



FLORIDA MUNICIPAL LOAN COUNCIL



2015

Comprehensive Annual Financial Report

For the Year Ended September 30, 2015

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FLORIDA MUNICIPAL LOAN COUNCIL



2015

Comprehensive Annual Financial Report

For the Year Ended September 30, 2015

Prepared by the Florida League of Cities, Inc.

Florida Municipal Loan Council

301 S. Bronough Street, Suite 300, Tallahassee, Florida 32301
(850) 222-9684 • www.floridaleagueofcities.com

TALLAHASSEE HEADQUARTERS



Mission Statement

“Providing innovative and comprehensive financial solutions to Florida local governments.”

ORLANDO HEADQUARTERS



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





Introductory Section



Letter of Transmittal for the Florida Municipal Loan Council

March 11, 2016

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Florida Municipal Loan Council (“the Council”) for the year ended September 30, 2015.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Florida League of Cities, Inc., as the Administrator for the Council.

The Administrator is responsible for maintaining adequate internal controls designed to provide reasonable assurance that transactions are executed in accordance with the Council’s authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Due to the inherent limitations in internal control, no system of controls can provide absolute assurance that misstatements, whether as a result of error or fraud, will not occur or that all control issues and instances of fraud, if any, have been detected. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. The Administrator believes the internal control structure provides reasonable assurance regarding the safekeeping of assets and reliability of all financial records.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported

in a manner designed to present fairly the financial position and results of operations of the Council. All disclosures necessary to enable the reader to gain an understanding of the Council’s financial activities have been included.

The basic financial statements contained in this report have been audited by Shorstein & Shorstein, P.A. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America. The goal of the independent audit was to provide reasonable assurance about whether the Trust’s basic financial statements for the year ended September 30, 2015, are free of material misstatement. The independent accounting firm, Shorstein & Shorstein, P.A. has issued an unmodified (“clean”) opinion on the Trust’s financial statements for the year ended September 30, 2015. The independent auditor’s report is presented as the first component of the **Financial Section** of the report.

Management provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Council’s MD&A can be found after the independent auditors’ report.

PROFILE OF THE COUNCIL

The Council was established pursuant to Section 163.01, Florida Statutes, to facilitate cooperative and cost-effective financing for municipalities and counties

President **Matthew D. Surrency**, Mayor, Hawthorne

First Vice President **Susan Haynie**, Mayor, Boca Raton • Second Vice President **Gil Ziffer**, Commissioner, Tallahassee

Executive Director **Michael Sittig** • General Counsel **Harry Morrison, Jr.**

in the state. The Council was created on December 1, 1998, under Chapter 163, Florida Statutes, pursuant to an Interlocal Agreement initially by and among the City of Stuart, Florida, the City of DeLand, Florida, and the City of Rockledge, Florida.

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.

Membership in the program may include the state, its agencies, counties, municipalities, special districts, and school districts of Florida as well as other entities approved by the Board of Directors. Members benefit from the Council's ability to achieve economies of scale and name recognition due to frequent bond offerings in the public market.

The Council operates as an Enterprise Fund under the Governmental Accounting Standards Board (GASB) rules. Pursuant to the trust indentures, members' earnings are credited to and all expenses are reimbursed by the members. FMLC General Operations cover those items necessary for the trust operations not specifically related to a bond issue and include the Board of Directors' meeting expense and travel, audit, insurance and other general operating functions. The Council considers all its activities as operating activities.

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.

On April 28, 1999, the first series of bonds were issued with the Florida Municipal Loan Council Revenue Bonds, Series 1999. The first issue included seven cities totaling more than \$67 million in fixed-rate loans. Since then, the Council has closed 24 bond issues or tranches.

BORROWER SOLUTIONS

The Council offers short-term and long-term financing options for local governments of all sizes to finance capital projects, renovations, and land purchases or to refinance existing debt. Pooling loans into one larger issue and creating economies of scale, in many cases, lowers the costs of issuance and provides greater market access. A variety of loan solutions are available including fixed-rate bonds and private placement bonds (direct loans). The loan amounts vary with terms of repayment up to 30 years.

In addition, local governments that issue tax-exempt bonds are required to follow federal tax requirements at the time of issuance and for as long as the bonds remain outstanding. Under the program, post-issuance duties including investment of bond proceeds, continuing disclosure, and arbitrage rebate requirements, are managed for the borrower. Post-issuance monitoring is vital to maintain compliance with federal tax requirements and to preserve the tax-exempt status of the bonds.

The Council has primarily issued fixed-rate bonds on behalf of small and medium sized borrowers with many members becoming repeat borrowers. The Council works with the following teams of professionals and advisors:

FIXED-RATE BOND PROGRAM

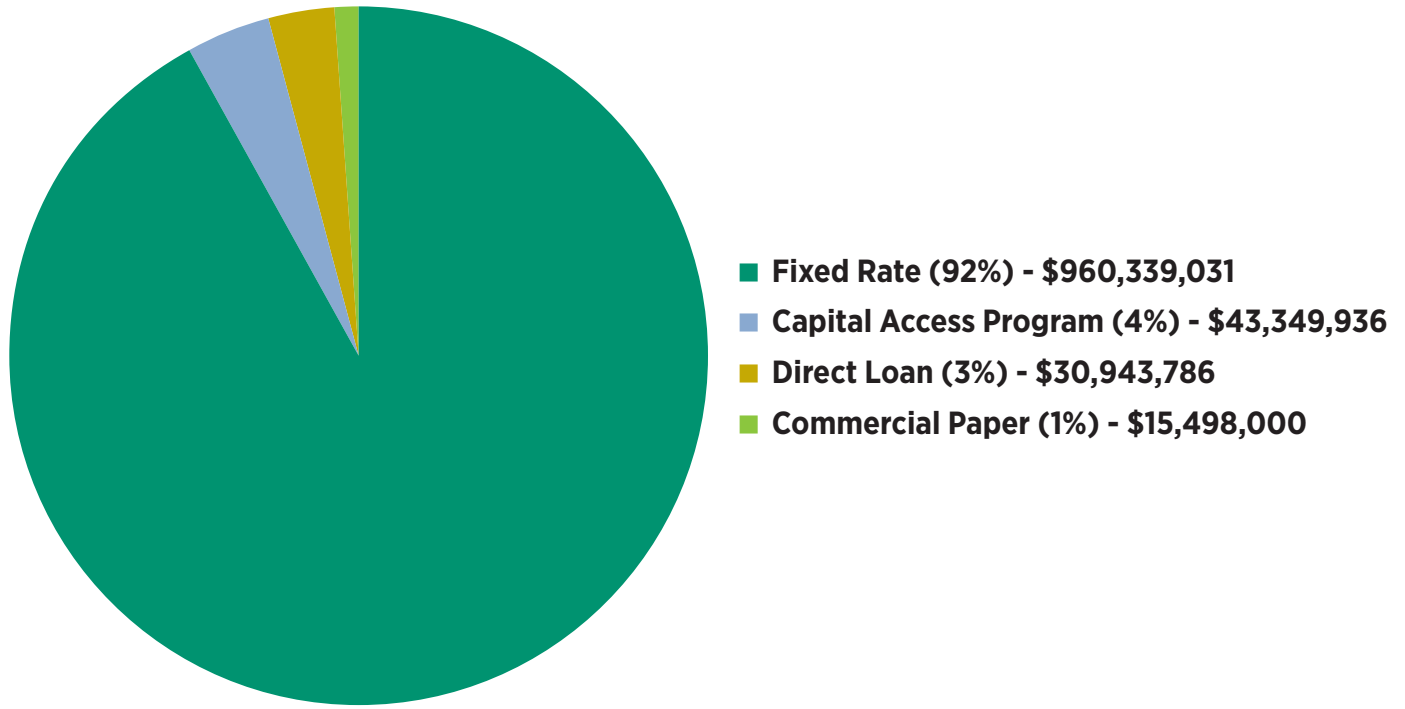
- ▶ Florida Municipal Loan Council, Issuer
- ▶ Florida League of Cities, Inc., Administrator
- ▶ Bryant, Miller & Olive P.A., Bond Counsel
- ▶ Public Resources Advisory Group, Financial Advisor
- ▶ Waters and Company, LLC, Arbitrage Rebate Consultant
- ▶ U.S. Bank National Association, Trustee*
- ▶ The Bank of New York Mellon Trust Company, N.A., Trustee (as of August 2015)
- ▶ Wells Fargo Securities, Underwriter



*U.S. Bank, National Association, as trustee to the program, provided custodian services including reporting and participant statements and coordination of debt service payments with the Depository Trust Company (DTC). On June 11, 2015, U.S. Bank, National Association provided a notice of its intention to resign as trustee, paying agent, and escrow agent, effective upon the appointment of and acceptance of a successor trustee, paying agent, and escrow agent. The Bank of New York Mellon Trust Company, N.A. was appointed as successor trustee, successor paying agent, and successor escrow agent for all Florida Municipal Loan Council Revenue Bonds, effective August 21, 2015.

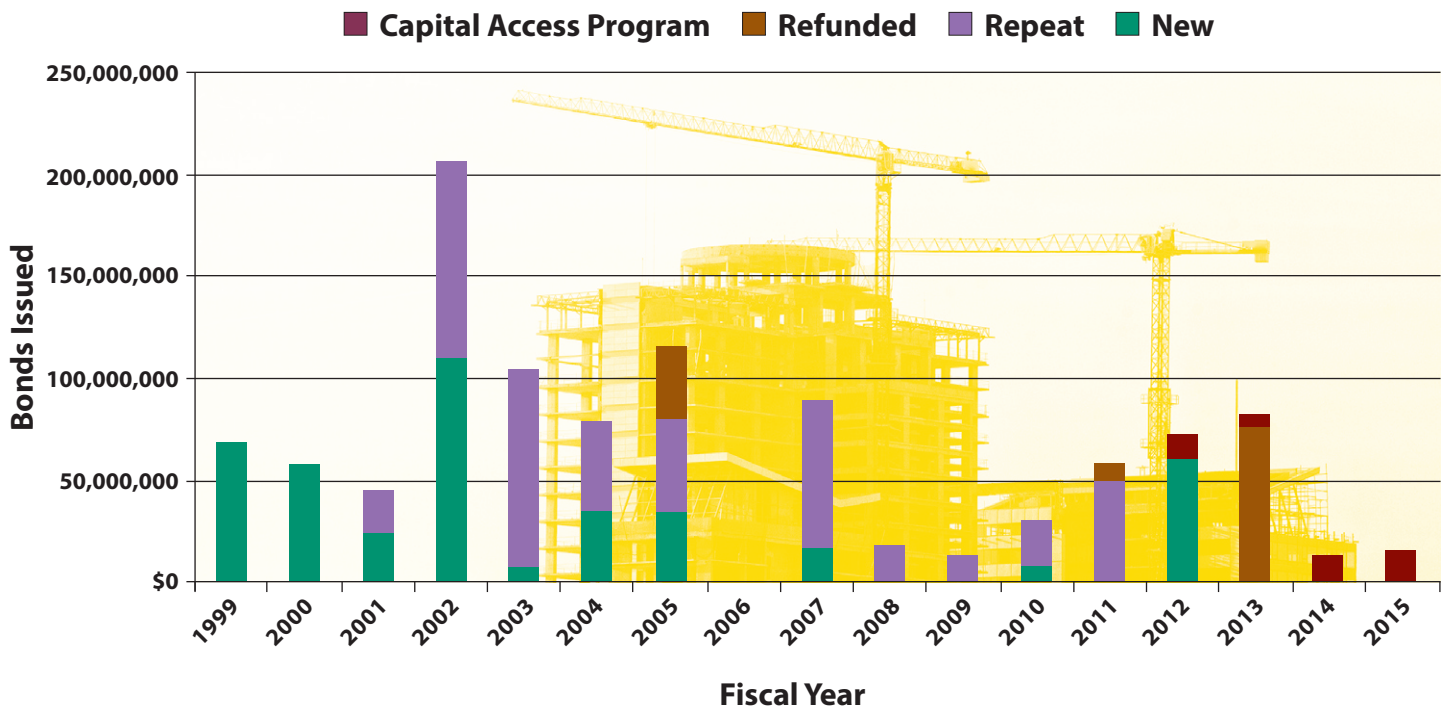
Florida Municipal Loan Council

Total Issued: \$1.05 Billion, as of September 30, 2015



Florida Municipal Loan Council

Type of Borrower, FY 1999-2015



OVERSIGHT

The Council is governed by a Board of Directors (the “Board”) consisting of not more than seven elected public officials, each of whom shall be appointed by the President of the Florida League of Cities, Inc. There is no limitation upon the term of office of a director, and directors serve until the expiration of their term in elected office, their resignation or their removal.

The Council has entered into agreements with various professionals to provide support to the program. The Council does not employ personnel, rather the management and administration services are provided by the Florida League of Cities, Inc., as Administrator. The Florida League of Cities, Inc. is a nonprofit organization established in 1922 to serve the interests of Florida cities and has grown to include nearly all of Florida’s 410 municipalities as members.

The Administrator is charged with supervising and coordinating the activities of the trustee, financial advisor, auditor, bond counsel, or other service provider rendering services to the Council. The Administrator is also responsible for directing the investment of the project loan funds, maintaining accounting records and financial reports and approving applications for membership.

The Administrator also maintains an investor relations page, accessible via the Florida League of Cities website, www.floridaleagueofcities.com. This page offers investors access to municipal disclosures for all municipal bond issuers participating in the Florida Municipal Loan Council. These disclosures include annual reports, operating data, and other significant information including official statements.

Financial advisory services are provided by Public Resources Advisory Group and involve bond market updates and monitoring of each public bond sale. A summary of each bond sale is provided and presented to the Board. Additionally, Waters & Company assists in arbitrage rebate compliance.

FISCAL YEAR 2015

Bank loans continue to provide attractive financing rates, especially for bank-qualified issuers. However, banks continue to become more selective regarding the credits that they are willing to lend as well as the length of time for which they will lend. In the present market, most banks limit their fixed rate loans to a 12-year term.

The low interest rate environment continues to provide borrowers with refinancing opportunities of existing debt as well as more favorable conditions for financing new capital projects. However, bond issuance demand for new money projects continues to be impacted by the cost of borrowing and budget tightening at the local government level.

In fiscal year 2015, the Council facilitated 3 bank loans totaling \$13.3 million on behalf of borrowers. Additionally, the Council extinguished \$32.3 million in bonds or 8% of outstanding loans. The Council issued no new debt during the fiscal year.

REQUESTS FOR INFORMATION

The preparation of this report was made possible by the dedicated staff of the financial services, accounting and publication departments of the Florida League of Cities, Inc., as well as all additional individuals who assisted with this effort including the staff of Shorstein and Shorstein, P.A. Appreciation is also expressed to the members of the Board of Directors for their leadership and service in matters pertaining to the Council’s operations.

This financial report is designed to provide a general overview of the Council’s activities during fiscal year 2015. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator for the Florida Municipal Loan Council, 301 South Bronough Street, Suite 300, Tallahassee, FL 32301.



