

FLORIDA MUNICIPAL LOAN COUNCIL

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

**Florida Municipal Loan Council
Financial Statements
September 30, 2018**

TABLE OF CONTENTS

<u>Title</u>	<u>Page Number</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 9
Statements of Net Position	10 - 12
Statements of Revenues, Expenses and Changes in Net Position	13 - 15
Statements of Cash Flows	16 - 19
Notes to Financial Statements	20 - 35
Schedule of Issues Outstanding	36 - 38

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March 7, 2019

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, 2018, 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, 2018, 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 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Florida Municipal Loan 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.

Shorsten + Shorsten, P.A.

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

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, 2018. 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 2018 are as follows:

- On August 23, 2018, the Trust closed its 27th series of fixed-rate bonds, Series 2018A, issuing \$7.595 million of bonds. Using the combined purchasing power of the FMLC's bond pool program, the Series 2018A bonds were issued on behalf of the City of Bradenton to finance the costs of constructing a public parking garage.
- Program borrowers refunded, defeased, or cancelled \$15.49 million in loans representing 7.8% of total bonds outstanding at the beginning of the fiscal year.
- Total assets and deferred outflows were \$188,258,738 and total liabilities and deferred inflows were \$188,068,394 resulting in a net position of \$190,344. Assets and liabilities declined over the prior fiscal year as a result of scheduled debt service and members refunding and cancelling loans prior to original maturity.
- Total operating revenues were \$8.7 million, compared to \$9.1 million in the prior fiscal year, a decrease of 4.7%. Total operating expenses were \$8.6 million, declining 6.0% over the prior fiscal year. Revenues and expenses declined due to a reduction in outstanding bonds over the prior fiscal year. Additionally, investment earnings increased as a result of the rising interest rate environment.
- Due to a non-recurring revenue item of \$100,608, the Council's net position increased from \$112,171 to \$190,344.

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

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, 2018. The Statement of Revenues, Expenses and Changes in Net Position provides information about our revenues and expenses for the year October 2017 through September 2018. 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>9/30/2018</u>	<u>9/30/2017</u>	<u>Change</u>	<u>% Change</u>
Assets				
Current Assets	\$ 35,440,610	\$ 33,895,325	\$ 1,545,285	4.56 %
Noncurrent Assets	<u>152,578,597</u>	<u>173,120,246</u>	<u>(20,541,649)</u>	(11.87) %
Total Assets	<u>188,019,207</u>	<u>207,015,571</u>	<u>(18,996,364)</u>	(9.18) %
Deferred Outflows of Resources				
Deferred Amount on Refunding	<u>239,531</u>	<u>283,484</u>	<u>(43,953)</u>	(15.50) %
Liabilities				
Current Liabilities	13,628,553	15,596,224	(1,967,671)	(12.62) %
Noncurrent Liabilities	<u>174,346,841</u>	<u>191,489,495</u>	<u>(17,142,654)</u>	(8.95) %
Total Liabilities	<u>187,975,394</u>	<u>207,085,719</u>	<u>(19,110,325)</u>	(9.23) %
Deferred Inflows of Resources				
Deferred Amount on Refunding	<u>93,000</u>	<u>101,165</u>	<u>(8,165)</u>	(8.07) %
Net Position	<u>\$ 190,344</u>	<u>\$ 112,171</u>	<u>\$ 78,173</u>	69.69 %

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

Financial Analysis (Continued)

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Loan Interest and Member Reimbursements	\$ 8,212,184	\$ 8,706,025	\$ (493,841)	(5.67) %
Investment Earnings	154,677	47,136	107,541	228.15 %
Allocation to Members	206,012	350,423	(144,411)	(41.21) %
Other Income	<u>100,608</u>	<u>-</u>	<u>100,608</u>	N/A
Total Operating Revenues	<u>8,673,481</u>	<u>9,103,584</u>	<u>(430,103)</u>	(4.72) %
Operating Expenses				
Interest Expense	7,588,588	8,151,733	(563,145)	(6.91) %
Administrative Fees	41,932	43,865	(1,933)	(4.41) %
Trustee Fees and Other Fees	45,469	32,754	12,715	38.82 %
Cost of Issuance Expenses	180,950	317,484	(136,534)	(43.01) %
Allocation to Members	607,593	448,399	159,194	35.50 %
FMLC General Operating Expenses	<u>130,776</u>	<u>149,740</u>	<u>(18,964)</u>	(12.66) %
Total Operating Expenses	<u>8,595,308</u>	<u>9,143,975</u>	<u>(548,667)</u>	(6.00) %
Change in Net Position	78,173	(40,391)	118,564	293.54 %
Net Position Beginning of Year	<u>112,171</u>	<u>152,562</u>	<u>(40,391)</u>	(26.48) %
Net Position End of Year	<u><u>\$ 190,344</u></u>	<u><u>\$ 112,171</u></u>	<u><u>\$ 78,173</u></u>	69.69 %

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

The Council extinguished, defeased, or cancelled \$15,488,139 of outstanding debt for fiscal year ending 2018. The table below lists the members that refunded, extinguished, or cancelled debt during the year.

<u>Borrower</u>	<u>Series</u>	<u>Original Par</u>	<u>Refunded/ Extinguished/ Cancelled Principal Amount</u>
City of Deerfield Beach	2006	\$ 5,965,000	\$ 4,140,000
City of Deerfield Beach	2008A	17,028,786	11,348,139
Total		<u>\$ 22,993,786</u>	<u>\$ 15,488,139</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 the 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 2010ABCD, 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-2, Series 2012 B-2 and Series 2018A. 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, 2018**

Debt Outstanding (Continued)

At September 30, 2018, the Council had 13 fixed-rate bond issues or tranches and 2 direct loans with total debt outstanding of \$184,545,607 as shown below.

