

FLORIDA MUNICIPAL LOAN COUNCIL

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

**Florida Municipal Loan Council
Financial Statements
September 30, 2017**

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March 2, 2018

Independent Auditor's Report

To the Board of Directors of the
Florida Municipal Loan Council:

We have audited the accompanying financial statements of the Florida Municipal Loan Council, which comprise the statements of net position as of September 30, 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 financial statements referred to above present fairly, in all material respects, the financial position of the Florida Municipal Loan Council as of September 30, 2017, and the changes in financial position and cash flows thereof 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 3-8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Council's financial statements as a whole. The Schedule of Issues Outstanding is presented for the purpose of additional analysis and is not a required part of the financial statements. The Schedule of Issues Outstanding is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Shorstein + Shorstein, P.A.

Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017

Our discussion and analysis of the Florida Municipal Loan Council (the Council) provides an overview of the Council's financial activities for the fiscal year ended September 30, 2017. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the Council's financial statements and notes to financial statements provided herein.

Financial Highlights

Key financial highlights for fiscal year 2017 are as follows:

- On September 28, 2017, the Trust closed its 26th series of fixed-rate bonds, Series 2017B, issuing \$6.79 million of bonds to two Florida municipalities and one special district. Using the combined purchasing power of the FMLC's bond pool program, the Downtown Cocoa Beach CRA, the Town of Melbourne Beach and the City of Valparaiso were able to refinance existing debt and finance new capital projects.
- In connection with the issuance of the Council's Refunding and Improvement Revenue Bonds, Series 2017B, a new surety bond was issued on September 28, 2017 by Assured Guaranty Municipal Corp. (AGM). The surety bond issued by AGM funds the respective reserve accounts in amounts required to satisfy the respective reserve requirements of the Series 2017B bonds.
- Program borrowers refunded or defeased \$2.88 million in loans representing 1% of total bonds outstanding at the beginning of the fiscal year.
- Total assets and deferred outflows were \$207,299,055 and total liabilities and deferred inflows were \$207,186,884 resulting in a net position of \$112,171. Assets and liabilities declined over the prior fiscal year as a result of scheduled debt service and members refunding loans prior to original maturity.
- Total operating revenues were \$9.1 million, compared to \$12.8 million in the prior fiscal year, a decrease of 28.9% or \$3.7 million. Total operating expenses were \$9.1 million, declining 28.6% or \$3.7 million over the prior fiscal year. Revenues and expenses declined due to a reduction in outstanding bonds over the prior fiscal year. Additionally, investment earnings declined as a result of borrowers drawing down project loan funds and the low interest rate environment.

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

Basic Financial Statements

The Council operates as an enterprise fund under governmental accounting rules that require the preparation of a series of financial statements. The Statement of Net Position provides information regarding assets and liabilities as of September 30, 2017. The Statement of Revenues, Expenses and Changes in Net Position provides information about our revenues and expenses for the year October 2016 through September 2017. The Statement of Cash Flows provides information about the various cash activities incurred throughout the fiscal year, and is presented using the direct method with a reconciliation of operating cash flows to operating income. The Council uses the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Financial Analysis

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>Change</u>	<u>% Change</u>
Assets				
Current Assets	\$ 33,895,325	\$ 42,038,429	\$ (8,143,104)	(19.37) %
Noncurrent Assets	<u>173,120,246</u>	<u>178,441,286</u>	<u>(5,321,040)</u>	(2.98) %
Total Assets	<u>207,015,571</u>	<u>220,479,715</u>	<u>(13,464,144)</u>	(6.11) %
Deferred Outflows of Resources				
Deferred Amount on Refunding	<u>283,484</u>	<u>378,254</u>	<u>(94,770)</u>	(25.05) %
Liabilities				
Current Liabilities	15,596,224	22,591,685	(6,995,461)	(30.96) %
Noncurrent Liabilities	<u>191,489,495</u>	<u>198,019,793</u>	<u>(6,530,298)</u>	(3.30) %
Total Liabilities	<u>207,085,719</u>	<u>220,611,478</u>	<u>(13,525,759)</u>	(6.13) %
Deferred Inflows of Resources				
Deferred Amount on Refunding	<u>101,165</u>	<u>93,929</u>	<u>7,236</u>	7.70 %
Net Position	<u>\$ 112,171</u>	<u>\$ 152,562</u>	<u>\$ (40,391)</u>	(26.48) %

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

Financial Analysis (Continued)

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Loan Interest and Member Reimbursements	\$ 8,706,025	\$ 11,901,398	\$ (3,195,373)	(26.85) %
Investment Earnings	47,136	54,430	(7,294)	(13.40) %
Allocation to Members	<u>350,423</u>	<u>846,090</u>	<u>(495,667)</u>	(58.58) %
Total Operating Revenues	<u>9,103,584</u>	<u>12,801,918</u>	<u>(3,698,334)</u>	(28.89) %
Operating Expenses				
Interest Expense	8,151,733	11,302,824	(3,151,091)	(27.88) %
Administrative Fees	43,865	58,611	(14,746)	(25.16) %
Trustee Fees and Other Fees	32,754	84,705	(51,951)	(61.33) %
Cost of Issuance Expenses	317,484	789,956	(472,472)	(59.81) %
Allocation to Members	448,399	413,472	34,927	8.45 %
FMLC General Operating Expenses	<u>149,740</u>	<u>163,603</u>	<u>(13,863)</u>	(8.47) %
Total Operating Expenses	<u>9,143,975</u>	<u>12,813,171</u>	<u>(3,669,196)</u>	(28.64) %
Change in Net Position	(40,391)	(11,253)	(29,138)	(258.93) %
Net Position Beginning of Year	<u>152,562</u>	<u>163,815</u>	<u>(11,253)</u>	(6.87) %
Net Position End of Year	<u>\$ 112,171</u>	<u>\$ 152,562</u>	<u>\$ (40,391)</u>	(26.47) %

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

The Council extinguished or defeased \$2,880,000 of outstanding debt for fiscal year ending 2017. The table below lists the members that refunded or extinguished debt during the year.

<u>Borrower</u>	<u>Series</u>	<u>Original Par</u>	<u>Refunded/ Extinguished Principal Amount</u>
Town of Melbourne Beach	2005B	\$ 1,620,000	\$ 1,190,000
Village of Pinecrest	2011 B-1 & B-2	4,320,000	1,690,000
Total		<u>\$ 5,940,000</u>	<u>\$ 2,880,000</u>

Debt Outstanding

The Council is authorized to issue up to \$1.25 billion of debt for the fixed-rate program which includes the direct loan program, up to \$200 million for the Commercial Paper program, up to \$2 billion for the Gas Bond program and up to \$180 million for Design Build Finance/Build Finance Financing Program.

For all series issued prior to 2008 and Series 2016, payments of the principal and interest on the bonds when due are insured by a municipal bond insurance policy issued by National Public Finance Guarantee Inc., formerly known as MBIA Insurance Corporation.

Series 2010 ABCD, Series 2011D, Series 2012A (2018-2033 maturities), Series 2012 B-1 (2019-2032 maturities), and Series 2017B are insured by a municipal bond insurance policy issued by Assured Guaranty Municipal Corporation.

There is no insurance or reserve fund associated with the private placement bonds, Series 2011 B-1 and B-2, Series 2012 and Series 2012 B-2. Additional information on the Council's debt can be found in Note 5 to the financial statements.

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017**

Debt Outstanding (Continued)

At September 30, 2017, the Council had 13 fixed-rate bond issues or tranches and 3 direct loans with total debt outstanding of \$199,666,226 as shown below.

The Council had the following change in debt:

	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Revenue Bonds, Series 2000A	\$ 8,692,053	\$ 9,664,274	(10.06) %
Revenue Bonds, Series 2000B	2,644,523	2,497,602	5.88 %
Revenue Bonds, Series 2003B	335,000	490,000	(31.63) %
Revenue Bonds, Series 2005B	1,065,000	2,640,000	(59.66) %
Revenue Bonds, Series 2006	6,440,000	7,065,000	(8.85) %
Revenue Bonds, Series 2007A	1,160,000	2,265,000	(48.79) %
Revenue Bonds, Series 2008A (Direct Loan)	12,112,730	12,839,813	(5.66) %
Revenue Bonds, Series 2009 St Aug Bch (Direct Loan)	571,920	605,296	(5.51) %
Revenue Bonds, Series 2010 ABCD	24,035,000	24,710,000	(2.73) %
Revenue Bonds, Series 2010BB (Direct Loan)	870,000	925,000	(5.95) %
Revenue Bonds, Series 2011 B-1 & B-2	1,185,000	3,465,000	(65.80) %
Revenue Bonds, Series 2011D	45,220,000	46,175,000	(2.07) %
Revenue Bonds, Series 2012	-	8,600,000	(100.00) %
Revenue Bonds, Series 2012A	35,745,000	37,265,000	(4.08) %
Revenue Bonds, Series 2012 B-1 & B-2	28,280,000	29,880,000	(5.35) %
Revenue Bonds, Series 2016	24,520,000	24,520,000	0.00 %
Revenue Bonds, Series 2017B	6,790,000	-	N/A
Total Debt Outstanding	199,666,226	213,606,985	
Bond Premium/Discount (Net)	<u>3,472,774</u>	<u>3,264,709</u>	
Bonds Payable	<u>\$ 203,139,000</u>	<u>\$ 216,871,694</u>	

Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2017

Economic Factors

The Council was established pursuant to section 163.01, Florida Statutes, to facilitate cooperative and cost-effective financing for municipalities and counties in the state. As a result, the Council's financial activity is dependent upon the capital financing needs of its member governments and as well as the existing financial market conditions.