Respectfully submitted,

Michael Sittig
Executive Director
Florida League of Cities, Inc.,
Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

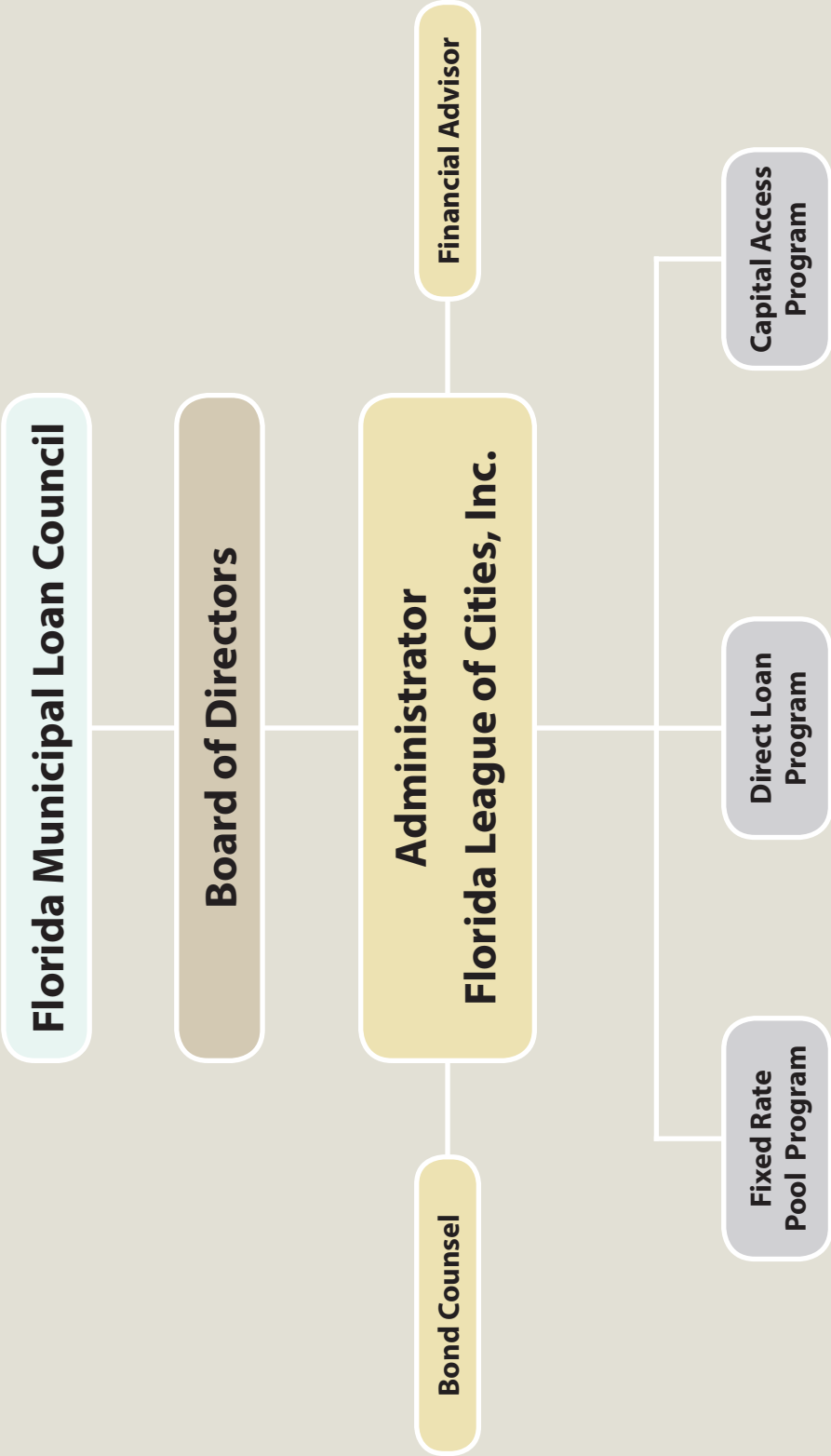
**Florida Municipal
Loan Council**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

Florida Municipal Loan Council Organizational Chart



Florida Municipal Loan Council Board of Directors

As of September 30, 2015



Isaac Salver
Chairman
Councilmember
Town of Bay Harbor Islands



Susan Starkey
Vice Mayor
City of Davie



Larry Ady
Vice Chairman
Commissioner
City of Belle Isle



Heyward Strong
Mayor Pro Tem
City of Valparaiso



Bill Arrowsmith
Vice Mayor
City of Apopka



George Vallejo
Mayor
City of North Miami Beach



Frank C. Ortis
Mayor
City of Pembroke Pines

Florida League of Cities, Inc. (Administrator) Executive and Financial Management Team

Michael Sittig
Executive Director
Service since July 12, 1971

Jeannie Garner
Senior Director of Insurance
and Financial Services
Service since June 1, 1994

Paul Shamoun
Associate Director, Financial Services
Service since August 15, 1995

Molly Hall
Senior Financial Analyst, Financial Services
Service since February 16, 2011

Dana Anderson
Financial Services Administrator, Financial Services
Service since June 1, 2012

Scott Hamilton, CPA
Comptroller, Accounting
Service since September 27, 1982

Teresa Colvin, CPA
Trust Services Comptroller, Accounting
Service since July 6, 1993

Juliacarol Love, CPA
Senior Accountant, Accounting
Service since November 1, 2007



Financial Section



FLORIDA MUNICIPAL LOAN COUNCIL

FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

SHORSTEIN & SHORSTEIN, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
8265 BAYBERRY ROAD
JACKSONVILLE, FLORIDA 32256

JACK F. SHORSTEIN, C.P.A., J.D. (1929-2014)
SAMUEL R. SHORSTEIN, C.P.A.
MARK J. SHORSTEIN, C.P.A.
MICHAEL K. PARRISH, C.P.A.
BARBARA J. HOUSTON, C.P.A.
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PHILLIP H. CAMPBELL, C.P.A.
JEWEL McCANCE
BEVERLY W. PARKER

February 23, 2016

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, 2015, 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, 2015, 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 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 introductory section, statistical section, investment section and the Schedule of Issues Outstanding are presented for the purpose of additional analysis and are 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.

The introductory, statistical and investment sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Shorstein + Shorstein, P.A.

Florida Municipal Loan Council MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2015

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, 2015. 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 2015 are as follows:

- Total assets and deferred outflows were \$346,086,342 and total liabilities and deferred inflows were \$345,922,527 resulting in a net position of \$163,815. 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 \$15.6 million, compared to \$17.6 million in the prior fiscal year, a decrease of 11.3% or \$2.0 million. Total operating expenses were \$15.6 million, declining 10.9% or \$1.9 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.
- Program borrowers refunded or defeased \$32.3 million in loans representing 8% of total bonds outstanding at the beginning of the fiscal year. The Council issued no new debt during the fiscal year.
- Through the Competitive Capital Access Program, the Council facilitated 3 bank loans on behalf of the Village of Pinecrest, City of Lauderdale Lakes and Miami Shores Village totaling \$13.3 million.
- On June 11, 2015, U.S. Bank, National Association provided a notice of its intention to resign as trustee, paying agent, and escrow agent, effective upon the appointment of and acceptance of a successor trustee, paying agent, and escrow agent. The Bank of New York Mellon Trust Company was appointed as successor trustee, successor paying agent, and successor escrow agent for all Florida Municipal Loan Council Revenue Bonds, effective August 21, 2015.

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, 2015. The Statement of Revenues, Expenses and Changes in Net Position provides information about our revenues and expenses for the year October 2014 through September 2015. 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.

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

Financial Analysis

	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>Change</u>	<u>% Change</u>
Assets				
Current Assets	\$ 85,288,833	\$ 74,098,356	\$ 11,190,477	15.10 %
Noncurrent Assets	<u>260,179,271</u>	<u>327,388,982</u>	<u>(67,209,711)</u>	(20.53) %
Total Assets	<u>345,468,104</u>	<u>401,487,338</u>	<u>(56,019,234)</u>	(13.95) %
Deferred Outflows of Resources				
Deferred Amount on Refunding	<u>618,238</u>	<u>1,236,642</u>	<u>(618,404)</u>	(50.01) %
Liabilities				
Current Liabilities	60,830,256	31,346,250	29,484,006	94.06 %
Noncurrent Liabilities	<u>285,035,007</u>	<u>371,159,959</u>	<u>(86,124,952)</u>	(23.20) %
Total Liabilities	<u>345,865,263</u>	<u>402,506,209</u>	<u>(56,640,946)</u>	(14.07) %
Deferred Inflows of Resources				
Deferred Amount on Refunding	<u>57,264</u>	<u>63,208</u>	<u>(5,944)</u>	(9.40) %
Net Position	<u>\$ 163,815</u>	<u>\$ 154,563</u>	<u>\$ 9,252</u>	5.99 %

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

Financial Analysis (Continued)

	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Loan Interest and Member Reimbursements	\$ 15,482,873	\$ 17,341,866	\$ (1,858,993)	(10.72) %
Investment Earnings	27,841	57,191	(29,350)	(51.32) %
Allocation to Members	119,523	153,086	(33,563)	(21.92) %
Other Income	-	73,500	(73,500)	(100.00) %
Total Operating Revenues	<u>15,630,237</u>	<u>17,625,643</u>	<u>(1,995,406)</u>	(11.32) %
Operating Expenses				
Interest Expense	14,812,298	16,586,293	(1,773,995)	(10.70) %
Administrative Fees	75,823	86,846	(11,023)	(12.69) %
Trustee Fees and Other Fees	68,358	88,849	(20,491)	(23.06) %
Allocation to Members	485,674	576,471	(90,797)	(15.75) %
FMLC General Operating Expenses	<u>178,832</u>	<u>188,725</u>	<u>(9,893)</u>	(5.24) %
Total Operating Expenses	<u>15,620,985</u>	<u>17,527,184</u>	<u>(1,906,199)</u>	(10.88) %
Change in Net Position	9,252	98,459	(89,207)	(90.60) %
Net Position Beginning of Year	<u>154,563</u>	<u>56,104</u>	<u>98,459</u>	175.49 %
Net Position End of Year	<u>\$ 163,815</u>	<u>\$ 154,563</u>	<u>\$ 9,252</u>	5.99 %

**Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

The Council extinguished or defeased \$32,300,000 of outstanding debt for fiscal year ending 2015. 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>
City of South Miami	2001A	\$ 2,200,000	\$ 1,610,000
City of South Miami	2002A	6,500,000	3,250,000
City of Haines City	2004A	8,200,000	4,560,000
City of Hallandale Beach	2005A	8,800,000	5,705,000
City of Destin	2005B	6,875,000	5,550,000
City of Lauderdale Lakes	2005C	4,105,000	3,250,000
City of North Miami Beach	2005C	5,380,000	2,850,000
City of Dania Beach	2005D	6,775,000	5,525,000
Total		<u>\$ 48,835,000</u>	<u>\$ 32,300,000</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, payments of the principal and interest on the bonds when due are insured by a municipal bond insurance policy issued by MBIA Insurance Corporation.

Series 2010ABCD, Series 2011D, Series 2012A (2018-2033 maturities), and Series 2012 B-1 (2019-2032 maturities) 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 2011 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, 2015**

Debt Outstanding (Continued)

At September 30, 2015, the Council had 19 fixed-rate bond issues or tranches and 4 direct loans with total debt outstanding of \$336,277,310 as follows:

	2015	2014	% Change
Revenue Bonds, Series 2000A	\$ 10,412,076	\$ 11,118,008	(6.35) %
Revenue Bonds, Series 2000B	2,358,844	2,227,794	5.88 %
Revenue Bonds, Series 2001A	4,215,000	6,185,000	(31.85) %
Revenue Bonds, Series 2002A	1,870,000	5,305,000	(64.75) %
Revenue Bonds, Series 2003A	3,705,000	3,830,000	(3.26) %
Revenue Bonds, Series 2003B	3,695,000	3,835,000	(3.65) %
Revenue Bonds, Series 2004A-1	1,945,000	6,565,000	(70.37) %
Revenue Bonds, Series 2005A	28,555,000	35,420,000	(19.38) %
Revenue Bonds, Series 2005B	6,605,000	12,985,000	(49.13) %
Revenue Bonds, Series 2005C	615,000	7,925,000	(92.24) %
Revenue Bonds, Series 2005D	6,070,000	12,335,000	(50.79) %
Revenue Bonds, Series 2006	12,350,000	13,255,000	(6.83) %
Revenue Bonds, Series 2007A	40,360,000	42,100,000	(4.13) %
Revenue Bonds, Series 2008A (Direct Loan)	13,534,419	14,196,436	(4.66) %
Revenue Bonds, Series 2009 St Aug Bch (Direct Loan)	636,971	667,032	(4.51) %
Revenue Bonds, Series 2010 ABCD	25,360,000	26,005,000	(2.48) %
Revenue Bonds, Series 2010AA (Direct Loan)	1,470,000	1,545,000	(4.85) %
Revenue Bonds, Series 2010BB (Direct Loan)	980,000	1,030,000	(4.85) %
Revenue Bonds, Series 2011 B-1 & B-2	4,040,000	4,605,000	(12.27) %
Revenue Bonds, Series 2011D	47,025,000	47,605,000	(1.22) %
Revenue Bonds, Series 2012	50,150,000	59,110,000	(15.16) %
Revenue Bonds, Series 2012A	38,725,000	40,130,000	(3.50) %
Revenue Bonds, Series 2012 B-1 & B-2	31,600,000	33,270,000	(5.02) %
Total Debt Outstanding	336,277,310	391,249,270	
Bond Premium/Discount (Net)	3,951,538	4,735,392	
Bonds Payable	\$340,228,848	\$395,984,662	

Florida Municipal Loan Council
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015

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 consultant, further improvements in the economy proved sufficient for the Federal Reserve Board to increase the target interest rate in late 2015, the first increase in the federal funds rate in almost a decade. The global economy, low inflation, energy prices, and strength of the U.S. dollar warrant attention; however, improved labor markets continue to signal a strengthening U.S. economy. The unemployment rate in the US fell throughout 2015, beginning the year at 5.7% and falling to 5% by year-end – well within the range of the Federal Reserve Board's long-term objective.

Florida municipal issuers continued to exhibit strength as issuance levels surpassed \$20.5 billion in 2015, up \$47 million from the previous year. This is despite headline risk in the municipal space from financial difficulties of Chicago and Puerto Rico. Nationally, municipal issuance volume followed a similar trajectory as total issuance achieved its highest level since 2010.

The benchmark 10-year Treasury yield ended the year almost exactly where it began, hovering around 2%, after peaking around 2.4% mid-year. Stable yields and low volatility tend to be positive for issuers as spreads tend to tighten. Spreads between AAA-MMD and 10-year Treasury remained low throughout 2015 with the average MMD as a percentage of UST around 98%. Leading up to the first interest rate increase in December 2015 the yield curve began to flatten. This created higher escrow investment rates and lower long-term borrowing costs which could lead to refunding opportunities in early 2016.

Bank loans currently provide attractive financing rates, especially for bank-qualified issuers. However, banks continue to become more selective regarding the credits that they are willing to lend as well as the length of time for which they will lend. In the present market, most banks limit their fixed-rate loans to a 12-year term.

The low interest rate environment continues to provide borrowers with refinancing opportunities of existing debt as well as more favorable conditions for financing new capital projects. However, bond issuance demand for new money projects continues to be impacted by the cost of borrowing and budget tightening at the local government level.

