**	02/24/20	1.88	20,937,758
Dexia Credit Local SA New York	30,000,000	Disc**	02/25/20	1.93	29,911,332
Mitsubishi UFJ Trust & Banking Corp.	30,000,000	Disc**	02/25/20	1.91	29,922,066
Bedford Row Funding Corp.	25,000,000	Disc**	02/27/20	2.18	24,932,735
Alpine Securitization	25,000,000	Disc**	03/02/20	1.95	24,917,333
Kells Funding LLC	25,000,000	Disc**	03/03/20	2.07	24,926,938
Ridgefield Funding Co. LLC	25,000,000	1.98 - Var.	03/03/20	2.04	25,000,000
Toronto Dominion Bank	25,000,000	Disc**	03/03/20	1.89	24,926,938
La Fayette Asset Securitization LLC	33,975,000	Disc**	03/05/20	1.92	33,863,355
NRW. Bank	25,000,000	Disc**	03/09/20	2.03	24,920,458
CRC Funding LLC	11,800,000	Disc**	03/11/20	2.04	11,753,456
KfW	25,000,000	Disc**	03/13/20	2.21	24,915,848
DNB Bank ASA	25,000,000	1.91 - Var.	03/16/20	1.91	25,000,000
National Australia Bank Ltd.	25,000,000	Disc**	03/16/20	2.10	24,912,390
Svenska Handelsbanken AB	25,000,000	Disc**	03/16/20	2.08	24,912,390
Atlantic Asset Securitization LLC	25,000,000	Disc**	03/19/20	2.13	24,906,188
DBS Bank Ltd.	25,000,000	Disc**	03/20/20	2.09	24,907,778
JP Morgan Securities	25,000,000	2.07 - Var.	03/23/20	2.07	24,997,500
Toyota Motor Credit Corp.	35,000,000	Disc**	03/24/20	1.90	34,865,250
Oversea-Chinese Banking Co. Ltd.	25,000,000	Disc**	04/03/20	2.10	24,891,640
Concord Minuteman Cap Co.	25,000,000	2.03 - Var.	04/06/20	2.05	25,000,000
Anglesea Funding LLC	30,000,000	2.00 - Var.	04/08/20	2.00	29,997,000
Crown Point Capital Co.	25,000,000	2.01 - Var.	04/08/20	1.99	24,997,500
LMA Americas LLC	25,000,000	Disc**	04/08/20	2.13	24,870,750
Sumitomo Mitsui Banking Singapore	45,000,000	Disc**	04/08/20	1.93	44,784,675
Starbird Funding Corp.	25,000,000	1.99 - Var.	04/09/20	1.99	25,000,000
Dexia Credit Local SA New York	17,726,000	Disc**	04/15/20	1.89	17,629,443
Kells Funding LLC	25,000,000	Disc**	04/15/20	1.91	24,859,403
Sumitomo Mitsui Bank New York	25,000,000	Disc**	04/17/20	1.97	24,868,750
Dexia Credit Local SA New York	20,000,000	Disc**	04/20/20	1.93	19,883,450
LMA Americas LLC	25,000,000	Disc**	04/20/20	2.01	24,855,083
Coca-Cola Co.	23,300,000	Disc**	04/22/20	2.55	23,172,011
Sumitomo Mitsui Bank New York	25,000,000	Disc**	04/30/20	1.93	24,840,768
Ontario Teachers' Finance Trust	25,000,000	Disc**	05/05/20	1.89	24,838,125
Ridgefield Funding Co. LLC	25,000,000	1.98 - Var.	05/11/20	1.98	25,000,000
Toyota Motor Credit Corp.	20,000,000	1.97 - Var.	05/11/20	1.97	20,000,000
Crown Point Capital Co.	25,000,000	Disc**	05/12/20	1.98	24,828,208
JP Morgan Securities	25,000,000	1.99 - Var.	05/13/20	1.99	24,997,500
Australia & New Zealand Intl.	25,000,000	Disc**	05/18/20	1.90	24,827,215
Dexia Credit Local SA New York	25,000,000	Disc**	05/20/20	1.90	24,817,875
DBS Bank Ltd.	25,000,000	Disc**	05/27/20	1.89	24,809,860
Old Line Funding LLC	25,000,000	Disc**	05/27/20	1.90	24,808,833
DBS Bank Ltd.	25,000,000	Disc**	06/05/20	1.89	24,798,298
Oversea-Chinese Banking Co. Ltd.	25,000,000	1.93 - Var.	06/05/20	1.97	25,000,000
National Australia Bank Ltd.	25,000,000	1.91 - Var.	06/08/20	1.89	25,000,000
DBS Bank Ltd.	25,000,000	Disc**	06/09/20	1.92	24,789,805