The Council had the following change in debt:

	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Revenue Bonds, Series 2000A	\$ 7,660,976	\$ 8,692,053	(11.86) %
Revenue Bonds, Series 2000B	2,800,085	2,644,523	5.88 %
Revenue Bonds, Series 2003B	170,000	335,000	(49.25) %
Revenue Bonds, Series 2005B	730,000	1,065,000	(31.46) %
Revenue Bonds, Series 2006	1,650,000	6,440,000	(74.38) %
Revenue Bonds, Series 2007A	-	1,160,000	(100.00) %
Revenue Bonds, Series 2008A (Direct Loan)	-	12,112,730	(100.00) %
Revenue Bonds, Series 2009 St Aug Bch (Direct Loan)	536,751	571,920	(6.15) %
Revenue Bonds, Series 2010 ABCD	23,335,000	24,035,000	(2.91) %
Revenue Bonds, Series 2010BB (Direct Loan)	810,000	870,000	(6.90) %
Revenue Bonds, Series 2011 B-1 & B-2	1,125,000	1,185,000	(5.06) %
Revenue Bonds, Series 2011D	44,235,000	45,220,000	(2.18) %
Revenue Bonds, Series 2012A	34,165,000	35,745,000	(4.42) %
Revenue Bonds, Series 2012 B-1 & B-2	26,615,000	28,280,000	(5.89) %
Revenue Bonds, Series 2016	22,935,000	24,520,000	(6.46) %
Revenue Bonds, Series 2017B	6,790,000	6,790,000	0.00 %
Revenue Bonds, Series 2018A	<u>7,595,000</u>	<u>-</u>	N/A
Total Debt Outstanding	181,152,812	199,666,226	
Bond Premium/Discount (Net)	<u>3,392,795</u>	<u>3,472,774</u>	
Bonds Payable	<u>\$ 184,545,607</u>	<u>\$ 203,139,000</u>	

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

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, as well as the existing financial market conditions.

As reported by PRAG, the Council's Financial Advisor, the U.S. economy exhibited strength during the fiscal year, and the Federal Reserve continued to gradually increase its target for the benchmark federal funds interest rate. The Fed raised its target level by 0.25% each quarter to reach a range of 2.00% to 2.25% by fiscal year-end. The September 2018 rate hike was the eighth increase since the Fed began normalizing policy in December 2015. The U.S. unemployment rate continued to decline and finished the fiscal year at a 50-year low (3.7%, which is below the Federal Reserve Board's long-term objective).

While the U.S. economy experienced historically low unemployment and record high equities, both the U.S. Treasury and municipal bond yield curves flattened during the 2018 fiscal year. Typically, in a healthy economy these yield curves slope upward, rewarding investors for lending money over longer periods of time for taking on the risk that inflation and interest rates will move higher. As spreads between short-term and long-term rates narrow, the yield curve flattens, as it did during the fiscal year.

Looking at the 10-year maturity on the yield curve, the benchmark 10-year Treasury yield rose during the fiscal year, beginning at 2.34% and ending at 3.05%, a 71-basis point increase. The 10-year AAA MMD (industry benchmark for tax-exempt municipal debt) also rose during the fiscal year, beginning at 2.01% and ending at 2.58%, a 57-basis point increase. Overall, the spread between the 10-year AAA MMD and 10-year Treasury yield widened from 33 basis points to 47 basis points.

The market experienced notable volatility between November 2017 through January 2018 amid the unveiling of and subsequent adoption of tax reform. In December 2017, Congress adopted and the President signed the Tax Cuts and Jobs Act. While tax-exempt private activity bonds were ultimately preserved, two areas of this legislation affected municipal issuers: Effective January 1, 2018, i) tax-exempt advance refundings were eliminated; and ii) the top corporate tax rate was changed from 35% to one flat rate of 21%, thereby potentially affecting bank loan rates.

The elimination of the use of tax-exempt debt for advance refundings led municipal issuers to rush to the markets to lock in savings and advance refund eligible debt prior to the January 1, 2018 effective date. Thomson Reuters reported muni volume of a record high \$62.5 billion in 1,168 transactions during December 2017. Beginning in calendar year 2018, the elimination of the use of tax-exempt debt for advance refundings limited the ability of municipal issuers to refinance debt and thus manage their debt portfolio. Municipal debt volume from January 2018 through September 2018 was down 16% compared to the same period in 2017.

The reduction in the corporate tax rate had an immediate impact on municipal issuers with bank loans containing provisions that allowed lenders to maintain the same taxable-equivalent yields earned prior to the tax cuts. Municipal borrowers may be required to pay higher ("grossed up") interest rates to banks. Municipal tax-exempt bank loans have become more expensive to borrowers due to the Tax Cuts and Jobs Act.

However, despite these tax law changes, bank loans continued to be attractive during the fiscal year, especially for bank-qualified issuers. Despite a rising interest rate environment, rates remained low during the fiscal year, thus providing borrowers with favorable conditions for financing new capital projects.

