



# FLORIDA MUNICIPAL LOAN COUNCIL

# 2012

## Comprehensive Annual Financial Report

For the Year Ended September 30, 2012





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# 2012

## Comprehensive Annual Financial Report

For the Year Ended September 30, 2012



**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](http://www.floridaleagueofcities.com)

## TALLAHASSEE HEADQUARTERS



## Mission Statement

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

## ORLANDO HEADQUARTERS



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# Introductory Section





## Letter of Transmittal for the Florida Municipal Loan Council

March 5, 2013

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, 2012.

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 Council's financial statements have been audited by Shorstein and Shorstein, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Council for the year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the Council's financial statements for the year ended September 30, 2012, were fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the Financial Section of this report.

---

President **Manny Maroño**, Mayor, Sweetwater

First Vice President **P.C. Wu**, Council President, Pensacola • Second Vice President **Lori C. Moseley**, Mayor, Miramar

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



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 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. The Council's 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 and 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 more than 20 bond issues or tranches.

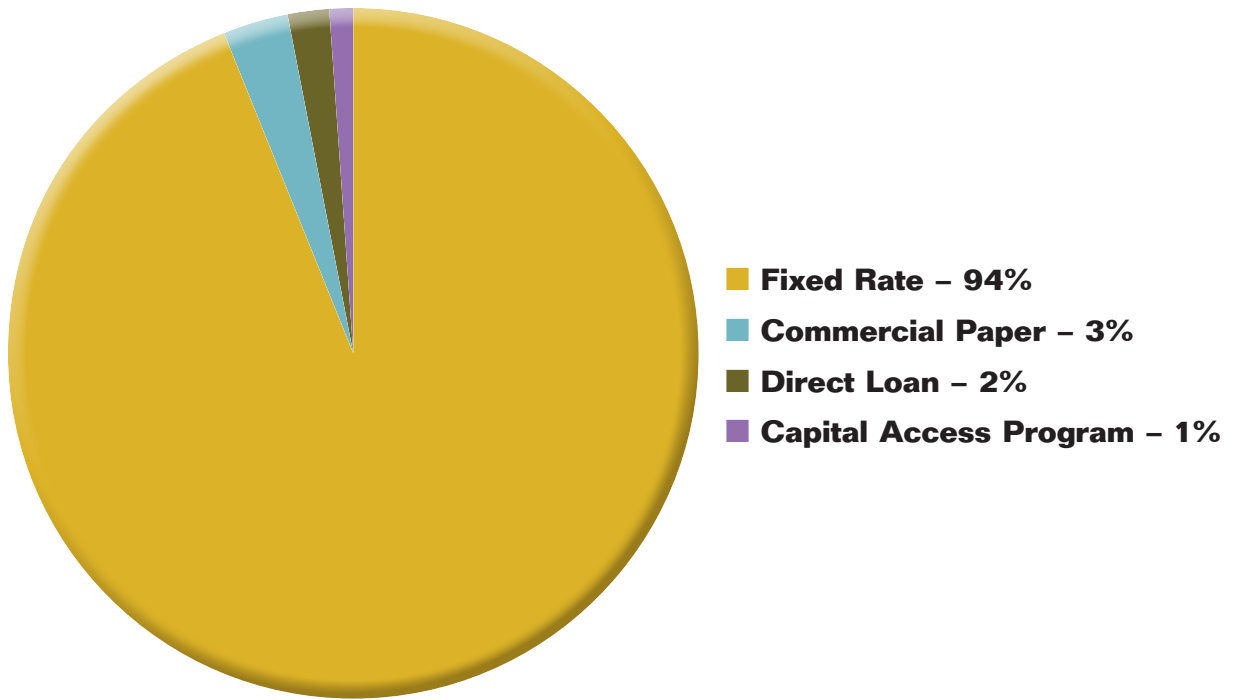
## Borrower Solutions

The Council offers short-term and long-term financing options for local governments of all sizes to finance capital projects, renovations, fixed asset additions, 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.

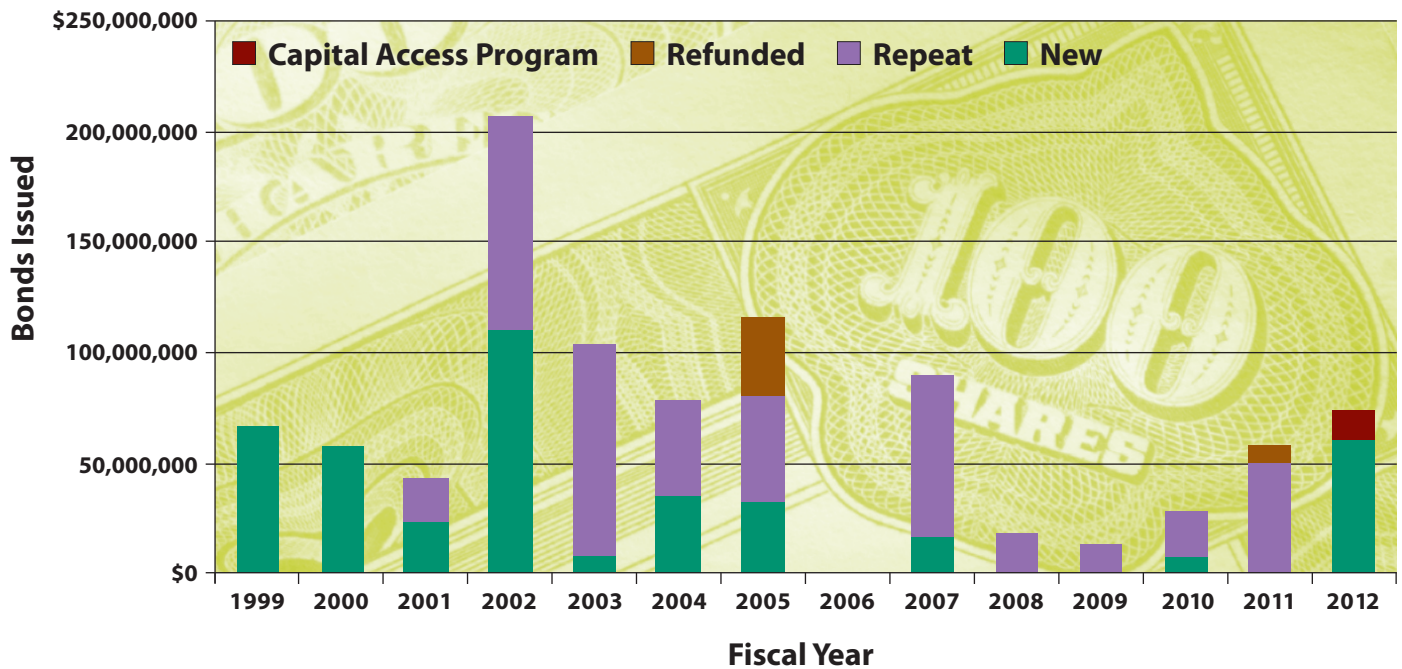
In addition, local governments that issue tax-exempt bonds are required to follow federal tax requirements at the time of issuance and for as long as the bonds remain outstanding. Under the program, post-issuance duties including investment of bond proceeds, continuing disclosure, and arbitrage rebate 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:

**Florida Municipal Loan Council**  
**Type of Loan, as of September 30, 2012**



**Florida Municipal Loan Council**  
**Type of Borrower, as of September 30, 2012**



The Council has issued more than \$930 million in bonds to make 113 loans and facilitated 4 additional bank loans totaling \$12 million through the Capital Access Program.

## 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
- ▶ Deutsche Bank Trust Company Americas, Trustee
- ▶ Wells Fargo Securities, Underwriter

## 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](http://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 efforts.

Deutsche Bank Trust Company Americas, as trustee to the program, provides custodian services including reporting and participant statements and coordination of debt service payments with the Depository Trust Company (DTC).

## Fiscal Year 2012

During the year, the Council approved a new and innovative program entitled Design Build Finance/Build Finance Financing program for priority infrastructure projects approved by the Florida Department of Transportation. Infrastructure Improvement Revenue Bonds, Series 2012 in the amount of \$59.1 million were issued to provide gap financing to Infrastructure Development Partners to design and build improvements to interchange 9B in Duval County, Florida. The Council also approved a competitive bank loan program. Additionally, the commercial paper program was placed on hold due to lack of demand caused by unfavorable credit conditions.

National and regional banks continue to meet borrower needs by offering loans with longer amortization periods of up to 20 years with competitive rates and lower costs of issuance. Given the low interest rate environment and the flexibility to call existing debt after 10 years, it is likely that borrowers will continue to refinance debt or pay off loans with cash reserves.

For the fiscal year ending September 30, 2012, the Council issued \$59.1 million in bonds and extinguished \$87 million in bonds or 15% of outstanding loans. As of September 30, 2012, the Council has issued more than \$930 million in bonds to make 113 loans and facilitated 4 additional bank loans totaling \$12 million through the Capital Access Program. The Council has 58 borrowers participating in its programs.

## Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Council for its CAFR for the year ended September 30, 2011. This was the first year that the Council has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Council must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

## 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 2012. 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,

A handwritten signature in black ink that reads "Michael Sittig".

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



# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



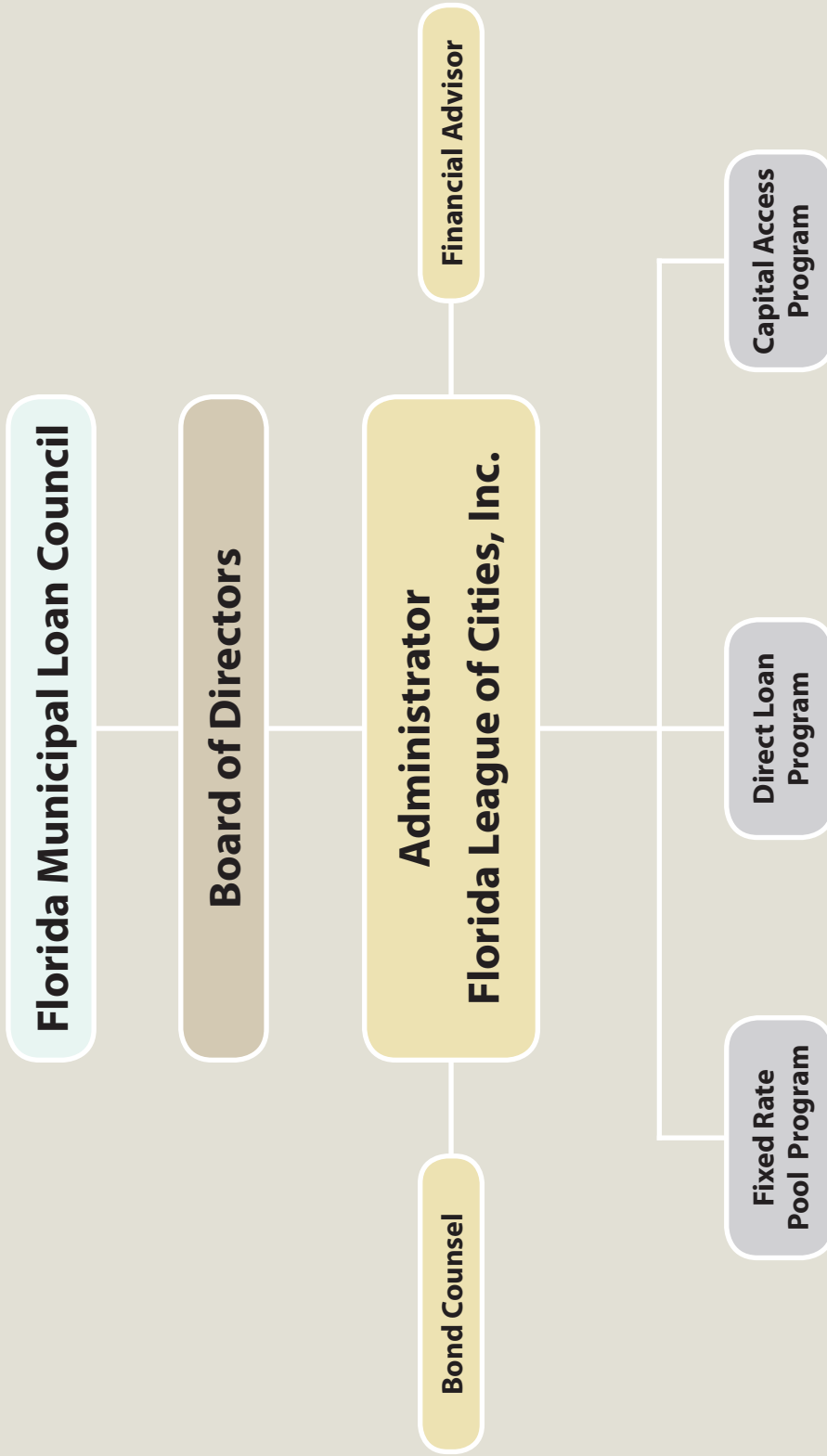
*Christopher P. Morrell*

President

*Jeffrey R. Emer*

Executive Director

# Florida Municipal Loan Council Organizational Chart





## Florida Municipal Loan Council

### Board of Directors

As of September 30, 2012



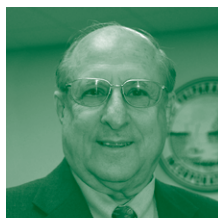
**Isaac Salver**  
**Chairman**  
 Mayor  
 Town of Bay Harbor Islands



**Susan Starkey**  
 Councilmember  
 City of Davie



**Larry Ady**  
**Vice Chairman**  
 Council Vice-Chair  
 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

**Molly Hall**

*Financial Analyst, Financial Services*  
 Service since February 16, 2011

**Jeannie Garner**

*Director of Insurance and Financial Services*  
 Service since June 1, 1994

**Scott Hamilton, CPA**

*Comptroller, Accounting*  
 Service since September 27, 1982

**Teresa Bilek Colvin, CPA**

*Associate Director, Financial Services*  
 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, 2012**

**SHORSTEIN & SHORSTEIN, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS  
8265 BAYBERRY ROAD  
JACKSONVILLE, FLORIDA 32256

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SAMUEL R. SHORSTEIN, C.P.A.  
MARK J. SHORSTEIN, C.P.A.  
MICHAEL K. PARRISH, C.P.A.  
BARBARA J. HOUSTON, C.P.A.  
O.J. YOUNG  
MARGARET R. CONOVER, C.P.A.  
JOAN B. MOELL, C.P.A.  
WALTER L. HUNTER, C.P.A.  
H. DAN HOOPER

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WEBSITE  
[WWW.SHORSTEINCPA.COM](http://WWW.SHORSTEINCPA.COM)

February 13, 2013

Independent Auditors' Report

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

We have audited the accompanying statements of net assets of the Florida Municipal Loan Council as of September 30, 2012, and the related statements of revenues, expenses and changes in fund net assets and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2012, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 22 through 26 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.