As reported by PRAG, the Council's Financial Advisor, the U.S. economy continued to strengthen and the Federal Reserve followed through on its plan to gradually increase its target for the benchmark federal funds interest rate. In June 2017, the Federal Reserve raised the target by a quarter point, to a range of 1% to 1.25%, the fourth increase since December 2015. The Federal Reserve has projected three additional hikes in 2018 as they expect the labor market to remain strong and will continue to monitor inflation closely. The unemployment rate in the U.S. fell to 4.2% in September 2017, which at the time was the lowest jobless rate since February 2001 and well within the range of the Federal Reserve Board's long-term objective.

The benchmark 10-year Treasury yield ended September at 2.3%, after starting the fiscal year at 1.6%. The first half of the year, the market saw stable yields and low volatility, which tend to be positive for issuers as spreads tend to tighten. Spreads between 10-year AAA-MMD and 10-year Treasury remained relatively low through the first half of the year but widened in the last half as market volatility increased; overall the average MMD as a percentage of UST was around 92% for the year.

Bank loans continued to be attractive during the fiscal year, especially for bank-qualified issuers. However, banks continued to be more selective regarding credits and loan term. The low interest rate environment during the fiscal year continued to provide borrowers with refinancing opportunities of existing debt as well as favorable conditions for financing new capital projects. However, bond issuance demand for new money projects continued to be impacted by the cost of borrowing and budget tightening at the local government level.

Since the end of the fiscal year, Congress has adopted and the President has signed the Tax Cuts and Jobs Act. The Act eliminates the use of tax-exempt debt for advance refundings and includes a decrease in the marginal corporate tax rate. This decrease will have an immediate impact on borrowers with bank loans that include an adjustment to interest rates due to changes in the marginal corporate tax rate and could impact the attractiveness of new bank loans to municipal borrowers. Additionally, the elimination of the use of tax-exempt debt for advance refundings limits the ability of local governments to refinance debt, and thus manage its debt portfolio.

Request for Information

This financial report is designed to provide a general overview of the Council's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrator, Florida Municipal Loan Council, 301 South Bronough Street, Suite 300, Tallahassee, Florida 32301.

Florida Municipal Loan Council
***STATEMENTS OF NET POSITION**
September 30, 2017

<u>ASSETS</u>	<u>Series</u> <u>2000A</u>	<u>Series</u> <u>2000B</u>	<u>Series</u> <u>2003B</u>	<u>Series</u> <u>2005B</u>	<u>Series</u> <u>2006</u>	<u>Series</u> <u>2007A</u>
<u>Current Assets</u>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:						
Cash and Cash Equivalents	2,792	-	171	55	800,214	1,190,741
Investments	-	398,353	-	-	-	-
Loans Receivable	1,517,467	315	170,763	357,774	676,404	-
Accounts Receivable - Administrator Fees	-	-	-	-	-	-
Prepaid Expenses	-	104	208	208	-	-
Total Current Assets	<u>1,520,259</u>	<u>398,772</u>	<u>171,142</u>	<u>358,037</u>	<u>1,476,618</u>	<u>1,190,741</u>
<u>Noncurrent Assets</u>						
Loans Receivable	7,173,335	2,246,172	170,001	727,984	5,122,835	-
Total Assets	<u>8,693,594</u>	<u>2,644,944</u>	<u>341,143</u>	<u>1,086,021</u>	<u>6,599,453</u>	<u>1,190,741</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,135</u>	<u>-</u>	<u>-</u>
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	1,518,719	-	165,000	336,119	651,657	1,160,000
Accrued Interest Expense	-	-	5,863	22,188	143,244	29,000
Accrued Administrator Fees	1,541	421	280	849	3,220	489
Accrued Expenses	-	-	-	-	-	-
Due to Members	-	-	-	-	-	1,252
Total Current Liabilities	<u>1,520,260</u>	<u>421</u>	<u>171,143</u>	<u>359,156</u>	<u>798,121</u>	<u>1,190,741</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	7,173,334	2,644,523	170,000	730,000	5,801,332	-
Total Liabilities	<u>8,693,594</u>	<u>2,644,944</u>	<u>341,143</u>	<u>1,089,156</u>	<u>6,599,453</u>	<u>1,190,741</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>						
Net Position - Unrestricted	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

Florida Municipal Loan Council
***STATEMENTS OF NET POSITION**
September 30, 2017

<u>ASSETS</u>	<u>Series</u> <u>2008A</u>	<u>Series 2009</u> <u>St. Aug Bch</u>	<u>Series 2010</u> <u>ABCD</u>	<u>Series</u> <u>2010BB</u>	<u>Series 2011</u> <u>B-1 & B-2</u>	<u>Series</u> <u>2011D</u>	<u>Series</u> <u>2012</u>
<u>Current Assets</u>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:							
Cash and Cash Equivalents	-	-	2,989,564	-	91,906	2,158,016	99,913
Investments	-	-	-	-	-	-	-
Loans Receivable	1,865,764	42,917	720,000	77,618	68,991	1,013,747	-
Accounts Receivable - Administrator Fees	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Total Current Assets	<u>1,865,764</u>	<u>42,917</u>	<u>3,709,564</u>	<u>77,618</u>	<u>160,897</u>	<u>3,171,763</u>	<u>99,913</u>
<u>Noncurrent Assets</u>							
Loans Receivable	10,545,910	536,752	20,773,889	798,747	1,043,964	42,949,893	-
Total Assets	<u>12,411,674</u>	<u>579,669</u>	<u>24,483,453</u>	<u>876,365</u>	<u>1,204,861</u>	<u>46,121,656</u>	<u>99,913</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred Amount on Refunding	-	-	-	11,253	-	-	-
<u>LIABILITIES</u>							
<u>Current Liabilities</u>							
Bonds Payable	764,591	35,169	693,766	60,000	57,750	965,967	-
Accrued Interest Expense	296,166	7,678	510,341	17,400	27,969	1,157,869	-
Accrued Administrator Fees	2,778	71	11,596	218	1,428	13,897	-
Accrued Expenses	-	-	-	-	6,500	-	-
Due to Members	-	-	-	-	-	-	99,913
Total Current Liabilities	<u>1,063,535</u>	<u>42,918</u>	<u>1,215,703</u>	<u>77,618</u>	<u>93,647</u>	<u>2,137,733</u>	<u>99,913</u>
<u>Noncurrent Liabilities</u>							
Bonds Payable	11,348,139	536,751	23,267,750	810,000	1,111,214	43,983,923	-
Total Liabilities	<u>12,411,674</u>	<u>579,669</u>	<u>24,483,453</u>	<u>887,618</u>	<u>1,204,861</u>	<u>46,121,656</u>	<u>99,913</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Amount on Refunding	-	-	-	-	-	-	-
<u>NET POSITION</u>							
Net Position - Unrestricted	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

Florida Municipal Loan Council
***STATEMENTS OF NET POSITION**
September 30, 2017

<u>ASSETS</u>	Series 2012A	Series 2012 B-1 & B-2	Series 2016	Series 2017B	General Operations	Non-Major Funds	Total
<u>Current Assets</u>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 58,274	\$ -	\$ 58,274
Restricted Assets:							
Cash and Cash Equivalents	1,410	2,129,568	1,987,251	6,085,175	-	-	17,536,776
Investments	-	3,694,875	-	-	-	-	4,093,228
Loans Receivable	2,220,857	1,717,499	1,613,994	84,203	-	-	12,148,313
Accounts Receivable - Administrator Fees	-	-	-	-	58,006	-	58,006
Prepaid Expenses	208	-	-	-	-	-	728
Total Current Assets	<u>2,222,475</u>	<u>7,541,942</u>	<u>3,601,245</u>	<u>6,169,378</u>	<u>116,280</u>	<u>-</u>	<u>33,895,325</u>
<u>Noncurrent Assets</u>							
Loans Receivable	36,129,766	21,535,285	22,000,147	1,365,566	-	-	173,120,246
Total Assets	<u>38,352,241</u>	<u>29,077,227</u>	<u>25,601,392</u>	<u>7,534,944</u>	<u>116,280</u>	<u>-</u>	<u>207,015,571</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred Amount on Refunding	-	269,096	-	-	-	-	283,484
<u>LIABILITIES</u>							
<u>Current Liabilities</u>							
Bonds Payable	1,798,465	1,755,916	1,686,386	-	-	-	11,649,505
Accrued Interest Expense	632,339	451,509	378,375	-	-	-	3,679,941
Accrued Administrator Fees	10,136	10,523	12,868	-	-	-	70,315
Accrued Expenses	-	-	-	84,689	4,109	-	95,298
Due to Members	-	-	-	-	-	-	101,165
Total Current Liabilities	<u>2,440,940</u>	<u>2,217,948</u>	<u>2,077,629</u>	<u>84,689</u>	<u>4,109</u>	<u>-</u>	<u>15,596,224</u>
<u>Noncurrent Liabilities</u>							
Bonds Payable	35,865,244	27,128,375	23,481,530	7,437,380	-	-	191,489,495
Total Liabilities	<u>38,306,184</u>	<u>29,346,323</u>	<u>25,559,159</u>	<u>7,522,069</u>	<u>4,109</u>	<u>-</u>	<u>207,085,719</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Amount on Refunding	46,057	-	42,233	12,875	-	-	101,165
<u>NET POSITION</u>							
Net Position - Unrestricted	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 112,171</u>	<u>\$ -0-</u>	<u>\$ 112,171</u>