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

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, 2018

<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 2009</u> <u>St. Aug Bch</u>
<u>Current Assets</u>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:						
Cash and Cash Equivalents	2,531	-	2	134	499,534	-
Investments	-	403,516	-	-	-	-
Loans Receivable	1,516,028	315	172,822	370,274	43,531	44,330
Accounts Receivable - Administrator Fees	-	-	-	-	-	-
Prepaid Expenses	-	104	208	104	-	-
Total Current Assets	<u>1,518,559</u>	<u>403,935</u>	<u>173,032</u>	<u>370,512</u>	<u>543,065</u>	<u>44,330</u>
<u>Noncurrent Assets</u>						
Loans Receivable	6,143,696	2,396,571	-	375,000	1,146,373	499,694
Total Assets	<u>7,662,255</u>	<u>2,800,506</u>	<u>173,032</u>	<u>745,512</u>	<u>1,689,438</u>	<u>544,024</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	1,517,280	-	170,000	355,000	460,124	37,057
Accrued Interest Expense	-	-	2,975	15,208	37,459	7,206
Accrued Administrator Fees	1,279	421	57	304	738	67
Accrued Expenses	-	-	-	-	-	-
Total Current Liabilities	<u>1,518,559</u>	<u>421</u>	<u>173,032</u>	<u>370,512</u>	<u>498,321</u>	<u>44,330</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	6,143,696	2,800,085	-	375,000	1,191,117	499,694
Total Liabilities	<u>7,662,255</u>	<u>2,800,506</u>	<u>173,032</u>	<u>745,512</u>	<u>1,689,438</u>	<u>544,024</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, 2018

<u>ASSETS</u>	<u>Series 2010</u>	<u>Series</u>	<u>Series 2011</u>	<u>Series</u>	<u>Series</u>	<u>Series 2012</u>
	<u>ABCD</u>	<u>2010BB</u>	<u>B-1 & B-2</u>	<u>2011D</u>	<u>2012A</u>	<u>B-1 & B-2</u>
<u>Current Assets</u>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:						
Cash and Cash Equivalents	3,025,819	-	93,882	2,172,939	1,764	2,150,647
Investments	-	-	-	-	-	3,742,763
Loans Receivable	740,000	76,418	63,749	1,048,747	2,258,720	1,767,501
Accounts Receivable - Administrator Fees	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	208	-
Total Current Assets	<u>3,765,819</u>	<u>76,418</u>	<u>157,631</u>	<u>3,221,686</u>	<u>2,260,692</u>	<u>7,660,911</u>
<u>Noncurrent Assets</u>						
Loans Receivable	20,011,029	740,510	981,214	41,918,926	34,261,057	19,665,536
Total Assets	<u>23,776,848</u>	<u>816,928</u>	<u>1,138,845</u>	<u>45,140,612</u>	<u>36,521,749</u>	<u>27,326,447</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	<u>-</u>	<u>9,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,041</u>
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	719,000	60,000	62,888	996,430	1,852,946	1,804,703
Accrued Interest Expense	497,841	16,200	27,069	1,143,094	606,005	418,209
Accrued Administrator Fees	11,257	218	563	13,594	9,688	9,904
Accrued Expenses	-	-	-	-	-	-
Total Current Liabilities	<u>1,228,098</u>	<u>76,418</u>	<u>90,520</u>	<u>2,153,118</u>	<u>2,468,639</u>	<u>2,232,816</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	22,548,750	750,000	1,048,325	42,987,494	34,012,297	25,323,672
Total Liabilities	<u>23,776,848</u>	<u>826,418</u>	<u>1,138,845</u>	<u>45,140,612</u>	<u>36,480,936</u>	<u>27,556,488</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,813</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, 2018

<u>ASSETS</u>	<u>Series</u> <u>2016</u>	<u>Series</u> <u>2017B</u>	<u>Series</u> <u>2018A</u>	<u>General</u> <u>Operations</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u>
<u>Current Assets</u>						
Cash	\$ -	\$ -	\$ -	\$ 179,543	\$ -	\$ 179,543
Restricted Assets:						
Cash and Cash Equivalents	2,010,672	5,242,238	5,699,961	-	-	20,900,123
Investments	-	-	-	-	-	4,146,279
Loans Receivable	1,668,998	349,788	41,751	-	-	10,162,972
Accounts Receivable - Administrator Fees	-	-	-	51,069	-	51,069
Prepaid Expenses	-	-	-	-	-	624
Total Current Assets	<u>3,679,670</u>	<u>5,592,026</u>	<u>5,741,712</u>	<u>230,612</u>	<u>-</u>	<u>35,440,610</u>
<u>Noncurrent Assets</u>						
Loans Receivable	20,217,863	1,924,712	2,296,416	-	-	152,578,597
Total Assets	<u>23,897,533</u>	<u>7,516,738</u>	<u>8,038,128</u>	<u>230,612</u>	<u>-</u>	<u>188,019,207</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,531</u>
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	1,713,333	419,533	30,472	-	-	10,198,766
Accrued Interest Expense	362,525	146,544	33,379	-	-	3,313,714
Accrued Administrator Fees	12,145	3,623	802	-	-	64,660
Accrued Expenses	-	3,575	7,570	40,268	-	51,413
Total Current Liabilities	<u>2,088,003</u>	<u>573,275</u>	<u>72,223</u>	<u>40,268</u>	<u>-</u>	<u>13,628,553</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	21,768,197	6,932,609	7,965,905	-	-	174,346,841
Total Liabilities	<u>23,856,200</u>	<u>7,505,884</u>	<u>8,038,128</u>	<u>40,268</u>	<u>-</u>	<u>187,975,394</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	<u>41,333</u>	<u>10,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,000</u>
<u>NET POSITION</u>						
Net Position - Unrestricted	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 190,344</u>	<u>\$ -0-</u>	<u>\$ 190,344</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, 2018