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. This 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 in the Schedule of Issues Outstanding is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, statistical section and investment section 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, 2012

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, 2012. 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 2012 are as follows:

- The financial statements have been redesigned to reflect the Council's trust operation activity.
- Due to historically low interest rates, program borrowers refunded or defeased \$87 million in loans in fiscal year 2012, representing 15% of total bonds outstanding at the beginning of the fiscal year.
- For fiscal year 2012, the Council's total operating revenues were \$24.8 million, compared to \$29.9 million for 2011, a decrease of 17.06%. Total operating expenses declined by 17.06% to \$24.8 million from \$29.9 million for fiscal year 2011.
- At the close of the fiscal year 2012, total assets were \$528,293,174 and total liabilities were \$528,274,441, resulting in net assets of \$18,733. Total assets and total liabilities both decreased 8.98% over the prior fiscal year.
- In July 2012, the Council passed a resolution creating the Design Build Finance/Build Finance Financing Program. The program provides gap financing to finance infrastructure projects for public purposes approved by the Florida Department of Transportation.
- On September 7, 2012, Florida Municipal Loan Council Infrastructure Improvement Revenue Bonds, Series 2012 in the amount of \$59,110,000 were issued.
- The Council assisted members in closing four bank loans totaling \$12 million through the Capital Access Program.
- The Council passed a resolution creating the Competitive Capital Access Program to assist local governments with bank loan financing utilizing a competitive bid feature.
- During fiscal year 2012, the Commercial Paper Program was placed on hold due to lack of demand, given the low interest rate environment and the higher costs of credit.

### **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 Assets provides information about our assets and liabilities as of September 30, 2012. The Statement of Revenues, Expenses and Changes in Fund Net Assets provides information about our revenues and expenses for the year October 2011 through September 2012. 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, 2012**

**Financial Analysis**

	<u>09/30/12</u>	<u>09/30/11</u>	<u>Change</u>	<u>% Change</u>
<b>Assets</b>				
Current Assets	\$142,402,373	\$102,678,547	\$ 39,723,826	38.69 %
Noncurrent Assets	<u>385,890,801</u>	<u>477,733,101</u>	<u>(91,842,300)</u>	(19.22) %
Total Assets	<u>528,293,174</u>	<u>580,411,648</u>	<u>(52,118,474)</u>	(8.98) %
<b>Liabilities</b>				
Current Liabilities	26,644,677	34,823,138	(8,178,461)	(23.49) %
Noncurrent Liabilities	<u>501,629,764</u>	<u>545,588,510</u>	<u>(43,958,746)</u>	(8.06) %
Total Liabilities	<u>528,274,441</u>	<u>580,411,648</u>	<u>(52,137,207)</u>	(8.98) %
Net Assets	<u>\$ 18,733</u>	<u>\$ -0-</u>	<u>\$ 18,733</u>	
<b>Operating Revenues</b>				
Loan Interest and Member Reimbursements	\$ 24,146,696	\$ 29,427,454	\$ (5,280,758)	(17.95) %
Investment Earnings	123,137	96,874	26,263	27.11 %
Rebatable Arbitrage	-	(11,041)	11,041	(100.00) %
Income Allocated to Members	<u>547,050</u>	<u>428,546</u>	<u>118,504</u>	27.65 %
Total Operating Revenues	<u>24,816,883</u>	<u>29,941,833</u>	<u>(5,124,950)</u>	(17.12) %
<b>Operating Expenses</b>				
Interest Expense	23,319,981	27,987,768	(4,667,787)	(16.68) %
Administrative Fees	231,969	511,375	(279,406)	(54.64) %
Trustee Fees and Other Fees	97,802	320,040	(222,238)	(69.44) %
Cost of Issuance Expense	960,448	1,122,650	(162,202)	(14.45) %
FMLC General Operating Expenses	<u>187,950</u>	<u>-</u>	<u>187,950</u>	100.00 %
Total Operating Expenses	<u>24,798,150</u>	<u>29,941,833</u>	<u>(5,143,683)</u>	(17.18) %
Change in Net Assets	<u>18,733</u>	<u>-0-</u>	<u>18,733</u>	
Ending Net Assets	<u>\$ 18,733</u>	<u>\$ -0-</u>	<u>\$ 18,733</u>	

**Florida Municipal Loan Council  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2012**

Under the fixed rate bond and direct loan programs, the Council issued \$59,110,000 in new debt during the year. The Council also extinguished or defeased \$87,005,000 of outstanding debt for fiscal year ending 2012. Historically low interest rates and borrowers' flexibility to call existing debt after 10 years continues to prompt borrowers to refinance debt or pay off using cash reserves. The table below lists the members that refunded or extinguished debt during fiscal year 2012.

Borrower	Series	Original Par	Refunded/ Extinguished Principal Amount
City of Bonita Springs	2001A	\$ 36,565,000	\$ 24,265,000
City of Bradenton	2001A	3,100,000	1,910,000
City of Hallandale Beach	2001A	4,770,000	2,945,000
City of Largo	2001A	9,250,000	5,025,000
City of Safety Harbor	2001A	3,610,000	1,445,000
City of Sunny Isles Beach	2001A	10,320,000	7,575,000
Village of Wellington	2001A	5,605,000	3,455,000
City of DeFuniak Springs	2002A	1,245,000	825,000
Village of Golf	2002A	2,240,000	1,865,000
City of North Miami Beach	2002A	11,510,000	8,530,000
Village of Palm Springs	2002A	7,890,000	6,570,000
Village of Pinecrest	2002A	7,740,000	5,130,000
City of Stuart	2002A	2,190,000	1,820,000
City of Sunny Isles Beach	2002C	17,495,000	11,510,000
Village of Wellington	2002C	6,290,000	4,135,000
Total		<u>\$129,820,000</u>	<u>\$ 87,005,000</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. Currently, there are 20 fixed-rate bond issues or tranches and 5 direct loans.

At September 30, 2012, the Council had total debt outstanding from bonds of \$517,382,461. 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 and Series 2011D are insured by a municipal bond insurance policy issued by Assured Guaranty Corporation. There is no insurance associated with the private placement bonds, the 2011B Series or the 2012 Series. 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, 2012**

**Debt Outstanding** (Continued)

The Council had the following change in debt:

	2012	2011	% Change
Revenue Bonds, Series 1999A	\$ 2,315,000	\$ 2,400,000	(3.54) %
Revenue Bonds, Series 2000A	11,928,444	12,060,236	(1.09) %
Revenue Bonds, Series 2000B	3,967,133	3,966,735	0.01 %
Revenue Bonds, Series 2001A	9,240,000	58,015,000	(84.07) %
Revenue Bonds, Series 2002A	5,645,000	31,500,000	(82.08) %
Revenue Bonds, Series 2002B	62,125,000	63,630,000	(2.37) %
Revenue Bonds, Series 2002C	1,705,000	18,630,000	(90.85) %
Revenue Bonds, Series 2003A	60,445,000	62,610,000	(3.46) %
Revenue Bonds, Series 2003B	32,905,000	34,865,000	(5.62) %
Revenue Bonds, Series 2004A	11,180,000	11,805,000	(5.29) %
Revenue Bonds, Series 2005A	46,005,000	47,535,000	(3.22) %
Revenue Bonds, Series 2005B	14,845,000	16,140,000	(8.02) %
Revenue Bonds, Series 2005C	12,835,000	13,910,000	(7.73) %
Revenue Bonds, Series 2005D	18,595,000	19,425,000	(4.27) %
Revenue Bonds, Series 2006	14,965,000	15,760,000	(5.04) %
Revenue Bonds, Series 2007A	45,335,000	46,840,000	(3.21) %
Revenue Bonds, Series 2008A	15,426,772	16,019,116	(3.70) %
Revenue Bonds, Series 2009 St. Aug Bch	722,636	748,331	(3.43) %
Revenue Bonds, Series 2009 Seminole	4,112,476	4,594,569	(10.49) %
Revenue Bonds, Series 2010 ABCD	27,240,000	27,730,000	(1.77) %
Revenue Bonds, Series 2010AA	1,690,000	1,755,000	(3.70) %
Revenue Bonds, Series 2010BB	1,130,000	1,175,000	(3.83) %
Revenue Bonds, Series 2011B	5,680,000	5,825,000	(2.49) %
Revenue Bonds, Series 2011D	48,235,000	48,235,000	0 %
Revenue Bonds, Series 2012	59,110,000	-	N/A
<b>Total Debt Outstanding</b>	<b>517,382,461</b>	<b>565,173,987</b>	
<b>Bond Premium/Discount (Net)</b>	<b>3,902,563</b>	<b>6,050,593</b>	
<b>Bonds Payable</b>	<b><u>\$521,285,024</u></b>	<b><u>\$571,224,580</u></b>	

## Florida Municipal Loan Council MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended September 30, 2012

### **Economic Factors**

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

According to Asset Consulting Group, the U.S. economic activity gained momentum early in 2012 following real GDP growth of 4.1% in the fourth quarter of 2011. The pace of growth slowed over the next two quarters and grew at a rate of 3.1% in the third quarter ending September 2012, more than double the 1.3% rate of the previous quarter. Treasury yields reached record lows in July 2012, with the 10-Year Treasury at 1.39%. In September, the Federal Reserve announced that it will keep interest rates near zero and launched an open-ended quantitative easing program, QE3, to purchase \$40 billion of agency mortgage-backed securities every month. The global economy continued to lose momentum as the Euro region fell into a technical recession and China's economic growth slowed.

Population growth and tourism have historically been the mainstays of the Florida economy. Population growth is beginning to show signs of strengthening, with forecasts of 1.2% growth on average through 2015. Florida is on track to reach a population of 20 million by 2016, which would make it the third most populous state. Florida's housing market appears to be improving as a result, and tourism appears to be on pace to at least match 2011 figures.

Unemployment continues to be the biggest hindrance to the improvement in the Florida economy. Based on the U.S. and Florida Economic Outlook 2013 prepared by Professor Rodney L. Clouser of the University of Florida, the unemployment rate dropped from 10.7% in August of 2011 to 8.7% in September of 2012, but it is still higher than the national rate of 7.8%. This may seem like good progress, but economists have stated that approximately 75% of the drop in the unemployment rate can be attributed to workers leaving the work force.

As long as the housing market and population growth continue to improve, property tax and other revenue for local governments across the state should continue to stabilize. While declining property values across the state have caused some local governments to delay capital projects, the historically low interest rate environment has made conditions favorable for others to move ahead with new capital projects and refinance existing debt.

### **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 ASSETS  
 September 30, 2012

	Series 1999A	Series 2000A	Series 2000B	Series 2001A	Series 2002A	Series 2002B
<b><u>ASSETS</u></b>						
<u>Current Assets</u>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:						
Cash and Cash Equivalents	59,270	3,671	414	879	356	1,716
Investments	-	-	749,743	-	-	-
Loans Receivable	89,669	839,374	155,883	642,230	288,818	2,085,168
Accrued Interest Receivable	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	148,939	843,045	906,040	643,109	289,174	2,086,884
<u>Noncurrent Assets</u>						
Loans Receivable	2,215,045	11,088,444	3,090,601	8,930,466	5,497,002	60,753,654
Total Assets	2,363,984	11,931,489	3,996,641	9,573,575	5,786,176	62,840,538
<b><u>LIABILITIES</u></b>						
<u>Current Liabilities</u>						
Bonds Payable	88,953	840,000	108,813	464,564	166,481	1,581,254
Deferred Amount on Refunding	-	-	-	-	-	-
Accrued Interest Expense	57,613	-	44,717	193,755	121,487	517,143
Accrued Administrator Fees	1,158	2,877	1,246	3,850	2,352	4,573
Accrued Expenses	168	168	336	504	336	168
Total Current Liabilities	147,892	843,045	155,112	662,673	290,656	2,103,138
<u>Noncurrent Liabilities</u>						
Bonds Payable	2,216,092	11,088,444	3,841,529	8,910,902	5,495,520	60,737,400
Deferred Amount on Refunding	-	-	-	-	-	-
Total Noncurrent Liabilities	2,216,092	11,088,444	3,841,529	8,910,902	5,495,520	60,737,400
Total Liabilities	2,363,984	11,931,489	3,996,641	9,573,575	5,786,176	62,840,538
<b><u>NET ASSETS</u></b>						
Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council  
 \*STATEMENTS OF NET ASSETS  
 September 30, 2012