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**
For the Year Ended September 30, 2015

<u>ASSETS</u>	Series 2000A	Series 2000B	Series 2001A	Series 2002A	Series 2003A	Series 2003B
<u>Current Assets</u>						
Cash	-	-	-	-	-	-
Restricted Assets:						
Cash and Cash Equivalents	3,909	44	485	323	128	530
Investments	-	392,862	-	-	-	-
Loans Receivable	1,343,160	430	404,347	110,490	208,201	212,896
Accounts Receivable - Administrator Fees	-	-	-	-	-	-
Total Current Assets	<u>1,347,069</u>	<u>393,336</u>	<u>404,832</u>	<u>110,813</u>	<u>208,329</u>	<u>213,426</u>
<u>Noncurrent Assets</u>						
Loans Receivable	9,067,189	1,965,985	3,959,232	1,804,186	3,652,625	3,630,721
Total Assets	<u>10,414,258</u>	<u>2,359,321</u>	<u>4,364,064</u>	<u>1,914,999</u>	<u>3,860,954</u>	<u>3,844,147</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	-	-	-	-	-	-
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	1,344,887	-	326,044	70,439	137,662	157,655
Accrued Interest Expense	-	-	87,964	39,979	76,729	62,117
Accrued Administrator Fees	2,082	421	1,756	779	1,544	1,232
Accrued Expenses	100	56	113	56	56	79
Total Current Liabilities	<u>1,347,069</u>	<u>477</u>	<u>415,877</u>	<u>111,253</u>	<u>215,991</u>	<u>221,083</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	9,067,189	2,358,844	3,948,187	1,803,746	3,644,963	3,623,064
Total Liabilities	<u>10,414,258</u>	<u>2,359,321</u>	<u>4,364,064</u>	<u>1,914,999</u>	<u>3,860,954</u>	<u>3,844,147</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	-	-	-	-	-	-
<u>NET POSITION</u>						
Net Position - Unrestricted	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council
***STATEMENTS OF NET POSITION (Continued)**
For the Year Ended September 30, 2015

<u>ASSETS</u>	Series 2004A-1	Series 2005A	Series 2005B	Series 2005C	Series 2005D	Series 2006
<u>Current Assets</u>						
Cash	-	-	-	-	-	-
Restricted Assets:						
Cash and Cash Equivalents	394	868	3,387	15,275	748,775	1,329,552
Investments	-	-	-	-	-	-
Loans Receivable	89,483	1,207,746	671,727	113,692	251,776	996,500
Accounts Receivable - Administrator Fees	-	-	-	-	-	-
Total Current Assets	<u>89,877</u>	<u>1,208,614</u>	<u>675,114</u>	<u>128,967</u>	<u>1,000,551</u>	<u>2,326,052</u>
<u>Noncurrent Assets</u>						
Loans Receivable	1,870,908	28,128,347	5,951,746	491,881	5,230,048	10,363,266
Total Assets	<u>1,960,785</u>	<u>29,336,961</u>	<u>6,626,860</u>	<u>620,848</u>	<u>6,230,599</u>	<u>12,689,318</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	-	-	211,459	12,681	-	-
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	64,159	1,024,495	549,484	116,789	603,110	964,829
Accrued Interest Expense	24,361	229,530	135,375	13,559	134,775	277,003
Accrued Administrator Fees	486	4,010	4,512	308	5,276	6,175
Accrued Expenses	30	74	225	100	500	600
Total Current Liabilities	<u>89,036</u>	<u>1,258,109</u>	<u>689,596</u>	<u>130,756</u>	<u>743,661</u>	<u>1,248,607</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	1,871,749	28,078,852	6,148,723	502,773	5,486,938	11,440,711
Total Liabilities	<u>1,960,785</u>	<u>29,336,961</u>	<u>6,838,319</u>	<u>633,529</u>	<u>6,230,599</u>	<u>12,689,318</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	-	-	-	-	-	-
<u>NET POSITION</u>						
Net Position - Unrestricted	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council
***STATEMENTS OF NET POSITION (Continued)**
For the Year Ended September 30, 2015

<u>ASSETS</u>	Series 2007A	Series 2008A	Series 2009 St. Aug. Bch	Series 2010 ABCD	Series 2010AA	Series 2010BB
<u>Current Assets</u>						
Cash	-	-	-	-	-	-
Restricted Assets:						
Cash and Cash Equivalents	2,841,561	-	-	2,947,482	-	-
Investments	-	-	-	169,698	-	-
Loans Receivable	1,917,343	1,755,722	40,472	669,267	80,368	75,104
Accounts Receivable - Administrator Fees	-	-	-	-	-	-
Total Current Assets	4,758,904	1,755,722	40,472	3,786,447	80,368	75,104
<u>Noncurrent Assets</u>						
Loans Receivable	36,858,151	12,112,730	605,296	22,029,358	1,367,361	909,840
Total Assets	41,617,055	13,868,452	645,768	25,815,805	1,447,729	984,944
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	-	-	-	-	22,639	15,159
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	1,857,787	694,606	31,675	643,317	80,000	55,000
Accrued Interest Expense	996,638	330,928	8,551	529,797	-	19,600
Accrued Administrator Fees	16,866	3,104	246	12,238	368	503
Accrued Expenses	200	-	-	400	-	-
Total Current Liabilities	2,871,691	1,028,638	40,472	1,185,752	80,368	75,103
<u>Noncurrent Liabilities</u>						
Bonds Payable	38,745,364	12,839,814	605,296	24,630,053	1,390,000	925,000
Total Liabilities	41,617,055	13,868,452	645,768	25,815,805	1,470,368	1,000,103
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Amount on Refunding	-	-	-	-	-	-
<u>NET POSITION</u>						
Net Position - Unrestricted	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council
***STATEMENTS OF NET POSITION (Continued)**
For the Year Ended September 30, 2015

<u>ASSETS</u>	Series 2011 B-1 & B-2	Series 2011D	Series 2012	Series 2012A	Series 2012 B-1 & B-2	General Operations	Total
<u>Current Assets</u>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,678	\$ 86,678
Restricted Assets:							
Cash and Cash Equivalents	651,027	2,051,179	10,169,465	118	2,241,323	-	23,005,825
Investments	-	-	-	696,589	5,319,586	-	6,578,735
Loans Receivable	586,967	953,315	40,093,951	2,152,924	1,597,180	-	55,533,061
Accounts Receivable - Administrator Fees	-	-	-	-	-	84,534	84,534
Total Current Assets	<u>1,237,994</u>	<u>3,004,494</u>	<u>50,263,416</u>	<u>2,849,631</u>	<u>9,158,089</u>	<u>171,212</u>	<u>85,288,833</u>
<u>Noncurrent Assets</u>							
Loans Receivable	2,847,990	44,910,500	-	39,011,240	23,410,671	-	260,179,271
Total Assets	<u>4,085,984</u>	<u>47,914,994</u>	<u>50,263,416</u>	<u>41,860,871</u>	<u>32,568,760</u>	<u>171,212</u>	<u>345,468,104</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred Amount on Refunding	2,596	-	-	-	353,704	-	618,238
<u>LIABILITIES</u>							
<u>Current Liabilities</u>							
Bonds Payable	570,764	830,087	41,550,000	1,698,288	1,822,764	-	55,193,841
Accrued Interest Expense	70,775	1,184,944	111,853	682,005	506,509	-	5,523,192
Accrued Administrator Fees	2,020	14,452	1,563	10,981	11,759	-	102,681
Accrued Expenses	200	100	-	56	200	7,397	10,542
Total Current Liabilities	<u>643,759</u>	<u>2,029,583</u>	<u>41,663,416</u>	<u>2,391,330</u>	<u>2,341,232</u>	<u>7,397</u>	<u>60,830,256</u>
<u>Noncurrent Liabilities</u>							
Bonds Payable	3,444,821	45,885,411	8,600,000	39,412,277	30,581,232	-	285,035,007
Total Liabilities	<u>4,088,580</u>	<u>47,914,994</u>	<u>50,263,416</u>	<u>41,803,607</u>	<u>32,922,464</u>	<u>7,397</u>	<u>345,865,263</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Amount on Refunding	-	-	-	57,264	-	-	57,264
<u>NET POSITION</u>							
Net Position - Unrestricted	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 163,815	\$ 163,815

*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, 2015

	Series 2000A	Series 2000B	Series 2001A	Series 2002A	Series 2003A	Series 2003B
<u>OPERATING REVENUES</u>						
Loan Interest and Member Reimbursements	\$ 641,197	\$ 132,110	\$ 271,681	\$ 217,211	\$ 189,867	\$ 190,169
Investment Earnings	8	968	5	4	2	3
Allocation to Members	-	-	-	-	-	-
Total Operating Revenues	641,205	133,078	271,686	217,215	189,869	190,172
<u>OPERATING EXPENSES</u>						
Interest Expense	639,068	131,049	251,923	211,664	180,038	178,991
Program Administration Fee - FLC	1,335	303	1,592	1,235	1,133	1,115
Other Expenses	802	758	3,690	2,932	758	1,482
Allocation to Members	-	968	14,481	1,384	7,940	8,584
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	641,205	133,078	271,686	217,215	189,869	190,172
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 (Continued)**
For the Year Ended September 30, 2015

	Series 2004A-1	Series 2005A	Series 2005B	Series 2005C	Series 2005D	Series 2006
<u>OPERATING REVENUES</u>						
Loan Interest and Member Reimbursements	\$ 158,282	\$ 1,471,887	\$ 612,319	\$ 220,269	\$ 508,019	\$ 562,510
Investment Earnings	3	28	11	10	10	1,573
Allocation to Members	870	-	38,069	42,496	-	-
Total Operating Revenues	159,155	1,471,915	650,399	262,775	508,029	564,083
<u>OPERATING EXPENSES</u>						
Interest Expense	154,425	1,407,382	640,359	256,096	491,965	535,249
Program Administration Fee - FLC	902	7,744	3,502	1,372	3,322	3,705
Other Expenses	3,828	5,355	6,538	5,307	7,520	4,809
Allocation to Members	-	51,434	-	-	5,222	20,320
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	159,155	1,471,915	650,399	262,775	508,029	564,083
<u>Change in Net Position</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>Net Position, Beginning of Year</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>Net Position, End of Year</u>	\$ -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 (Continued)**
For the Year Ended September 30, 2015

	Series 2007A	Series 2008A	Series 2009 St. Aug Bch	Series 2010 ABCD	Series 2010AA	Series 2010BB
<u>OPERATING REVENUES</u>						
Loan Interest and Member Reimbursements	\$ 2,005,378	\$ 661,909	\$ 35,515	\$ 1,070,130	\$ 64,446	\$ 40,351
Investment Earnings	228	-	-	1,059	-	-
Allocation to Members	-	-	-	5,855	3,177	2,133
Total Operating Revenues	2,005,606	661,909	35,515	1,077,044	67,623	42,484
<u>OPERATING EXPENSES</u>						
Interest Expense	1,958,951	660,047	35,416	1,066,493	67,397	42,333
Program Administration Fee - FLC	10,120	1,862	99	7,343	226	151
Other Expenses	1,603	-	-	3,208	-	-
Allocation to Members	34,932	-	-	-	-	-
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	2,005,606	661,909	35,515	1,077,044	67,623	42,484
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 (Continued)**
For the Year Ended September 30, 2015

	Series 2011 B-1 & B-2	Series 2011D	Series 2012	Series 2012A	Series 2012 B-1 & B-2	General Operations	Total
<u>OPERATING REVENUES</u>							
Loan Interest and Member Reimbursements	\$ 144,361	\$ 2,379,342	\$ 1,017,769	\$ 1,678,406	\$ 1,021,661	\$ 188,084	\$ 15,482,873
Investment Earnings	5	18	2,456	2,753	18,697	-	27,841
Allocation to Members	6,589	20,334	-	-	-	-	119,523
Total Operating Revenues	150,955	2,399,694	1,020,225	1,681,159	1,040,358	188,084	15,630,237
<u>OPERATING EXPENSES</u>							
Interest Expense	148,139	2,390,221	999,019	1,416,028	950,045	-	14,812,298
Program Administration Fee - FLC	1,212	8,671	3,750	8,074	7,055	-	75,823
Other Expenses	1,604	802	15,000	758	1,604	-	68,358
Allocation to Members	-	-	2,456	256,299	81,654	-	485,674
FMLC General Operating Expenses	-	-	-	-	-	178,832	178,832
Total Operating Expenses	150,955	2,399,694	1,020,225	1,681,159	1,040,358	178,832	15,620,985
Change in Net Position	-0-	-0-	-0-	-0-	-0-	9,252	9,252
Net Position, Beginning of Year	-0-	-0-	-0-	-0-	-0-	154,563	154,563
Net Position, End of Year	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 163,815	\$ 163,815

*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, 2015

	Series 2000A	Series 2000B	Series 2001A	Series 2002A	Series 2003A	Series 2003B
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ -	\$ (33,118)	\$ -	\$ -	\$ -	\$ -
Member Loan Repayments	1,345,000	-	360,000	185,000	125,000	140,000
Loan Interest and Member Reimbursements	6,250	1,861	310,569	281,434	194,793	195,487
Expenses Paid	(5,621)	(1,895)	(10,251)	(8,790)	(4,715)	(5,532)
Cash Provided (Used) by Operating Activities	1,345,629	(33,152)	660,318	457,644	315,078	329,955
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Redemption of Bonds	(1,345,000)	-	(360,000)	(185,000)	(125,000)	(140,000)
Interest Paid	-	-	(301,137)	(272,870)	(190,712)	(190,024)
Cash Provided (Used) by Non-Capital Financing Activities	(1,345,000)	-	(661,137)	(457,870)	(315,712)	(330,024)
<u>Cash Flows from Investing Activities:</u>						
Investments Sold	-	33,118	-	-	-	-
Interest and Dividends Collected	8	-	5	4	2	3
Cash Provided (Used) by Investing Activities	8	33,118	5	4	2	3
<u>Net Change in Cash and Cash Equivalents</u>	637	(34)	(814)	(222)	(632)	(66)
<u>Cash and Cash Equivalents, Beginning of Year</u>	3,272	78	1,299	545	760	596
<u>Cash and Cash Equivalents, End of Year</u>	3,909	44	485	323	128	530
<u>Cash Flows from Operating Activities:</u>						
Change in Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Reconciliation of Change in Net Position to Cash Provided (Used) by Operating Activities:</u>						
Amortization of Discount (Premium)	-	-	(14,482)	(1,385)	(7,940)	(8,583)
Amortization of Refunding	-	-	-	-	-	-
Accretion of Interest on Capital Appreciation Bonds	639,068	131,049	301,137	272,870	190,712	190,024
Interest Paid	-	-	-	-	-	-
Investment Income	(8)	(968)	(5)	(4)	(2)	(3)
(Increase) Decrease in Receivables - Net	706,938	(163,105)	416,371	261,619	135,221	151,299
Increase (Decrease) in Payables - Net	(369)	(128)	(42,703)	(75,456)	(2,913)	(2,782)
Cash Provided (Used) by Operating Activities	1,345,629	(33,152)	660,318	457,644	315,078	329,955

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

Florida Municipal Loan Council
***STATEMENTS OF CASH FLOWS (Continued)**
For the Year Ended September 30, 2015