	Series 2000A	Series 2000B	Series 2003B	Series 2005B	Series 2006	Series 2009 St. Aug Bch
<u>OPERATING REVENUES</u>						
Loan Interest and Member Reimbursements	\$ 488,613	\$ 157,115	\$ 11,664	\$ 39,305	\$ 177,577	\$ 30,325
Investment Earnings	1,124	5,163	14	197	315	-
Allocation to Members	-	-	-	2,016	-	-
Other Income	-	-	-	-	-	-
Total Operating Revenues	489,737	162,278	11,678	41,518	177,892	30,325
<u>OPERATING EXPENSES</u>						
Interest Expense	487,641	155,562	10,369	39,912	162,797	30,240
Program Administration Fee - FLC	846	303	59	252	1,109	85
Other Expenses	1,250	1,250	1,250	1,354	12,615	-
Cost of Issuance Expenses	-	-	-	-	-	-
Allocation to Members	-	5,163	-	-	1,371	-
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	489,737	162,278	11,678	41,518	177,892	30,325
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, 2018

	Series 2010 ABCD	Series 2010BB	Series 2011 B-1 & B-2	Series 2011D	Series 2012A	Series 2012 B-1 & B-2
<u>OPERATING REVENUES</u>						
Loan Interest and Member Reimbursements	\$ 1,006,724	\$ 33,731	\$ 57,334	\$ 2,294,765	\$ 1,497,927	\$ 843,947
Investment Earnings	24,806	-	141	828	1,765	48,802
Allocation to Members	-	1,763	2,250	19,033	-	-
Other Income	-	-	-	-	-	-
Total Operating Revenues	1,031,530	35,494	59,725	2,314,626	1,499,692	892,749
<u>OPERATING EXPENSES</u>						
Interest Expense	1,001,915	35,363	56,387	2,305,220	1,267,570	784,558
Program Administration Fee - FLC	6,754	131	338	8,156	7,163	5,942
Other Expenses	5,000	-	3,000	1,250	1,250	2,500
Cost of Issuance Expenses	-	-	-	-	-	-
Allocation to Members	17,861	-	-	-	223,709	99,749
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	1,031,530	35,494	59,725	2,314,626	1,499,692	892,749
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, 2018

	Series 2016	Series 2017B	Series 2018A	General Operations	Non-Major Funds	Total
<u>OPERATING REVENUES</u>						
Loan Interest and Member Reimbursements	\$ 742,493	\$ 300,970	\$ 33,620	\$ 108,341	\$ 387,733	\$ 8,212,184
Investment Earnings	843	69,380	-	-	1,299	154,677
Allocation to Members	-	-	180,950	-	-	206,012
Other Income	-	-	-	100,608	-	100,608
Total Operating Revenues	743,336	370,350	214,570	208,949	389,032	8,673,481
<u>OPERATING EXPENSES</u>						
Interest Expense	622,764	208,271	33,379	-	386,640	7,588,588
Program Administration Fee - FLC	7,286	2,174	241	-	1,093	41,932
Other Expenses	11,000	3,750	-	-	-	45,469
Cost of Issuance Expenses	-	-	180,950	-	-	180,950
Allocation to Members	102,286	156,155	-	-	1,299	607,593
FMLC General Operating Expenses	-	-	-	130,776	-	130,776
Total Operating Expenses	743,336	370,350	214,570	130,776	389,032	8,595,308
Change in Net Position	-0-	-0-	-0-	78,173	-0-	78,173
Net Position, Beginning of Year	-0-	-0-	-0-	112,171	-0-	112,171
Net Position, End of Year	\$ -0-	\$ -0-	\$ -0-	\$ 190,344	\$ -0-	\$ 190,344

*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, 2018

	Series 2000A	Series 2000B	Series 2003B	Series 2005B	Series 2006	Series 2009 St. Aug Bch
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Member Loan Repayments	1,518,718	-	165,000	335,000	460,000	-
Loan Interest and Member Reimbursements	2,947	2,260	14,745	47,392	88,503	-
Expenses Paid	(4,332)	(2,260)	(1,671)	(2,634)	(18,794)	-
Cash Provided (Used) by Operating Activities	<u>1,517,333</u>	<u>-</u>	<u>178,074</u>	<u>379,758</u>	<u>529,709</u>	<u>-</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Proceeds from Bonds Issued	-	-	-	-	-	-
Redemption of Bonds	(1,518,718)	-	(165,000)	(335,000)	(650,000)	-
Interest Paid	-	-	(13,257)	(44,876)	(180,704)	-
Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,518,718)</u>	<u>-</u>	<u>(178,257)</u>	<u>(379,876)</u>	<u>(830,704)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>						
Interest and Dividends Collected	1,124	-	14	197	315	-
Cash Provided (Used) by Investing Activities	<u>1,124</u>	<u>-</u>	<u>14</u>	<u>197</u>	<u>315</u>	<u>-</u>
<u>Net Change in Cash and Cash Equivalents</u>	<u>(261)</u>	<u>-</u>	<u>(169)</u>	<u>79</u>	<u>(300,680)</u>	<u>-</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>2,792</u>	<u>-</u>	<u>171</u>	<u>55</u>	<u>800,214</u>	<u>-</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 2,531</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 134</u>	<u>\$ 499,534</u>	<u>\$ -</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)	-	-	-	(1,119)	(1,656)	-
Amortization of Refunding	-	-	-	3,135	-	-
Accretion of Interest on Capital Appreciation Bonds	487,641	155,562	-	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-
Interest Paid	-	-	13,257	44,876	180,704	-
Investment Income	(1,124)	(5,163)	(14)	(197)	(315)	-
(Increase) Decrease in Receivables - Net	1,031,078	(150,399)	167,942	340,484	459,243	-
(Increase) Decrease in Prepaid Expenses	-	-	-	104	-	-
Increase (Decrease) in Payables - Net	(262)	-	(3,111)	(7,525)	(108,267)	-
Cash Provided (Used) by Operating Activities	<u>\$ 1,517,333</u>	<u>\$ -</u>	<u>\$ 178,074</u>	<u>\$ 379,758</u>	<u>\$ 529,709</u>	<u>\$ -</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, 2018