<u>ASSETS</u>	Series 2002C	Series 2003A	Series 2003B	Series 2004A-1	Series 2005A	Series 2005B
<u>Current Assets</u>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:						
Cash and Cash Equivalents	140	7,242	1,323	152,630	1,416	358
Investments	-	511,580	10,162	-	-	-
Loans Receivable	261,984	3,551,513	2,574,354	778,752	1,942,817	1,350,886
Accrued Interest Receivable	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	<u>262,124</u>	<u>4,070,335</u>	<u>2,585,839</u>	<u>931,382</u>	<u>1,944,233</u>	<u>1,351,244</u>
<u>Noncurrent Assets</u>						
Loans Receivable	1,517,746	59,175,771	31,393,581	10,348,841	45,497,923	13,431,401
Total Assets	<u>1,779,870</u>	<u>63,246,106</u>	<u>33,979,420</u>	<u>11,280,223</u>	<u>47,442,156</u>	<u>14,782,645</u>
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	232,063	2,419,274	2,089,458	641,359	1,673,838	1,089,300
Deferred Amount on Refunding	-	-	-	-	-	(78,798)
Accrued Interest Expense	36,125	1,259,328	553,829	132,620	361,372	289,052
Accrued Administrator Fees	663	18,589	10,673	2,795	6,854	6,185
Accrued Expenses	336	840	1,175	840	1,007	1,007
Total Current Liabilities	<u>269,187</u>	<u>3,698,031</u>	<u>2,655,135</u>	<u>777,614</u>	<u>2,043,071</u>	<u>1,306,746</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	1,510,683	59,548,075	31,324,285	10,502,609	45,399,085	14,046,170
Deferred Amount on Refunding	-	-	-	-	-	(570,271)
Total Noncurrent Liabilities	<u>1,510,683</u>	<u>59,548,075</u>	<u>31,324,285</u>	<u>10,502,609</u>	<u>45,399,085</u>	<u>13,475,899</u>
Total Liabilities	<u>1,779,870</u>	<u>63,246,106</u>	<u>33,979,420</u>	<u>11,280,223</u>	<u>47,442,156</u>	<u>14,782,645</u>
<u>NET ASSETS</u>						
Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council  
 \*STATEMENTS OF NET ASSETS  
 September 30, 2012

	Series 2005C	Series 2005D	Series 2006	Series 2007A	Series 2008A	Series 2009 St. Aug Bch
<b><u>ASSETS</u></b>						
<u>Current Assets</u>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets:						
Cash and Cash Equivalents	292,744	1,297,454	1,179,476	8,117,267	-	-
Investments	-	1,737,341	883,104	-	-	-
Loans Receivable	1,103,543	887,655	872,842	1,651,619	1,611,080	36,866
Accrued Interest Receivable	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	1,396,287	3,922,450	2,935,422	9,768,886	1,611,080	36,866
<u>Noncurrent Assets</u>						
Loans Receivable	11,282,658	15,191,912	12,494,680	37,057,344	14,196,426	695,561
Total Assets	12,678,945	19,114,362	15,430,102	46,826,230	15,807,506	732,427
<b><u>LIABILITIES</u></b>						
<u>Current Liabilities</u>						
Bonds Payable	1,135,048	878,489	861,008	1,618,318	599,389	27,075
Deferred Amount on Refunding	(106,166)	-	-	-	-	-
Accrued Interest Expense	284,197	404,243	333,828	1,119,188	377,197	9,701
Accrued Administrator Fees	6,418	9,298	7,483	18,950	3,538	90
Accrued Expenses	672	1,007	1,007	336	-	-
Total Current Liabilities	1,320,169	1,293,037	1,203,326	2,756,792	980,124	36,866
<u>Noncurrent Liabilities</u>						
Bonds Payable	11,832,101	17,821,325	14,226,776	44,069,438	14,827,382	695,561
Deferred Amount on Refunding	(473,325)	-	-	-	-	-
Total Noncurrent Liabilities	11,358,776	17,821,325	14,226,776	44,069,438	14,827,382	695,561
Total Liabilities	12,678,945	19,114,362	15,430,102	46,826,230	15,807,506	732,427
<b><u>NET ASSETS</u></b>						
Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council  
 \*STATEMENTS OF NET ASSETS  
 September 30, 2012

<u>ASSETS</u>	Series 2009 Seminole	Series 2010 ABCD	Series 2010AA	Series 2010BB	Series 2011 B-1 & B-2	Series 2011D
<u>Current Assets</u>						
Cash	-	-	-	-	-	-
Restricted Assets:						
Cash and Cash Equivalents	-	3,501,820	-	-	1,048,083	11,537,837
Investments	-	1,234,721	-	-	-	28,898,191
Loans Receivable	524,983	615,539	106,420	72,882	544,145	319,481
Accrued Interest Receivable	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	<u>524,983</u>	<u>5,352,080</u>	<u>106,420</u>	<u>72,882</u>	<u>1,592,228</u>	<u>40,755,509</u>
<u>Noncurrent Assets</u>						
Loans Receivable	3,606,085	22,344,633	1,587,343	1,058,115	4,135,584	8,326,069
Total Assets	<u>4,131,068</u>	<u>27,696,713</u>	<u>1,693,763</u>	<u>1,130,997</u>	<u>5,727,812</u>	<u>49,081,578</u>
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bonds Payable	506,391	602,692	70,000	50,000	523,806	289,037
Deferred Amount on Refunding	-	-	(3,501)	(2,351)	(2,463)	-
Accrued Interest Expense	17,272	550,834	35,997	22,600	94,525	1,203,094
Accrued Administrator Fees	1,320	13,149	423	283	2,840	14,824
Accrued Expenses	-	672	-	-	336	168
Total Current Liabilities	<u>524,983</u>	<u>1,167,347</u>	<u>102,919</u>	<u>70,532</u>	<u>619,044</u>	<u>1,507,123</u>
<u>Noncurrent Liabilities</u>						
Bonds Payable	3,606,085	26,529,366	1,620,000	1,080,000	5,115,131	47,574,455
Deferred Amount on Refunding	-	-	(29,156)	(19,535)	(6,363)	-
Total Noncurrent Liabilities	<u>3,606,085</u>	<u>26,529,366</u>	<u>1,590,844</u>	<u>1,060,465</u>	<u>5,108,768</u>	<u>47,574,455</u>
Total Liabilities	<u>4,131,068</u>	<u>27,696,713</u>	<u>1,693,763</u>	<u>1,130,997</u>	<u>5,727,812</u>	<u>49,081,578</u>
<u>NET ASSETS</u>						
Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

Florida Municipal Loan Council  
 \*STATEMENTS OF NET ASSETS  
 September 30, 2012

<u>ASSETS</u>	Series 2012	FMLC General Operations	Total
<u>Current Assets</u>			
Cash	-	\$ 15,169	\$ 15,169
Restricted Assets:			
Cash and Cash Equivalents	2,693,854	-	29,897,950
Investments	55,196,226	-	89,221,068
Loans Receivable	80,756	-	22,989,259
Accrued Interest Receivable	246,004	-	246,004
Prepaid Expenses	-	32,923	32,923
Total Current Assets	<u>58,216,840</u>	<u>48,092</u>	<u>142,402,373</u>
<u>Noncurrent Assets</u>			
Loans Receivable	973,916	-	385,890,801
Total Assets	<u>59,190,756</u>	<u>48,092</u>	<u>528,293,174</u>
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Bonds Payable	-	-	18,556,610
Deferred Amount on Refunding	-	-	(193,279)
Accrued Interest Expense	65,756	-	8,085,473
Accrued Administrator Fees	-	13,461	153,892
Accrued Expenses	15,000	15,898	41,981
Total Current Liabilities	<u>80,756</u>	<u>29,359</u>	<u>26,644,677</u>
<u>Noncurrent Liabilities</u>			
Bonds Payable	59,110,000	-	502,728,414
Deferred Amount on Refunding	-	-	(1,098,650)
Total Noncurrent Liabilities	<u>59,110,000</u>	<u>-</u>	<u>501,629,764</u>
Total Liabilities	<u>59,190,756</u>	<u>29,359</u>	<u>528,274,441</u>
<u>NET ASSETS</u>			
Net Assets	\$ -0-	\$ 18,733	\$ 18,733

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

Florida Municipal Loan Council  
**\*STATEMENTS OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS**  
 For the Year Ended September 30, 2012

	Series 1999A	Series 2000A	Series 2000B	Series 2001A	Series 2002A	Series 2002B
<b>OPERATING REVENUES</b>						
Loan Interest and Member Reimbursements	\$ 119,239	\$ 707,614	\$ 222,059	\$ 805,238	\$ 849,514	\$ 3,170,354
Investment Earnings	10	39	2,644	206	56	159
Income Allocated to Members	1,090	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>120,339</b>	<b>707,653</b>	<b>224,703</b>	<b>805,444</b>	<b>849,570</b>	<b>3,170,513</b>
<b>OPERATING EXPENSES</b>						
Interest Expense	118,227	703,208	219,264	754,704	821,668	3,136,348
Administrator Fees - FLC	1,415	3,583	2,510	10,465	10,300	16,794
Other Expenses	697	862	1,394	19,097	15,642	697
Cost of Issuance Expenses	-	-	-	-	-	-
Loss Allocated to Members	-	-	1,535	21,178	1,960	16,674
FMLC General Operating Expenses	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>120,339</b>	<b>707,653</b>	<b>224,703</b>	<b>805,444</b>	<b>849,570</b>	<b>3,170,513</b>
<b>Net Income</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Fund Net Assets, Beginning of Year</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Fund Net Assets, End of Year</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

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



Florida Municipal Loan Council  
**\*STATEMENTS OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS**  
 For the Year Ended September 30, 2012

	Series 2002C	Series 2003A	Series 2003B	Series 2004A-1	Series 2005A	Series 2005B
<b>OPERATING REVENUES</b>						
Loan Interest and Member Reimbursements	\$ 445,163	\$ 3,116,252	\$ 1,695,878	\$ 559,659	\$ 2,213,801	\$ 710,479
Investment Earnings	208	2,827	3,686	174	147	43
Income Allocated to Members	-	-	-	3,715	-	47,686
Total Operating Revenues	<u>445,371</u>	<u>3,119,079</u>	<u>1,699,564</u>	<u>563,548</u>	<u>2,213,948</u>	<u>758,208</u>
<b>OPERATING EXPENSES</b>						
Interest Expense	415,961	2,935,482	1,584,200	553,074	2,081,820	745,053
Administrator Fees - FLC	4,971	27,373	19,405	6,989	24,957	8,972
Other Expenses	16,606	3,485	4,880	3,485	4,183	4,183
Cost of Issuance Expenses	-	-	-	-	-	-
Loss Allocated to Members	7,833	152,739	91,079	-	102,988	-
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	<u>445,371</u>	<u>3,119,079</u>	<u>1,699,564</u>	<u>563,548</u>	<u>2,213,948</u>	<u>758,208</u>
Net Income	-0-	-0-	-0-	-0-	-0-	-0-
Fund Net Assets, Beginning of Year	-0-	-0-	-0-	-0-	-0-	-0-
Fund Net Assets, End of Year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

Florida Municipal Loan Council  
**\*STATEMENTS OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS**  
 For the Year Ended September 30, 2012

	Series 2005C	Series 2005D	Series 2006	Series 2007A	Series 2008A	Series 2009 St. Aug Bch
<b><u>OPERATING REVENUES</u></b>						
Loan Interest and Member Reimbursements	\$ 597,287	\$ 823,122	\$ 680,739	\$ 2,262,388	\$ 758,641	\$ 39,840
Investment Earnings	59	7,846	3,436	5,197	-	-
Income Allocated to Members	83,367	-	-	-	-	-
Total Operating Revenues	680,713	830,968	684,175	2,267,585	758,641	39,840
<b><u>OPERATING EXPENSES</u></b>						
Interest Expense	669,901	794,173	638,227	2,198,386	754,395	39,840
Administrator Fees - FLC	8,024	11,157	8,979	22,739	4,246	-
Other Expenses	2,788	4,183	4,183	1,394	-	-
Cost of Issuance Expenses	-	-	-	-	-	-
Loss Allocated to Members	-	21,455	32,786	45,066	-	-
FMLC General Operating Expenses	-	-	-	-	-	-
Total Operating Expenses	680,713	830,968	684,175	2,267,585	758,641	39,840
Net Income	-0-	-0-	-0-	-0-	-0-	-0-
Fund Net Assets, Beginning of Year	-0-	-0-	-0-	-0-	-0-	-0-
Fund Net Assets, 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 FUND NET ASSETS**  
 For the Year Ended September 30, 2012

	Series 2009 Seminole	Series 2010 ABCD	Series 2010AA	Series 2010BB	Series 2011 B-1 & B-2	Series 2011D
<b><u>OPERATING REVENUES</u></b>						
Loan Interest and Member Reimbursements	\$ 230,793	\$ 1,121,414	\$ 73,895	\$ 45,196	\$ 189,240	\$ 2,421,453
Investment Earnings	-	8,945	-	-	557	110,365
Income Allocated to Members	-	-	3,653	3,710	13,864	-
<b>Total Operating Revenues</b>	<b>230,793</b>	<b>1,130,359</b>	<b>77,548</b>	<b>48,906</b>	<b>203,661</b>	<b>2,531,818</b>
<b><u>OPERATING EXPENSES</u></b>						
Interest Expense	229,541	1,109,175	77,031	48,560	198,695	2,427,292
Administrator Fees - FLC	1,252	15,779	517	346	3,408	17,788
Other Expenses	-	2,788	-	-	1,558	697
Cost of Issuance Expenses	-	-	-	-	-	-
Loss Allocated to Members	-	2,617	-	-	-	86,041
FMLC General Operating Expenses	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>230,793</b>	<b>1,130,359</b>	<b>77,548</b>	<b>48,906</b>	<b>203,661</b>	<b>2,531,818</b>
<b>Net Income</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Fund Net Assets, Beginning of Year</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Fund Net Assets, End of Year</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

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

Florida Municipal Loan Council  
**\*STATEMENTS OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS**  
 For the Year Ended September 30, 2012

	Series 2012	FMLC General Operations	Total
<b>OPERATING REVENUES</b>			
Loan Interest and Member Reimbursements	\$ 80,755	\$ 206,683	\$ 24,146,696
Investment Earnings	(23,467)	-	123,137
Income Allocated to Members	973,916	-	1,131,001
Total Operating Revenues	1,031,204	206,683	25,400,834
<b>OPERATING EXPENSES</b>			
Interest Expense	65,756	-	23,319,981
Administrator Fees - FLC	-	-	231,969
Other Expenses	5,000	-	97,802
Cost of Issuance Expenses	960,448	-	960,448
Loss Allocated to Members	-	-	583,951
FMLC General Operating Expenses	-	187,950	187,950
Total Operating Expenses	1,031,204	187,950	25,382,101
Net Income	-0-	18,733	18,733
Fund Net Assets, Beginning of Year	-0-	-	-
Fund Net Assets, End of Year	\$ -0-	\$ 18,733	\$ 18,733