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

Florida Municipal Loan Council
***STATEMENTS OF REVENUES, EXPENSES AND**
CHANGES IN NET POSITION
For the Year Ended September 30, 2017

	Series 2000A	Series 2000B	Series 2003B	Series 2005B	Series 2006	Series 2007A
<u>OPERATING REVENUES</u>						
Loan Interest and Member Reimbursements	\$ 548,750	\$ 148,474	\$ 20,300	\$ 118,217	\$ 292,731	\$ 60,364
Investment Earnings	426	2,961	2	69	188	161
Allocation to Members	-	-	-	7,246	-	-
Total Operating Revenues	549,176	151,435	20,302	125,532	292,919	60,525
<u>OPERATING EXPENSES</u>						
Interest Expense	546,917	146,921	17,925	121,600	281,338	58,000
Program Administration Fee - FLC	1,009	303	108	659	1,932	294
Other Expenses	1,250	1,250	1,250	3,273	4,500	2,231
Cost of Issuance Expenses	-	-	-	-	-	-
Allocation to Members	-	2,961	1,019	-	5,149	-
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	549,176	151,435	20,302	125,532	292,919	60,525
Change in Net Position	-0-	-0-	-0-	-0-	-0-	-0-
Net Position, Beginning of Year	-0-	-0-	-0-	-0-	-0-	-0-
Net Position, End of Year	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council
***STATEMENTS OF REVENUES, EXPENSES AND**
CHANGES IN NET POSITION
For the Year Ended September 30, 2017

	Series 2008A	Series 2009 St. Aug Bch	Series 2010 ABCD	Series 2010BB	Series 2011 B-1 & B-2	Series 2011D	Series 2012
<u>OPERATING REVENUES</u>							
Loan Interest and Member Reimbursements	\$ 592,382	\$ 32,145	\$ 1,032,340	\$ 36,035	\$ 120,707	\$ 2,325,149	\$ 28,243
Investment Earnings	-	-	11,119	-	103	176	2,442
Allocation to Members	-	-	-	1,894	4,423	19,480	-
Total Operating Revenues	592,382	32,145	1,043,459	37,929	125,233	2,344,805	30,685
<u>OPERATING EXPENSES</u>							
Interest Expense	590,715	32,056	1,027,144	37,794	115,373	2,335,217	28,348
Program Administration Fee - FLC	1,667	89	6,958	135	860	8,338	-
Other Expenses	-	-	5,000	-	9,000	1,250	-
Cost of Issuance Expenses	-	-	-	-	-	-	-
Allocation to Members	-	-	4,357	-	-	-	2,337
FMLC General Operating Expenses	-	-	-	-	-	-	-
Total Operating Expenses	592,382	32,145	1,043,459	37,929	125,233	2,344,805	30,685
<u>Change in Net Position</u>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>Net Position, Beginning of Year</u>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>Net Position, End of Year</u>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council
***STATEMENTS OF REVENUES, EXPENSES AND**
CHANGES IN NET POSITION
For the Year Ended September 30, 2017

	Series 2012A	Series 2012 B-1 & B-2	Series 2016	Series 2017B	General Operations	Non-Major Funds	Total
<u>OPERATING REVENUES</u>							
Loan Interest and Member Reimbursements	\$ 1,560,668	\$ 911,418	\$ 768,753	\$ -	\$ 109,349	\$ -	\$ 8,706,025
Investment Earnings	1,270	28,183	26	-	-	10	47,136
Allocation to Members	-	-	-	317,380	-	-	350,423
Total Operating Revenues	1,561,938	939,601	768,779	317,380	109,349	10	9,103,584
<u>OPERATING EXPENSES</u>							
Interest Expense	1,319,024	847,329	646,032	-	-	-	8,151,733
Program Administration Fee - FLC	7,479	6,314	7,720	-	-	-	43,865
Other Expenses	1,250	2,500	-	-	-	-	32,754
Cost of Issuance Expenses	-	-	104	317,380	-	-	317,484
Allocation to Members	234,185	83,458	114,923	-	-	10	448,399
FMLC General Operating Expenses	-	-	-	-	149,740	-	149,740
Total Operating Expenses	1,561,938	939,601	768,779	317,380	149,740	10	9,143,975
Change in Net Position	-0-	-0-	-0-	-0-	(40,391)	-0-	(40,391)
Net Position, Beginning of Year	-0-	-0-	-0-	-0-	152,562	-0-	152,562
Net Position, End of Year	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 112,171	\$ -0-	\$ 112,171

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

Florida Municipal Loan Council
***STATEMENTS OF CASH FLOWS**
For the Year Ended September 30, 2017

	Series 2000A	Series 2000B	Series 2003B	Series 2005B	Series 2006	Series 2007A
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Member Loan Repayments	1,519,137	-	155,000	385,000	650,000	1,160,000
Loan Interest and Member Reimbursements	4,027	2,260	24,307	127,627	293,928	58,478
Expenses Paid	(4,891)	(2,260)	(2,496)	(6,061)	(13,292)	(7,576)
Cash Provided (Used) by Operating Activities	<u>1,518,273</u>	<u>-</u>	<u>176,811</u>	<u>506,566</u>	<u>930,636</u>	<u>1,210,902</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Proceeds from Bonds Issued	-	-	-	-	-	-
Redemption of Bonds	(1,519,137)	-	(155,000)	(385,000)	(625,000)	(1,105,000)
Interest Paid	-	-	(21,656)	(122,374)	(302,111)	(85,625)
Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,519,137)</u>	<u>-</u>	<u>(176,656)</u>	<u>(507,374)</u>	<u>(927,111)</u>	<u>(1,190,625)</u>
<u>Cash Flows from Investing Activities:</u>						
Investments Sold	-	-	-	-	-	-
Interest and Dividends Collected	426	-	2	69	188	161
Cash Provided (Used) by Investing Activities	<u>426</u>	<u>-</u>	<u>2</u>	<u>69</u>	<u>188</u>	<u>161</u>
<u>Net Change in Cash and Cash Equivalents</u>	<u>(438)</u>	<u>-</u>	<u>157</u>	<u>(739)</u>	<u>3,713</u>	<u>20,438</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>3,230</u>	<u>-</u>	<u>14</u>	<u>794</u>	<u>796,501</u>	<u>1,170,303</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 2,792</u>	<u>\$ -</u>	<u>\$ 171</u>	<u>\$ 55</u>	<u>\$ 800,214</u>	<u>\$ 1,190,741</u>
<u>Cash Flows from Operating Activities:</u>						
<u>Change in Net Position</u>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Reconciliation of Change in Net Position to Cash</u>						
<u>Provided (Used) by Operating Activities:</u>						
Amortization of Discount (Premium)	-	-	(1,019)	(5,121)	(5,148)	-
Amortization of Refunding	-	-	-	12,367	-	-
Accretion of Interest on Capital Appreciation Bonds	546,916	146,921	-	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-
Interest Paid	-	-	21,656	122,374	302,111	85,625
Investment Income	(426)	(2,961)	(2)	(69)	(188)	(161)
Deferred Amount on Refunding	-	-	-	-	-	-
(Increase) Decrease in Receivables - Net	972,062	(143,960)	159,773	410,419	651,838	1,156,177
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-
Increase (Decrease) in Payables - Net	(279)	-	(3,597)	(33,404)	(17,977)	(30,739)
Cash Provided (Used) by Operating Activities	<u>\$ 1,518,273</u>	<u>\$ -</u>	<u>\$ 176,811</u>	<u>\$ 506,566</u>	<u>\$ 930,636</u>	<u>\$ 1,210,902</u>

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

Florida Municipal Loan Council
***STATEMENTS OF CASH FLOWS**
For the Year Ended September 30, 2017