* Denotes percentage of net assets ** Denotes securities purchased at a discount from par
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS – DECEMBER 31, 2019

INVESTMENTS, AT VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Market Value
Old Line Funding LLC	\$25,000,000	Disc**	06/09/20	1.90%	\$24,796,515
Australia & New Zealand Banking Group Ltd.	25,000,000	1.95 - Var.	06/12/20	1.95	25,000,000
Anglesea Funding LLC	50,000,000	2.02 - Var.	06/17/20	2.02	49,995,000
Old Line Funding LLC	25,000,000	1.94 - Var.	06/18/20	1.94	25,000,000
Cost of (\$3,157,721,073)					<u>3,158,090,574</u>
Money Market Funds (13%)*					
RBC US Government	204,885,704			1.55	204,885,704
State Street US Government Portfolio	331,108,869			1.55	331,108,869
Cost of (\$535,994,573)					<u>535,994,573</u>
Total Investments in Securities					
Cost of (\$4,083,270,454)					<u>4,083,639,483</u>
Deposit Balances in Custodian Banks (0%)*					
Wells Fargo Bank, N.A.	66,104	0.95	01/02/20	0.95	66,104
					<u>66,104</u>
Other Assets					
Accrued Interest Receivable					<u>1,483,979</u>
Total Assets					<u>4,085,189,566</u>
Less Liabilities					
Administration and Investment Advisory Fees					<u>324,815</u>
Total Liabilities					<u>324,815</u>
Net Assets					<u>\$4,084,864,751</u>
Components of Capital					
Capital (Par Value)					\$4,084,495,722
Unrealized Appreciation on Investments					<u>369,029</u>
Net Assets					<u>\$4,084,864,751</u>
Outstanding Participant Shares					<u>4,084,495,722</u>
Net Asset Value per Share					<u>\$1.00</u>

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The accompanying notes are an integral part of these financial statements

STATEMENT OF OPERATIONS

(Year Ended December 31, 2019)

Investment Income	\$65,393,146
Expenses:	
Administration and Investment Advisory Fees	4,016,164
Administration and Investment Advisory Fees Waived	<u>(1,936,430)</u>
Administration and Investment Advisory Fees Net	<u>2,079,734</u>
Net Investment Income	<u>63,313,412</u>
Net Realized Gain on Investments	36,689
Change in Net Unrealized Appreciation on Investments	<u>518,825</u>
Net Realized Gain and Unrealized Gain on Investments	<u>555,514</u>
Net Increase in Net Assets Resulting from Operations	<u>\$63,868,926</u>

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended December 31, 2019 and December 31, 2018

	<u>2019</u>	<u>2018</u>
From Investment Activities:		
Net Investment Income	\$ 63,313,412	\$ 42,355,470
Net Change in Unrealized Appreciation on Investments	518,825	58,151
Realized Gain on Investments	<u>36,689</u>	<u>9,431</u>
Net Increase in Net Assets Resulting from Operations	<u>63,868,926</u>	<u>42,423,052</u>
Distributions to Participants from Net Investment Income	(63,313,412)	(42,355,470)
Distributions to Participants from Net Realized Gain	(36,689)	(9,431)
Net Increase in Net Assets from Share Transactions	<u>1,112,667,540</u>	<u>849,942,598</u>
Net Increase in Net Assets	1,113,186,365	850,000,749
Net Assets:		
Beginning of Year	<u>2,971,678,386</u>	<u>2,121,677,637</u>
End of Year	<u>\$4,084,864,751</u>	<u>\$2,971,678,386</u>