	Series 2010 ABCD	Series 2010BB	Series 2011 B-1 & B-2	Series 2011D	Series 2012A	Series 2012 B-1 & B-2
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Member Loan Repayments	725,000	-	65,000	1,015,000	1,580,000	1,720,000
Loan Interest and Member Reimbursements	1,022,482	-	63,363	2,313,797	1,541,779	857,810
Expenses Paid	(27,852)	-	(11,490)	(28,741)	(25,576)	(22,926)
Cash Provided (Used) by Operating Activities	<u>1,719,630</u>	<u>-</u>	<u>116,873</u>	<u>3,300,056</u>	<u>3,096,203</u>	<u>2,554,884</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Proceeds from Bonds Issued	-	-	-	-	-	-
Redemption of Bonds	(700,000)	-	(60,000)	(985,000)	(1,580,000)	(1,665,000)
Interest Paid	(1,008,181)	-	(55,038)	(2,300,961)	(1,517,614)	(869,719)
Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,708,181)</u>	<u>-</u>	<u>(115,038)</u>	<u>(3,285,961)</u>	<u>(3,097,614)</u>	<u>(2,534,719)</u>
<u>Cash Flows from Investing Activities:</u>						
Interest and Dividends Collected	24,806	-	141	828	1,765	914
Cash Provided (Used) by Investing Activities	<u>24,806</u>	<u>-</u>	<u>141</u>	<u>828</u>	<u>1,765</u>	<u>914</u>
<u>Net Change in Cash and Cash Equivalents</u>	<u>36,255</u>	<u>-</u>	<u>1,976</u>	<u>14,923</u>	<u>354</u>	<u>21,079</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>2,989,564</u>	<u>-</u>	<u>91,906</u>	<u>2,158,016</u>	<u>1,410</u>	<u>2,129,568</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 3,025,819</u>	<u>\$ -</u>	<u>\$ 93,882</u>	<u>\$ 2,172,939</u>	<u>\$ 1,764</u>	<u>\$ 2,150,647</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)	6,234	-	2,249	19,034	(218,466)	(90,916)
Amortization of Refunding	-	-	-	-	(5,244)	39,055
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-
Interest Paid	1,008,181	-	55,038	2,300,961	1,517,614	869,719
Investment Income	(24,806)	-	(141)	(828)	(1,765)	(48,802)
(Increase) Decrease in Receivables - Net	742,860	-	67,992	995,967	1,830,846	1,819,747
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-
Increase (Decrease) in Payables - Net	(12,839)	-	(8,265)	(15,078)	(26,782)	(33,919)
Cash Provided (Used) by Operating Activities	<u>\$ 1,719,630</u>	<u>\$ -</u>	<u>\$ 116,873</u>	<u>\$ 3,300,056</u>	<u>\$ 3,096,203</u>	<u>\$ 2,554,884</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, 2018

	Series 2016	Series 2017B	Series 2018A	General Operations	Non-Major Funds	Total
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ -	\$ (1,320,612)	\$ (2,123,035)	\$ -	\$ -	\$ (3,443,647)
Member Loan Repayments	1,625,000	340,000	-	-	-	9,548,718
Loan Interest and Member Reimbursements	759,491	305,767	-	215,887	(1,856)	7,234,367
Expenses Paid	(36,013)	(88,486)	(117,681)	(94,618)	(101,097)	(584,171)
Cash Provided (Used) by Operating Activities	<u>2,348,478</u>	<u>(763,331)</u>	<u>(2,240,716)</u>	<u>121,269</u>	<u>(102,953)</u>	<u>12,755,267</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Proceeds from Bonds Issued	-	-	7,940,677	-	-	7,940,677
Redemption of Bonds	(1,585,000)	-	-	-	(1,160,000)	(10,403,718)
Interest Paid	(740,900)	(148,986)	-	-	(29,000)	(6,909,236)
Cash Provided (Used) by Non-Capital Financing Activities	<u>(2,325,900)</u>	<u>(148,986)</u>	<u>7,940,677</u>	<u>-</u>	<u>(1,189,000)</u>	<u>(9,372,277)</u>
<u>Cash Flows from Investing Activities:</u>						
Interest and Dividends Collected	843	69,380	-	-	1,299	101,626
Cash Provided (Used) by Investing Activities	<u>843</u>	<u>69,380</u>	<u>-</u>	<u>-</u>	<u>1,299</u>	<u>101,626</u>
<u>Net Change in Cash and Cash Equivalents</u>	<u>23,421</u>	<u>(842,937)</u>	<u>5,699,961</u>	<u>121,269</u>	<u>(1,290,654)</u>	<u>3,484,616</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>1,987,251</u>	<u>6,085,175</u>	<u>-</u>	<u>58,274</u>	<u>1,290,654</u>	<u>17,595,050</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 2,010,672</u>	<u>\$ 5,242,238</u>	<u>\$ 5,699,961</u>	<u>\$ 179,543</u>	<u>\$ -</u>	<u>\$ 21,079,666</u>
<u>Cash Flows from Operating Activities:</u>						
<u>Change in Net Position</u>	\$ -0-	\$ -0-	\$ -0-	\$ 78,174	\$ -0-	\$ 78,174
<u>Reconciliation of Change in Net Position to Cash</u>						
<u> Provided (Used) by Operating Activities:</u>						
Amortization of Discount (Premium)	(101,386)	(85,238)	-	-	-	(471,264)
Amortization of Refunding	(900)	(2,021)	-	-	-	34,025
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	643,203
Issuance Costs Netted from Proceeds	-	-	55,700	-	-	55,700
Interest Paid	740,900	148,986	-	-	29,000	6,909,236
Investment Income	(843)	(69,380)	-	-	(1,299)	(154,677)
(Increase) Decrease in Receivables - Net	1,727,280	(824,731)	(2,338,167)	6,937	-	5,877,079
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	104
Increase (Decrease) in Payables - Net	(16,573)	69,053	41,751	36,158	(130,654)	(216,313)
Cash Provided (Used) by Operating Activities	<u>\$ 2,348,478</u>	<u>\$ (763,331)</u>	<u>\$ (2,240,716)</u>	<u>\$ 121,269</u>	<u>\$ (102,953)</u>	<u>\$ 12,755,267</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, 2018