	Series 2008A	Series 2009 St. Aug Bch	Series 2010 ABCD	Series 2010BB	Series 2011 B-1 & B-2	Series 2011D	Series 2012
<u>Cash Flows from Operating Activities:</u>							
Loans Made to Members	\$ -	\$ -	\$ (171,851)	\$ -	\$ -	\$ -	\$ (1,119,525)
Member Loan Repayments	-	-	700,000	-	60,000	985,000	8,600,000
Loan Interest and Member Reimbursements	-	-	1,048,572	-	88,716	2,344,606	49,311
Expenses Paid	-	-	(28,519)	-	(5,671)	(29,337)	(5,050)
Cash Provided (Used) by Operating Activities	-	-	1,548,202	-	143,045	3,300,269	7,524,736
<u>Cash Flows from Non-Capital Financing Activities:</u>							
Proceeds from Bonds Issued	-	-	-	-	-	-	-
Redemption of Bonds	-	-	(675,000)	-	(590,000)	(955,000)	(8,600,000)
Interest Paid	-	-	(1,032,475)	-	(119,062)	(2,330,063)	(49,311)
Cash Provided (Used) by Non-Capital Financing Activities	-	-	(1,707,475)	-	(709,062)	(3,285,063)	(8,649,311)
<u>Cash Flows from Investing Activities:</u>							
Investments Sold	-	-	171,851	-	-	-	-
Interest and Dividends Collected	-	-	10,059	-	103	176	2,442
Cash Provided (Used) by Investing Activities	-	-	181,910	-	103	176	2,442
<u>Net Change in Cash and Cash Equivalents</u>	-	-	22,637	-	(565,914)	15,382	(1,122,133)
<u>Cash and Cash Equivalents, Beginning of Year</u>	-	-	2,966,927	-	657,820	2,142,634	1,222,046
<u>Cash and Cash Equivalents, End of Year</u>	\$ -	\$ -	\$ 2,989,564	\$ -	\$ 91,906	\$ 2,158,016	\$ 99,913
<u>Cash Flows from Operating Activities:</u>							
<u>Change in Net Position</u>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Reconciliation of Change in Net Position to Cash</u>							
<u>Provided (Used) by Operating Activities:</u>							
Amortization of Discount (Premium)	-	-	6,462	-	3,554	19,479	-
Amortization of Refunding	-	-	-	-	870	-	-
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-	-
Interest Paid	-	-	1,032,475	-	119,062	2,330,063	49,311
Investment Income	-	-	(11,119)	-	(103)	(176)	(2,442)
Deferred Amount on Refunding	-	-	-	-	-	-	-
(Increase) Decrease in Receivables - Net	-	-	532,504	-	49,086	965,521	7,405,530
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-	-
Increase (Decrease) in Payables - Net	-	-	(12,120)	-	(29,424)	(14,618)	72,337
Cash Provided (Used) by Operating Activities	\$ -	\$ -	\$ 1,548,202	\$ -	\$ 143,045	\$ 3,300,269	\$ 7,524,736

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

Florida Municipal Loan Council
***STATEMENTS OF CASH FLOWS**
For the Year Ended September 30, 2017

	Series 2012A	Series 2012 B-1 & B-2	Series 2016	Series 2017B	General Operations	Non-Major Funds	Total
<u>Cash Flows from Operating Activities:</u>							
Loans Made to Members	\$ (701,206)	\$ (1,686,737)	\$ (3,000,000)	\$ (1,120,000)	\$ -	\$ -	\$ (7,799,319)
Member Loan Repayments	1,520,000	1,665,000	1,585,000	-	-	-	18,984,137
Loan Interest and Member Reimbursements	1,605,023	926,151	797,776	486	110,895	3,631	7,485,794
Expenses Paid	(26,610)	(24,143)	(125,723)	(99,869)	(110,868)	(11,887)	(504,253)
Cash Provided (Used) by Operating Activities	<u>2,397,207</u>	<u>880,271</u>	<u>(742,947)</u>	<u>(1,219,383)</u>	<u>27</u>	<u>(8,256)</u>	<u>18,166,359</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>							
Proceeds from Bonds Issued	-	-	-	7,304,558	-	-	7,304,558
Redemption of Bonds	(1,520,000)	(1,600,000)	-	-	-	-	(17,729,137)
Interest Paid	(1,578,412)	(932,218)	(382,579)	-	-	-	(6,955,886)
Cash Provided (Used) by Non-Capital Financing Activities	<u>(3,098,412)</u>	<u>(2,532,218)</u>	<u>(382,579)</u>	<u>7,304,558</u>	<u>-</u>	<u>-</u>	<u>(17,380,465)</u>
<u>Cash Flows from Investing Activities:</u>							
Investments Sold	701,200	1,686,738	-	-	-	-	2,559,789
Interest and Dividends Collected	1,145	415	26	-	-	10	15,222
Cash Provided (Used) by Investing Activities	<u>702,345</u>	<u>1,687,153</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>2,575,011</u>
<u>Net Change in Cash and Cash Equivalents</u>	<u>1,140</u>	<u>35,206</u>	<u>(1,125,500)</u>	<u>6,085,175</u>	<u>27</u>	<u>(8,246)</u>	<u>3,360,905</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>270</u>	<u>2,094,362</u>	<u>3,112,751</u>	<u>-</u>	<u>58,247</u>	<u>8,246</u>	<u>14,234,145</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 1,410</u>	<u>\$ 2,129,568</u>	<u>\$ 1,987,251</u>	<u>\$ 6,085,175</u>	<u>\$ 58,274</u>	<u>\$ -</u>	<u>\$ 17,595,050</u>
<u>Cash Flows from Operating Activities:</u>							
<u>Change in Net Position</u>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (40,391)	\$ -0-	\$ (40,391)
<u>Reconciliation of Change in Net Position to Cash</u>							
<u> Provided (Used) by Operating Activities:</u>							
Amortization of Discount (Premium)	(228,568)	(96,940)	(114,770)	-	-	-	(422,071)
Amortization of Refunding	(5,487)	41,251	(152)	-	-	-	48,849
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-	693,837
Issuance Costs Netted from Proceeds	-	-	-	132,822	-	-	132,822
Interest Paid	1,578,412	932,218	382,579	-	-	-	6,955,886
Investment Income	(1,270)	(28,183)	(26)	-	-	(10)	(47,136)
Deferred Amount on Refunding	-	-	-	12,875	-	-	12,875
(Increase) Decrease in Receivables - Net	1,079,884	61,721	(1,289,069)	(1,449,769)	1,546	3,631	10,566,894
(Increase) Decrease in Prepaid Expenses	-	-	-	-	38,000	-	38,000
Increase (Decrease) in Payables - Net	(25,764)	(29,796)	278,491	84,689	872	(11,877)	226,794
Cash Provided (Used) by Operating Activities	<u>\$ 2,397,207</u>	<u>\$ 880,271</u>	<u>\$ (742,947)</u>	<u>\$ (1,219,383)</u>	<u>\$ 27</u>	<u>\$ (8,256)</u>	<u>\$ 18,166,359</u>

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

Florida Municipal Loan Council
***STATEMENT OF CASH FLOWS**
SUPPLEMENTAL SCHEDULE OF NONCASH TRANSACTIONS
For the Year Ended September 30, 2017

Series 2000B - The increase in the fair value of the investments was \$2,961.

Series 2005B - The Council refunded debt issued in 2005. The \$1,219,750 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$1,190,000 of outstanding revenue bond principal and \$29,750 of interest.

Series 2008A - Loans receivable and bonds payable of \$727,083 were reduced by a direct payment from the member to the lender. Interest of \$608,493 was paid by the member directly to the lender. The member paid administrative fees of \$5,723 directly to the administrator.

Series 2009 St. Augustine Bch - Loans receivable and bonds payable of \$33,376 were reduced by a direct payment from the member to the lender. Interest of \$32,504 was paid by the member directly to the lender. The member paid administrative fees of \$303 directly to the administrator.

Series 2010 ABCD - The increase in the fair value of the investments was \$1,060.

Series 2010AA - The member paid administrative fees of \$348 directly to the administrator.

Series 2010BB - Loans receivable and bonds payable of \$55,000 were reduced by a direct payment from the member to the lender. Interest of \$37,000 was paid by the member directly to the lender. The member paid administrative fees of \$462 directly to the administrator.

Series 2011 B-1 & B-2 - The Council refunded debt issued in 2011. The \$1,758,516 of the proceeds are held in an irrevocable trust and with future earnings on investments of \$24,453 will fund the repayment of \$1,690,000 of outstanding revenue bond principal, \$86,469 of interest, and \$6,500 of refunding costs.

Series 2012A - The increase in the fair value of the investments was \$125.

Series 2012 B-1 & B-2 - The increase in the fair value of the investments was \$27,768.

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

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 1 – Organization and Significant Accounting Policies

- A. Organization and Purpose - The Florida Municipal Loan Council (Council) was created on December 1, 1998 under Chapter 163, Florida Statutes, pursuant to an Interlocal Agreement between its members. The purpose of the Council is to enable participating governmental entities to finance or refinance projects permitted by the Interlocal Act on a cooperative and cost-effective basis, to benefit from economies of scale associated with large scale financings and to maximize the benefits derived from the availability of moneys provided by the State for funding projects. The Council is authorized to exercise the privileges, benefits, powers and terms of the Interlocal Act in connection with the authorization, issuance and sale of bonds. On December 17, 1998, the Board of Directors approved a resolution authorizing the issuance of bonds up to an aggregate amount of \$500,000,000. On October 23, 2002, the Board of Directors approved a resolution authorizing the issuance of bonds in an additional aggregate amount up to \$750,000,000.

The Council is authorized to issue commercial paper notes, providing that the aggregate principal amount of the commercial paper outstanding at any one time shall not exceed \$200,000,000. As of September 30, 2017, there is no commercial paper outstanding.