	Series 2004A-1	Series 2005A	Series 2005B	Series 2005C	Series 2005D	Series 2006
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	60,000	1,160,000	830,000	1,210,000	600,000	(785,800)
Member Loan Repayments	107,078	1,428,662	637,186	200,670	415,293	576,257
Loan Interest and Member Reimbursements	(8,517)	(33,130)	(19,796)	(14,741)	(21,521)	(18,108)
Expenses Paid	158,561	2,555,532	1,447,390	1,395,929	993,772	722,349
Cash Provided (Used) by Operating Activities						
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Redemption of Bonds	(60,000)	(1,160,000)	(830,000)	(1,210,000)	(740,000)	(905,000)
Interest Paid	(99,994)	(1,398,205)	(614,739)	(355,445)	(530,832)	(576,631)
Cash Provided (Used) by Non-Capital Financing Activities	(159,994)	(2,558,205)	(1,444,739)	(1,565,445)	(1,270,832)	(1,481,631)
<u>Cash Flows from Investing Activities:</u>						
Investments Sold	-	-	-	-	-	873,073
Interest and Dividends Collected	3	28	11	10	10	10
Cash Provided (Used) by Investing Activities	3	28	11	10	10	873,083
<u>Net Change in Cash and Cash Equivalents</u>	(1,430)	(2,645)	2,662	(169,506)	(277,050)	113,801
<u>Cash and Cash Equivalents, Beginning of Year</u>	1,824	3,513	725	184,781	1,025,825	1,215,751
<u>Cash and Cash Equivalents, End of Year</u>	394	868	3,387	15,275	748,775	1,329,552
<u>Cash Flows from Operating Activities:</u>						
Change in Net Position	-0-	-0-	-0-	-0-	-0-	-0-
<u>Reconciliation of Change in Net Position to Cash Provided (Used) by Operating Activities:</u>						
Amortization of Discount (Premium)	870	(51,434)	(29,892)	(13,291)	(5,222)	(18,757)
Amortization of Refunding	-	-	67,962	55,786	-	-
Accretion of Interest on Capital Appreciation Bonds	99,994	1,398,205	614,739	355,445	530,832	576,631
Interest Paid	(3)	(28)	(11)	(10)	(10)	(1,573)
Investment Income	114,217	1,262,838	923,170	1,167,024	608,216	189,622
(Increase) Decrease in Receivables - Net	(56,517)	(54,049)	(128,578)	(169,025)	(140,044)	(23,574)
Increase (Decrease) in Payables - Net	158,561	2,555,532	1,447,390	1,395,929	993,772	722,349
Cash Provided (Used) by Operating Activities						

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

Florida Municipal Loan Council
***STATEMENTS OF CASH FLOWS (Continued)**
For the Year Ended September 30, 2015

	Series 2007A	Series 2008A	Series 2009 St. Aug Bch	Series 2010 ABCD	Series 2010AA	Series 2010BB
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ (5,398,963)	\$ -	\$ -	(165,500)	\$ -	\$ -
Member Loan Repayments	1,825,000	-	-	650,000	-	-
Loan Interest and Member Reimbursements	2,028,008	-	-	1,083,171	-	-
Expenses Paid	(36,230)	-	-	(28,328)	-	-
Cash Provided (Used) by Operating Activities	(1,582,185)	-	-	1,539,343	-	-
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Redemption of Bonds	(1,740,000)	-	-	(645,000)	-	-
Interest Paid	(2,037,174)	-	-	(1,066,619)	-	-
Cash Provided (Used) by Non-Capital Financing Activities	(3,777,174)	-	-	(1,711,619)	-	-
<u>Cash Flows from Investing Activities:</u>						
Investments Sold	-	-	-	165,500	-	-
Interest and Dividends Collected	228	-	-	367	-	-
Cash Provided (Used) by Investing Activities	228	-	-	165,867	-	-
<u>Net Change in Cash and Cash Equivalents</u>	(5,359,131)	-	-	(6,409)	-	-
<u>Cash and Cash Equivalents, Beginning of Year</u>	8,200,692	-	-	2,953,891	-	-
<u>Cash and Cash Equivalents, End of Year</u>	\$ 2,841,561	\$ -	\$ -	2,947,482	\$ -	\$ -
<u>Cash Flows from Operating Activities:</u>						
Change in Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Reconciliation of Change in Net Position to Cash Provided (Used) by Operating Activities:</u>						
Amortization of Discount (Premium)	(34,724)	-	-	6,899	-	-
Amortization of Refunding	-	-	-	-	-	-
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-
Interest Paid	2,037,174	-	-	1,066,619	-	-
Investment Income	(228)	-	-	(1,059)	-	-
(Increase) Decrease in Receivables - Net	(3,540,014)	-	-	474,554	-	-
Increase (Decrease) in Payables - Net	(44,393)	-	-	(7,670)	-	-
Cash Provided (Used) by Operating Activities	(1,582,185)	\$ -	\$ -	1,539,343	\$ -	\$ -

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

Florida Municipal Loan Council
***STATEMENTS OF CASH FLOWS (Continued)**
For the Year Ended September 30, 2015

	Series 2011 B-1 & B-2	Series 2011D	Series 2012	Series 2012A	Series 2012 B-1 & B-2	General Operations	Total
<u>Cash Flows from Operating Activities:</u>							
Loans Made to Members	\$ -	\$ -	\$ (31,546,745)	\$ (685,332)	\$ (8,567,982)	\$ -	\$ (47,183,440)
Member Loan Repayments	575,000	850,000	8,960,000	1,405,000	1,720,000	-	22,950,000
Loan Interest and Member Reimbursements	149,191	2,400,589	31,688,355	1,711,374	1,027,636	285,054	44,728,918
Expenses Paid	(6,092)	(29,966)	(27,500)	(28,195)	(25,908)	(278,783)	(613,619)
Cash Provided (Used) by Operating Activities	718,099	3,220,623	9,074,110	2,402,847	(5,846,254)	6,271	19,881,859
<u>Cash Flows from Non-Capital Financing Activities:</u>							
Redemption of Bonds	(565,000)	(580,000)	(8,960,000)	(1,405,000)	(1,670,000)	-	(22,625,000)
Interest Paid	(149,725)	(2,378,586)	(1,015,819)	(1,693,013)	(1,038,067)	-	(13,909,592)
Cash Provided (Used) by Non-Capital Financing Activities	(714,725)	(2,958,586)	(9,975,819)	(3,098,013)	(2,708,067)	-	(36,534,592)
<u>Cash Flows from Investing Activities:</u>							
Investments Sold	-	-	3,702,844	685,332	6,067,014	-	11,526,881
Interest and Dividends Collected	5	18	14,749	22	51	-	15,534
Cash Provided (Used) by Investing Activities	5	18	3,717,593	685,354	6,067,065	-	11,542,415
<u>Net Change in Cash and Cash Equivalents</u>	3,379	262,055	2,815,884	(9,812)	(2,487,256)	6,271	(5,110,318)
<u>Cash and Cash Equivalents, Beginning of Year</u>	647,648	1,789,124	7,353,581	9,930	4,728,579	80,407	28,202,821
<u>Cash and Cash Equivalents, End of Year</u>	\$ 651,027	\$ 2,051,179	\$ 10,169,465	\$ 118	\$ 2,241,323	\$ 86,678	\$ 23,092,503
<u>Cash Flows from Operating Activities:</u>							
Change in Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 9,252	\$ 9,252
<u>Reconciliation of Change in Net Position to Cash Provided (Used) by Operating Activities:</u>							
Amortization of Discount (Premium)	4,901	20,335	-	(247,624)	(108,362)	-	(508,691)
Amortization of Refunding	1,688	-	-	(5,944)	45,390	-	164,882
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-	770,117
Interest Paid	149,725	2,378,586	1,015,819	1,693,013	1,038,067	-	13,909,592
Investment Income	(5)	(18)	(2,456)	(2,753)	(18,697)	-	(27,841)
(Increase) Decrease in Receivables - Net	570,413	830,681	8,077,548	990,097	(6,776,815)	16,362	6,416,256
Increase (Decrease) in Payables - Net	(8,623)	(8,961)	(16,801)	(23,942)	(25,837)	(19,343)	(851,708)
Cash Provided (Used) by Operating Activities	\$ 718,099	\$ 3,220,623	\$ 9,074,110	\$ 2,402,847	\$ (5,846,254)	\$ 6,271	\$ 19,881,859

*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, 2015

Series 2000B - The increase in the fair value of the investments was \$968.

Series 2001A - The Council refunded debt issued in 2001. The \$1,622,534 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$1,610,000 of outstanding revenue bond principal and \$12,534 of interest.

Series 2002A - The Council refunded debt issued in 2002. The \$3,275,938 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$3,250,000 of outstanding revenue bond principal and \$25,938 of interest.

Series 2004A-1 - The Council refunded debt issued in 2004. The \$4,680,441 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$4,560,000 of outstanding revenue bond principal and \$120,441 of interest.

Series 2005A - The Council refunded debt issued in 2005. The \$5,840,239 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$5,705,000 of outstanding revenue bond principal and \$135,239 of interest.

Series 2005B - The Council refunded debt issued in 2005. The \$5,687,450 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$5,550,000 of outstanding revenue bond principal and \$137,450 of interest.

Series 2005C - The Council refunded debt issued in 2005. The \$6,135,569 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$6,100,000 of outstanding revenue bond principal and \$35,569 of interest.

Series 2005D - The Council refunded debt issued in 2005. The \$5,649,166 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$5,525,000 of outstanding revenue bond principal and \$124,166 of interest.

Series 2006 - The increase in the fair value of the investments was \$1,563.

Series 2008A - Loans receivable and bonds payable of \$662,016 were reduced by a direct payment from the member to the lender. Interest of \$676,233 was paid by the member directly to the lender. The member paid administrative fees of \$6,360 directly to the administrator.

Series 2009 St. Augustine Bch - Loans receivable and bonds payable of \$30,061 were reduced by a direct payment from the member to the lender. Interest of \$35,820 was paid by the member directly to the lender. The member paid administrative fees of \$515 directly to the administrator.

Series 2009 Seminole - The member extinguished their bonds in the prior year. During the current year, the member paid administrative fees due at September 30, 2014 of \$902 directly to the administrator.

Series 2010 ABCD - The increase in the fair value of the investments was \$692.

Series 2010AA - Loans receivable and bonds payable of \$75,000 were reduced by a direct payment from the member to the lender. Interest of \$97,129 was paid by the member directly to the lender. The member paid administrative fees of \$772 directly to the administrator.

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

Florida Municipal Loan Council
***STATEMENT OF CASH FLOWS (Continued)**
SUPPLEMENTAL SCHEDULE OF NONCASH TRANSACTIONS
For the Year Ended September 30, 2015

Series 2010BB - Loans receivable and bonds payable of \$50,000 were reduced by a direct payment from the member to the lender. Interest of \$41,200 was paid by the member directly to the lender. The member paid administrative fees of \$258 directly to the administrator.

Series 2012 - The decrease in the fair value of the investments was \$(2,698).

Series 2012A - The increase in the fair value of the investments was \$2,731.

Series 2012 B-1 & B-2 - The increase in the fair value of the investments was \$18,646.

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

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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, 2015, 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, 2015, 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, 2015

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, 2015:

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. Deerfield Beach is the remaining participant.

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. On various dates 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. In a prior fiscal year, the Council issued \$1,580,000 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 2001A - This program was financed with revenue bonds in the amount of \$90,210,000 issued November 15, 2001 with a final maturity of November 1, 2031. On various dates in a prior fiscal year, Avon Park, Bonita Springs, Bradenton, Hallandale Beach, Largo, Safety Harbor, Sunny Isles Beach, and Wellington provided funds to extinguish their share of the bonds. Additionally, in a prior fiscal year, Southwest Ranches provided funds to extinguish a portion of its share of the bonds. On May 28, 2015, South Miami provided funds to extinguish its share of the bonds. The remaining participants are North Miami and Southwest Ranches.

Series 2002A - This program was financed with revenue bonds in the amount of \$49,775,000 issued May 17, 2002 with a final maturity of May 1, 2032. In a prior fiscal year, South Miami provided funds to extinguish a portion of its share of the bonds. Additionally, on various dates in a prior fiscal year, DeFuniak Springs, Golf, North Miami Beach, Palm Springs, Pinecrest, and Stuart provided funds to extinguish their share of the bonds. On May 28, 2015, South Miami provided funds to extinguish its share of the bonds. The remaining participant is Oakland.

Series 2003A - This program was financed with revenue bonds in the amount of \$76,460,000 issued May 16, 2003 with a final maturity of May 1, 2033. On various dates in a prior fiscal year, the Council issued \$44,895,000 in revenue refunding bonds to advance refund certain 2003A revenue bonds. Additionally, in a prior fiscal year, Palm Springs provided funds to extinguish its share of the bonds. The remaining participant is Lake Park.

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 in revenue refunding bonds to advance refund certain 2003B revenue bonds. Additionally, in a prior fiscal year, Bay Harbor Islands provided funds to extinguish a portion of its share of the bonds. Additionally, on various dates in a prior fiscal year, Gadsden County and North Miami Beach provided funds to extinguish their share of the bonds. The remaining participants are Apopka and Bay Harbor Islands.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 1 – Organization and Significant Accounting Policies (Continued)

A. Organization and Purpose (Continued)

Series 2004A-1 - This program was financed with revenue bonds in the amount of \$15,585,000 issued July 14, 2004 with a final maturity of July 1, 2034. On various dates in a prior fiscal year, Oakland Park and Pinecrest provided funds to extinguish their share of the bonds. On December 22, 2014, Haines City provided funds to extinguish its share of the bonds. The remaining participant is St. Augustine Beach.

Series 2005A - This program was financed with revenue bonds in the amount of \$55,630,000 issued February 15, 2005 with a final maturity of February 1, 2035. In a prior fiscal year, Inverness provided funds to extinguish its share of the bonds. Additionally, in a prior fiscal year, Bartow provided funds to extinguish a portion of its share of the bonds. On December 30, 2014, Hallandale Beach provided funds to extinguish its share of the bonds. The remaining participants are Hialeah, Indian Shores, and Valparaiso.

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. On September 18, 2015, Destin provided funds to extinguish its share of the bonds. The remaining participants are Eatonville, Haines City, Melbourne Beach, and Plant City.

Series 2005C - This program was financed with revenue bonds in the amount of \$15,610,000 issued July 12, 2005 with a final maturity of April 1, 2030. These bonds were issued to advance refund certain bonds of Series 2000A. In a prior fiscal year, Ft. Myers provided funds to extinguish a portion of its share of the bonds. On various dates in the current fiscal year, Lauderdale Lakes and North Miami Beach provided funds to extinguish their share of the bonds. The remaining participant is Port Richey.

Series 2005D - This program was financed with revenue bonds in the amount of \$25,200,000 issued September 23, 2005 with a final maturity of October 1, 2035. On November 27, 2007, Ft. Walton Beach provided funds to advance refund its share of the bonds. On various dates in a prior fiscal year, Bartow and West Melbourne provided funds to extinguish a portion of their share of the bonds. On August 27, 2015, Dania Beach provided funds to extinguish its share of the bonds. The remaining participants are Bartow, Palmetto Bay, Parkland, Port Richey and West Melbourne.

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. On October 17, 2011, South Miami provided funds to extinguish a portion of its share of the bonds. The participants are Belle Isle, Deerfield Beach, Gadsden County, South Miami, St. Petersburg Beach and Valparaiso.

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. The participants are Haines City and Hallandale Beach.