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements - December 31, 2019

Note 1. Description of FLCLASS and Significant Accounting Policies

The Florida Cooperative Liquid Assets Securities System Trust ("FLCLASS") is a common law trust established, created and authorized by an Interlocal Agreement by and among participating Florida public agencies. FLCLASS is an authorized investment pool under Section 218.415(16)(a), Florida Statutes, and was established for participating Florida agencies on April 1, 2015 under the Interlocal Agreement and commenced operations on July 15, 2015 (inception). FLCLASS is available for investment by any unit of local government within the State of Florida. The purpose of FLCLASS is to enable such units to cooperate in the investment of their available funds. FLCLASS operates like a money market mutual fund with each share valued at \$1.00.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following significant accounting policies are also in conformity with accounting principles generally accepted in the United States of America for investment companies. Such policies are consistently followed by FLCLASS in the preparation of the financial statements.

FLCLASS is rated AAAM by Standard and Poor's.

Securities Valuation

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates market value.

Securities Transactions and Investment Income

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are recorded on a specific identification basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts. The amortization of premium and accretion of discount accrual method utilized is straight line, and it is deemed that there is no significant difference compared to the effective interest method.

Derivative Instruments

FLCLASS's investment policies do not allow for investments in derivatives and, for the year ended December 31, 2019, FLCLASS held no financial instruments which meet the definition of a derivative according to Financial Accounting Standards Board ("FASB") Accounting Standards Topic (ASC) 815 "Derivative Instruments and Hedging Activities".

Distributions to Participants

Distributions from net investment income are declared and paid daily. FLCLASS's policy is to distribute net realized capital gains, if any, in a reasonable time frame after the gain is realized.

Income Taxes

FLCLASS is not subject to federal, state, or local income taxes, and accordingly no tax provision has been made.

FLCLASS files tax returns annually. FLCLASS is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. FLCLASS' federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Note 2. Fair Value Measurements

In accordance with FASB guidance, FLCLASS utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. The standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of FLCLASS's portfolio investments defined pursuant to this standard.

These inputs are summarized into three broad levels:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and are generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities, and commercial paper.

- Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

There have been no significant changes in valuation techniques used in valuing any such positions held by FLCLASS since the beginning of the fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of December 31, 2019 to value FLCLASS’s investments in securities and other financial instruments is included in the “Valuation Inputs Summary” and “Level 3 Valuation Reconciliation of Assets” (if applicable) as noted below.

Valuation Inputs Summary (as of December 31, 2019)

FLCLASS Portfolio	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Investments in Securities at Value*				
Repurchase Agreements	\$ -	\$49,564,541	\$ -	\$ 49,564,541
Money Market Funds	535,994,573	-	-	535,994,573
U.S. Government Treasury	-	24,991,245	-	24,991,245
Certificate of Deposit	-	314,998,550	-	314,998,550
Commercial Paper	-	3,158,090,574	-	3,158,090,574
Total	\$535,994,573	\$3,547,644,910	\$ -	\$4,083,639,483

* For the years ended December 31, 2019 and December 31, 2018, the FLCLASS Portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

Note 3. Investments

Custodian

Wells Fargo Bank, N.A. serves as the custodian for FLCLASS portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for FLCLASS’s investment portfolio and provides services as the depository in connection with direct investment and withdrawals. The custodian’s internal records segregate investments owned by FLCLASS.