\*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, 2012

	Series 1999A	Series 2000A	Series 2000B	Series 2001A	Series 2002A	Series 2002B
<b>Cash Flows from Operating Activities:</b>						
Loans Made to Members	\$ 85,000	\$ 835,000	\$ 110,000	\$ (537,355)	\$ 1,115,000	\$ 1,505,000
Member Loan Repayments	118,283	6,722	113,549	1,867,802	1,033,382	3,191,854
Loan Interest and Member Reimbursements	(12,743)	(6,882)	(18,730)	(61,370)	(50,604)	(29,091)
Expenses Paid	190,540	834,840	204,819	3,424,077	2,097,778	4,667,763
Cash Provided (Used) by Operating Activities						
<b>Cash Flows from Non-Capital Financing Activities:</b>						
Proceeds from Bonds Issued	-	-	-	-	-	-
Redemption of Bonds	(85,000)	(835,000)	(110,000)	(2,155,000)	(1,115,000)	(1,505,000)
Interest Paid	(119,049)	-	(109,987)	(1,818,174)	(993,213)	(3,163,055)
Cash Provided (Used) by Non-Capital Financing Activities	(204,049)	(835,000)	(219,987)	(3,973,174)	(2,108,213)	(4,668,055)
<b>Cash Flows from Investing Activities:</b>						
Investments Purchased	-	-	-	-	-	-
Investments Sold	-	-	-	537,355	-	-
Interest and Dividends Collected	10	39	9	67	56	159
Interest Purchased	-	-	-	-	-	-
Cash Provided (Used) by Investing Activities	10	39	9	537,422	56	159
<b>Net Change in Cash and Cash Equivalents</b>	<b>(13,499)</b>	<b>(121)</b>	<b>(15,159)</b>	<b>(11,675)</b>	<b>(10,379)</b>	<b>(133)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>72,769</b>	<b>3,792</b>	<b>15,573</b>	<b>12,554</b>	<b>10,735</b>	<b>1,849</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 59,270</b>	<b>\$ 3,671</b>	<b>\$ 414</b>	<b>\$ 879</b>	<b>\$ 356</b>	<b>\$ 1,716</b>
<b>Cash Flows from Operating Activities:</b>						
Net Income	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Reconciliation of Net Income to Cash Provided (Used) by Operating Activities:						
Amortization of Discount (Premium)	1,090	-	1,101	(21,039)	(1,961)	(16,674)
Amortization of Refunding	-	-	-	-	-	-
Accretion of Interest on Capital Appreciation Bonds	-	703,208	110,399	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-
Interest Paid	119,049	-	109,987	1,818,174	993,213	3,163,055
Investment Income	(10)	(39)	(2,644)	(206)	(56)	(159)
(Increase) Decrease in Receivables - Net	82,011	131,720	1,351	2,677,386	1,685,851	1,531,978
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-
(Increase) (Decrease) in Payables - Net	(11,600)	(49)	(15,375)	(1,050,238)	(579,269)	(10,437)
Cash Provided (Used) by Operating Activities	\$ 190,540	\$ 834,840	\$ 204,819	\$ 3,424,077	\$ 2,097,778	\$ 4,667,763

\*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, 2012

	Series 2002C	Series 2003A	Series 2003B	Series 2004A-1	Series 2005A	Series 2005B
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ (678,607)	\$ (688,719)	\$ (4,605,807)	\$ -	\$ (3,838)	\$ -
Member Loan Repayments	1,280,000	2,165,000	1,960,000	625,000	1,530,000	1,295,000
Loan Interest and Member Reimbursements	546,791	3,180,479	1,729,999	570,783	2,230,123	735,273
Expenses Paid	(33,034)	(51,296)	(39,924)	(16,760)	(47,779)	(21,442)
Cash Provided (Used) by Operating Activities	1,115,150	4,605,464	(955,732)	1,179,023	3,708,506	2,008,831
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Proceeds from Bonds Issued	-	-	-	-	-	-
Redemption of Bonds	(1,280,000)	(2,165,000)	(1,960,000)	(625,000)	(1,530,000)	(1,295,000)
Interest Paid	(516,107)	(3,130,638)	(1,692,112)	(555,481)	(2,193,092)	(715,578)
Cash Provided (Used) by Non-Capital Financing Activities	(1,796,107)	(5,295,638)	(3,652,112)	(1,180,481)	(3,723,092)	(2,010,578)
<u>Cash Flows from Investing Activities:</u>						
Investments Purchased	-	-	-	-	-	-
Investments Sold	678,607	688,719	3,328,388	-	-	-
Interest and Dividends Collected	33	138	876	174	147	43
Interest Purchased	-	-	-	-	-	-
Cash Provided (Used) by Investing Activities	678,640	688,857	3,329,264	174	147	43
<u>Net Change in Cash and Cash Equivalents</u>	<u>(2,317)</u>	<u>(1,317)</u>	<u>(1,278,580)</u>	<u>(1,284)</u>	<u>(14,439)</u>	<u>(1,704)</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>2,457</u>	<u>8,559</u>	<u>1,279,903</u>	<u>153,914</u>	<u>15,855</u>	<u>2,062</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>140</u>	<u>7,242</u>	<u>1,323</u>	<u>152,630</u>	<u>1,416</u>	<u>358</u>
<u>Cash Flows from Operating Activities:</u>						
Net Income	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Reconciliation of Net Income to Cash Provided (Used) by Operating Activities:</u>						
Amortization of Discount (Premium)	(7,658)	(150,052)	(87,495)	3,843	(102,985)	(36,470)
Amortization of Refunding	-	-	-	-	-	84,156
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-
Interest Paid	516,107	3,130,638	1,692,112	555,481	2,193,092	715,578
Investment Income	(208)	(2,827)	(3,686)	(174)	(147)	(43)
(Increase) Decrease in Receivables - Net	972,891	1,674,999	(2,533,543)	627,749	1,628,834	1,266,127
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-
Increase (Decrease) in Payables - Net	(365,982)	(47,294)	(23,120)	(7,876)	(10,288)	(20,517)
Cash Provided (Used) by Operating Activities	1,115,150	4,605,464	(955,732)	1,179,023	3,708,506	2,008,831

\*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, 2012**

	Series 2005C	Series 2005D	Series 2006	Series 2007A	Series 2008A	Series 2009 St. Aug Bch
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ -	\$ (138,267)	\$ (140,679)	\$ (562,359)	\$ -	\$ -
Member Loan Repayments	1,075,000	865,000	835,000	1,580,000	-	-
Loan Interest and Member Reimbursements	603,204	831,877	687,717	2,277,771	-	-
Expenses Paid	(17,874)	(24,959)	(25,324)	(40,511)	-	-
Cash Provided (Used) by Operating Activities	1,660,330	1,533,651	1,356,714	3,254,901	-	-
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Proceeds from Bonds Issued	-	-	-	-	-	-
Redemption of Bonds	(1,075,000)	(830,000)	(795,000)	(1,505,000)	-	-
Interest Paid	(604,676)	(821,972)	(683,556)	(2,274,781)	-	-
Cash Provided (Used) by Non-Capital Financing Activities	(1,679,676)	(1,651,972)	(1,478,556)	(3,779,781)	-	-
<u>Cash Flows from Investing Activities:</u>						
Investments Purchased	-	-	-	-	-	-
Investments Sold	-	137,423	140,679	-	-	-
Interest and Dividends Collected	59	74	79	5,197	-	-
Interest Purchased	-	-	-	-	-	-
Cash Provided (Used) by Investing Activities	59	137,497	140,758	5,197	-	-
<u>Net Change in Cash and Cash Equivalents</u>	(19,287)	19,176	18,916	(519,683)	-	-
<u>Cash and Cash Equivalents, Beginning of Year</u>	312,031	1,278,278	1,160,560	8,636,950	-	-
<u>Cash and Cash Equivalents, End of Year</u>	\$ 292,744	\$ 1,297,454	\$ 1,179,476	\$ 8,117,267	\$ -	\$ -
<u>Cash Flows from Operating Activities:</u>						
Net Income	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Reconciliation of Net Income to Cash Provided (Used) by Operating Activities:</u>						
Amortization of Discount (Premium)	(33,504)	(14,312)	(29,429)	(39,989)	-	-
Amortization of Refunding	116,870	-	-	-	-	-
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-
Interest Paid	604,676	821,972	683,556	2,274,781	-	-
Investment Income	(59)	(7,846)	(3,436)	(5,197)	-	-
(Increase) Decrease in Receivables - Net	992,201	749,505	728,099	1,062,930	-	-
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-
Increase (Decrease) in Payables - Net	(19,854)	(15,668)	(22,076)	(37,624)	-	-
Cash Provided (Used) by Operating Activities	\$ 1,660,330	\$ 1,533,651	\$ 1,356,714	\$ 3,254,901	\$ -	\$ -

\*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, 2012

	Series 2009 Semihole	Series 2010 ABCD	Series 2010AA	Series 2010BB	Series 2011 B-1 & B-2	Series 2011D
<u>Cash Flows from Operating Activities:</u>						
Loans Made to Members	\$ -	\$ (3,194,689)	\$ (1,299)	\$ (1,218)	\$ (346,540)	\$ -
Member Loan Repayments	-	610,000	-	-	530,000	310,000
Loan Interest and Member Reimbursements	-	1,130,972	-	-	191,831	2,123,831
Expenses Paid	-	(30,501)	-	(1,251)	(7,139)	(26,304)
Cash Provided (Used) by Operating Activities	-	(1,484,218)	(1,299)	(2,469)	368,152	2,407,527
<u>Cash Flows from Non-Capital Financing Activities:</u>						
Proceeds from Bonds Issued	-	-	-	-	-	-
Redemption of Bonds	-	(490,000)	-	-	(145,000)	(565,833)
Interest Paid	-	(1,108,248)	-	-	(205,964)	(2,078,678)
Cash Provided (Used) by Non-Capital Financing Activities	-	(1,598,248)	-	-	(350,964)	(2,644,511)
<u>Cash Flows from Investing Activities:</u>						
Investments Purchased	-	-	-	-	-	-
Investments Sold	-	75,578	-	-	-	-
Interest and Dividends Collected	-	4,362	-	-	557	8,778
Interest Purchased	-	-	-	-	-	-
Cash Provided (Used) by Investing Activities	-	79,940	-	-	557	8,778
<u>Net Change in Cash and Cash Equivalents</u>	-	(3,002,526)	(1,299)	(2,469)	17,745	(228,206)
<u>Cash and Cash Equivalents, Beginning of Year</u>	-	6,504,346	1,299	2,469	1,030,338	11,766,043
<u>Cash and Cash Equivalents, End of Year</u>	\$ -	\$ 3,501,820	\$ -	\$ -	\$ 1,048,083	\$ 11,537,837
<u>Cash Flows from Operating Activities:</u>						
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Net Income to Cash Provided (Used) by Operating Activities:						
Amortization of Discount (Premium)	-	7,502	-	-	6,809	21,105
Amortization of Refunding	-	-	-	-	2,835	-
Accretion of Interest on Capital Appreciation Bonds	-	-	-	-	-	-
Issuance Costs Netted from Proceeds	-	-	-	-	-	-
Interest Paid	-	1,108,248	-	-	205,964	2,078,678
Investment Income	-	(8,945)	-	-	(557)	(110,365)
(Increase) Decrease in Receivables - Net	-	(2,583,034)	(1,299)	(2,469)	169,915	86,560
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-
Increase (Decrease) in Payables - Net	-	(7,989)	-	-	(16,814)	331,549
Cash Provided (Used) by Operating Activities	\$ -	\$ (1,484,218)	\$ (1,299)	\$ (2,469)	\$ 368,152	\$ 2,407,527

\*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, 2012

	Series 2012	FMLC General Operations	Total
<u>Cash Flows from Operating Activities:</u>			
Loans Made to Members	\$ -	\$ -	\$ (10,899,377)
Member Loan Repayments	-	-	20,465,000
Loan Interest and Member Reimbursements	-	376,280	23,548,523
Expenses Paid	(471,932)	(361,111)	(1,396,561)
Cash Provided (Used) by Operating Activities	(471,932)	15,169	31,717,585
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Proceeds from Bonds Issued	58,631,483	-	58,631,483
Redemption of Bonds	-	-	(20,065,833)
Interest Paid	-	-	(22,784,361)
Cash Provided (Used) by Non-Capital Financing Activities	58,631,483	-	15,781,289
<u>Cash Flows from Investing Activities:</u>			
Investments Purchased	(55,285,149)	-	(55,285,149)
Investments Sold	-	-	5,586,749
Interest and Dividends Collected	-	-	20,857
Interest Purchased	(180,548)	-	(180,548)
Cash Provided (Used) by Investing Activities	(55,465,697)	-	(49,858,091)
<u>Net Change in Cash and Cash Equivalents</u>	2,693,854	15,169	(2,359,217)
<u>Cash and Cash Equivalents, Beginning of Year</u>	-	-	32,272,336
<u>Cash and Cash Equivalents, End of Year</u>	\$ 2,693,854	\$ 15,169	\$ 29,913,119
<u>Cash Flows from Operating Activities:</u>			
Net Income	\$ -0-	\$ 18,733	\$ 18,733
<u>Reconciliation of Net Income to Cash Provided (Used) by Operating Activities:</u>			
Amortization of Discount (Premium)	-	-	(500,118)
Amortization of Refunding	-	-	203,861
Accretion of Interest on Capital Appreciation Bonds	-	-	813,607
Issuance Costs Netted from Proceeds	478,517	-	478,517
Interest Paid	-	-	22,784,361
Investment Income	23,467	-	(123,137)
(Increase) Decrease in Receivables - Net	(1,054,672)	(140,428)	9,754,662
(Increase) Decrease in Prepaid Expenses	-	(32,923)	(32,923)
Increase (Decrease) in Payables - Net	80,756	169,787	(1,679,978)
Cash Provided (Used) by Operating Activities	\$ (471,932)	\$ 15,169	\$ 31,717,585

\*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, 2012**

**Series 2000B** - The increase in the fair value of the investments was \$2,635.

**Series 2001A** - The Council refunded debt issued in 2001. The \$47,975,488 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$46,620,000 of outstanding revenue bond principal, \$906,238 of interest, and \$449,250 of premium. The increase in the fair value of the investments was \$139.