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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 1 – Organization and Significant Accounting Policies (Continued)

A. Organization and Purpose (Continued)

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 2010AA - This program was financed with private placement revenue bonds in the amount of \$1,835,000 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 St. Augustine Beach.

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 were issued to advance refund certain bonds of Series 1999A. 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 is 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 were 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.

The bond proceeds of each program were loaned to the participants of that program pursuant to loan agreements with maturities within the original maximum 30-year period. Under the loan agreements, participants are billed semi-annually for their proportionate share of the program costs.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 1 – Organization and Significant Accounting Policies (Continued)

A. Organization and Purpose (Continued)

In order to obtain credit market acceptance for all programs, except Series 2008A, Series 2009 St. Augustine Beach, Series 2010AA, 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.

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.

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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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

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-trusteed 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, 2015

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, 2015, all cash and cash equivalents include demand deposits of \$86,678 and a money market fund. The fund is rated AAA and has a weighted average maturity (WAM) of 30 days at year-end. All deposits with financial institutions were 100% insured by Federal Depository Insurance. Details of investments held at September 30, 2015 are shown below:

	Series 2000B	Series 2010 ABCD
<u>Investments</u>		
Florida Municipal Investment Trust (FMLvT) 0-2 Yr High Quality Bd Fd	\$ 392,862	\$ 169,698
Total Investments	<u>\$ 392,862</u>	<u>\$ 169,698</u>
	Series 2012A	Series 2012 B-1 & B-2
<u>Investments</u>		
FMLvT 0-2 Yr High Quality Bd Fd	\$ 696,589	\$ 5,319,586
Total Investments	<u>\$ 696,589</u>	<u>\$ 5,319,586</u>

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 values 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). In addition, the Series 2012 trust indenture authorizes investments in obligations of agencies of the United States of America. 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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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

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 government agency obligations or governmental investment trusts. The FMIvT 0-2 Year High Quality Bond Fund has a weighted average maturity of 0.70 years at year-end.

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.

Bonds Payable decreased during the year ended September 30, 2015 as follows:

Bonds Payable October 1, 2014	\$395,984,662
Accretion on Capital Appreciation Bonds	770,117
Bonds Redeemed	(23,442,077)
Bonds Defeased or Extinguished	(32,300,000)
Reduction of Bond Premium/Discount (Net)	<u>(783,854)</u>
Bonds Payable September 30, 2015	<u>\$340,228,848</u>

Series 2000A

The Series 2000A bonds are composed of capital appreciation bonds of \$4,163,508 plus accreted interest of \$6,248,568. 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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)Series 2000A (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 523,401	\$ 821,486	\$ 1,344,887
2017	557,169	961,968	1,519,137
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
2021-2024	<u>1,597,155</u>	<u>4,482,845</u>	<u>6,080,000</u>
Totals	<u>\$ 4,163,508</u>	<u>\$ 9,336,515</u>	<u>\$ 13,500,023</u>

Series 2000B

The Series 2000B bonds are composed of capital appreciation bonds of \$1,010,184 plus accreted interest of \$1,348,660. 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.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021-2025	403,285	1,161,715	1,565,000
2026-2027	<u>606,899</u>	<u>2,023,101</u>	<u>2,630,000</u>
Totals	<u>\$ 1,010,184</u>	<u>\$ 3,184,816</u>	<u>\$ 4,195,000</u>

Series 2001A

These bonds bear interest at rates ranging from 4.75% to 5.25%. Interest is payable each May 1 and November 1 until final maturity.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)

Series 2001A (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 315,000	\$ 202,844	\$ 517,844
2017	330,000	185,912	515,912
2018	350,000	168,062	518,062
2019	365,000	149,294	514,294
2020	385,000	130,569	515,569
2021-2025	830,000	449,900	1,279,900
2026-2030	1,040,000	309,250	1,349,250
2031-2032	600,000	30,250	630,250
Totals	<u>\$ 4,215,000</u>	<u>\$ 1,626,081</u>	<u>\$ 5,841,081</u>

In the current year, the Council defeased \$1,610,000 of the Series 2001A bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

Series 2002A

These bonds bear interest at rates ranging from 5.00% to 5.50%. 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>
2016	\$ 70,000	\$ 95,950	\$ 165,950
2017	75,000	92,100	167,100
2018	80,000	87,975	167,975
2019	85,000	83,575	168,575
2020	90,000	78,900	168,900
2021-2025	505,000	323,500	828,500
2026-2030	655,000	182,756	837,756
2031-2032	310,000	24,088	334,088
Totals	<u>\$ 1,870,000</u>	<u>\$ 968,844</u>	<u>\$ 2,838,844</u>

In the current year, the Council defeased \$3,250,000 of the Series 2002A bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)Series 2003A

These bonds bear interest at rates ranging from 4.50% to 5.25%. 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>
2016	\$ 130,000	\$ 184,150	\$ 314,150
2017	140,000	177,325	317,325
2018	145,000	169,975	314,975
2019	155,000	162,363	317,363
2020	160,000	154,225	314,225
2021-2025	935,000	642,700	1,577,700
2026-2030	1,180,000	397,500	1,577,500
2031-2033	860,000	87,250	947,250
Totals	<u>\$ 3,705,000</u>	<u>\$ 1,975,488</u>	<u>\$ 5,680,488</u>

Series 2003B

These bonds bear interest at rates ranging from 5.00% to 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>
2016	\$ 150,000	\$ 182,413	\$ 332,413
2017	155,000	174,406	329,406
2018	165,000	166,006	331,006
2019	170,000	157,213	327,213
2020	-	152,750	152,750
2021-2025	-	763,750	763,750
2026-2030	920,000	718,250	1,638,250
2031-2034	2,135,000	220,125	2,355,125
Totals	<u>\$ 3,695,000</u>	<u>\$ 2,534,913</u>	<u>\$ 6,229,913</u>

Series 2004A-1

These bonds bear interest at rates ranging from 4.375% to 5.125%. Interest is payable each January 1 and July 1 until final maturity.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)

Series 2004A-1 (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 65,000	\$ 97,444	\$ 162,444
2017	65,000	94,600	159,600
2018	70,000	91,675	161,675
2019	75,000	88,525	163,525
2020	75,000	85,056	160,056
2021-2025	450,000	364,031	814,031
2026-2030	575,000	237,031	812,031
2031-2034	570,000	75,081	645,081
Totals	<u>\$ 1,945,000</u>	<u>\$ 1,133,443</u>	<u>\$ 3,078,443</u>

In the current year, the Council defeased \$4,560,000 of the Series 2004A-1 bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

Series 2005A

These bonds bear interest at rates ranging from 3.95% to 5.00%. Interest is payable each February 1 and August 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>
2016	\$ 975,000	\$ 1,357,924	\$ 2,332,924
2017	1,015,000	1,318,621	2,333,621
2018	1,060,000	1,272,075	2,332,075
2019	1,110,000	1,217,825	2,327,825
2020	1,165,000	1,160,950	2,325,950
2021-2025	5,995,000	4,939,250	10,934,250
2026-2030	7,590,000	3,332,738	10,922,738
2031-2035	9,645,000	1,253,875	10,898,875
Totals	<u>\$ 28,555,000</u>	<u>\$ 15,853,258</u>	<u>\$ 44,408,258</u>

In the current year, the Council defeased \$5,705,000 of the Series 2005A bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)Series 2005B

These bonds bear interest at rates ranging from 4.00% 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>
2016	\$ 535,000	\$ 314,200	\$ 849,200
2017	565,000	289,375	854,375
2018	590,000	260,500	850,500
2019	625,000	230,125	855,125
2020	655,000	198,125	853,125
2021-2025	1,585,000	717,875	2,302,875
2026-2030	<u>2,050,000</u>	<u>267,250</u>	<u>2,317,250</u>
Totals	<u>\$ 6,605,000</u>	<u>\$ 2,277,450</u>	<u>\$ 8,882,450</u>

In the current year, the Council defeased \$5,550,000 of the Series 2005B bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments 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, 2015, \$5,550,000 of bonds outstanding are considered defeased.

Series 2005C

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>
2016	\$ 115,000	\$ 27,119	\$ 142,119
2017	120,000	21,369	141,369
2018	120,000	15,369	135,369
2019	125,000	10,569	135,569
2020	<u>135,000</u>	<u>5,568</u>	<u>140,568</u>
Totals	<u>\$ 615,000</u>	<u>\$ 79,994</u>	<u>\$ 694,994</u>

In the current year, the Council defeased \$6,100,000 of the Series 2005C bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)

Series 2005D

These bonds bear interest at rates ranging from 3.625% 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>
2016	\$ 600,000	\$ 258,675	\$ 858,675
2017	260,000	242,600	502,600
2018	265,000	232,100	497,100
2019	275,000	221,300	496,300
2020	295,000	209,900	504,900
2021-2025	1,655,000	834,600	2,489,600
2026-2030	1,195,000	464,788	1,659,788
2031-2035	1,240,000	208,800	1,448,800
2036	<u>285,000</u>	<u>6,412</u>	<u>291,412</u>
Totals	<u>\$ 6,070,000</u>	<u>\$ 2,679,175</u>	<u>\$ 8,749,175</u>

In the current year, the Council defeased \$5,525,000 of the Series 2005D bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Council's financial statements. Additionally, in a prior year, the Council defeased a portion of the Series 2005D bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments 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, 2015, \$10,265,000 of bonds outstanding are considered defeased.

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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)Series 2006 (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 950,000	\$ 530,256	\$ 1,480,256
2017	1,005,000	481,381	1,486,381
2018	1,050,000	430,006	1,480,006
2019	1,100,000	376,256	1,476,256
2020	715,000	334,456	1,049,456
2021-2025	3,605,000	1,214,372	4,819,372
2026-2030	2,595,000	549,956	3,144,956
2031-2035	1,145,000	121,388	1,266,388
2036-2037	185,000	8,439	193,439
Totals	<u>\$ 12,350,000</u>	<u>\$ 4,046,510</u>	<u>\$ 16,396,510</u>

In a prior year, the Council defeased a portion of the Series 2006 bonds by placing proceeds received from the borrower in an irrevocable trust to provide for all future debt service payments 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, 2015, \$3,435,000 of bonds outstanding are considered defeased.

Series 2007A

These bonds bear interest at rates ranging from 4.375% 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>
2016	\$ 1,825,000	\$ 1,948,050	\$ 3,773,050
2017	1,920,000	1,854,425	3,774,425
2018	2,015,000	1,756,050	3,771,050
2019	2,120,000	1,659,300	3,779,300
2020	2,215,000	1,563,088	3,778,088
2021-2025	12,815,000	6,028,125	18,843,125
2026-2030	12,360,000	2,591,000	14,951,000
2031-2033	5,090,000	390,000	5,480,000
Totals	<u>\$ 40,360,000</u>	<u>\$ 17,790,038</u>	<u>\$ 58,150,038</u>

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)

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>
2016	\$ 694,606	\$ 644,871	\$ 1,339,477
2017	727,083	608,492	1,335,575
2018	764,591	572,121	1,336,712
2019	802,229	533,918	1,336,147
2020	841,720	495,131	1,336,851
2021-2025	4,870,098	1,796,477	6,666,575
2026-2029	<u>4,834,092</u>	<u>486,134</u>	<u>5,320,226</u>
Totals	<u>\$ 13,534,419</u>	<u>\$ 5,137,144</u>	<u>\$ 18,671,563</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>
2016	\$ 31,675	\$ 34,205	\$ 65,880
2017	33,376	32,504	65,880
2018	35,169	30,712	65,881
2019	37,057	28,824	65,881
2020	39,047	26,834	65,881
2021-2025	229,031	100,371	329,402
2026-2029	<u>231,616</u>	<u>31,907</u>	<u>263,523</u>
Totals	<u>\$ 636,971</u>	<u>\$ 285,357</u>	<u>\$ 922,328</u>

Series 2010 ABCD

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, 2015

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>
2016	\$ 650,000	\$ 1,051,931	\$ 1,701,931
2017	675,000	1,032,475	1,707,475
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
2021-2025	4,175,000	4,351,834	8,526,834
2026-2030	5,075,000	3,437,628	8,512,628
2031-2035	5,130,000	2,292,285	7,422,285
2036-2040	6,095,000	1,053,300	7,148,300
2041	1,390,000	33,694	1,423,694
Totals	<u>\$ 25,360,000</u>	<u>\$ 16,202,203</u>	<u>\$ 41,562,203</u>

Series 2010AA

These bonds bear interest at 4.26%. 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>
2016	\$ 80,000	\$ 31,311	\$ 111,311
2017	85,000	59,214	144,214
2018	90,000	55,593	145,593
2019	90,000	51,759	141,759
2020	95,000	47,925	142,925
2021-2025	525,000	176,790	701,790
2026-2029	505,000	54,954	559,954
Totals	<u>\$ 1,470,000</u>	<u>\$ 477,546</u>	<u>\$ 1,947,546</u>

Series 2010BB

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

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)Series 2010BB (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 55,000	\$ 39,200	\$ 94,200
2017	55,000	37,000	92,000
2018	60,000	34,800	94,800
2019	60,000	32,400	92,400
2020	65,000	30,000	95,000
2021-2025	350,000	110,200	460,200
2026-2029	<u>335,000</u>	<u>34,200</u>	<u>369,200</u>
Totals	<u>\$ 980,000</u>	<u>\$ 317,800</u>	<u>\$ 1,297,800</u>

Series 2011 B-1 & B-2

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.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 575,000	\$ 134,363	\$ 709,363
2017	590,000	119,062	709,062
2018	605,000	101,875	706,875
2019	630,000	82,562	712,562
2020	645,000	61,038	706,038
2021-2025	380,000	203,250	583,250
2026-2030	500,000	93,750	593,750
2031	<u>115,000</u>	<u>2,875</u>	<u>117,875</u>
Totals	<u>\$ 4,040,000</u>	<u>\$ 798,775</u>	<u>\$ 4,838,775</u>

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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)Series 2011D (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 850,000	\$ 2,357,138	\$ 3,207,138
2017	955,000	2,330,061	3,285,061
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
2021-2025	5,990,000	10,410,738	16,400,738
2026-2030	7,545,000	8,804,688	16,349,688
2031-2035	9,760,000	6,548,950	16,308,950
2036-2040	12,735,000	3,515,188	16,250,188
2041-2042	6,140,000	342,375	6,482,375
Totals	<u>\$ 47,025,000</u>	<u>\$ 41,106,744</u>	<u>\$ 88,131,744</u>

Series 2012

These bonds bear interest at rates ranging from 1.75% to 1.95%. Interest is payable quarterly each November 15, February 15, May 15, and August 15 until final maturity.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 41,550,000	\$ 600,125	\$ 42,150,125
2017	8,600,000	49,311	8,649,311
Totals	<u>\$ 50,150,000</u>	<u>\$ 649,436</u>	<u>\$ 50,799,436</u>

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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 5 – Bonds Payable (Continued)

Series 2012A (Continued)

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,460,000	\$ 1,636,813	\$ 3,096,813
2017	1,520,000	1,578,413	3,098,413
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
2021-2025	9,920,000	5,571,812	15,491,812
2026-2030	12,290,000	3,209,625	15,499,625
2031-2033	8,600,000	697,000	9,297,000
Totals	<u>\$ 38,725,000</u>	<u>\$ 17,054,300</u>	<u>\$ 55,779,300</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>
2016	\$ 1,720,000	\$ 987,219	\$ 2,707,219
2017	1,600,000	932,219	2,532,219
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
2021-2025	9,695,000	2,938,356	12,633,356
2026-2030	12,065,000	1,049,887	13,114,887
2031-2033	1,365,000	70,115	1,435,115
Totals	<u>\$ 31,600,000</u>	<u>\$ 8,419,103</u>	<u>\$ 40,019,103</u>

Note 6 – 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.