Risk Disclosure

The portfolios are subject to the following risks:

- Counterparty Risk – Counterparty risk is the risk that the counterparty or a third party will not fulfill its obligation to FLCLASS.
- Interest Rate Risk – Interest rate risk is the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause FLCLASS’s Net Asset Value (“NAV”) to likewise decrease, and vice versa.
- Market Risk – Market risk is the daily potential for an investor to experience losses from fluctuations in securities prices. This risk cannot be diversified away.
- Credit Risk – Credit risk is the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.

FLCLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. FLCLASS limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. FLCLASS’s policy is to limit its exposure to any non-government issuer to 5% of net assets.

Investments in Securities

Florida Statutes specify that public funds only be invested in a manner that is permitted pursuant to the laws of the State of Florida generally; Florida’s Investment of Local Government Surplus Funds Act; Florida Statutes, Chapter 218, Part IV; and the Florida Interlocal Cooperation Act of 1969. The Board of Trustees has adopted an Investment Policy that further limits the investment instruments of FLCLASS. As summarized below, FLCLASS may invest in:

1. Bills, notes and bonds issued by the U.S. Treasury and backed by the full faith and credit of the United States; obligations of any agency or instrumentality of the United States; and obligations issued by entities with liquidity support from the U.S. Government, or its agencies or instrumentalities.
2. Floating-rate and variable-rate debt obligations with interest rates that are periodically adjusted at specified intervals or whenever a benchmark rate or index changes; with maximum final maturity of 13 months (397 days) if rated below AA-, or for sovereign debt with maximum final maturity of two years (762 days) if rated AA- or higher.
3. Repurchase agreements with a termination date of 364 days or less; collateralized by U.S. Treasury obligations, federal agency securities, and federal instrumentality securities; and with a minimum market value, including accrued interest, of 102 percent of the dollar value of the transaction.

4. Commercial paper of corporations organized under the laws of the United States or any state thereof, including paper issued by bank holding companies and high-quality asset-backed securities, with a maturity of 365 days or less, rated in the two highest ratings categories of either Standard & Poor's, Moody's, or a comparable rating by another nationally recognized statistical rating organization ("NRSRO"), and with not more than 5% with any one issuer.
5. Corporate bonds, notes, and other evidences of indebtedness or obligations issued by corporations organized under the laws of the United States or any state, having a remaining maturity less than or equal to 397 days; rated at least A or better by Standard & Poor's, Moody's, or a comparable rating by another NRSRO; and with not more than 5% with any one issuer.
6. Obligations of banks, including, but not limited to: bank accounts, time deposits, certificates of deposit and banker's acceptances.
7. Asset backed securities that are payable from pools of obligations, most of which involve consumer or commercial debts.
8. Insurance contracts, including guaranteed investment contracts, funding agreements and annuities, and with the issuing company having an insurance financial strength rating of A+ or equivalent by a national recognized rating agency.
9. Collateralized certificates of deposit as permitted by Florida law.
10. FDIC insured certificates of deposit.
11. Municipal obligations of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities, rated in one of its two highest rating categories by two or more NRSROs, with maximum exposure per municipal issuer of 5%, and maximum final maturity per municipal investment of 13 months (397 days).
12. Foreign securities issued in U.S. dollars by issuers based outside the United States, rated at least A or better by Standard & Poor's, Moody's, or a comparable rating by another NRSRO, with not more than 5% with any one issuer, and with maximum final maturity per foreign security investment of 13 months (397 days).
13. Mortgage-backed securities with a final maturity not exceeding 397 days from the date of purchase that are collateralized first mortgage obligations or unstructured pass-through securities and rated at least AA, Aa or the equivalent by at least two NRSROs that rate the issue; aggregate investment in mortgage-backed securities not exceeding 25% of the total portfolio; and no more than 5% of the total portfolio invested in any one issuer.
14. No-load money market mutual funds that are registered with and regulated by the Securities and Exchange Commission that include in their investment objectives the maintenance of a stable net asset value of \$1.00, and are rated AAAM or equivalent by at least one NRSRO.