**Series 2002A** - The Council refunded debt issued in 2002. The \$25,624,037 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$24,740,000 of outstanding revenue bond principal, \$648,237 of interest, and \$235,800 of premium.

**Series 2002C** - The Council refunded debt issued in 2002. The \$16,594,558 proceeds were deposited immediately into an irrevocable trust, and with future earnings on investments of \$3,504 will fund the repayment of \$15,645,000 of outstanding revenue bond principal, \$807,612 of interest, and \$145,450 of premium. The increase in the fair value of the investments was \$175.

**Series 2003A** - The increase in the fair value of the investments was \$2,689.

**Series 2003B** - The increase in the fair value of the investments was \$2,810.

**Series 2005D** - The increase in the fair value of the investments was \$7,772.

**Series 2006** - The increase in the fair value of the investments was \$3,357.

**Series 2008A** - Loans receivable and bonds payable of \$592,345 were reduced by a direct payment from the member to the lender. Interest of \$768,879 was paid by the member directly to the lender. The member paid administrative fees of \$7,213 directly to the administrator.

**Series 2009 St. Augustine Bch** - Loans receivable and bonds payable of \$25,695 were reduced by a direct payment from the member to the lender. Interest of \$40,185 was paid by the member directly to the lender. The member paid administrative fees of \$375 directly to the administrator.

**Series 2009 Seminole** - Loans receivable and bonds payable of \$482,093 were reduced by a direct payment from the member to the lender. Interest of \$231,566 was paid by the member directly to the lender. The member paid administrative fees of \$1,149 directly to the administrator.

**Series 2010 ABCD** - The increase in the fair value of the investments was \$4,583.

**Series 2010AA** - Loans receivable and bonds payable of \$65,000 were reduced by a direct payment from the member to the lender. Interest of \$74,763 was paid by the member directly to the lender. The member paid administrative fees of \$1,134 directly to the administrator.

**Series 2010BB** - Loans receivable and bonds payable of \$45,000 were reduced by a direct payment from the member to the lender. Interest of \$47,000 was paid by the member directly to the lender. The member paid administrative fees of \$758 directly to the administrator.

**Series 2011D** - The increase in the fair value of the investments was \$101,587.

**Series 2012** - The decrease in the fair value of the investments was \$(88,923).

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

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**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.

On September 28, 2006, the Board of Directors approved a resolution authorizing the issuance of commercial paper notes, providing that the aggregate principal amount outstanding at any one time shall not exceed \$100,000,000. On March 29, 2007, the Board of Directors passed a resolution increasing the aggregate principal amount of commercial paper notes outstanding at any one time to \$200,000,000.

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, 2012, 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.

The Council had the following programs as of September 30, 2012:

*Series 1999A* - This program was financed with revenue bonds in the amount of \$67,190,000 issued April 28, 1999 with a final maturity of April 1, 2029. On various dates in a prior fiscal year, the Council issued \$7,385,000 in revenue refunding bonds to advance refund certain 1999A revenue bonds. Additionally, Aventura, Hialeah, and Keystone Heights provided funds in a prior fiscal year to extinguish their share of the bonds. The remaining participant is Miami Shores Village.

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 1 – Organization and Significant Accounting Policies** (Continued)

A. Organization and Purpose (Continued)

*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 30, 2000 with a final maturity of November 30, 2030. On various dates in a prior fiscal year, Marco Island, North Miami Beach, and Oakland Park provided funds to extinguish their share of the bonds. The remaining participants are Deerfield Beach and New Smyrna 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 September 1, 2011, Avon Park provided funds to extinguish its share of the bonds. On various dates in the current fiscal year, Bonita Springs, Bradenton, Hallandale Beach, Largo, Safety Harbor, Sunny Isles Beach, and Wellington provided funds to extinguish their share of the bonds. The remaining participants are North Miami, South 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. On October 17, 2011, South Miami provided funds to extinguish a portion of its share of the bonds. On various dates in the current fiscal year, DeFuniak Springs, Golf, North Miami Beach, Palm Springs, Pinecrest, and Stuart provided funds to extinguish their share of the bonds. The remaining participants are Oakland and South Miami.

*Series 2002B* - This program was financed with revenue bonds in the amount of \$66,385,000 issued August 15, 2002 with a final maturity of August 1, 2032. The participant is North Miami Beach.

*Series 2002C* - This program was financed with revenue bonds in the amount of \$27,165,000 issued November 22, 2002 with a final maturity of November 1, 2022. On various dates in the current fiscal year, Sunny Isles Beach and Wellington provided funds to extinguish their share of the bonds. The remaining participants are Belle Isle and Oldsmar.

*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. The participants are Deerfield Beach, Hialeah, Lake Park and Palm Springs.

*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. The participants are Apopka, Bay Harbor Islands, Belle Isle, Deerfield Beach, Gadsden County and North Miami Beach.

*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. The participants are Haines City, Oakland Park, Pinecrest and St. Augustine Beach.

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 1 – Organization and Significant Accounting Policies** (Continued)

A. Organization and Purpose (Continued)

*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. The participants are Bartow, Hallandale Beach, Hialeah, Indian Shores, Inverness 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. The participants are Destin, Eatonville, Haines City, Melbourne Beach, Plant City and Seminole.

*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. The participants are Ft. Myers, Lauderdale Lakes, North Miami Beach and 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. The participants are Bartow, Dania Beach, Ft. Walton Beach, Palmetto Bay, Parkland, Port Richey and West Melbourne. On November 27, 2007, Ft. Walton Beach provided funds to advance refund its share of the bonds.

*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.

*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 2009 Seminole* - This program was financed with private placement revenue bonds in the amount of \$5,500,000 issued September 14, 2009 with a final maturity of September 3, 2019. The participant is Seminole.



**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 1 – Organization and Significant Accounting Policies** (Continued)

A. Organization and Purpose (Continued)

*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.

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.

In order to obtain credit market acceptance for all programs, except Series 2008A, Series 2009 St. Augustine Beach, Series 2009 Seminole, Series 2010AA, Series 2010BB (the private placement bonds), Series 2011B and Series 2012, 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. In accordance with GASB Statement 20, the Council has elected to apply only those applicable Financial Accounting Standards Board pronouncements issued on or before November 30, 1989.

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 1 – Organization and Significant Accounting Policies** (Continued)

- 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.

**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 Deutsche Bank Trust Company Americas, as Trustee (Trustee), the following funds and accounts were created.
  - 1. Project Loan Funds - The Project Loan Funds are created with deposits of the net bond proceeds for lending to the members. Moneys in the Project Loan Funds are segregated at closing into a separate account for each member. Earnings on the investment of these funds are credited to and held in each account. The proceeds and any earnings thereon are available to fund the projects of the members. Amounts on deposit in the Project Loan Funds are not subject to yield restriction for an initial period of up to three years. It is expected that the members will withdraw these funds within the initial period.
  - 2. Cost of Issuance Funds - The Cost of Issuance Funds are created with deposits at closing to pay certain costs related to the issuance of the bonds. Amounts remaining in these funds after payment of these costs, together with any investment earnings, are transferred to the Revenue Funds in accordance with the trust indentures.
  - 3. Principal Funds - All payments or recoveries of principal of loans or payments of any premium due upon optional redemption of the bonds are deposited to the Principal Funds. Amounts in the Principal Funds are used to pay principal payments on the bonds.
  - 4. Revenue Funds - All loan repayments, other than those amounts required to be deposited to the Principal Funds, plus all investment earnings on amounts in the funds and accounts (except the Rebate Funds and the Project Loan Funds) are deposited to the Revenue Funds. Amounts in the Revenue Funds are used to pay the interest due on the bonds and the fees and expenses of the Council.
  - 5. Reserve Funds - The Reserve Funds are established at closing with cash or the purchase of surety bonds in an amount equal to the reserve requirement of the program. Amounts held in each reserve fund are payable to the Trustee on any interest payment or redemption date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to the indentures and available for such purpose. If disbursement is made from a surety bond, the Council will reinstate the maximum limits of the surety bond as soon as moneys are available by repaying the amount disbursed with interest thereon at the rate set forth in the agreement. If a withdrawal is made from a cash reserve fund, the Council will replenish the applicable reserve requirement within twelve months with an amount received from the borrower.



**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

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

- B. Private Placement Program – The private placement program is a non-trusted program. The loan agreements do not require the establishment of funds and accounts by the Council. Additionally, pursuant to Article V of the loan agreements, the borrowers shall pay all loan repayments on behalf of the Council to the lenders.
- C. Rebate Funds - In order to 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.

**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, 2012, all cash and cash equivalents include demand deposits of \$15,169 and a money market fund. The fund is rated AAA and has a weighted average maturity (WAM) of 51 days at year-end. All deposits with financial institutions were 100% insured by Federal Depository Insurance. Details of investments held at September 30, 2012 are shown below:

	<u>Series 2000B</u>	<u>Series 2003A</u>	<u>Series 2003B</u>
<u>Investments</u>			
Florida Municipal Investment Trust (FMIvT) 0-2 Yr High Quality Bd Fd	\$ 749,743	\$ 511,580	\$ 10,162
Total Investments	<u>\$ 749,743</u>	<u>\$ 511,580</u>	<u>\$ 10,162</u>
	<u>Series 2005D</u>	<u>Series 2006</u>	<u>Series 2010 ABCD</u>
<u>Investments</u>			
FMIvT 0-2 Yr High Quality Bd Fd	\$ 1,414,921	\$ 883,104	\$ 1,234,721
FMIvT 1-3 Yr High Quality Bd Fd	322,420	-	-
Total Investments	<u>\$ 1,737,341</u>	<u>\$ 883,104</u>	<u>\$ 1,234,721</u>
	<u>Series 2011D</u>		
<u>Investments</u>			
FMIvT 0-2 Yr High Quality Bd Fd	\$ 28,898,191		
Total Investments	<u>\$ 28,898,191</u>		

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

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

	Series 2012	WAM (Years)
	<hr/>	<hr/>
<u>Investments</u>		
U.S. Agency Strips	\$ 2,113,800	1.35
U.S. Agency Bonds - Fixed Rate	15,258,344	1.68
U.S. Agency Bonds - Zero Coupon	4,111,618	1.47
U.S. Treasury Notes	31,703,231	0.90
U.S. Treasury Strips	<u>2,009,233</u>	1.62
Total Investments	<u>\$ 55,196,226</u>	

The FMIvT 0-2 Year High Quality Bond Fund and the FMIvT 1-3 Year High Quality Bond Fund are local government investment pools administered by the Florida League of Cities, Inc. (League). The FMIvT Board of Trustees exercises oversight responsibility over the pools. The fair values of the Council's position in the pools are equal to the fair value of the Council's shares.

The Project Loan Funds are invested in the FMIvT 0-2 Year High Quality Bond Fund, the FMIvT 1-3 Year High Quality Bond Fund, the money market fund and certain U.S. Treasury and agency obligations. The investments authorized by the trust indentures include direct obligations of the United States of America, evidence of ownership of a proportionate interest in obligations of the federal government, interest bearing demand or time deposits which are fully insured by the Federal Deposit Insurance Corporation or fully collateralized by obligations of the federal government, certain investment agreements or repurchase agreements, the FMIvT 0-2 Year High Quality Bond Fund, the FMIvT 1-3 Year High Quality Bond Fund, money market funds and the State Board of Administration's Local Government Surplus Funds Trust Fund (Florida Prime). 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 FMIvT 0-2 Year High Quality Bond Fund and the FMIvT 1-3 Year High Quality Bond Fund are rated AAA.

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses from rising interest rates, the Council's investment policy employs portfolio diversification, controlled duration strategies, and maturity durations as the primary methods of controlling risk. The Council's investment policy does not limit the duration of government agency obligations or governmental investment trusts. The FMIvT 0-2 Year High Quality Bond Fund and the FMIvT 1-3 Year High Quality Bond Fund have a weighted average maturity of 0.83 and 1.67 years, respectively, at year-end.