Florida Municipal Loan Council
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 7 – Related Party Transactions

Pursuant to an administrative agreement as described in Note 6, the League administers the Council's programs. Fees incurred under this agreement were \$80,608. At September 30, 2015, \$18,144 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 8 – 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 9 – 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 10 – 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.

Note 11 – Subsequent Events

Indian Shores has provided funds to defease their share of the 2005A bonds on October 8, 2015. The amount of the member's share of the debt as of September 30, 2015 was \$4,735,000.

Palmetto Bay has provided funds to defease their share of the 2005D bonds on November 9, 2015. The amount of the member's share of the debt as of September 30, 2015 was \$1,240,000.

Hialeah has provided funds to defease their share of the 2005A bonds on December 2, 2015. The amount of the member's share of the debt as of September 30, 2015 was \$23,195,000.

**Florida Municipal Loan Council
Schedule of Issues Outstanding
As of September 30, 2015**

	Original Par Amount of Bonds	9/30/15 Principal Outstanding	Years Amortized
<i>Revenue Bonds, Series 2000A - May 2000</i>			
Deerfield Beach	\$ 9,978,848	\$ 4,163,508	25
TOTAL	<u>\$ 9,978,848</u>	<u>\$ 4,163,508</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 2001A - November 2001</i>			
North Miami	\$ 5,545,000	\$ 2,575,000	20
Southwest Ranches	4,985,000	1,640,000	30
TOTAL	<u>\$ 10,530,000</u>	<u>\$ 4,215,000</u>	
<i>Revenue Bonds, Series 2002A - May 2002</i>			
Oakland	\$ 2,545,000	\$ 1,870,000	30
TOTAL	<u>\$ 2,545,000</u>	<u>\$ 1,870,000</u>	
<i>Revenue Bonds, Series 2003A - May 2003</i>			
Lake Park	\$ 4,810,000	\$ 3,705,000	30
TOTAL	<u>\$ 4,810,000</u>	<u>\$ 3,705,000</u>	
<i>Revenue Bonds, Series 2003B - December 2003</i>			
Apopka	\$ 1,955,000	\$ 640,000	15
Bay Harbor Islands	9,360,000	3,055,000	30
TOTAL	<u>\$ 11,315,000</u>	<u>\$ 3,695,000</u>	
<i>Revenue Bonds, Series 2004A-1 - July 2004</i>			
St. Augustine Beach	\$ 2,500,000	\$ 1,945,000	30
TOTAL	<u>\$ 2,500,000</u>	<u>\$ 1,945,000</u>	
<i>Revenue Bonds, Series 2005A - February 2005</i>			
Hialeah	\$ 29,090,000	\$ 23,195,000	30
Indian Shores	5,930,000	4,735,000	30
Valparaiso	1,555,000	625,000	15
TOTAL	<u>\$ 36,575,000</u>	<u>\$ 28,555,000</u>	

**Florida Municipal Loan Council
Schedule of Issues Outstanding (Continued)
As of September 30, 2015**

	<u>Original Par Amount of Bonds</u>	<u>9/30/15 Principal Outstanding</u>	<u>Years Amortized</u>
<i>Revenue Refunding Bonds, Series 2005B - May 2005</i>			
Eatonville	\$ 1,405,000	\$ 875,000	24
Haines City	3,355,000	2,725,000	24
Melbourne Beach	1,620,000	1,315,000	24
Plant City	3,180,000	1,690,000	14
TOTAL	<u>\$ 9,560,000</u>	<u>\$ 6,605,000</u>	
 <i>Revenue Refunding Bonds, Series 2005C - July 2005</i>			
Port Richey	<u>\$ 1,155,000</u>	<u>\$ 615,000</u>	15
TOTAL	<u>\$ 1,155,000</u>	<u>\$ 615,000</u>	
 <i>Revenue Bonds, Series 2005D - September 2005</i>			
Bartow	\$ 2,655,000	\$ 125,000	20
Palmetto Bay	1,495,000	1,240,000	30
Parkland	2,775,000	1,780,000	20
Port Richey	4,545,000	2,695,000	30
West Melbourne	4,910,000	230,000	20
TOTAL	<u>\$ 16,380,000</u>	<u>\$ 6,070,000</u>	
 <i>Revenue Bonds, Series 2006 - January 2007</i>			
Belle Isle	\$ 1,480,000	\$ 1,050,000	20
Deerfield Beach	5,965,000	4,740,000	25
Gadsden County	2,415,000	1,490,000	16
South Miami	5,625,000	1,345,000	30
St. Pete Beach	3,915,000	1,570,000	12
Valparaiso	2,965,000	2,155,000	20
TOTAL	<u>\$ 22,365,000</u>	<u>\$ 12,350,000</u>	
 <i>Revenue Bonds, Series 2007A - September 2007</i>			
Haines City	\$ 26,200,000	\$ 21,780,000	25
Hallandale Beach	24,615,000	18,580,000	20
TOTAL	<u>\$ 50,815,000</u>	<u>\$ 40,360,000</u>	
 <i>Revenue Bonds, Series 2008A - August 2008</i>			
Deerfield Beach	<u>\$ 17,028,786</u>	<u>\$ 13,534,419</u>	20
TOTAL	<u>\$ 17,028,786</u>	<u>\$ 13,534,419</u>	

Florida Municipal Loan Council
Schedule of Issues Outstanding (Continued)
As of September 30, 2015

	Original Par Amount of Bonds	9/30/15 Principal Outstanding	Years Amortized
<i>Revenue Bonds, Series 2009 St. Augustine Beach - July 2009</i>			
St. Augustine Beach	\$ 5,350,000	\$ 636,971	20
TOTAL	\$ 5,350,000	\$ 636,971	
<i>Revenue Bonds, Series 2010 ABCD - August 2010</i>			
Palatka	\$ 7,665,000	\$ 7,105,000	30
Palmetto Bay	14,780,000	13,665,000	30
Valparaiso	1,465,000	1,350,000	30
West Melbourne	3,820,000	3,240,000	20
TOTAL	\$ 27,730,000	\$ 25,360,000	
<i>Revenue Refunding Bonds, Series 2010AA - December 2010</i>			
St. Augustine Beach	\$ 1,835,000	\$ 1,470,000	19
TOTAL	\$ 1,835,000	\$ 1,470,000	
<i>Revenue Refunding Bonds, Series 2010BB - December 2010</i>			
Eagle Lake	\$ 1,230,000	\$ 980,000	19
TOTAL	\$ 1,230,000	\$ 980,000	
<i>Revenue Refunding Bonds, Series 2011 B-1 & Revenue Bonds, Series 2011 B-2 - March 2011</i>			
Pinecrest B-1	\$ 4,320,000	\$ 2,735,000	8
Pinecrest B-2	1,505,000	1,305,000	19
TOTAL	\$ 5,825,000	\$ 4,040,000	
<i>Revenue Bonds, Series 2011D - May 2011</i>			
Hialeah	\$ 48,235,000	\$ 47,025,000	30
TOTAL	\$ 48,235,000	\$ 47,025,000	
<i>Infrastructure Improvement Revenue Bonds, Series 2012 - September 2012</i>			
Infrastructure Development Partners	\$ 59,110,000	\$ 50,150,000	4.5
TOTAL	\$ 59,110,000	\$ 50,150,000	

**Florida Municipal Loan Council
Schedule of Issues Outstanding (Continued)
As of September 30, 2015**

	Original Par Amount of Bonds	9/30/15 Principal Outstanding	Years Amortized
<i>Refunding and Improvement Revenue Bonds, Series 2012A - November 2012</i>			
Hialeah	\$ 41,620,000	\$ 38,725,000	20
TOTAL	\$ 41,620,000	\$ 38,725,000	
 <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	\$ 18,240,000	20
Deerfield Beach B-2	14,770,000	13,360,000	16
TOTAL	\$ 34,860,000	\$ 31,600,000	
 TOTALS	 \$ 424,172,818	 \$ 328,680,082	



Statistical Section

The statistical section of the Council's CAFR is intended to provide readers additional information on economic conditions and financial trends. As previously mentioned, pursuant to the trust indenture, members' earnings are credited to and all expenses are reimbursed by the members. Prior to 2012, the Council's financial statements do not reflect net income or net position. In 2012, the Council began reporting general operations that cover those items necessary for the trust operations not specifically related to a bond issue and include the board of directors' meeting expense and travel, audit and insurance and other general operating functions. The Council considers all its activities as operating activities. The schedules comply with the requirements of GASB 44 by providing 10 years of data as applicable.

CONTENTS

67 Financial Trends

These schedules contain trend information to help the reader understand the Council's financial performance and how it has changed over time.

68 Debt Capacity

These schedules present information to help the reader assess the Council's current levels of outstanding debt.

70 Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Council's financial activities take place.



Florida Municipal Loan Council
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
OPERATING REVENUES										
Loan Interest and Member Reimbursements	\$ 15,482,873	\$ 17,341,866	\$ 19,845,549	\$ 24,146,696	\$ 29,427,454	\$ 29,934,952	\$ 30,396,954	\$ 30,674,413	\$ 28,724,439	\$ 28,266,120
Investment Earnings	21,841	57,191	226,907	123,137	96,874	205,450	1,015,487	2,653,706	4,653,752	6,874,399
Income Allocated to Members	119,523	153,086	1,214,190	1,131,001	-	-	-	-	-	-
Other Income	-	73,500	-	-	-	-	-	-	-	-
Rebatable Arbitrage	-	-	-	-	(11,041)	2,389	27,862	82,032	(129,550)	-
Total Operating Revenues	15,620,237	17,625,643	21,286,646	25,400,834	29,513,287	30,142,791	31,440,303	33,410,151	33,248,641	35,140,519
OPERATING EXPENSES										
Interest Expense	14,812,298	16,586,293	19,090,935	23,319,981	27,987,768	28,625,695	29,083,696	29,370,926	27,502,409	27,065,870
Administrator Fees	75,823	86,846	132,699	231,969	511,375	510,617	532,991	542,150	501,905	488,078
Other Expenses	68,358	88,849	92,823	97,802	-	-	-	-	-	-
FMLC General Operating Expenses	178,832	188,725	183,247	187,950	-	-	-	-	-	-
Trustee Fees	-	-	-	-	198,760	38,469	49,999	41,492	47,855	61,633
Dealer Fees	-	-	-	-	7,606	10,692	10,849	10,849	6,182	-
Letter of Credit Fees	-	-	-	-	113,674	94,697	35,987	35,680	20,409	-
Cost of Issuance Expenses	-	-	1,272,736	960,448	1,122,650	691,574	49,200	30,779	1,385,260	-
Loss (Income) Allocated to Members	485,674	576,471	476,835	583,951	(428,546)	171,047	1,667,581	3,378,275	3,784,621	7,524,938
Total Operating Expenses	15,620,985	17,527,184	21,249,275	25,382,101	29,513,287	30,142,791	31,440,303	33,410,151	33,248,641	35,140,519
Net Income	9,252	98,459	37,371	18,733	0	0	0	0	0	0
Fund Net Position, Beginning of Year	154,563	56,104	18,733	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund Net Position, End of Year	\$ 163,815	\$ 154,563	\$ 56,104	\$ 18,733	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Schedule of Outstanding Principal

Florida Municipal Loan Council SCHEDULE OF OUTSTANDING PRINCIPAL*

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenue Bonds, Series 1999A	\$ -	\$ -	\$ -	\$ 2,315,000	\$ 2,400,000	\$ 43,485,000	\$ 46,080,000	\$ 48,565,000	\$ 50,955,000	\$ 53,260,000
Revenue Bonds, Series 1999B	-	-	-	-	-	-	1,020,000	1,995,000	2,925,000	3,815,000
Revenue Bonds, Series 2000A*	10,412,076	11,118,008	11,786,236	11,928,444	12,060,236	12,192,265	13,219,808	14,193,298	15,128,194	16,019,900
Revenue Bonds, Series 2000B*	2,358,844	2,227,794	2,394,026	3,967,133	3,966,735	35,432,469	36,328,995	37,185,993	37,993,166	38,755,220
Revenue Bonds, Series 2001A	4,215,000	6,185,000	6,525,000	9,240,000	58,015,000	62,745,000	66,720,000	70,500,000	74,110,000	77,575,000
Revenue Bonds, Series 2002A	1,870,000	5,305,000	5,480,000	5,645,000	31,500,000	35,455,000	37,590,000	39,645,000	41,620,000	43,515,000
Revenue Bonds, Series 2002B	-	-	-	62,125,000	63,630,000	65,075,000	65,580,000	65,860,000	66,015,000	66,170,000
Revenue Bonds, Series 2002C	-	-	-	1,705,000	18,630,000	19,840,000	21,000,000	22,115,000	23,185,000	24,230,000
Revenue Bonds, Series 2003A	3,705,000	3,830,000	3,950,000	60,445,000	62,610,000	64,670,000	66,635,000	68,540,000	70,390,000	72,185,000
Revenue Bonds, Series 2003B	3,695,000	3,835,000	4,370,000	32,905,000	34,865,000	36,755,000	38,595,000	40,390,000	42,140,000	43,860,000
Revenue Bonds, Series 2004A	1,945,000	6,565,000	10,535,000	11,180,000	11,805,000	15,215,000	18,510,000	21,705,000	24,805,000	27,815,000
Revenue Bonds, Series 2005A	28,555,000	35,420,000	39,825,000	46,005,000	47,535,000	49,005,000	50,425,000	51,800,000	53,135,000	54,425,000
Revenue Refunding Bonds, Series 2005B	6,605,000	12,985,000	13,790,000	14,845,000	16,140,000	17,400,000	17,585,000	17,750,000	17,915,000	18,075,000
Revenue Refunding Bonds, Series 2005C	615,000	7,925,000	11,730,000	12,835,000	13,910,000	14,950,000	15,050,000	15,150,000	15,245,000	15,330,000
Revenue Bonds, Series 2005D	6,070,000	12,335,000	17,730,000	18,595,000	19,425,000	20,235,000	21,015,000	21,775,000	22,520,000	23,250,000
Revenue Bonds, Series 2006	12,350,000	13,255,000	14,130,000	14,965,000	15,760,000	20,380,000	21,190,000	21,970,000	22,365,000	-
Revenue Bonds, Series 2007A	40,360,000	42,100,000	43,755,000	45,335,000	46,840,000	48,280,000	49,660,000	50,815,000	50,815,000	-
Revenue Bonds, Series 2008A	13,534,419	14,196,436	14,827,393	15,426,772	16,019,116	16,623,792	17,028,786	17,028,786	-	-
Revenue Bonds, Series 2009 St. Augustine Beach	636,971	667,032	695,561	722,636	748,331	5,194,825	5,350,000	-	-	-
Revenue Bonds, Series 2009 Seminole	-	-	3,606,086	4,112,476	4,594,569	5,053,531	5,500,000	-	-	-
Revenue Bonds, Series 2010ABCD	25,360,000	26,005,000	26,630,000	27,240,000	27,730,000	27,730,000	-	-	-	-
Revenue Bonds, Series 2010AAA	1,470,000	1,545,000	1,620,000	1,690,000	1,755,000	-	-	-	-	-
Revenue Bonds, Series 2010BBB	980,000	1,030,000	1,080,000	1,130,000	1,175,000	-	-	-	-	-
Revenue Bonds, Series 2011B	4,040,000	4,605,000	5,150,000	5,680,000	5,825,000	-	-	-	-	-
Revenue Bonds, Series 2011D	47,025,000	47,605,000	47,925,000	48,235,000	48,235,000	-	-	-	-	-
Revenue Bonds, Series 2012	50,150,000	59,110,000	59,110,000	59,110,000	-	-	-	-	-	-
Revenue Bonds, Series 2012A	38,725,000	40,130,000	41,490,000	-	-	-	-	-	-	-
Revenue Bonds, Series 2012B	31,600,000	33,270,000	34,860,000	-	-	-	-	-	-	-
Commercial Paper	-	-	-	-	-	13,981,000	15,498,000	15,498,000	15,498,000	-
TOTAL	\$ 336,277,310	\$ 391,249,270	\$ 422,994,302	\$ 517,382,461	\$ 565,175,987	\$ 629,697,882	\$ 629,580,589	\$ 642,481,077	\$ 648,609,360	\$ 580,230,120