On November 17, 2006, the Board of Directors approved a resolution authorizing the issuance of bonds to finance the cost of supplies of natural gas for agencies within and without the state of Florida, providing that the aggregate amount of the principal outstanding at any one time does not exceed \$2,000,000,000. As of September 30, 2017, no gas bonds have been issued.

On April 3, 2008, the Board of Directors approved a resolution authorizing the issuance of private placement bonds and appointed Banc of America Public Capital Corp as the bank for the private placement program. On December 1, 2008, the Board of Directors approved a resolution appointing Branch Banking & Trust Company as a participating bank for the private placement program and authorized the Program Administrator to designate additional banks to provide financing for each loan. The Program Administrator subsequently appointed Wells Fargo Bank, N.A. (formerly Wachovia Bank, National Association) as a participating bank for the private placement program.

On July 2, 2012, the Board of Directors approved Amendment 2 to the Interlocal Agreement authorizing the issuance of infrastructure revenue bonds. In addition, the Board approved resolutions authorizing the issuance of FMLC Infrastructure Improvement Revenue Bonds, Series 2012, up to an aggregate amount of \$180,000,000.

On May 29, 2013, the Board amended and restated Amendment 2 to the Interlocal Agreement to clarify the authority of the Council under the provisions of Chapter 163, Florida Statutes.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 1 – Organization and Significant Accounting Policies (Continued)

A. Organization and Purpose (Continued)

The Council had the following programs during the year ended September 30, 2017:

Series 2000A - This program was financed with revenue bonds in the amount of \$30,878,847 issued May 3, 2000 with a final maturity of April 1, 2030. On July 12, 2005, the Council issued \$15,610,000 in revenue refunding bonds to advance refund certain 2000A revenue bonds. The 2000A current interest bonds were called April 1, 2010. Capital appreciation bonds with a final maturity of April 1, 2024 are still outstanding. The remaining participant is Deerfield Beach.

Series 2000B - This program was financed with revenue bonds in the amount of \$42,845,184 issued November 15, 2000 with a final maturity of November 1, 2030. In a prior fiscal year, Marco Island, New Smyrna Beach, North Miami Beach, and Oakland Park provided funds to extinguish their share of the bonds, and the Council issued \$34,860,000 in revenue refunding bonds to advance refund certain 2000B revenue bonds. Capital appreciation bonds with a final maturity of November 1, 2026 are still outstanding. The remaining participant is Deerfield Beach.

Series 2003B - This program was financed with revenue bonds in the amount of \$46,805,000 issued December 17, 2003 with a final maturity of December 1, 2033. In a prior fiscal year, the Council issued \$13,955,000 and \$24,520,000 in revenue refunding bonds to advance refund certain 2003B revenue bonds, Bay Harbor Islands provided funds to extinguish a portion of its share of the bonds, and Gadsden County and North Miami Beach provided funds to extinguish their share of the bonds. The remaining participant is Apopka.

Series 2005B - This program was financed with revenue bonds in the amount of \$18,145,000 issued May 26, 2005 with a final maturity of November 1, 2029. These bonds were issued to advance refund certain bonds of Series 1999B. In a prior fiscal year, the Council issued \$24,520,000 in revenue refunding bonds to advance refund certain 2005B revenue bonds, and Destin and Haines City provided funds to extinguish their share of the bonds. On September 28, 2017, the Council issued \$6,790,000 in revenue refunding bonds to advance refund certain 2005B revenue bonds. The remaining participant is Plant City.

Series 2006 - This program was financed with revenue bonds in the amount of \$22,365,000 issued January 9, 2007 with a final maturity of October 1, 2036. In a prior fiscal year, the Council issued \$24,520,000 in revenue refunding bonds to advance refund certain 2006 revenue bonds, Gadsden County provided funds to extinguish its share of the bonds, and South Miami provided funds to extinguish a portion of its share of the bonds. The remaining participants are Deerfield Beach, South Miami, and St. Pete Beach.

Series 2007A - This program was financed with revenue bonds in the amount of \$50,815,000 issued September 6, 2007 with a final maturity of October 1, 2032. In a prior fiscal year, Hallandale Beach provided funds to extinguish a portion of its share of the bonds, and Haines City provided funds to extinguish its share of the bonds. The remaining participant is Hallandale Beach.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 1 – Organization and Significant Accounting Policies (Continued)

A. Organization and Purpose (Continued)

Series 2008A - This program was financed with private placement revenue bonds in the amount of \$17,028,786 issued August 22, 2008 with a final maturity of October 1, 2028. The participant is Deerfield Beach.

Series 2009 St. Augustine Beach - This program was financed with private placement revenue bonds in the amount of \$5,350,000 issued July 2, 2009 with a final maturity of July 1, 2029. The participant is St. Augustine Beach.

Series 2010 ABCD - This program was financed with revenue bonds in the amount of \$27,730,000 issued August 25, 2010 with a final maturity of October 1, 2040. The participants are Palatka, Palmetto Bay, Valparaiso and West Melbourne.

Series 2010BB - This program was financed with private placement revenue bonds in the amount of \$1,230,000 issued December 20, 2010 with a final maturity of April 1, 2029. These bonds were issued to advance refund certain bonds of Series 1999A. The participant is Eagle Lake.

Series 2011 B-1 & B-2 - This program was financed with revenue bonds in the amount of \$5,825,000 issued March 2, 2011 with a final maturity of October 1, 2030. A portion of these bonds was issued to advance refund certain bonds of Series 1999A. On September 28, 2017, Pinecrest provided funds to extinguish a portion of its share of the bonds. The participant is Pinecrest.

Series 2011D - This program was financed with revenue bonds in the amount of \$48,235,000 issued May 20, 2011 with a final maturity of October 1, 2041. The participant is Hialeah.

Series 2012 - This program was financed with revenue bonds in the amount of \$59,110,000 issued September 7, 2012 with a final maturity of February 15, 2017. The participant was Infrastructure Development Partners.

Series 2012A - This program was financed with revenue bonds in the amount of \$41,620,000 issued November 1, 2012 with a final maturity of May 1, 2033. A portion of these bonds was issued to advance refund certain bonds of Series 2003A. The participant is Hialeah.

Series 2012 B-1 & B-2 - This program was financed with revenue bonds in the amount of \$34,860,000 issued December 1, 2012 with a final maturity of October 1, 2032. A portion of these bonds were issued to advance refund certain bonds of Series 2000B, 2003A, and 2003B. The participant is Deerfield Beach.

Series 2016 - This program was financed with revenue bonds in the amount of \$24,520,000 issued September 29, 2016 with a final maturity of October 1, 2046. A portion of these bonds was issued to advance refund certain bonds of Series 2001A, 2002A, 2003A, 2003B, 2004A-1, 2005A, 2005B, 2005C, 2005D, 2006, and 2010AA. The participants are Bay Harbor Islands, Belle Isle, Eatonville, Lake Park, North Miami, Oakland, Port Richey, St. Augustine Beach, and Valparaiso.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 1 – Organization and Significant Accounting Policies (Continued)

A. Organization and Purpose (Continued)

Series 2017B - This program was financed with revenue bonds in the amount of \$6,790,000 issued September 28, 2017 with a final maturity of October 1, 2037. A portion of these bonds was issued to advance refund certain bonds of Series 2005B. The participants are Cocoa Beach CRA, Melbourne Beach, and Valparaiso.

The bond proceeds of each program were loaned to the participants of that program pursuant to loan agreements with maturities that coincide with the principal and interest payment dates of the bonds. Under the loan agreements, participants are billed for their proportionate share of the program costs.

In order to obtain credit market acceptance for all programs, except Series 2008A, Series 2009 St. Augustine Beach, Series 2010BB (the private placement bonds), Series 2011B, Series 2012, and Series 2012 B-2, the Council obtained a financial guaranty insurance policy for each program that unconditionally and irrevocably guarantees the full and complete payment of principal and interest.