Note 4. Repurchase Agreements

Funds are released from FLCLASS's portfolio for repurchase agreements only when collateral has been wired to the custodian bank, and during the year ended December 31, 2019, FLCLASS held no uncollateralized repurchase agreements. The custodian bank reports the market value of the collateral securities to FLCLASS at least on a weekly basis. If the seller of the agreement defaults and the value of the collateral declines, the immediate realization of the full amount of the agreement by FLCLASS may be limited. FLCLASS may use Bank of America NA, Barclays Bank PLC, BMO Harris Bank NA, Citigroup Global Markets, Credit Agricole CIB NY, Goldman Sachs & Co, JPM Securities LLC, RBC Capital Markets LLC, UBS Securities LLC and Wells Fargo Securities as a counterparty for repurchase agreements. Interest earned on repurchase agreements as a percentage of total interest earned accounted for 12% for the year ended December 31, 2019.

Note 5. Administration and Investment Advisory Fees

Investment advisory and administration and marketing services are provided by Public Trust Advisors, LLC (Public Trust). Fees are calculated daily and paid monthly in arrears and prorated for any portion of the month in which the investment services agreement with Public Trust is in effect. The daily fee shall be calculated as follows: the investment property value is multiplied by the applicable fee rate and is divided by 365 or 366 days in the event of a leap year to equal the daily fee accrual. The Investment Property Value shall be based on the current day's shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees. The applicable Fee Rate shall be determined monthly on the first business day of each month and shall be at an annual rate up to fifteen (15) basis points.

Fees may be waived or abated at any time, or from time to time, at the sole discretion of Public Trust. Any such waived fees may be restored by the written agreement of the Board of Trustees. Public Trust pays all fees associated with other services as mutually agreed upon with the Board of Trustees.

Note 6. Share Transactions

Transactions in shares during the twelve months ended December 31, 2019 and 2018 for the FLCLASS portfolio were as follows:

	2019	2018
Shares sold	7,555,053,572	3,766,900,893
Shares issued on reinvestment of distributions	63,313,412	42,355,468
Shares redeemed	(6,505,699,444)	(2,959,313,763)
Net increase	<u>1,112,667,540</u>	<u>849,942,598</u>

At December 31, 2019, four participants held a 5% or greater participation interest in FLCLASS. The holdings of these four participants are approximately 47% of the portfolio at December 31, 2019. Investment activities of these participants could have a material impact on FLCLASS.

Note 7. Financial Highlights for a Share Outstanding Throughout Each Period

Financial highlights for the years ended December 31, 2019, December 31, 2018, December 31, 2017, December 31, 2016 and the period July 15, 2015 (Inception) through December 31, 2015 are presented as follows:

	2019	2018	2017	2016	2015
Per Share Data					
Net Asset Value - Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.024	\$0.021	\$0.011	\$0.007	\$0.001
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	2.399%	2.077%	1.142%	0.661%	0.096%
RATIOS					
Net Assets - End of period (\$000 Omitted)	\$4,084,865	\$2,971,678	\$2,121,678	\$1,673,782	\$190,121
Ratio of Expenses to Average Net Assets Gross	0.150%	0.150%	0.150%	0.149%	0.078%
Ratio of Expenses to Average Net Assets Waived	0.072%	0.039%	0.051%	0.066%	0.035%
Ratio of Expenses to Average Net Assets	0.078%	0.111%	0.099%	0.083%	0.043%
Ratio of Net Investment Income to Average Net Assets	2.365%	2.069%	0.251%	0.704%	0.114%

Note 8. Subsequent Events

In accordance with the provisions set forth in ASC 855-10, Subsequent Events, Management has evaluated the possibility of subsequent events existing in FLCLASS's financial statements. During the period from January 1, 2020, through March 12, 2020, domestic fixed income markets have experienced volatility. The effects of this market volatility are not reflected in the financial statements as of and for the year ended December 31, 2019.

Note 9. Related Parties

All trustees of FLCLASS are officers of participating governments.

BOARD OF TRUSTEES

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