*Amounts include accreted interest

Florida Municipal Loan Council
SCHEDULE OF TEN LARGEST BORROWERS BY AMOUNT BORROWED

As of September 30, 2015

Borrower	Population	Number of Loans	Total Borrowed	% of All Loans
City of Hialeah	233,053	5	\$197,080,000	20%
City of North Miami Beach	43,533	6	115,500,000	11%
City of Deerfield Beach	76,662	10	100,507,817	10%
Infrastructure Development Partners	N/A	1	59,110,000	6%
City of Haines City	22,660	4	41,605,000	4%
City of Hallandale Beach	38,424	3	38,185,000	4%
City of Bonita Springs	46,568	1	36,565,000	4%
City of Sunny Isles Beach	21,592	2	27,815,000	3%
Village of Pinecrest*	18,408	5	24,795,000	2%
City of Aventura	37,473	1	21,000,000	2%
TOTAL		38	\$662,162,817	66%

Total FMLC Loans

116 **\$1,006,780,817**

*Borrower also closed a bank loan through the Capital Access Program. Amount not reflected in these totals.

**The Council has issued more than \$1 billion in bonds to make 116 loans and also facilitated 13 additional bank loans totaling \$43 million through the Capital Access Program.

List of Borrowers and Original Loan Amounts

Florida Municipal Loan Council

List of Borrowers and Original Loan Amounts, as of September 30, 2015

Borrower	Population	# of Loans	Total Borrowed	Project Info
City of Apopka	46,571	1	\$1,955,000	City Hall, Fire Station
City of Aventura	37,743	1	21,000,000	Land Acquisition, City Hall
City of Avon Park	10,895	1	1,910,000	Street Improvements
City of Bartow	18,205	2	7,455,000	Main Street Redesign, Gymnasium
Town of Bay Harbor Islands	5,552	1	9,360,000	Street Improvements, Capital Projects
City of Belle Isle	6,464	3	3,420,000	Capital Improvements, City Parks, Stormwater Project
City of Bonita Springs	46,568	1	36,565,000	Street Improvements
City of Bradenton**	52,534	1	3,100,000	Street and Park Improvements
City of Cape Coral	166,508	1	4,580,000	Refunding of Existing Bonds
City of Dania Beach	30,644	1	6,775,000	Library, Fire & Police Station, Parks
City of Deerfield Beach	76,662	10	100,507,817	Land Acquisition, Community Center, Water & Sewer, Refunding, Street improvements, Public Works Facilities
City of DeFuniak Springs**	5,429	1	1,245,000	Natural Gas Project
City of Destin	12,730	2	14,760,000	Sports & Recreation Complex, Library, Public Works Facility, Refunding
City of Eagle Lake	2,387	2	2,765,000	Water System, Public Works Facility, City Hall improvements, Refunding
Town of Eatonville	2,246	2	3,345,000	Town Hall, Refunding
City of Fort Myers	72,395	2	12,575,000	Ferry Terminal Facility, Community Center, Infrastructure Projects, Refunding
City of Fort Walton Beach	20,869	2	3,295,000	Improving Pump Station, Land Acquisition
Gadsden County	46,281	2	11,265,000	Library, Capital Projects
Village of Golf	252	1	2,240,000	Membrane Water Plant
City of Haines City	22,660	4	41,605,000	Railroad Spur, CRA Projects, New Police Facility, Renovate City Hall, Refunding
City of Hallandale Beach	38,424	3	38,185,000	Water Treatment Plant, Land Acquisition, CRA Projects
City of Hialeah	233,053	5	197,080,000	Street Improvements, Courthouse, Water Plant
Town of Indian Shores	1,424	1	5,930,000	Undergrounding of Utilities
City of Inverness	7,227	1	5,455,000	City Hall Complex
City of Keystone Heights	1,367	1	1,000,000	Street Improvements
Town of Lake Park	8,598	1	4,810,000	Marina Improvements
City of Largo	80,747	1	9,250,000	Sewer System Improvements, Expansion of Public Works Complex
City of Lauderdale Lakes**	34,201	2	8,555,000	Community Center, Land Acquisition, Refunding
Town of Longboat Key	6,845	1	15,650,000	Beach Renourishment
City of Marco Island	16,728	1	985,000	Bridge Construction
Town of Melbourne Beach	3,078	2	3,470,000	City Hall Improvements, Refunding
Village of Miami Shores**	10,806	1	3,200,000	New Aquatic Facility
City of New Smyrna Beach	24,285	1	1,985,000	Parks & Recreation Improvements
City of North Miami	62,380	2	8,880,000	Stormwater System, Refunding
City of North Miami Beach	43,533	6	115,500,000	Bike Trail, Refunding, Street & Water System Improvements, Capital Projects

Florida Municipal Loan Council

List of Borrower and Original Loan Amounts, as of September 30, 2015 (Continued)

Borrower	Population	# of Loans	Total Borrowed	Project Info
Town of Oakland	2,624	1	2,545,000	Town Hall, Police, & Fire Facilities
City of Oakland Park	43,390	2	20,310,000	Stormwater System, Water & Sewer System Improvements
City of Oldsmar	13,993	1	2,425,000	Land Acquisition, Capital Improvements
City of Palatka	10,418	1	7,665,000	Refunding of Existing Loans
City of Palm Bay*	107,481	1	15,498,000	Street Improvements
Village of Palm Springs	22,282	2	19,440,000	Municipal Complex, Water & Sewer System Improvements
Village of Palmetto Bay	23,843	2	16,275,000	Municipal Complex, Village Hall, Refunding
City of Parkland	28,128	1	2,775,000	CRA Projects
Village of Pinecrest**	18,408	5	24,795,000	Village Hall, Police Station, 10-acre Park, Parrot Jungle Conversion, Library, Capital Improvements, Refunding
City of Plant City	36,710	2	7,955,000	Sports Stadium Improvements, Refunding
City of Port Richey	2,638	3	7,390,000	New City Hall, Refunding, Water & Sewer System
City of Safety Harbor**	17,103	1	3,610,000	Refunding, Treatment Plant Improvements
City of Seminole**	18,231	3	13,155,000	Recreation Facility Improvements, Refunding, Emergency Operations Center & Public Works Projects
City of South Miami	13,656	3	14,325,000	Park Improvements, Parking Garage
Town of Southwest Ranches**	7,389	1	4,985,000	Town Hall
City of St. Augustine Beach	6,480	4	11,985,000	Street Improvements, City Hall, Land Acquisition, Refunding
City of St. Pete Beach	9,412	2	6,265,000	City Hall, Recreation Complex
City of Stuart	16,110	1	2,190,000	Stormwater Projects, Fire Station
City of Sunny Isles Beach	21,592	2	27,815,000	Refunding, City Hall, Street & Park Improvements, Police Station, Public Works Facility
City of Valparaiso	5,254	3	5,985,000	Refunding, Utility Projects, Cable System Upgrades, Wastewater & Sewer Treatment Plant
Village of Wellington	59,860	2	11,895,000	Public Building, Street & Stormwater Improvements
City of West Melbourne**	20,250	2	8,730,000	Wastewater Plant, Water Line
Infrastructure Development Partners	N/A	1	\$59,110,000	Construction of State Road 9B
TOTAL LOANS***		116	\$1,006,780,817	

*Commercial Paper

**Borrower also closed a bank loan through the Capital Access Program. Amount not reflected in these totals.

***The Council has issued more than \$1 billion in bonds to make 116 loans and also facilitated 13 additional bank loans totaling \$43 million through the Capital Access Program.





Investment Section

The supplemental investment section of the Council's CAFR is intended to provide readers additional information on member investment options for bond proceeds including investment objectives, investment risk and performance.

ARBITRAGE REBATE COMPLIANCE

Arbitrage is the profit that results from investing lower-yielding tax-exempt proceeds in higher-yielding securities. The federal tax code requires that positive arbitrage earnings be rebated back to the federal government every five years for as long as the bonds are outstanding. The bond funds that are subject to arbitrage rebate calculations include:

- ▶ Construction/Project Funds
- ▶ Reserve Funds
- ▶ Debt Service Funds
- ▶ Cost of Issuance Funds
- ▶ Escrow (Refunding Issues)

In addition to the arbitrage rebate requirements, there is another set of rules known as yield restriction/yield reduction requirements. As part of the administrative services provided to borrowers, the Administrator performs the arbitrage calculations and yield restriction computations as described in the U.S. Treasury regulations.

INVESTMENT OF BOND PROCEEDS

Financed capital projects may take many months or even years to complete. As a result, the Council assists borrowers with the investment of loan proceeds during this temporary period. Utilizing projected cash flows and draw schedules, borrowers can invest loan proceeds in the following approved funds offered by the program:

- ▶ First American Prime Obligations Fund (Money Market)
- ▶ Florida Municipal Investment Trust (FMIvT) 0-2 Year High Quality Bond Fund
- ▶ Florida Municipal Investment Trust (FMIvT) 1-3 Year High Quality Bond Fund*
- ▶ Other investments as allowed by the Trust Indenture

Additional fund information about these investment options are below. A fund's performance is not necessarily an indication of how the fund will perform in the future.

*As of 9/30/15, no FMLC borrowers have bond proceeds invested in this fund.

FIRST AMERICAN PRIME OBLIGATIONS FUND (FPZXX) (INCEPTION 5/1/2003)

The First American Prime Obligations Fund is a money market investment option to borrowers in the program. U.S. Bancorp Asset Management, Inc. is the investment advisor. The fund seeks to preserve the value of the investment at \$1.00 per share, and shares of the fund may be redeemed or purchased on any business day. The fund invests in high-quality short-term debt obligations including commercial paper, U.S. dollar –denominated obligations of domestic and foreign banks, non-convertible corporate debt securities, securities issued by the U.S. government or one of its agencies or instrumentalities, municipal securities, including variable rate demand notes, commercial paper, and municipal notes and other short-term municipal obligations, loan participation interests, and repurchase agreements. The fund is rated AAA. Total expenses are approximately 20 bps.

Objective. The fund's objective is to seek maximum current income to the extent consistent with the preservation of capital and maintenance of liquidity.

Investment Risk. Shares of the fund are neither insured nor guaranteed by any U.S. government agency including the FDIC. Although the fund seeks to preserve the value of amounts deposited at \$1.00 per share, it is possible to lose money by investing in the fund.

Performance. The table below provides the fund's performance for the year to year up to the last 10 years.

Performance Returns – Net of All Fees and Expenses

Periods Ending September 30, 2015

	1 Year	3 Years	5 Years	10 Years
First American Prime Obligations Fund ¹	.02%	.02%	.04%	1.46%
90 Day U.S. T-Bills Index	.02%	.06%	.08%	1.35%

¹Performance returns reported by U.S. Bancorp Asset Management and Asset Consulting Group.

First American Prime Obligations Fund (FPZXX) (continued)

As of September 30, 2015, the First American Prime Obligations Fund held 217 securities. The top 10 holdings are listed below.

Issuer Name	Category	Maturity Date	Coupon/Yield	Amortized Cost
Federal Reserve Bank of New York	Treasury Repurchase Agreement	10/1/15	0.05%	650,000,000.00
Bank of Nova Scotia/NY	Government Agency Repurchase Agreement	10/1/15	0.12%	600,000,000.00
Bank of Nova Scotia/NY	Treasury Repurchase Agreement	10/1/15	0.10%	433,555,182.00
Swedbank/NY	Certificate of Deposit	10/6/15	0.11%	300,000,000.00
Canadian Imperial Bank of Commerce/NY	Certificate of Deposit	10/6/15	0.08%	250,000,000.00
Credit Agricole Corporate & Investment Bank	Treasury Repurchase Agreement	10/1/15	0.10%	247,745,818.00
Banco Del Estado De Chile/NY	Certificate of Deposit	10/7/15	0.10%	174,000,000.00
JP Morgan Securities LLC	Other Repurchase Agreement	10/1/15	0.32%	150,000,000.00
BNP Paribas/NY	Certificate of Deposit	10/2/15	0.10%	125,000,000.00
Canadian Imperial Bank of Commerce/NY	Certificate of Deposit	10/2/15	0.10%	125,000,000.00

**Florida Municipal Investment Trust (FMIVT)
0-2 Year High Quality Bond Fund (Inception 12/3/2002)**

The Florida Municipal Investment Trust (FMIVT) 0-2 Year High Quality Bond Fund fund is actively managed by Atlanta Capital Management Company and invests in government and high-quality debt securities while maintaining an average maturity of approximately one year. The portfolio is valued on the 15th and last business day of the month. If the 15th is not a business day, the valuation is the next succeeding business day. Management fees are 10 bps and administrative fees are 10.5 bps. Total expenses are approximately 23 bps. As of September 30, 2015, the 0-2 Year High Quality Bond Fund had a net position of \$158 million, representing 30 participants.

The fund invests in direct obligations issued or guaranteed by the U.S. government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMO's, and commingled investment funds. The fund is rated AAA by Fitch Ratings.

Objective. The fund is designed to provide an investment pool alternative for members that have excess funds and an investment horizon greater than that of money market instruments. The investment objectives are to: 1) preserve capital; and 2) exceed the return of the Bank of America Merrill Lynch One Year Treasury Note Index over three-year periods.

Investment Risk. Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

Performance. The fund rose 0.2% in the third quarter, modestly ahead of the Bank of America Merrill Lynch 1-Year Treasury Note Index and the short-term bond manager peer group as exposure to high quality mortgage-backed securities added value during this period. In the 6 years since inception of this strategy, the portfolio advanced 0.6% on average annually, adding value over the BofA Merrill Lynch 1-Year Treasury Note Index (up 0.4%), although keeping pace with the short-term bond manager peer group was challenging due to the high quality focus of this strategy. This strategy is meeting the objective of providing consistent return enhancement over its benchmark, while maintaining a very favorable risk-adjusted return profile. This fund represents a strong short maturity complement to the other high quality fixed income options within the FMIVT.