- B. The Council is exempt from income taxes under the provisions of Section 115 of the Internal Revenue Code.
- C. Reporting Entity and Basis of Accounting - The Council is an independent reporting entity accounted for as an enterprise fund under U.S. generally accepted accounting principles for governments as established by the Governmental Accounting Standards Board (GASB). The Council uses the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The programs reported as separate columns in the Council's financial statements are considered major funds. The programs that fully defeased by year-end are aggregated and reported as non-major funds.
- D. Pursuant to the trust indentures, all earnings are credited to and all expenses are reimbursed by the members. The Council considers all its activities as operating activities.
- E. Cash and Cash Equivalents - Cash and cash equivalents include short-term investments with original maturities of three months or less.
- F. Investments – Investments are reported at fair value and transactions are recorded on a trade date basis. 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.
- G. Deferred Outflows and Inflows of Resources – The Council classifies deferred loss on debt refunding as a deferred outflow of resources and deferred gain on debt refunding as a deferred inflow of resources in a separate section of the statement of net position. A deferred gain or loss results from the difference in the carrying value of refunded debt and its reacquisition price. The gain or loss is deferred and amortized over the shorter of the remaining life of the refunded (old) debt or the refunding (new) debt.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 2 – Funds and Accounts Created by the Trust Indentures

- A. Bond Program Funds and Accounts - Pursuant to Article IV of the trust indentures between the Council and The Bank of New York Mellon SA/NV, as Trustee (Trustee), the following funds and accounts were created.
1. Project Loan Funds - The Project Loan Funds are created with deposits of the net bond proceeds for lending to the members. Moneys in the Project Loan Funds are segregated at closing into a separate account for each member. Earnings on the investment of these funds are credited to and held in each account. The proceeds and any earnings thereon are available to fund the projects of the members. Amounts on deposit in the Project Loan Funds are not subject to yield restriction for an initial period of up to three years. It is expected that the members will withdraw these funds within the initial period.
 2. Cost of Issuance Funds - The Cost of Issuance Funds are created with deposits at closing to pay certain costs related to the issuance of the bonds. Amounts remaining in these funds after payment of these costs, together with any investment earnings, are transferred to the Revenue Funds in accordance with the trust indentures.
 3. Principal Funds - All payments or recoveries of principal of loans or payments of any premium due upon optional redemption of the bonds are deposited to the Principal Funds. Amounts in the Principal Funds are used to pay principal payments on the bonds.
 4. Revenue Funds - All loan repayments, other than those amounts required to be deposited to the Principal Funds, plus all investment earnings on amounts in the funds and accounts (except the Rebate Funds and the Project Loan Funds) are deposited to the Revenue Funds. Amounts in the Revenue Funds are used to pay the interest due on the bonds and the fees and expenses of the Council.
 5. Reserve Funds - The Reserve Funds are established at closing with cash or the purchase of surety bonds in an amount equal to the reserve requirement of the program. Amounts held in each reserve fund are payable to the Trustee on any interest payment or redemption date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to the indentures and available for such purpose. If disbursement is made from a surety bond, the Council will reinstate the maximum limits of the surety bond as soon as moneys are available by repaying the amount disbursed with interest thereon at the rate set forth in the agreement. If a withdrawal is made from a cash reserve fund, the Council will replenish the applicable reserve requirement within twelve months with an amount received from the borrower.
- B. Private Placement Program – The private placement program is a non-trusted program. The loan agreements do not require the establishment of funds and accounts by the Council. Additionally, pursuant to Article V of the loan agreements, the borrowers shall pay all loan repayments on behalf of the Council to the lenders.
- C. Rebate Funds - In order to insure compliance with the rebate provisions of Section 148(f) of the Internal Revenue Code, the Council also provided for the Rebate Funds. The Rebate Funds are only maintained if it becomes necessary to rebate arbitrage earnings to the federal government.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 3 – Cash and Cash Equivalents and Investments

All cash, cash equivalents and investments are held by the Trustee or its agent in the Council's name, except for the FMLC general operations account. At September 30, 2017, unrestricted cash was composed of demand deposits in the amount of \$58,274. Restricted cash and cash equivalents in the amount of \$17,536,776 and restricted investments in the amount of \$4,093,228 are held by the Trustee and restricted as to use pursuant to the trust indentures. The restricted cash and cash equivalents include cash accounts and a money market fund held by the Trustee. The fund is rated AAA and has a weighted average maturity (WAM) of 39 days at year-end. The cash is held within a trust department of a bank, which under Florida Statutes, Chapter 280, public deposits in a bank or savings association by a trust department company are fully secured under trust business laws. All demand deposits with financial institutions were 100% insured by Federal Depository Insurance Corporation. Details of investments held at September 30, 2017 are shown below:

	Series 2000B	Series 2012 B-1 & B-2
<u>Investments</u>		
Florida Municipal Investment Trust (FMLvT) 0-2 Yr High Quality Bd Fd	\$ 398,353	\$ 3,694,875
Total Investments	\$ 398,353	\$ 3,694,875

The FMLvT 0-2 Year High Quality Bond Fund is a local government investment pool administered by the Florida League of Cities, Inc. (League). The FMLvT Board of Trustees exercises oversight responsibility over the pool. The fair value of the Council's position in the pool is equal to the fair value of the Council's shares.

The Project Loan Funds are invested in the FMLvT 0-2 Year High Quality Bond Fund and the money market fund. The investments authorized by the trust indentures include direct obligations of the United States of America, evidence of ownership of a proportionate interest in obligations of the federal government, interest bearing demand or time deposits which are fully insured by the Federal Deposit Insurance Corporation or fully collateralized by obligations of the federal government, certain investment agreements or repurchase agreements, the FMLvT 0-2 Year High Quality Bond Fund, the FMLvT 1-3 Year High Quality Bond Fund, money market funds and the State Board of Administration's Local Government Surplus Funds Trust Fund (Florida Prime). The Council places no limit on the amount that may be invested in any one issuer.

Credit Risk: The Council's investment policy is to apply the prudent-person rule. The investment portfolio shall be designed to attain a market rate of return throughout financial and economic cycles, taking into account the Council's investment risk constraints as discussed in the investment policy. The Council's credit quality policy does not limit its investments in government agency obligations or bond funds. The FMLvT 0-2 Year High Quality Bond Fund is rated AAA.

Interest Rate Risk: As a means of limiting its exposure to fair value losses from rising interest rates, the Council's investment policy employs portfolio diversification, controlled duration strategies, and maturity durations as the primary methods of controlling risk. The Council's investment policy does not limit the duration of governmental investment funds. The FMLvT 0-2 Year High Quality Bond Fund has a modified duration of 0.67 years at year-end.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 3 – Cash and Cash Equivalents and Investments (Continued)

Fair Value Measurement: GASB Statement 72 (GASB 72), *Fair Value Measurement and Application*, defines fair values as the price the Council 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 Council to categorize its fair value measurements within that hierarchy. The three-tier hierarchy of inputs is summarized in the three broad levels listed 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.

Level 3 includes significant unobservable inputs, which are used only when relevant Level 1 and Level 2 inputs are unavailable.

The FMIvT 0-2 Year High Quality Bond Fund is valued at the net asset value provided by FMIvT, which is based on the values of the underlying assets of the fund. The value of the FMIvT 0-2 Year High Quality Bond Fund is classified as Level 2 and was derived from market-corroborated data. The FMIvT 0-2 Year High Quality Bond Fund invests in U.S. Treasury and agency securities and asset-backed securities. The investment objective of the FMIvT 0-2 Year High Quality Bond Fund is to meet or exceed the return of its benchmark. Withdrawals require a notice of five days and can be made on a semi-monthly basis.

Note 4 – Loans Receivable

The loans receivable are evidenced by loan agreements and are secured by each member's covenant to budget a sufficient amount of non-ad valorem revenues to satisfy the loan repayments as required under the loan agreement, or in the case of general obligation debt, by the full faith and credit of the government. Members of the bond program are billed semi-annually for their proportionate share of expenses, less investment earnings on funds other than the Project Loan Funds. Members of the private placement program pay all loan repayments on behalf of the Council directly to the lender. The loans are subject to prepayment, with penalty. Principal repayments on the loans are scheduled to coincide with the scheduled maturities of the bonds.

Note 5 – Bonds Payable

The bonds are limited and special obligations of the Council and are payable solely out of amounts received by the Council under and pursuant to the loan agreements entered into by the Council and each member.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Bonds Payable decreased during the year ended September 30, 2017 as follows:

Bonds Payable October 1, 2016	\$ 216,871,694
Bonds Issued	7,437,380
Accretion on Capital Appreciation Bonds	693,838
Bonds Redeemed	(18,544,597)
Bonds Defeased or Extinguished	(2,880,000)
Reduction of Bond Premium/Discount (Net)	<u>(439,315)</u>
Bonds Payable September 30, 2017	<u><u>\$ 203,139,000</u></u>

Series 2000A

The Series 2000A bonds are composed of capital appreciation bonds of \$3,082,938 plus accreted interest of \$5,609,115. The bonds bear interest at rates ranging from 6.02% to 6.08%. Interest is payable only at maturity or earlier redemption. The accreted amount will include both the original principal amount and interest compounded semi-annually on each April 1 and October 1.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 524,936	\$ 993,784	\$ 1,518,720
2019	494,238	1,023,042	1,517,280
2020	466,609	1,053,390	1,519,999
2021	437,061	1,082,939	1,520,000
2022	410,902	1,109,098	1,520,000
2023-2024	<u>749,192</u>	<u>2,290,808</u>	<u>3,040,000</u>
Totals	<u><u>\$ 3,082,938</u></u>	<u><u>\$ 7,553,061</u></u>	<u><u>\$ 10,635,999</u></u>

Series 2000B

The Series 2000B bonds are composed of capital appreciation bonds of \$1,010,184 plus accreted interest of \$1,634,339. The bonds bear interest at rates ranging from 5.75% to 5.85%. Interest is payable only at maturity or earlier redemption. The accreted amount will include both the original principal amount and interest compounded semi-annually on each May 1 and November 1.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Series 2000B (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ -	\$ -
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023-2027	<u>1,010,184</u>	<u>3,184,816</u>	<u>4,195,000</u>
Totals	<u>\$ 1,010,184</u>	<u>\$ 3,184,816</u>	<u>\$ 4,195,000</u>

Series 2003B

These bonds bear interest at 5.25%. Interest is payable each June 1 and December 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 165,000	\$ 13,256	\$ 178,256
2019	<u>170,000</u>	<u>4,463</u>	<u>174,463</u>
Totals	<u>\$ 335,000</u>	<u>\$ 17,719</u>	<u>\$ 352,719</u>

Series 2005B

These bonds bear interest at 5.00%. Interest is payable each May 1 and November 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 335,000	\$ 44,875	\$ 379,875
2019	355,000	27,625	382,625
2020	<u>375,000</u>	<u>9,375</u>	<u>384,375</u>
Totals	<u>\$ 1,065,000</u>	<u>\$ 81,875</u>	<u>\$ 1,146,875</u>

In the current year, the Council issued \$1,050,000 in revenue refunding bonds with interest rates ranging from 3.00% to 5.00%. The Council issued the bonds to advance refund \$1,190,000 of the outstanding Series 2005B bonds with an interest rate of 5.00%. The Council deposited the net proceeds in an irrevocable trust to provide for all future debt service on the refunded portion of the Series 2005B bonds.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Series 2005B (Continued)

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements. At September 30, 2017, \$1,190,000 of bonds outstanding are considered defeased.