Series 2000B - The increase in the fair value of the investments was \$5,163.

Series 2006 - The Council refunded debt issued in 2007. The \$4,243,959 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$4,140,000 of outstanding revenue bond principal and \$103,959 of interest.

Series 2008A - Loans receivable and bonds payable of \$764,591 were reduced by a direct payment from the member to the lender. Interest of \$682,806 was paid by the member directly to the lender. The remaining balance of \$11,348,139 was refinanced by the issuance of a revenue refunding note by the member in exchange for the Series 2008A bonds. The member paid administrative fees of \$6,422 directly to the administrator.

Series 2009 St. Augustine Bch - Loans receivable and bonds payable of \$35,169 were reduced by a direct payment from the member to the lender. Interest of \$30,712 was paid by the member directly to the lender. The member paid administrative fees of \$286 directly to the administrator.

Series 2010BB - Loans receivable and bonds payable of \$60,000 were reduced by a direct payment from the member to the lender. Interest of \$34,800 was paid by the member directly to the lender. The member paid administrative fees of \$435 directly to the administrator.

Series 2012 B-1 & B-2 - The increase in the fair value of the investments was \$47,888.

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

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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, 2018, 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, 2018, 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, 2018

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, 2018:

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 \$34,860,000 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 and \$6,790,000 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. 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. On March 29, 2018, Deerfield Beach provided funds to extinguish its share of the bonds. The remaining participants are 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. In the current year, Hallandale Beach paid its remaining balance. The remaining participant was Hallandale Beach.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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. On June 13, 2018, Deerfield Beach refinanced these bonds by issuing a revenue refunding note in exchange for the Series 2008A bonds, and the Series 2008A bonds were cancelled. The participant was 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. In a prior fiscal year, 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 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, 2018

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.

Series 2018A - This program was financed with revenue bonds in the amount of \$7,595,000 issued August 23, 2018 with a final maturity of October 1, 2043. The participant is Bradenton.

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 for the private placement bonds (Series 2008A, Series 2009 St. Augustine Beach, and Series 2010BB), Series 2011B, Series 2012 B-2, and Series 2018A bonds, 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 were fully defeased or paid 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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

Note 1 – Organization and Significant Accounting Policies (Continued)

- 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.

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 from the borrower 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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

Note 2 – Funds and Accounts Created by the Trust Indentures (Continued)

- 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 ensure 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.

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 general operations account. At September 30, 2018, unrestricted cash was composed of demand deposits in the amount of \$179,543. Restricted cash and cash equivalents in the amount of \$20,900,123 and restricted investments in the amount of \$4,146,279 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 30 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 held by a trust department 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, 2018 are shown below:

	Series 2000B	Series 2012 B-1 & B-2
<u>Investments</u>		
Florida Municipal Investment Trust (FMIvT) 0-2 Yr High Quality Bd Fd	\$ 403,516	\$ 3,742,763
Total Investments	\$ 403,516	\$ 3,742,763

The FMIvT 0-2 Year High Quality Bond Fund is a local government investment pool administered by the Florida League of Cities, Inc. (League). The FMIvT 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 FMIvT 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 FMIvT 0-2 Year High Quality Bond Fund, the FMIvT 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 fund.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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

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 FMIvT 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 FMIvT 0-2 Year High Quality Bond Fund has a modified duration of 0.67 years at year-end.

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 issued through the private placement program are subject to prepayment, with penalty. Principal repayments on the loans are scheduled to coincide with the scheduled maturities of the bonds.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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.

Bonds Payable decreased during the year ended September 30, 2018 as follows:

Bonds Payable October 1, 2017	\$ 203,139,000
Bonds Issued	7,996,377
Accretion on Capital Appreciation Bonds	643,203
Bonds Redeemed or Cancelled	(22,611,617)
Bonds Defeased or Extinguished	(4,140,000)
Reduction of Bond Premium/Discount (Net)	<u>(481,356)</u>
Bonds Payable September 30, 2018	<u>\$ 184,545,607</u>

Series 2000A

The Series 2000A bonds are composed of capital appreciation bonds of \$2,558,004 plus accreted interest of \$5,102,972. 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>
2019	\$ 494,238	\$ 1,023,042	\$ 1,517,280
2020	466,610	1,053,390	1,520,000
2021	437,061	1,082,939	1,520,000
2022	410,902	1,109,098	1,520,000
2023	386,232	1,133,768	1,520,000
2024	<u>362,961</u>	<u>1,157,039</u>	<u>1,520,000</u>
Totals	<u>\$ 2,558,004</u>	<u>\$ 6,559,276</u>	<u>\$ 9,117,280</u>