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**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, 2012 as follows:

Bonds Payable October 1, 2011	\$571,224,580
Bonds Issued	59,110,000
Accretion on Capital Appreciation Bonds	813,607
Bonds Redeemed	(20,710,133)
Bonds Defeased or Extinguished	(87,005,000)
Reduction of Bond Premium/Discount (Net)	<u>(2,148,030)</u>
Bonds Payable September 30, 2012	<u>\$521,285,024</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)

Series 1999A

These bonds bear interest at rates ranging from 4.50% to 5.125%. 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>
2013	\$ 90,000	\$ 115,225	\$ 205,225
2014	95,000	111,175	206,175
2015	100,000	106,306	206,306
2016	105,000	101,181	206,181
2017	110,000	95,800	205,800
2018-2022	630,000	392,863	1,022,863
2023-2027	805,000	219,500	1,024,500
2028-2029	380,000	28,750	408,750
Totals	<u>\$ 2,315,000</u>	<u>\$ 1,170,800</u>	<u>\$ 3,485,800</u>

Series 2000A

The Series 2000A bonds are comprised of capital appreciation bonds of \$5,754,752 plus accreted interest of \$6,173,692. The bonds bear interest at rates ranging from 5.60% to 6.08%. Interest is payable only at maturity or earlier redemption. The accreted amount will include both the original principal amount and interest compounded semi-annually on each April 1 and October 1.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 406,568	\$ 433,432	\$ 840,000
2014	611,262	733,738	1,345,000
2015	573,414	771,586	1,345,000
2016	523,401	821,486	1,344,887
2017	557,169	961,968	1,519,137
2018-2022	2,333,746	5,262,253	7,595,999
2023-2024	749,192	2,290,808	3,040,000
Totals	<u>\$ 5,754,752</u>	<u>\$ 11,275,271</u>	<u>\$ 17,030,023</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)Series 2000B

The Series 2000B bonds are comprised of \$1,980,000 current interest bonds and capital appreciation bonds of \$1,010,184 plus accreted interest of \$976,949. The current interest bonds bear interest at rates ranging from 4.95% to 5.75%. Interest is payable each May 1 and November 1 until final maturity. The capital appreciation 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>
2013	\$ 110,000	\$ 104,598	\$ 214,598
2014	120,000	98,425	218,425
2015	125,000	91,381	216,381
2016	135,000	83,906	218,906
2017	30,000	79,162	109,162
2018-2022	180,000	368,375	548,375
2023-2027	1,640,184	3,467,004	5,107,188
2028-2031	650,000	17,469	667,469
Totals	<u>\$ 2,990,184</u>	<u>\$ 4,310,320</u>	<u>\$ 7,300,504</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)

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.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 445,000	\$ 453,888	\$ 898,888
2014	465,000	430,556	895,556
2015	495,000	405,356	900,356
2016	515,000	378,844	893,844
2017	545,000	351,019	896,019
2018-2022	3,175,000	1,297,731	4,472,731
2023-2027	1,580,000	709,500	2,289,500
2028-2032	2,020,000	262,000	2,282,000
Totals	<u>\$ 9,240,000</u>	<u>\$ 4,288,894</u>	<u>\$ 13,528,894</u>

In the current year, the Council defeased \$46,620,000 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>
2013	\$ 165,000	\$ 291,569	\$ 456,569
2014	175,000	282,494	457,494
2015	185,000	272,869	457,869
2016	195,000	262,694	457,694
2017	205,000	251,969	456,969
2018-2022	1,210,000	1,080,969	2,290,969
2023-2027	1,535,000	744,594	2,279,594
2028-2032	1,975,000	313,138	2,288,138
Totals	<u>\$ 5,645,000</u>	<u>\$ 3,500,296</u>	<u>\$ 9,145,296</u>

In the current year, the Council defeased \$24,740,000 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, 2012**

**Note 5 – Bonds Payable** (Continued)Series 2002B

These bonds bear interest at rates ranging from 4.00% to 5.375%. 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>
2013	\$ 1,565,000	\$ 3,102,856	\$ 4,667,856
2014	1,625,000	3,040,256	4,665,256
2015	1,695,000	2,975,256	4,670,256
2016	1,785,000	2,884,150	4,669,150
2017	1,885,000	2,788,206	4,673,206
2018-2022	12,395,000	12,289,075	24,684,075
2023-2027	18,065,000	8,576,501	26,641,501
2028-2032	<u>23,110,000</u>	<u>3,579,750</u>	<u>26,689,750</u>
Totals	<u>\$ 62,125,000</u>	<u>\$ 39,236,050</u>	<u>\$101,361,050</u>

Series 2002C

These bonds bear interest at rates ranging from 4.00% 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>
2013	\$ 225,000	\$ 82,200	\$ 307,200
2014	115,000	74,681	189,681
2015	120,000	68,513	188,513
2016	130,000	61,950	191,950
2017	135,000	54,994	189,994
2018-2022	795,000	156,844	951,844
2023	<u>185,000</u>	<u>4,856</u>	<u>189,856</u>
Totals	<u>\$ 1,705,000</u>	<u>\$ 504,038</u>	<u>\$ 2,209,038</u>

In the current year, the Council defeased \$15,645,000 of the Series 2002C 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, 2012**

**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>
2013	\$ 2,280,000	\$ 3,022,387	\$ 5,302,387
2014	2,390,000	2,902,687	5,292,687
2015	2,025,000	2,777,212	4,802,212
2016	2,125,000	2,670,900	4,795,900
2017	2,105,000	2,559,337	4,664,337
2018-2022	12,300,000	11,024,713	23,324,713
2023-2027	15,605,000	7,724,800	23,329,800
2028-2032	17,650,000	3,674,750	21,324,750
2033	3,965,000	198,250	4,163,250
Totals	<u>\$ 60,445,000</u>	<u>\$ 36,555,036</u>	<u>\$ 97,000,036</u>

Series 2003B

These bonds bear interest at rates ranging from 4.00% 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>
2013	\$ 2,010,000	\$ 1,621,288	\$ 3,631,288
2014	1,625,000	1,538,431	3,163,431
2015	2,055,000	1,441,831	3,496,831
2016	2,170,000	1,330,925	3,500,925
2017	2,240,000	1,215,163	3,455,163
2018-2022	8,490,000	4,457,306	12,947,306
2023-2027	6,105,000	2,846,125	8,951,125
2028-2032	7,090,000	842,750	7,932,750
2033-2034	1,120,000	56,750	1,176,750
Totals	<u>\$ 32,905,000</u>	<u>\$ 15,350,569</u>	<u>\$ 48,255,569</u>



**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)Series 2004A-1

These bonds bear interest at rates ranging from 4.00% to 5.125%. 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>
2013	\$ 645,000	\$ 530,481	\$ 1,175,481
2014	680,000	504,681	1,184,681
2015	700,000	476,631	1,176,631
2016	730,000	446,881	1,176,881
2017	765,000	414,944	1,179,944
2018-2022	2,950,000	1,579,444	4,529,444
2023-2027	1,930,000	981,094	2,911,094
2028-2032	1,885,000	528,644	2,413,644
2033-2034	895,000	69,444	964,444
Totals	<u>\$ 11,180,000</u>	<u>\$ 5,532,244</u>	<u>\$ 16,712,244</u>

Series 2005A

These bonds bear interest at rates ranging from 3.50% 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>
2013	\$ 1,575,000	\$ 2,134,761	\$ 3,709,761
2014	1,640,000	2,072,593	3,712,593
2015	1,700,000	2,013,080	3,713,080
2016	1,770,000	1,947,310	3,717,310
2017	1,845,000	1,875,914	3,720,914
2018-2022	10,320,000	7,938,375	18,258,375
2023-2027	10,515,000	5,217,187	15,732,187
2028-2032	9,620,000	2,984,900	12,604,900
2033-2035	7,020,000	538,000	7,558,000
Totals	<u>\$ 46,005,000</u>	<u>\$ 26,722,120</u>	<u>\$ 72,727,120</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)

Series 2005B

These bonds bear interest at rates ranging from 3.40% 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>
2013	\$ 1,055,000	\$ 675,790	\$ 1,730,790
2014	805,000	643,768	1,448,768
2015	830,000	614,740	1,444,740
2016	795,000	583,900	1,378,900
2017	835,000	547,125	1,382,125
2018-2022	4,020,000	2,091,250	6,111,250
2023-2027	3,745,000	1,177,125	4,922,125
2028-2030	2,760,000	211,750	2,971,750
Totals	<u>\$ 14,845,000</u>	<u>\$ 6,545,448</u>	<u>\$ 21,390,448</u>

Series 2005C

These bonds bear interest at rates ranging from 3.50% 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>
2013	\$ 1,105,000	\$ 568,394	\$ 1,673,394
2014	1,145,000	529,719	1,674,719
2015	1,210,000	472,469	1,682,469
2016	1,275,000	411,969	1,686,969
2017	1,335,000	348,219	1,683,219
2018-2022	4,775,000	875,200	5,650,200
2023-2027	1,165,000	337,969	1,502,969
2028-2030	825,000	73,500	898,500
Totals	<u>\$ 12,835,000</u>	<u>\$ 3,617,439</u>	<u>\$ 16,452,439</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)Series 2005D

These bonds bear interest at rates ranging from 3.375% 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>
2013	\$ 865,000	\$ 793,888	\$ 1,658,888
2014	890,000	764,161	1,654,161
2015	740,000	736,081	1,476,081
2016	765,000	709,266	1,474,266
2017	800,000	679,400	1,479,400
2018-2022	4,490,000	2,877,750	7,367,750
2023-2027	4,870,000	1,711,388	6,581,388
2028-2032	2,615,000	880,538	3,495,538
2033-2036	2,560,000	236,700	2,796,700
Totals	<u>\$ 18,595,000</u>	<u>\$ 9,389,172</u>	<u>\$ 27,984,172</u>

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, 2012, \$900,000 of bonds outstanding are considered defeased.

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)

Series 2006

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

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 835,000	\$ 650,956	\$ 1,485,956
2014	875,000	616,756	1,491,756
2015	905,000	576,631	1,481,631
2016	950,000	530,256	1,480,256
2017	1,005,000	481,381	1,486,381
2018-2022	4,390,000	1,718,848	6,108,848
2023-2027	3,460,000	922,838	4,382,838
2028-2032	2,115,000	343,012	2,458,012
2033-2037	430,000	50,176	480,176
Totals	<u>\$ 14,965,000</u>	<u>\$ 5,890,854</u>	<u>\$ 20,855,854</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, 2012, \$3,695,000 of bonds outstanding are considered defeased.

Series 2007A

These bonds bear interest at rates ranging from 4.25% 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>
2013	\$ 1,580,000	\$ 2,200,900	\$ 3,780,900
2014	1,655,000	2,122,050	3,777,050
2015	1,740,000	2,037,175	3,777,175
2016	1,825,000	1,948,050	3,773,050
2017	1,920,000	1,854,425	3,774,425
2018-2022	11,095,000	7,770,563	18,865,563
2023-2027	14,160,000	4,680,250	18,840,250
2028-2032	9,580,000	1,492,250	11,072,250
2033	1,780,000	44,500	1,824,500
Totals	<u>\$ 45,335,000</u>	<u>\$ 24,150,163</u>	<u>\$ 69,485,163</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**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>
2013	\$ 599,389	\$ 737,758	\$ 1,337,147
2014	630,957	707,759	1,338,716
2015	662,017	676,234	1,338,251
2016	694,606	644,871	1,339,477
2017	727,083	608,492	1,335,575
2018-2022	4,216,965	2,460,696	6,677,661
2023-2027	5,362,739	1,297,732	6,660,471
2028-2029	2,533,016	125,352	2,658,368
Totals	<u>\$ 15,426,772</u>	<u>\$ 7,258,894</u>	<u>\$ 22,685,666</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>
2013	\$ 27,075	\$ 38,806	\$ 65,881
2014	28,529	37,352	65,881
2015	30,061	35,820	65,881
2016	31,675	34,205	65,880
2017	33,376	32,504	65,880
2018-2022	195,769	133,633	329,402
2023-2027	254,291	75,113	329,404
2028-2029	121,860	9,901	131,761
Totals	<u>\$ 722,636</u>	<u>\$ 397,334</u>	<u>\$ 1,119,970</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)

Series 2009 Seminole

These bonds bear interest at 5.04%. Interest is payable each March 1 and September 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>
2013	\$ 506,391	\$ 207,268	\$ 713,659
2014	531,913	181,746	713,659
2015	558,721	154,938	713,659
2016	586,881	126,778	713,659
2017	616,459	97,200	713,659
2018-2019	1,312,111	99,628	1,411,739
Totals	<u>\$ 4,112,476</u>	<u>\$ 867,558</u>	<u>\$ 4,980,034</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.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 610,000	\$ 1,095,569	\$ 1,705,569
2014	625,000	1,081,556	1,706,556
2015	645,000	1,066,619	1,711,619
2016	650,000	1,051,931	1,701,931
2017	675,000	1,032,475	1,707,475
2018-2022	3,745,000	4,780,119	8,525,119
2023-2027	4,505,000	4,026,891	8,531,891
2028-2032	5,255,000	2,980,759	8,235,759
2033-2037	5,320,000	1,829,012	7,149,012
2038-2041	5,210,000	501,016	5,711,016
Totals	<u>\$ 27,240,000</u>	<u>\$ 19,445,947</u>	<u>\$ 46,685,947</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)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>
2013	\$ 70,000	\$ 71,994	\$ 141,994
2014	75,000	69,012	144,012
2015	75,000	65,817	140,817
2016	80,000	62,622	142,622
2017	85,000	59,214	144,214
2018-2022	470,000	238,985	708,985
2023-2027	570,000	130,995	700,995
2028-2029	265,000	17,041	282,041
Totals	<u>\$ 1,690,000</u>	<u>\$ 715,680</u>	<u>\$ 2,405,680</u>

Series 2010BB

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

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 50,000	\$ 45,200	\$ 95,200
2014	50,000	43,200	93,200
2015	50,000	41,200	91,200
2016	55,000	39,200	94,200
2017	55,000	37,000	92,000
2018-2022	315,000	149,400	464,400
2023-2027	380,000	81,600	461,600
2028-2029	175,000	10,600	185,600
Totals	<u>\$ 1,130,000</u>	<u>\$ 447,400</u>	<u>\$ 1,577,400</u>

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)

Series 2011 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>
2013	\$ 530,000	\$ 181,375	\$ 711,375
2014	545,000	165,800	710,800
2015	565,000	149,725	714,725
2016	575,000	134,363	709,363
2017	590,000	119,060	709,060
2018-2022	2,020,000	337,976	2,357,976
2023-2027	425,000	163,126	588,126
2028-2031	430,000	44,250	474,250
Totals	<u>\$ 5,680,000</u>	<u>\$ 1,295,675</u>	<u>\$ 6,975,675</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.

The following is a schedule of debt service requirements:

<u>Maturities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 310,000	\$ 2,401,538	\$ 2,711,538
2014	320,000	2,392,088	2,712,088
2015	580,000	2,378,587	2,958,587
2016	850,000	2,357,137	3,207,137
2017	955,000	2,330,062	3,285,062
2018-2022	5,305,000	11,109,707	16,414,707
2023-2027	6,525,000	9,852,693	16,377,693
2028-2032	8,360,000	7,975,712	16,335,712
2033-2037	10,840,000	5,445,882	16,285,882
2038-2042	14,190,000	2,035,550	16,225,550
Totals	<u>\$ 48,235,000</u>	<u>\$ 48,278,956</u>	<u>\$ 96,513,956</u>



**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 5 – Bonds Payable** (Continued)Series 2012

These bonds bear interest at rates ranging from 1.50% 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>
2013	\$ -	\$ 966,328	\$ 966,328
2014	-	1,029,225	1,029,225
2015	8,960,000	1,015,818	9,975,818
2016	41,550,000	600,125	42,150,125
2017	8,600,000	49,311	8,649,311
Totals	<u>\$ 59,110,000</u>	<u>\$ 3,660,807</u>	<u>\$ 62,770,807</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 22, 2011, sixty percent of these fees are paid to the League. Forty percent of the program administration fees are retained by the Council to fund FMLC general operations. Effective October 1, 2012, forty percent of the fees will be paid to the League and sixty percent will be retained by the Council.