The advance refunding reduced total debt service payments over the next 12 years by \$118,843. This results in an economic gain (difference between the present values of the debt service payments on the old debt and new debt) of \$96,049.

Series 2006

These bonds bear interest at rates ranging from 4.00% to 5.00%. Interest is payable each April 1 and October 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 650,000	\$ 270,238	\$ 920,238
2019	680,000	236,988	916,988
2020	275,000	214,488	489,488
2021	285,000	203,109	488,109
2022	300,000	191,044	491,044
2023-2027	1,705,000	754,434	2,459,434
2028-2032	2,115,000	343,012	2,458,012
2033-2037	430,000	50,175	480,175
Totals	<u>\$ 6,440,000</u>	<u>\$ 2,263,488</u>	<u>\$ 8,703,488</u>

Series 2007A

These bonds bear interest at 5.00%. Interest is payable each April 1 and October 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>\$ 1,160,000</u>	<u>\$ 29,000</u>	<u>\$ 1,189,000</u>
Totals	<u>\$ 1,160,000</u>	<u>\$ 29,000</u>	<u>\$ 1,189,000</u>

In a prior year, the Council defeased a portion of the Series 2007A bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments on the bonds.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Series 2007A (Continued)

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements. At September 30, 2017, \$35,455,000 of bonds outstanding are considered defeased.

Series 2008A

These bonds bear interest at 4.81%. Interest is payable each April 1 and October 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 764,591	\$ 572,121	\$ 1,336,712
2019	802,229	533,918	1,336,147
2020	841,720	495,131	1,336,851
2021	881,859	451,810	1,333,669
2022	926,566	407,716	1,334,282
2023-2027	5,362,739	1,297,733	6,660,472
2028-2029	2,533,026	125,352	2,658,378
Totals	<u>\$ 12,112,730</u>	<u>\$ 3,883,781</u>	<u>\$ 15,996,511</u>

Series 2009 St. Augustine Beach

These bonds bear interest at 5.37%. Interest is payable each January 1 and July 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 35,169	\$ 30,712	\$ 65,881
2019	37,057	28,824	65,881
2020	39,047	26,834	65,881
2021	41,144	24,737	65,881
2022	43,353	22,527	65,880
2023-2027	254,290	75,113	329,403
2028-2029	121,860	9,901	131,761
Totals	<u>\$ 571,920</u>	<u>\$ 218,648</u>	<u>\$ 790,568</u>

Series 2010 ABCD

These bonds bear interest at rates ranging from 2.50% to 5.00%. Interest is payable each April 1 and October 1 until final maturity.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Series 2010 ABCD (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 700,000	\$ 1,008,181	\$ 1,708,181
2019	725,000	983,169	1,708,169
2020	745,000	957,706	1,702,706
2021	775,000	930,331	1,705,331
2022	800,000	900,731	1,700,731
2023-2027	4,505,000	4,026,891	8,531,891
2028-2032	5,255,000	2,980,759	8,235,759
2033-2037	5,320,000	1,829,013	7,149,013
2038-2041	<u>5,210,000</u>	<u>501,016</u>	<u>5,711,016</u>
Totals	<u>\$ 24,035,000</u>	<u>\$ 14,117,797</u>	<u>\$ 38,152,797</u>

Series 2010BB

These bonds bear interest at 4.00%. Interest is payable each April 1 and October 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,000	\$ 34,800	\$ 94,800
2019	60,000	32,400	92,400
2020	65,000	30,000	95,000
2021	65,000	27,400	92,400
2022	65,000	24,800	89,800
2023-2027	380,000	81,600	461,600
2028-2029	<u>175,000</u>	<u>10,600</u>	<u>185,600</u>
Totals	<u>\$ 870,000</u>	<u>\$ 241,600</u>	<u>\$ 1,111,600</u>

Series 2011 B-1 & B-2

These bonds bear interest at rates ranging from 3.00% to 5.00%. Interest is payable each April 1 and October 1 until final maturity.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Series 2011 B-1 & B-2 (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,000	\$ 55,038	\$ 115,038
2019	65,000	53,081	118,081
2020	65,000	50,887	115,887
2021	70,000	48,000	118,000
2022	70,000	44,500	114,500
2023-2027	425,000	163,125	588,125
2028-2031	<u>430,000</u>	<u>44,250</u>	<u>474,250</u>
Totals	<u>\$ 1,185,000</u>	<u>\$ 458,881</u>	<u>\$ 1,643,881</u>

In the current year, the Council defeased \$1,690,000 of the Series 2011 B-1 & B-2 bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payment on the bonds.

Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements. At September 30, 2017, \$1,690,000 of bonds outstanding are considered defeased.

Series 2011D

These bonds bear interest at rates ranging from 3.00% to 5.50%. Interest is payable each April 1 and October 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 985,000	\$ 2,300,962	\$ 3,285,962
2019	1,015,000	2,269,694	3,284,694
2020	1,050,000	2,226,950	3,276,950
2021	1,105,000	2,178,600	3,283,600
2022	1,150,000	2,133,500	3,283,500
2023-2027	6,525,000	9,852,694	16,377,694
2028-2032	8,360,000	7,975,713	16,335,713
2033-2037	10,840,000	5,445,881	16,285,881
2038-2042	<u>14,190,000</u>	<u>2,035,550</u>	<u>16,225,550</u>
Totals	<u>\$ 45,220,000</u>	<u>\$ 36,419,544</u>	<u>\$ 81,639,544</u>

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Series 2012A

These bonds bear interest at rates ranging from 3.25% to 5.00%. Interest is payable each May 1 and November 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,580,000	\$ 1,517,613	\$ 3,097,613
2019	1,645,000	1,454,412	3,099,412
2020	1,710,000	1,388,612	3,098,612
2021	1,795,000	1,303,113	3,098,113
2022	1,885,000	1,213,362	3,098,362
2023-2027	10,895,000	4,595,138	15,490,138
2028-2032	13,255,000	2,247,625	15,502,625
2033	<u>2,980,000</u>	<u>119,200</u>	<u>3,099,200</u>
Totals	<u>\$ 35,745,000</u>	<u>\$ 13,839,075</u>	<u>\$ 49,584,075</u>

Series 2012 B-1 & B-2

These bonds bear interest at rates ranging from 2.00% to 5.00%. Interest is payable each April 1 and October 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,665,000	\$ 869,719	\$ 2,534,719
2019	1,720,000	813,169	2,533,169
2020	1,770,000	758,419	2,528,419
2021	1,830,000	702,069	2,532,069
2022	1,885,000	647,231	2,532,231
2023-2027	10,800,000	2,273,094	13,073,094
2028-2032	8,140,000	428,034	8,568,034
2033	<u>470,000</u>	<u>7,931</u>	<u>477,931</u>
Totals	<u>\$ 28,280,000</u>	<u>\$ 6,499,666</u>	<u>\$ 34,779,666</u>

Series 2016

These bonds bear interest at rates ranging from 2.00% to 5.00%. Interest is payable each April 1 and October 1 until final maturity.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 5 – Bonds Payable (Continued)

Series 2016 (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,585,000	\$ 740,900	\$ 2,325,900
2019	1,625,000	700,675	2,325,675
2020	1,680,000	642,700	2,322,700
2021	1,745,000	582,925	2,327,925
2022	1,505,000	534,175	2,039,175
2023-2027	6,460,000	2,080,837	8,540,837
2028-2032	5,720,000	1,239,375	6,959,375
2033-2037	3,555,000	272,606	3,827,606
2038-2042	300,000	81,088	381,088
2043-2047	345,000	28,844	373,844
Totals	<u>\$ 24,520,000</u>	<u>\$ 6,904,125</u>	<u>\$ 31,424,125</u>

Series 2017B

These bonds bear interest at rates ranging from 3.00% to 5.00%. Interest is payable each April 1 and October 1 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 148,986	\$ 148,986
2019	340,000	286,288	626,288
2020	350,000	272,488	622,488
2021	365,000	256,363	621,363
2022	385,000	237,613	622,613
2023-2027	2,215,000	872,312	3,087,312
2028-2032	2,560,000	306,337	2,866,337
2033-2037	470,000	59,212	529,212
2038	105,000	1,837	106,837
Totals	<u>\$ 6,790,000</u>	<u>\$ 2,441,436</u>	<u>\$ 9,231,436</u>

Note 6 – Due to Member

Pursuant to Sections 5.05 and 11.01 of the Series 2012 trust indenture, after payment of the bonds, any remaining amounts in the Reserve Fund, the Project Fund, the Bond Fund, or the Revenue Fund shall be paid to the Trustee to repay any unpaid obligations to the Trustee, then to reimburse the Contractor for any Required Payments made under the Funding Agreement, and any remainder shall be paid to the Issuer (FMLC). Upon determination that any such amounts will be payable to FMLC, these amounts will be recognized as revenue in FMLC's general operations.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 7 – Program Administration Fee

Pursuant to an administrative agreement, members are charged a program administration fee of up to 10 basis points per annum on the bonds outstanding, plus additional fees upon issuance of bonds or notes. Pursuant to an addendum dated September 26, 2013, thirty percent of these fees are paid to the League. Seventy percent of the program administration fees are retained by the Council to fund FMLC general operations.