Series 2000B

The Series 2000B bonds are composed of capital appreciation bonds of \$1,010,184 plus accreted interest of \$1,789,901. 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, 2018

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>
2019	\$ -	\$ -	\$ -
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024-2027	<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>
2019	<u>\$ 170,000</u>	<u>\$ 4,463</u>	<u>\$ 174,463</u>
Totals	<u>\$ 170,000</u>	<u>\$ 4,463</u>	<u>\$ 174,463</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>
2019	\$ 355,000	\$ 27,625	\$ 382,625
2020	<u>375,000</u>	<u>9,375</u>	<u>384,375</u>
Totals	<u>\$ 730,000</u>	<u>\$ 37,000</u>	<u>\$ 767,000</u>

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

Note 5 – Bonds Payable (Continued)

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>
2019	\$ 460,000	\$ 63,419	\$ 523,419
2020	45,000	51,019	96,019
2021	45,000	49,191	94,191
2022	50,000	47,231	97,231
2023	50,000	45,169	95,169
2024-2028	290,000	191,287	481,287
2029-2033	360,000	120,825	480,825
2034-2037	<u>350,000</u>	<u>32,625</u>	<u>382,625</u>
Totals	<u>\$ 1,650,000</u>	<u>\$ 600,766</u>	<u>\$ 2,250,766</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>
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	45,681	20,199	65,880
2024-2028	267,946	61,457	329,403
2029	<u>62,523</u>	<u>3,357</u>	<u>65,880</u>
Totals	<u>\$ 536,751</u>	<u>\$ 187,935</u>	<u>\$ 724,686</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, 2018

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>
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	840,000	870,978	1,710,978
2024-2028	4,675,000	3,845,694	8,520,694
2029-2033	5,220,000	2,750,647	7,970,647
2034-2038	5,565,000	1,582,478	7,147,478
2039-2041	3,990,000	287,882	4,277,882
Totals	<u>\$ 23,335,000</u>	<u>\$ 13,109,616</u>	<u>\$ 36,444,616</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>
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	70,000	22,200	92,200
2024-2028	395,000	66,400	461,400
2029	90,000	3,600	93,600
Totals	<u>\$ 810,000</u>	<u>\$ 206,800</u>	<u>\$ 1,016,800</u>

Series 2011 B-1 & B-2

These bonds bear interest at rates ranging from 3.25% 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, 2018

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>
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	75,000	40,875	115,875
2024-2028	450,000	141,250	591,250
2029-2031	<u>330,000</u>	<u>25,250</u>	<u>355,250</u>
Totals	<u>\$ 1,125,000</u>	<u>\$ 403,843</u>	<u>\$ 1,528,843</u>

In the prior 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, 2018, \$1,145,000 of bonds outstanding are considered defeased.

Series 2011D

These bonds bear interest at rates ranging from 3.25% 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>
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	1,195,000	2,086,600	3,281,600
2024-2028	6,835,000	9,532,150	16,367,150
2029-2033	8,800,000	7,525,262	16,325,262
2034-2038	11,435,000	4,840,875	16,275,875
2039-2042	<u>11,650,000</u>	<u>1,324,950</u>	<u>12,974,950</u>
Totals	<u>\$ 44,235,000</u>	<u>\$ 34,118,581</u>	<u>\$ 78,353,581</u>

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

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>
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	1,980,000	1,119,113	3,099,113
2024-2028	11,360,000	4,131,850	15,491,850
2029-2033	<u>13,790,000</u>	<u>1,711,000</u>	<u>15,501,000</u>
Totals	<u>\$ 34,165,000</u>	<u>\$ 12,321,462</u>	<u>\$ 46,486,462</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>
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	1,950,000	587,481	2,537,481
2024-2028	12,705,000	1,893,816	14,598,816
2029-2033	<u>4,755,000</u>	<u>227,762</u>	<u>4,982,762</u>
Totals	<u>\$ 26,615,000</u>	<u>\$ 5,629,947</u>	<u>\$ 32,244,947</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, 2018

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>
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	1,540,000	480,800	2,020,800
2024-2028	5,890,000	1,933,212	7,823,212
2029-2033	6,005,000	1,015,125	7,020,125
2034-2038	2,355,000	183,750	2,538,750
2039-2043	310,000	71,175	381,175
2044-2047	280,000	18,688	298,688
Totals	<u>\$ 22,935,000</u>	<u>\$ 6,163,225</u>	<u>\$ 29,098,225</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>
2019	\$ 340,000	\$ 286,288	\$ 626,288
2020	350,000	272,488	622,488
2021	365,000	256,363	621,363
2022	385,000	237,612	622,612
2023	405,000	217,862	622,862
2024-2028	2,325,000	758,812	3,083,812
2029-2033	2,135,000	219,950	2,354,950
2034-2038	485,000	43,075	528,075
Totals	<u>\$ 6,790,000</u>	<u>\$ 2,292,450</u>	<u>\$ 9,082,450</u>

Series 2018A

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, 2018

Note 5 – Bonds Payable (Continued)

Series 2018A (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 191,492	\$ 191,492
2020	140,000	313,425	453,425
2021	180,000	307,025	487,025
2022	190,000	299,625	489,625
2023	195,000	291,925	486,925
2024-2028	1,130,000	1,304,375	2,434,375
2029-2033	1,425,000	1,010,466	2,435,466
2034-2038	1,730,000	702,256	2,432,256
2039-2043	2,125,000	314,359	2,439,359
2044	480,000	9,600	489,600
Totals	<u>\$ 7,595,000</u>	<u>\$ 4,744,548</u>	<u>\$ 12,339,548</u>

Note 6 – Other Income

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 (Council). It was determined that \$100,608 was payable to the Council, and this amount is recognized as revenue in the Council's general operations.