**Note 7 – Related Party Transactions**

Pursuant to an administrative agreement as described in Note 6, the League administers the Council's programs. At September 30, 2012, \$153,892 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.

**Florida Municipal Loan Council**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2012**

**Note 9 – Surety Bond Trust Fund**

On September 20, 2001, the Board of Directors approved a resolution authorizing amendments to the trust indentures of the Series 1999A and the Series 2000B and the establishment of the Surety Bond Trust Fund. The surety bonds of these 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 the Capital Access Program (CAP). Through the CAP, 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 this program.

**Note 11 – Subsequent Events**

Since year-end, several members have provided funds to defease their share of the bonds. The table below shows these members and each member's share of the debt as of September 30, 2012:

Series 2000B	Deerfield Beach	\$ 1,580,000
Series 2002B	North Miami Beach	62,125,000
Series 2002C	Oldsmar	1,590,000
Series 2003A	Deerfield Beach	6,855,000
Series 2003A	Hialeah	39,940,000
Series 2003B	Bay Harbor Islands	4,445,000
Series 2003B	Deerfield Beach	14,555,000

The Council issued the Florida Municipal Loan Council Revenue Bonds, Series 2012A in the amount of \$41,620,000 on November 8, 2012. The proceeds will be used to refund certain Series 2003A bonds. The Council also issued the Florida Municipal Loan Council Revenue Bonds, Series 2012 B1 & B2 in the amount of \$34,860,000 on December 4, 2012. The proceeds will be used to refund certain Series 2000B, Series 2003A, and Series 2003B bonds.

**Note 12 – Commitments and Contingencies**

The City of South Miami (South Miami) participated in the Florida Municipal Loan Council Revenue Bonds Series 2002A and 2006 to finance the construction of a public parking garage. Issues have been brought to the attention of the Council regarding the tax-exempt status of the interest on the bonds, primarily related to the South Miami parking garage lease agreements and its related loan to the tenant. On August 17, 2011, the Council, South Miami and the Internal Revenue Service entered into a Closing Agreement on Final Determination to preserve the tax-exempt status of the interest on the bonds. On July 21, 2010, the League received a copy of an Order from the Securities and Exchange Commission. The Order, dated July 19, 2010, alleges that, among other things, there may have been a failure to disclose material facts concerning the tax-exempt status of the 2002A and 2006 bonds. The League, as Administrator to the Council, has retained attorneys to represent the Council before the SEC. Management's opinion is that the above matters are primarily the responsibility of South Miami and will not result in a material adverse impact on the financial statements of the Council.

**Florida Municipal Loan Council  
Schedule of Issues Outstanding  
As of September 30, 2012**

	Original Par Amount of Bonds	9/30/12 Principal Outstanding	Years Amortized
<i>Revenue Bonds, Series 1999A - April 1999</i>			
Miami Shores Village	\$ 3,200,000.00	\$ 2,315,000.00	30
<b>TOTAL</b>	<b>\$ 3,200,000.00</b>	<b>\$ 2,315,000.00</b>	
<i>Revenue Bonds, Series 2000A - May 2000</i>			
Deerfield Beach	\$ 9,978,847.50	\$ 5,754,752.00	25
<b>TOTAL</b>	<b>\$ 9,978,847.50</b>	<b>\$ 5,754,752.00</b>	
<i>Revenue Bonds, Series 2000B - November 2000</i>			
Deerfield Beach	\$ 2,820,183.75	\$ 2,615,184.00	27
New Smyrna Beach	1,985,000.00	375,000.00	15
<b>TOTAL</b>	<b>\$ 4,805,183.75</b>	<b>\$ 2,990,184.00</b>	
<i>Revenue Bonds, Series 2001A - November 2001</i>			
North Miami	\$ 5,545,000.00	\$ 3,430,000.00	20
South Miami	2,200,000.00	1,780,000.00	30
Southwest Ranches	4,985,000.00	4,030,000.00	30
<b>TOTAL</b>	<b>\$ 12,730,000.00</b>	<b>\$ 9,240,000.00</b>	
<i>Revenue Bonds, Series 2002A - May 2002</i>			
Oakland	\$ 2,545,000.00	\$ 2,060,000.00	30
South Miami	6,500,000.00	3,585,000.00	30
<b>TOTAL</b>	<b>\$ 9,045,000.00</b>	<b>\$ 5,645,000.00</b>	
<i>Revenue Bonds, Series 2002B - August 2002</i>			
North Miami Beach	\$ 66,385,000.00	\$ 62,125,000.00	30
<b>TOTAL</b>	<b>\$ 66,385,000.00</b>	<b>\$ 62,125,000.00</b>	
<i>Revenue Bonds, Series 2002C - November 2002</i>			
Belle Isle	\$ 955,000.00	\$ 115,000.00	10
Oldsmar	2,425,000.00	1,590,000.00	20
<b>TOTAL</b>	<b>\$ 3,380,000.00</b>	<b>\$ 1,705,000.00</b>	
<i>Revenue Bonds, Series 2003A - May 2003</i>			
Deerfield Beach	\$ 11,965,000.00	\$ 6,855,000.00	25
Hialeah	48,135,000.00	39,940,000.00	30
Lake Park	4,810,000.00	4,065,000.00	30
Palm Springs	11,550,000.00	9,585,000.00	30
<b>TOTAL</b>	<b>\$ 76,460,000.00</b>	<b>\$ 60,445,000.00</b>	

**Florida Municipal Loan Council  
Schedule of Issues Outstanding  
As of September 30, 2012**

	Original Par Amount of Bonds	9/30/12 Principal Outstanding	Years Amortized
<i>Revenue Bonds, Series 2003B - December 2003</i>			
Apopka	\$ 1,955,000.00	\$ 1,045,000.00	15
Bay Harbor Islands	9,360,000.00	7,915,000.00	30
Belle Isle	985,000.00	220,000.00	10
Deerfield Beach	17,890,000.00	14,555,000.00	25
Gadsden County	8,850,000.00	4,720,000.00	15
North Miami Beach	7,765,000.00	4,450,000.00	16
<b>TOTAL</b>	<b>\$ 46,805,000.00</b>	<b>\$ 32,905,000.00</b>	
<i>Revenue Bonds, Series 2004A - July 2004</i>			
Haines City CRA	\$ 5,000,000.00	\$ 2,695,000.00	15
Haines City Rail Spur	3,200,000.00	2,705,000.00	30
Oakland Park	1,810,000.00	1,530,000.00	30
Pincrest	3,075,000.00	2,130,000.00	20
St. Augustine Beach	2,500,000.00	2,120,000.00	30
<b>TOTAL</b>	<b>\$ 15,585,000.00</b>	<b>\$ 11,180,000.00</b>	
<i>Revenue Bonds, Series 2005A - February 2005</i>			
Bartow	\$ 4,800,000.00	\$ 3,530,000.00	20
Hallandale Beach	8,800,000.00	6,480,000.00	20
Hialeah	29,090,000.00	25,190,000.00	30
Indian Shores	5,930,000.00	5,140,000.00	30
Inverness	5,455,000.00	4,725,000.00	30
Valparaiso	1,555,000.00	940,000.00	15
<b>TOTAL</b>	<b>\$ 55,630,000.00</b>	<b>\$ 46,005,000.00</b>	
<i>Revenue Refunding Bonds, Series 2005B - May 2005</i>			
Destin	\$ 6,875,000.00	\$ 6,275,000.00	24
Eatonville	1,405,000.00	1,180,000.00	24
Haines City	3,355,000.00	3,080,000.00	24
Melbourne Beach	1,620,000.00	1,485,000.00	24
Plant City	3,180,000.00	2,550,000.00	14
Seminole	1,710,000.00	275,000.00	7
<b>TOTAL</b>	<b>\$ 18,145,000.00</b>	<b>\$ 14,845,000.00</b>	
<i>Revenue Refunding Bonds, Series 2005C - July 2005</i>			
Fort Myers	\$ 4,970,000.00	\$ 3,975,000.00	15
Lauderdale Lakes	4,105,000.00	3,680,000.00	25
North Miami Beach	5,380,000.00	4,265,000.00	15
Port Richey	1,155,000.00	915,000.00	15
<b>TOTAL</b>	<b>\$ 15,610,000.00</b>	<b>\$ 12,835,000.00</b>	

**Florida Municipal Loan Council  
Schedule of Issues Outstanding  
As of September 30, 2012**

	Original Par Amount of Bonds	9/30/12 Principal Outstanding	Years Amortized
<i>Revenue Bonds, Series 2005D - September 2005</i>			
Bartow	\$ 2,655,000.00	\$ 2,055,000.00	20
Dania Beach	6,775,000.00	5,985,000.00	30
Palmetto Bay	1,495,000.00	1,345,000.00	30
Parkland	2,775,000.00	2,145,000.00	20
Port Richey	4,545,000.00	3,260,000.00	30
West Melbourne	4,910,000.00	3,805,000.00	20
<b>TOTAL</b>	<b>\$ 23,155,000.00</b>	<b>\$ 18,595,000.00</b>	
<i>Revenue Bonds, Series 2006 - January 2007</i>			
Belle Isle	\$ 1,480,000.00	\$ 1,235,000.00	20
Deerfield Beach	5,965,000.00	5,260,000.00	25
Gadsden County	2,415,000.00	1,925,000.00	16
South Miami	5,625,000.00	1,445,000.00	30
St. Pete Beach	3,915,000.00	2,570,000.00	12
Valparaiso	2,965,000.00	2,530,000.00	20
<b>TOTAL</b>	<b>\$ 22,365,000.00</b>	<b>\$ 14,965,000.00</b>	
<i>Revenue Bonds, Series 2007A - September 2007</i>			
Haines City	\$ 26,200,000.00	\$ 23,890,000.00	25
Hallandale Beach	24,615,000.00	21,445,000.00	20
<b>TOTAL</b>	<b>\$ 50,815,000.00</b>	<b>\$ 45,335,000.00</b>	
<i>Revenue Bonds, Series 2008A - August 2008</i>			
Deerfield Beach	\$ 17,028,785.98	\$ 15,426,771.77	20
<b>TOTAL</b>	<b>\$ 17,028,785.98</b>	<b>\$ 15,426,771.77</b>	
<i>Revenue Bonds, Series 2009 St. Augustine Beach - July 2009</i>			
St. Augustine Beach	\$ 5,350,000.00	\$ 722,636.16	20
<b>TOTAL</b>	<b>\$ 5,350,000.00</b>	<b>\$ 722,636.16</b>	
<i>Revenue Bonds, Series 2009 Seminole - September 2009</i>			
Seminole	\$ 5,500,000.00	\$ 4,112,475.96	10
<b>TOTAL</b>	<b>\$ 5,500,000.00</b>	<b>\$ 4,112,475.96</b>	
<i>Revenue Bonds, Series 2010 ABCD - August 2010</i>			
Palatka	\$ 7,665,000.00	\$ 7,555,000.00	30
Palmetto Bay	14,780,000.00	14,555,000.00	30
Valparaiso	1,465,000.00	1,440,000.00	30
West Melbourne	3,820,000.00	3,690,000.00	20
<b>TOTAL</b>	<b>\$ 27,730,000.00</b>	<b>\$ 27,240,000.00</b>	

**Florida Municipal Loan Council  
Schedule of Issues Outstanding  
As of September 30, 2012**

	Original Par Amount of Bonds	9/30/12 Principal Outstanding	Years Amortized
<i>Revenue Refunding Bonds, Series 2010AA - December 2010</i>			
St. Augustine Beach	\$ 1,835,000.00	\$ 1,690,000.00	19
<b>TOTAL</b>	<u>\$ 1,835,000.00</u>	<u>\$ 1,690,000.00</u>	
<i>Revenue Refunding Bonds, Series 2010BB - December 2010</i>			
Eagle Lake	\$ 1,230,000.00	\$ 1,130,000.00	19
<b>TOTAL</b>	<u>\$ 1,230,000.00</u>	<u>\$ 1,130,000.00</u>	
<i>Revenue Refunding Bonds, Series 2011 B-1 &amp; Revenue Bonds, Series 2011 B-2 - March 2011</i>			
Pinecrest B-1	\$ 4,320,000.00	\$ 4,205,000.00	8
Pinecrest B-2	1,505,000.00	1,475,000.00	19
<b>TOTAL</b>	<u>\$ 5,825,000.00</u>	<u>\$ 5,680,000.00</u>	
<i>Revenue Bonds, Series 2011D - May 2011</i>			
Hialeah	\$ 48,235,000.00	\$ 48,235,000.00	30
<b>TOTAL</b>	<u>\$ 48,235,000.00</u>	<u>\$ 48,235,000.00</u>	
<i>Infrastructure Improvement Revenue Bonds, Series 2012 - September 2012</i>			
Infrastructure Development Partners	\$ 59,110,000.00	\$ 59,110,000.00	4.5
<b>TOTAL</b>	<u>\$ 59,110,000.00</u>	<u>\$ 59,110,000.00</u>	
<b>TOTALS</b>	<u>\$ 605,937,817.23</u>	<u>\$ 510,231,819.89</u>	



# 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 any net income or net assets. 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.