Note 8 – Related Party Transactions

Pursuant to an administrative agreement as described in Note 7, the League administers the Council's programs. Fees incurred under this agreement were \$46,864, which includes cost of issuance expenses in the amount of \$3,000. At September 30, 2017, \$14,156 was due to the League.

The President of the League appoints members to the Council's Board of Directors. Certain members of the Council's Board of Directors are also members of the League's Board of Directors.

The Florida Municipal Insurance Trust (FMIT) provides a reserve fund surety bond for the Series 2000A program in the amount of \$1,045,000. This surety bond is collateralized by cash and investments held by the Trustee in the amount of the guarantee.

The League also serves as administrator of FMIT and FMIvT. Certain members of FMIT's and FMIvT's Board of Trustees are also members of the League's Board of Directors.

Note 9 – Arbitrage Rebates

The federal tax code requires state and local governments to rebate defined arbitrage earnings on tax-exempt debt to the federal government every five years for as long as the bonds are outstanding. These amounts are subject to adjustment for future arbitrage earnings or losses. Actual amounts will not be determined until the end of each five-year period.

Note 10 – Surety Bond Trust Fund

On September 20, 2001, the Board of Directors approved a resolution authorizing an amendment to the trust indenture of the Series 2000B and the establishment of the Surety Bond Trust Fund. The surety bond of this series plus surety bonds of certain future series will be contributed to the fund. If such amounts are insufficient to pay the full amount of the deficiency when due, then the Trustee shall draw a pro-rata amount from the surety bonds remaining on deposit.

Note 11 – Capital Access Program

The Board of Directors passed a resolution authorizing the creation of both the Capital Access Program (CAP) and the Competitive Capital Access Program (CCAP). Through both programs, the Council will assist municipalities and other borrowers in obtaining long-term financing through selected banks. The Council will charge a one-time fee of up to \$15,000 to borrowers under these programs.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

Note 12 – Subsequent Events

The Series 2009 St. Augustine Beach and Series 2010BB Eagle Lake are private placement bonds held by Branch Banking and Trust Company. The bond documents provide that the interest rates may be adjusted if the tax law is amended to decrease the maximum corporate tax rate from the rate in effect on the date the bonds were issued. The 2017 Tax Cuts and Jobs Act decreased the maximum corporate tax rate effective for tax years beginning after December 31, 2017. Therefore, the interest rates on the above bonds may be adjusted pursuant to the bond documents effective January 1, 2018.

**Florida Municipal Loan Council
Schedule of Issues Outstanding
As of September 30, 2017**

	Original Par Amount of Bonds	9/30/17 Principal Outstanding	Years Amortized
<i>Revenue Bonds, Series 2000A - May 2000</i>			
Deerfield Beach	\$ 9,978,848	\$ 3,082,938	25
TOTAL	<u>\$ 9,978,848</u>	<u>\$ 3,082,938</u>	
<i>Revenue Bonds, Series 2000B - November 2000</i>			
Deerfield Beach	\$ 2,820,184	\$ 1,010,184	27
TOTAL	<u>\$ 2,820,184</u>	<u>\$ 1,010,184</u>	
<i>Revenue Bonds, Series 2003B - December 2003</i>			
Apopka	\$ 1,955,000	\$ 335,000	15
TOTAL	<u>\$ 1,955,000</u>	<u>\$ 335,000</u>	
<i>Revenue Refunding Bonds, Series 2005B - May 2005</i>			
Plant City	\$ 3,180,000	\$ 1,065,000	14
TOTAL	<u>\$ 3,180,000</u>	<u>\$ 1,065,000</u>	
<i>Revenue Bonds, Series 2006 - January 2007</i>			
Deerfield Beach	\$ 5,965,000	\$ 4,350,000	25
South Miami	5,625,000	1,270,000	30
St. Pete Beach	3,915,000	820,000	12
TOTAL	<u>\$ 15,505,000</u>	<u>\$ 6,440,000</u>	
<i>Revenue Bonds, Series 2007A - September 2007</i>			
Hallandale Beach	\$ 24,615,000	\$ 1,160,000	20
TOTAL	<u>\$ 24,615,000</u>	<u>\$ 1,160,000</u>	
<i>Revenue Bonds, Series 2008A - August 2008</i>			
Deerfield Beach	\$ 17,028,786	\$ 12,112,730	20
TOTAL	<u>\$ 17,028,786</u>	<u>\$ 12,112,730</u>	
<i>Revenue Bonds, Series 2009 St. Augustine Beach - July 2009</i>			
St. Augustine Beach	\$ 5,350,000	\$ 571,920	20
TOTAL	<u>\$ 5,350,000</u>	<u>\$ 571,920</u>	

**Florida Municipal Loan Council
Schedule of Issues Outstanding
As of September 30, 2017**

	<u>Original Par Amount of Bonds</u>	<u>9/30/17 Principal Outstanding</u>	<u>Years Amortized</u>
<i>Revenue Bonds, Series 2010 ABCD - August 2010</i>			
Palatka	\$ 7,665,000	\$ 6,790,000	30
Palmetto Bay	14,780,000	13,035,000	30
Valparaiso	1,465,000	1,285,000	30
West Melbourne	3,820,000	2,925,000	20
TOTAL	<u>\$ 27,730,000</u>	<u>\$ 24,035,000</u>	
 <i>Revenue Refunding Bonds, Series 2010BB - December 2010</i>			
Eagle Lake	\$ 1,230,000	\$ 870,000	19
TOTAL	<u>\$ 1,230,000</u>	<u>\$ 870,000</u>	
 <i>Revenue Refunding Bonds, Series 2011 B-1 & Revenue Bonds, Series 2011 B-2 - March 2011</i>			
Pinecrest B-2	\$ 1,505,000	\$ 1,185,000	19
TOTAL	<u>\$ 1,505,000</u>	<u>\$ 1,185,000</u>	
 <i>Revenue Bonds, Series 2011D - May 2011</i>			
Hialeah	\$ 48,235,000	\$ 45,220,000	30
TOTAL	<u>\$ 48,235,000</u>	<u>\$ 45,220,000</u>	
 <i>Refunding and Improvement Revenue Bonds, Series 2012A - November 2012</i>			
Hialeah	\$ 41,620,000	\$ 35,745,000	20
TOTAL	<u>\$ 41,620,000</u>	<u>\$ 35,745,000</u>	
 <i>Refunding and Improvement Revenue Bonds, Series 2012 B-1 & Refunding Revenue Bonds, Series 2012 B-2 - December 2012</i>			
Deerfield Beach B-1	\$ 20,090,000	\$ 16,195,000	20
Deerfield Beach B-2	14,770,000	12,085,000	16
TOTAL	<u>\$ 34,860,000</u>	<u>\$ 28,280,000</u>	

**Florida Municipal Loan Council
Schedule of Issues Outstanding
As of September 30, 2017**

	Original Par Amount of Bonds	9/30/17 Principal Outstanding	Years Amortized
<i>Refunding and Improvement Revenue Bonds, Series 2016 - September 2016</i>			
Bay Harbor Islands	\$ 3,085,000	\$ 3,085,000	18
Belle Isle	935,000	935,000	10
Eatonville	850,000	850,000	14
Lake Park	3,660,000	3,660,000	17
North Miami	2,265,000	2,265,000	6
Oakland	1,845,000	1,845,000	16
Port Richey	3,055,000	3,055,000	19
St. Augustine Beach CBA	4,810,000	4,810,000	30
St. Augustine Beach GO	1,610,000	1,610,000	12
Valparaiso	2,405,000	2,405,000	10
TOTAL	<u>\$ 24,520,000</u>	<u>\$ 24,520,000</u>	
 <i>Refunding and Improvement Revenue Bonds, Series 2017B - September 2017</i>			
Cocoa Beach CRA	\$ 4,245,000	\$ 4,245,000	14
Melbourne Beach	1,050,000	1,050,000	12
Valparaiso	1,495,000	1,495,000	20
TOTAL	<u>\$ 6,790,000</u>	<u>\$ 6,790,000</u>	
 TOTALS	 <u>\$ 266,922,818</u>	 <u>\$ 192,422,772</u>	