FMIvT 0-2 Year High Quality Bond Fund (continued)

Performance Returns – Net of All Fees and Expenses

Periods Ending September 30, 2015

	Qtr.	1 Year	3 Years	5 Years	7 Years	10 Years
FMIvT 0-2 Year High Quality Bond Fund ¹	0.09%	0.23%	0.20%	0.28%	N/A	N/A
<i>BofA ML 1 Year Treasury Note Index</i>	<i>0.11%</i>	<i>0.25%</i>	<i>0.27%</i>	<i>0.33%</i>	<i>.69%</i>	<i>1.88%</i>

¹ Assets from the FMIvT High Quality Government Fund were transitioned on April 1, 2009, to the FMIvT 0-2 Year High Quality Bond Fund. Returns prepared by Asset Consulting Group.

As of September 30, 2015, the 0-2 Year High Quality Bond Fund held 76 securities. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	US Treasury Bill June 2016	\$ 19,959	12.51%
2	US Treasury Bill August 2016	16,938	10.62%
3	US Treasury Bill July 2016	12,965	8.13%
4	US Treasury Notes 0.375% January 2016	10,510	6.59%
5	Wells Fargo Government Money Market Fund	9,454	5.93%
6	World Omni Automobile Lease 2015-A A2A 1.060% May 2018	4,307	2.70%
7	CARMX 15-1A2 0.880% March 2018	4,152	2.60%
8	GE Equipment Transport 2015-1 A2 0.890% November 2017	3,904	2.45%
9	Nissan Auto Receivables 15-A A2 0.670% September 2017	3,799	2.38%
10	World Omni Auto 13-A A4 0.870% July 2019	3,399	2.13%
	TOTAL	\$ 89,387	56.04%

Florida Municipal Investment Trust (FMIvT) 1-3 Year High Quality Bond Fund (Inception 10/1/1995)

The FMIvT 1-3 Year High Quality Bond Fund is actively managed by Atlanta Capital Management Company and invests in government and high-quality debt securities while maintaining an average maturity of two years. The portfolio is valued on the 15th and last business day of the month. If the 15th is not a business day, the valuation is the next succeeding business day. Management fees are 10 bps and administrative fees are 10.5 bps. Total expenses are approximately 23 bps. As of September 30, 2015, the 1-3 Year High Quality Bond Fund had a net position of \$484 million, representing 65 participants.

The fund may invest in direct obligations issued or guaranteed by the U.S. government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMO's, and commingled investment funds. The fund is rated AAA by Fitch.

Objective. The fund is designed to provide an investment pool alternative for members that have excess funds and an investment horizon greater than that of money market instruments. The investment objective is: 1) to preserve capital; and 2) exceed the return of the Bank of America Merrill Lynch One to Three Year Government Index over three-year periods.

FMIvT 1-3 Year High Quality Bond Fund (continued)

Investment Risk. Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

Performance. The fund advanced 0.3% in the third quarter, slightly below that of the Bank of America Merrill Lynch 1-3 Year Government Index and the short-term bond manager peer group, as minimal exposure to the better-performing Treasury securities was offset somewhat by the focus on high quality mortgage-backed securities. This strategy is modestly ahead of its benchmark over the past 5 and 10 years, but has lagged the peer group owing to the defensive duration posture as well as the lack of exposure to the relatively strong performance in lower quality securities during most of this period. This fund has met the objective of beating the benchmark over the past 10 years, although it is modestly below the peer group due to the higher quality bias. This bias had rewarded investors in the form of a very favorable relative risk-adjusted return profile over this time period.

Performance Returns – Net of All Fees and Expenses

Periods Ending September 30, 2015

	Qtr.	1 Year	3 Years	5 Years	7 Years	10 Years
FMIvT 1-3 Year High Quality Bond Fund¹	0.20%	0.69%	0.46%	.62%	1.60%	2.50%
<i>BofA ML 1-3 Yr Government Index</i>	0.32%	1.17%	0.69%	.79%	1.54%	2.63%

¹Returns prepared by Asset Consulting Group.

As of September 30, 2015, the 1-3 Year High Quality Bond Fund held 92 securities. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	US Treasury Notes 0.500% November 2016	\$ 45,758	9.46%
2	US Treasury Notes 0.625% November 2016	22,050	4.56%
3	US Treasury Notes 0.625% May 2017	21,016	4.34%
4	US Treasury Notes 0.625% December 2016	20,039	4.14%
5	US Treasury Notes 0.625% December 2016	17,036	3.52%
6	US Treasury Notes 0.875% February 2017	16,234	3.36%
7	FHMS K502 A2 1.426% August 2017	15,114	3.12%
8	US Treasury Notes 0.625% August 2017	14,999	3.10%
9	US Treasury Notes 0.625% October 2016	14,533	3.00%
10	US Treasury Notes 0.875% June 2017	13,063	2.70%
	TOTAL	\$ 199,842	41.31%

Design Build Finance/Build Finance Financing Program

The Series 2012 trust indenture authorizes investments in the obligations of agencies of the United States of America.

FLORIDA MUNICIPAL LOAN COUNCIL INVESTMENT POLICY

I. AUTHORITY

In accordance with the Administration Agreement between the Florida League of Cities, Inc. and the Florida Municipal Loan Council, dated February 19, 1999, the responsibility for supervising the investment of moneys in any of the Funds and Accounts program of the Florida Municipal Loan Council (the "Council") resides with the Florida League of Cities, Inc., acting as the "Administrator", under the direction of the Board of Directors. This policy has been adopted pursuant to and consistent with the Interlocal Agreement creating the Council and all applicable state and federal law.

II. SCOPE AND PURPOSE

Moneys in any of the Funds and Accounts shall be invested by the Trustee (as identified in the applicable Trust Indenture), at the direction of the Council through the Administrator under the guidelines as herein set forth. No person may engage in any investment transaction with Funds held in a trust relationship by the Council, except as authorized by the Board of Directors. The policies and procedures herein are intended to provide sufficient latitude and operating flexibility to respond to changing market and economic conditions and to effectively manage the Council's financial assets so as to maximize the expected return on assets within an acceptable exposure to investment risk. There are times when risks of specific investments may temporarily increase such that the Council may be required to operate under a more restrictive policy. Additionally, at times, exceptions to the policy may need to be made, on a case by case basis, and with the approval of the Board of Directors.

III. OBJECTIVES

The objective of the Council's investment activity is to maximize the expected return in support the Council's management and investment strategies considering the probable income, total return and probable safety of the invested Funds. Moneys in the "Funds and Accounts shall be invested in accordance with the Trust Indenture and applicable state laws. Short-term holdings of the Council shall be of high quality and ready marketability with maturities diversified appropriately with respect to the current operating expenses and expected cash flow obligations of the Council. The Council's portfolio shall be designed to attain a market rate of return throughout financial and economic cycles, taking into account the Council's investment objectives, risk constraints and permitted investments as referenced herein.

IV. DUTIES AND RESPONSIBILITIES

Under the direction of the Board of Directors, it shall be the responsibility of the Administrator to supervise and administer the Council's investment program pursuant to a written agreement between the Council and the Administrator including, but not limited to, the following:

1. Supervise and coordinate the activities of qualified investment management firms, dealers, brokers, issuers, custodians, consultants and other investment advisors in keeping with this investment policy.
2. Provide advice and assistance in the administration and operation of the Council's investment program.
3. Establish accounting systems and procedures for the safekeeping, disposal of and recording of all investment assets held or controlled by the Council including the establishment of appropriate internal controls as required.
4. Assist in the design, development, operation, review and evaluation of the Council's investment program for compliance with this policy. Advise the Board of Directors as to recommendations relative to amendments to this policy. Inform the Board of Directors of unaddressed concerns with the Council's investment program.
5. Immediately notify the Board of Directors in the event of any information that may have a severe and adverse effect on the Council's investment program under the provisions of this policy.

V. PRUDENCE AND ETHICS

The standard of prudence to be used by investment advisors, money managers or other qualified parties or individuals with contracted investment responsibilities with the Council (the "Managers") shall be by "prudent person" which provides that the investments of the Council shall be made with the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the invested Funds considering the probable income, total return and probable safety of these Funds. Managers shall adhere to the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A) through (C). Individuals, acting in accordance with established procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to minimize any investment losses.

Any individual who is involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Managers shall have a written policy which addresses the disclosure of potential conflict-of-interests which shall be submitted to the Administrator upon request. Managers shall also disclose to the Administrator any material financial/investment position or finding which may be contrary to this policy or otherwise related to the performance of the Council's portfolio. Any adverse findings of the U.S. Department of Labor and/or the Securities and Exchange Commission' regarding a Manager or its financial activities shall be brought to the immediate attention of the Board of Directors by the Administrator.

Before engaging in any investment transactions with the Council, a Manager shall have submitted to the Administrator a signed certification from a duly authorized representative attesting that the individuals responsible for the Council's account have reviewed this investment policy and that they agree to undertake reasonable efforts to preclude imprudent transactions involving the funds of the Council.

VI. REPORTING AND PERFORMANCE

The Administrator shall submit to the Board of Directors a quarterly investment report with information sufficient to provide for a comprehensive review of investment activity and performance for the quarter. This report summarizes recent market conditions, economic developments and anticipated investment conditions. The report would also summarize the investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics and other relevant features.

Managers shall provide timely transaction and performance data to record and document investment activity including asset valuation, yield and total return data and such other relative performance data of the Council's portfolio on a periodic basis as may be reasonably requested by the Administrator.

The Administrator, Managers, and other contracted parties shall provide to the Council's Auditor such verifications or reports as are required for the purpose of developing and supporting the annual financial statements of the Council, and the footnotes thereto.

The Administrator shall recommend and provide appropriate performance measures or indices in evaluating the performance of the Council's portfolio, including, but not limited to the following:

- A. Returns for the State Board of Administration's Local Government Surplus Councils Investment Pool, Annualized
- B. 91 Day U.S. Treasury Bill Quarterly Index
- C. Short Term (1-2.99 years) High and Medium Quality Corporate Index
- D. Short Term (1-2.99 years) Treasury Index

The Administrator shall report to the Board of Directors on the performance of the Council's portfolio at least quarterly relative to the above or related indices. The Administrator shall monitor portfolio performance and determine the applicability of the indices and recommend changes as needed.

VII. BANK AND DEALER SELECTION

Certificates of deposit purchased under the authority of the Council's policy will be purchased only through qualified public depositories of the State of Florida as identified by the State Treasurer or such other qualified public depositories as may be recommended by the Administrator and approved by the Board of Directors in accordance with applicable state law.

Repurchase and reverse repurchase agreements shall be negotiated only with firms approved in accordance with this policy.

For broker/dealers of other investment instruments, the Council shall utilize primary dealers and such other reputable and recognized dealers as may be recommended by the Managers and the Administrator.

VIII. SAFEKEEPING AND CUSTODY

All securities purchased by the Council under this policy shall be properly designated as assets of the Council and shall be protected through the use of a third-party custody/safekeeping agent. The Administrator on behalf of the Council shall enter into a formal agreement with an institution of such size and expertise as is necessary to provide the services needed to protect and secure the investment assets of the Council.

All securities purchased by the Council under this policy shall be purchased using the "delivery versus payment" procedure. If it is ever determined to be necessary to perform security transactions on a "free delivery" basis, or to have securities held by the broker/dealer for a temporary period, the approval of the Administrator must be secured prior thereto and the reason documented in writing and presented to the Board of Directors.

The Council may lend its investment securities held under the provisions of this policy to qualified brokers, dealers, banks or other financial institutions, provided the loan is collateralized by cash or United States Government securities having a market value of at least 102 percent of the market value of the securities loaned.

IX. RISKS

The Council recognizes that investment risks can result from issuer defaults, market price changes, changes in credit rating, reinvestment of principal or interest, or various technical complications leading to temporary illiquidity. Portfolio diversification, controlled duration strategies, and maturity limitations are employed as the primary methods of controlling risk. Managers are expected to display prudence in the selection of securities as a way to minimize default risk. In the event of a default by a specific issuer, the Manager shall review and, if appropriate, proceed to liquidate securities having comparable credit risks. In the event that a security held by the Council is downgraded relative to its credit quality, the Manager shall immediately notify the Administrator with such recommendations for rectifying any non-compliance with this policy within a reasonable time period. To limit the Council's credit risks against possible losses, the maximum amount that may be invested in the securities of an individual

issuer, not backed by the full faith and credit of the United States Government, shall not, at the time of purchase, exceed 5 percent of the assets in the invested portfolio.

X. SECURITY SELECTION PROCESS

When purchasing or selling securities, Managers shall select securities which provide the highest rate of expected return within the parameters of this policy. Managers shall exercise prudence in managing transaction costs associated with the purchasing and selling of securities in accordance with this policy.

XI. LIQUIDITY

The Council shall provide sufficient liquidity necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Fund or Accounts.

XII. AUTHORIZED INVESTMENTS

In an effort to accomplish the objectives of the Council's portfolio, this policy identifies various authorized investment instruments, issuer diversification, maturity constraints and investment ratings and liquidity parameters.

- (A) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, including (if such instruments become legal investments under the laws of the State for moneys held hereunder) instruments evidencing an ownership interest in securities described in this clause (a).
- (B) Evidence of ownership of proportionate interest in Government Obligations described in clause (a) of this definition limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (iii) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.
- (C) Interest-bearing demand or time deposits (including certificates of deposit) in banks (including the Trustee) and savings and loan associations which deposits are fully insured by the Federal Deposit Insurance Corporation ("FDIC") or which are secured at all times by collateral security (described in clause (a) of this definition) in which the Trustee has a perfected first lien and which (i) is held by the Trustee or a third-party agent, (ii) is not subject to liens and claims of third-parties, (iii) has a market value (valued at least every 14 days) of no less than the amount of moneys so invested and interest accrued thereon.

- (D) Investment agreements or repurchase agreements (the maturity of which is less than thirty (30) days) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company or government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of The Security Investors Protection Corporation or with a dealer which is rated (or the parent company of which is rated) "A" or above by S&P and Fitch if such investments are fully secured by FDIC or collateral security described in (a) of this definition, in which the Trustee has a perfected first lien and which (i) is held by the Trustee or a third-party agent during the term of such repurchase agreement, (ii) is not subject to liens or claims of third parties, and (iii) has a market value (determined at least once every 7 days) at least equal to 104% of the amount so invested and interest accrued thereon.
- (E) The Florida Municipal Investment Trust.
- (F) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of Aam-G or Aam.
- (G) The Local Government Surplus Funds Trust Fund created pursuant to Chapter 218, Part IV, Florida Statutes for which the Florida State Board of Administration acts as custodian, and any other investment in which proceeds of the Bonds may be invested under Florida law, provided that such investments are approved in writing by the Bond Insurer.
- (H) Goldman Sachs Prime Obligation Fund #1235

With regard to the FMLC Gas Prepay Program, Qualified Investments as allowed and provided for in the various program Trust Indentures are considered Authorized Investments under the FMLC Investment Policy.

XV. EFFECTIVE DATE

The Council's investment policy shall become effective immediately upon its adoption by the Board of Directors.

As amended and adopted by the Board of Directors on the 27th day of September, 2007.



Reñe Flowers, Chairman, Board of Directors
Florida Municipal Loan Council

Attest:



Michael Sittig, Executive Director, Florida League of Cities, Inc.
For the Administrator



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