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. Thirty percent of these fees are paid to the League, and the remaining seventy percent is retained by the Council to fund its 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 \$46,432, which includes cost of issuance expenses in the amount of \$3,000. At September 30, 2018, \$15,238 was due to the League.

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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

Note 8 – Related Party Transactions (Continued)

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 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 and the Council'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 Bonds

On September 6, 2007, MBIA Insurance Corporation issued its debt service reserve fund surety bond (the "Existing Surety Bond") in connection with the Florida Municipal Loan Council Revenue Bonds, Series 2001A, 2002A, 2003A, 2003B, 2004A-1, 2005A, 2005B, 2005C, 2005D, 2006, and 2007A ("Prior Bonds"). In connection with the issuance of the Council's Refunding and Improvement Revenue Bonds, Series 2016 (the "Series 2016 Bonds"), the Existing Surety Bond was amended and reissued on September 29, 2016 (the "Current Surety Bond"), by National Public Finance Guarantee Corporation. The Current Surety Bond funds the respective reserve accounts in amounts required to satisfy the respective reserve requirements of the Prior Bonds and the Series 2016 Bonds.

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.

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
Schedule of Issues Outstanding
As of September 30, 2018**

	Original Par Amount of Bonds	9/30/18 Principal Outstanding	Years Amortized
<i>Revenue Bonds, Series 2000A - May 2000</i>			
Deerfield Beach	\$ 9,978,848	\$ 2,558,004	25
TOTAL	<u>\$ 9,978,848</u>	<u>\$ 2,558,004</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	\$ 170,000	15
TOTAL	<u>\$ 1,955,000</u>	<u>\$ 170,000</u>	
<i>Revenue Refunding Bonds, Series 2005B - May 2005</i>			
Plant City	\$ 3,180,000	\$ 730,000	14
TOTAL	<u>\$ 3,180,000</u>	<u>\$ 730,000</u>	
<i>Revenue Bonds, Series 2006 - January 2007</i>			
South Miami	\$ 5,625,000	\$ 1,230,000	30
St. Pete Beach	3,915,000	420,000	12
TOTAL	<u>\$ 9,540,000</u>	<u>\$ 1,650,000</u>	
<i>Revenue Bonds, Series 2009 St. Augustine Beach - July 2009</i>			
St. Augustine Beach	\$ 5,350,000	\$ 536,751	20
TOTAL	<u>\$ 5,350,000</u>	<u>\$ 536,751</u>	
<i>Revenue Bonds, Series 2010 ABCD - August 2010</i>			
Palatka	\$ 7,665,000	\$ 6,620,000	30
Palmetto Bay	14,780,000	12,705,000	30
Valparaiso	1,465,000	1,250,000	30
West Melbourne	3,820,000	2,760,000	20
TOTAL	<u>\$ 27,730,000</u>	<u>\$ 23,335,000</u>	

**Florida Municipal Loan Council
Schedule of Issues Outstanding
As of September 30, 2018**

	Original Par Amount of Bonds	9/30/18 Principal Outstanding	Years Amortized
<i>Revenue Refunding Bonds, Series 2010BB - December 2010</i>			
Eagle Lake	\$ 1,230,000	\$ 810,000	19
TOTAL	\$ 1,230,000	\$ 810,000	
<i>Revenue Refunding Bonds, Series 2011 B-1 & Revenue Bonds, Series 2011 B-2 - March 2011</i>			
Pinecrest B-2	\$ 1,505,000	\$ 1,125,000	19
TOTAL	\$ 1,505,000	\$ 1,125,000	
<i>Revenue Bonds, Series 2011D - May 2011</i>			
Hialeah	\$ 48,235,000	\$ 44,235,000	30
TOTAL	\$ 48,235,000	\$ 44,235,000	
<i>Refunding and Improvement Revenue Bonds, Series 2012A - November 2012</i>			
Hialeah	\$ 41,620,000	\$ 34,165,000	20
TOTAL	\$ 41,620,000	\$ 34,165,000	
<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	\$ 15,110,000	20
Deerfield Beach B-2	14,770,000	11,505,000	16
TOTAL	\$ 34,860,000	\$ 26,615,000	
<i>Refunding and Improvement Revenue Bonds, Series 2016 - September 2016</i>			
Bay Harbor Islands	\$ 3,085,000	\$ 3,080,000	18
Belle Isle	935,000	855,000	10
Eatonville	850,000	795,000	14
Lake Park	3,660,000	3,490,000	17
North Miami	2,265,000	1,915,000	6
Oakland	1,845,000	1,755,000	16
Port Richey	3,055,000	2,830,000	19
St. Augustine Beach CBA	4,810,000	4,605,000	30
St. Augustine Beach GO	1,610,000	1,495,000	12
Valparaiso	2,405,000	2,115,000	10
TOTAL	\$ 24,520,000	\$ 22,935,000	

**Florida Municipal Loan Council
Schedule of Issues Outstanding
As of September 30, 2018**

	Original Par Amount of Bonds	9/30/18 Principal Outstanding	Years Amortized
<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>	
 <i>Revenue Bonds, Series 2018A - August 2018</i>			
Bradenton	\$ 7,595,000	\$ 7,595,000	25
TOTAL	<u>\$ 7,595,000</u>	<u>\$ 7,595,000</u>	
 TOTALS	 <u>\$ 226,909,032</u>	 <u>\$ 174,259,939</u>	