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

Periods Ending September 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>OPERATING REVENUES</b>										
Loan Interest and Member Reimbursements	\$ 24,146,696	\$ 29,427,454	\$ 29,934,952	\$ 30,396,954	\$ 30,674,413	\$ 28,724,439	\$ 28,266,120	\$ 26,836,313	\$ 24,805,196	\$ 20,745,421
Investment Earnings	123,137	96,874	205,450	1,015,487	2,653,706	4,653,752	6,874,399	5,615,387	3,320,750	3,892,558
Income Allocated to Members	1,131,001	-	-	-	-	-	-	-	-	-
Rebatable Arbitrage	-	(11,041)	2,389	27,862	82,032	(129,550)	-	-	2,396	614,227
<b>Total Operating Revenues</b>	<b>25,400,834</b>	<b>29,513,287</b>	<b>30,142,791</b>	<b>31,440,303</b>	<b>33,410,151</b>	<b>33,248,641</b>	<b>35,140,519</b>	<b>32,451,700</b>	<b>28,128,342</b>	<b>25,252,206</b>
<b>OPERATING EXPENSES</b>										
Administrator Fees	23,319,981	27,987,768	28,625,695	29,093,696	29,370,926	27,502,409	27,065,870	25,625,903	23,454,474	19,833,381
Other Expenses	231,969	511,375	510,617	532,991	542,150	501,905	488,078	482,032	416,493	334,721
FMLC General Operating Expenses	97,802	-	-	-	-	-	-	-	-	-
Trustee Fees	187,950	-	-	-	-	-	-	-	-	-
Dealer Fees	-	198,760	38,469	49,999	41,492	47,855	61,633	58,058	50,346	40,765
Letter of Credit Fees	-	7,606	10,692	10,849	10,849	6,182	-	-	-	-
Cost of Issuance Expenses	-	113,674	94,697	35,987	35,680	20,409	-	-	-	-
Loss (Income) Allocated to Members	960,448	1,122,650	691,574	49,200	30,779	1,385,260	-	1,462,785	1,359,206	1,938,208
	583,951	(428,546)	171,047	1,667,581	3,378,275	3,784,621	7,524,938	4,822,922	2,847,823	3,105,131
<b>Total Operating Expenses</b>	<b>25,382,101</b>	<b>29,513,287</b>	<b>30,142,791</b>	<b>31,440,303</b>	<b>33,410,151</b>	<b>33,248,641</b>	<b>35,140,519</b>	<b>32,451,700</b>	<b>28,128,342</b>	<b>25,252,206</b>
<b>Net Income</b>	<b>18,733</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Net Assets, Beginning of Year</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Fund Net Assets, End of Year</b>	<b>\$ 18,733</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

**Florida Municipal Loan Council**  
**SCHEDULE OF OUTSTANDING PRINCIPAL\***  
Periods Ending September 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
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	\$ 55,470,000	\$ 57,600,000	\$ 59,655,000
Revenue Bonds, Series 1999B	-	-	-	1,020,000	1,995,000	2,925,000	3,815,000	4,660,000	23,300,000	24,080,000
Revenue Bonds, Series 2000A*	11,928,444	12,060,236	12,192,265	13,219,808	14,193,298	15,128,194	16,019,900	16,873,748	31,398,324	31,525,798
Revenue Bonds, Series 2000B*	3,967,133	3,966,735	35,482,469	36,328,995	37,185,993	37,993,166	38,755,220	39,661,882	40,517,890	41,323,013
Revenue Bonds, Series 2001A	9,240,000	58,015,000	62,745,000	66,720,000	70,500,000	74,110,000	77,575,000	80,895,000	84,085,000	87,170,000
Revenue Bonds, Series 2002A	5,645,000	31,500,000	35,455,000	37,590,000	39,645,000	41,620,000	43,515,000	45,330,000	47,050,000	48,430,000
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	66,385,000	66,385,000	66,385,000
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	25,235,000	26,215,000	27,165,000
Revenue Bonds, Series 2003A	60,445,000	62,610,000	64,670,000	66,635,000	68,540,000	70,390,000	72,185,000	73,910,000	75,430,000	76,460,000
Revenue Bonds, Series 2003B	32,905,000	34,865,000	36,755,000	38,595,000	40,390,000	42,140,000	43,860,000	45,545,000	46,805,000	-
Revenue Bonds, Series 2004A	11,180,000	11,805,000	15,215,000	18,510,000	21,705,000	24,805,000	27,915,000	30,760,000	31,235,000	-
Revenue Bonds, Series 2005A	46,005,000	47,535,000	49,005,000	50,425,000	51,800,000	53,135,000	54,425,000	55,630,000	-	-
Revenue Refunding Bonds, Series 2005B	14,845,000	16,140,000	17,400,000	17,585,000	17,750,000	17,915,000	18,075,000	18,145,000	-	-
Revenue Refunding Bonds, Series 2005C	12,835,000	13,910,000	14,960,000	15,050,000	15,150,000	15,245,000	15,330,000	15,610,000	-	-
Revenue Bonds, Series 2005D	18,595,000	19,425,000	20,235,000	21,015,000	21,775,000	22,437,000	23,000,000	23,200,000	-	-
Revenue Bonds, Series 2006	14,965,000	15,760,000	20,380,000	21,190,000	21,970,000	22,365,000	-	-	-	-
Revenue Bonds, Series 2007A	45,335,000	46,840,000	48,280,000	49,660,000	50,815,000	50,815,000	-	-	-	-
Revenue Bonds, Series 2008A	15,426,772	16,019,116	16,623,792	17,028,786	17,028,786	-	-	-	-	-
Revenue Bonds, Series 2009 St. Augustine Beach	722,636	748,331	5,194,825	5,350,000	-	-	-	-	-	-
Revenue Bonds, Series 2009 Seminole	4,112,476	4,594,569	5,053,531	5,500,000	-	-	-	-	-	-
Revenue Bonds, Series 2010ABCD	272,400,000	277,300,000	277,300,000	-	-	-	-	-	-	-
Revenue Bonds, Series 2010AA	1,690,000	1,755,000	-	-	-	-	-	-	-	-
Revenue Bonds, Series 2010BB	1,130,000	1,175,000	-	-	-	-	-	-	-	-
Revenue Bonds, Series 2011B	5,680,000	5,825,000	-	-	-	-	-	-	-	-
Revenue Bonds, Series 2011D	48,235,000	48,235,000	-	-	-	-	-	-	-	-
Revenue Bonds, Series 2012	59,110,000	-	-	-	-	-	-	-	-	-
Commercial Paper	-	-	13,981,000	15,498,000	15,498,000	15,498,000	-	-	-	-
<b>TOTAL</b>	<b>\$517,382,461</b>	<b>\$565,173,987</b>	<b>\$629,697,882</b>	<b>\$629,580,589</b>	<b>\$642,481,077</b>	<b>\$648,609,360</b>	<b>\$580,230,120</b>	<b>\$599,310,650</b>	<b>\$530,021,214</b>	<b>\$462,193,811</b>

\*Amounts include accreted interest

Florida Municipal Loan Council  
**SCHEDULE OF TEN LARGEST BORROWERS BY AMOUNT BORROWED**  
 As of September 30, 2012

Borrower	Population	Number of Loans	Total Borrowed	% of All Loans
City of Hialeah	227,395	4	\$155,460,000	17%
City of North Miami Beach	42,113	6	115,500,000	12%
City of Deerfield Beach	75,506	8	65,647,817	7%
Infrastructure Development Partners	N/A	1	59,110,000	6%
City of Haines City	20,837	4	41,605,000	4%
City of Hallandale Beach	37,732	3	38,185,000	4%
City of Bonita Springs	45,129	1	36,565,000	4%
City of Sunny Isles Beach	21,395	2	27,815,000	3%
Village of Pinecrest*	18,447	5	24,795,000	3%
City of Aventura	37,239	1	21,000,000	2%
<b>TOTAL</b>		<b>35</b>	<b>\$585,682,817</b>	<b>63%</b>

Total FMLC Loans\*\*

113 \$930,300,817

\*Borrower also closed \$4.86 million loan closed through the Capital Access Program. This amount is not reflected in the totals.

\*\*The Council has issued more than \$930 million in bonds to make 113 loans and facilitated 4 additional bank loans totaling \$12 million through the Capital Access Program.

**Florida Municipal Loan Council**

**List of Borrowers and Original Loan Amounts, as of September 30, 2012**

<b>Borrower</b>	<b>Population</b>	<b># of Loans</b>	<b>Total Borrowed</b>	<b>Project Info</b>
City of Apopka	42,805	1	\$1,955,000	City Hall, Fire Station
City of Aventura	37,239	1	21,000,000	Land Acquisition, City Hall
City of Avon Park	9,086	1	1,910,000	Street Improvements
City of Bartow	17,316	2	7,455,000	Main Street Redesign, Gymnasium
Town of Bay Harbor Islands	5,755	1	9,360,000	Street Improvements, Capital Projects
City of Belle Isle	6,361	3	3,420,000	Capital Improvements, City Parks, Stormwater Project
City of Bonita Springs	45,129	1	36,565,000	Street Improvements
City of Bradenton**	50,389	1	3,100,000	Street and Park Improvements
City of Cape Coral	160,184	1	4,580,000	Refunding of Existing Bonds
City of Dania Beach	29,873	1	6,775,000	Library, Fire & Police Station, Parks
City of Deerfield Beach	75,506	8	65,647,817	Land Acquisition, Community Center, Water & Sewer, Refunding, Street improvements, Public Works Facilities
City of DeFuniak Springs**	5,298	1	1,245,000	Natural Gas Project
City of Destin	12,404	2	14,760,000	Sports & Recreation Complex, Library, Public Works Facility, Refunding
City of Eagle Lake	2,286	2	2,765,000	Water System, Public Works Facility, City Hall improvements, Refunding
Town of Eatonville	2,232	2	3,345,000	Town Hall, Refunding
City of Fort Myers	66,835	2	12,575,000	Ferry Terminal Facility, Community Center, Infrastructure Projects, Refunding
City of Fort Walton Beach	20,194	2	3,295,000	Improving Pump Station, Land Acquisition
Gadsden County	47,506	2	11,265,000	Library, Capital Projects
Village of Golf	252	1	2,240,000	Membrane Water Plant
City of Haines City	20,837	4	41,605,000	Railroad Spur, CRA Projects, New Police Facility, Renovate City Hall, Refunding
City of Hallandale Beach	37,732	3	38,185,000	Water Treatment Plant, Land Acquisition, CRA Projects
City of Hialeah	227,395	4	155,460,000	Street Improvements, Courthouse, Water Plant
Town of Indian Shores	1,420	1	5,930,000	Undergrounding of Utilities
City of Inverness	7,195	1	5,455,000	City Hall Complex
City of Keystone Heights	1,336	1	1,000,000	Street Improvements
Town of Lake Park	8,272	1	4,810,000	Marina Improvements
City of Largo	77,836	1	9,250,000	Sewer System Improvements, Expansion of Public Works Complex
City of Lauderdale Lakes	33,168	2	8,555,000	Community Center, Land Acquisition, Refunding
Town of Longboat Key	6,878	1	15,650,000	Beach Renourishment
City of Marco Island	16,521	1	985,000	Bridge Construction
Town of Melbourne Beach	3,098	2	3,470,000	City Hall Improvements, Refunding

## Florida Municipal Loan Council

### List of Borrower and Original Loan Amounts, as of September 30, 2012

Borrower	Population	# of Loans	Total Borrowed	Project Info
Village of Miami Shores	10,659	1	3,200,000	New Aquatic Facility
City of New Smyrna Beach	22,792	1	1,985,000	Parks & Recreation Improvements
City of North Miami	60,313	2	8,880,000	Stormwater System, Refunding
City of North Miami Beach	42,113	6	115,500,000	Bike Trail, Refunding, Street & Water System Improvements, Capital Projects
Town of Oakland	2,534	1	2,545,000	Town Hall, Police, & Fire Facilities
City of Oakland Park	42,020	2	20,310,000	Stormwater System, Water & Sewer System Improvements
City of Oldsmar	13,583	1	2,425,000	Land Acquisition, Capital Improvements
City of Palatka	10,203	1	7,665,000	Refunding of Existing Loans
City of Palm Bay*	103,681	1	15,498,000	Street Improvements
Village of Palm Springs	19,769	2	19,440,000	Municipal Complex, Water & Sewer System Improvements
Village of Palmetto Bay	23,643	2	16,275,000	Municipal Complex, Village Hall, Refunding
City of Parkland	24,872	1	2,775,000	CRA Projects
Village of Pinecrest**	18,447	5	24,795,000	Village Hall, Police Station, 10-acre Park, Parrot Jungle Conversion, Library, Capital Improvements, Refunding
City of Plant City	34,963	2	7,955,000	Sports Stadium Improvements, Refunding
City of Port Richey	2,672	3	7,390,000	New City Hall, Refunding, Water & Sewer System
City of Safety Harbor**	16,851	1	3,610,000	Refunding, Treatment Plant Improvements
City of Seminole	17,184	3	13,155,000	Recreation Facility Improvements, Refunding, Emergency Operations Center & Public Works Projects
City of South Miami	13,576	3	14,325,000	Park Improvements, Parking Garage
Town of Southwest Ranches	7,385	1	4,985,000	Town Hall
City of St. Augustine Beach	6,258	4	11,985,000	Street Improvements, City Hall, Land Acquisition, Refunding
City of St. Pete Beach	9,357	2	6,265,000	City Hall, Recreation Complex
City of Stuart	15,725	1	2,190,000	Stormwater Projects, Fire Station
City of Sunny Isles Beach	21,395	2	27,815,000	Refunding, City Hall, Street & Park Improvements, Police Station, Public Works Facility
City of Valparaiso	5,226	3	5,985,000	Refunding, Utility Projects, Cable System Upgrades, Wastewater & Sewer Treatment Plant
Village of Wellington	57,514	2	11,895,000	Public Building, Street & Stormwater Improvements
City of West Melbourne	19,118	2	8,730,000	Wastewater Plant, Water Line
Infrastructure Development Partners	N/A	1	\$59,110,000	Construction of State Road 9B
<b>TOTAL LOANS***</b>		<b>113</b>	<b>\$930,300,817</b>	

\*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 \$930 million in bonds to make 113 loans and also facilitated 4 additional bank loans totaling \$12 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 invest loan proceeds in one or all of the following approved funds offered by the program:

- ▶ Goldman Sachs Financial Square Prime Obligations Fund (Money Market)
- ▶ Florida Municipal Investment Trust (FMLvT) 0-2 Year High Quality Bond Fund
- ▶ Florida Municipal Investment Trust (FMLvT) 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.

### Goldman Sachs Financial Square Prime Obligations Fund (GSPXX) (Inception 1/31/2000)

The Goldman Sachs Financial Square Prime Obligations Fund is a money market investment option to borrowers in the program. Goldman Sachs Asset Management, L.P., is the investment advisor. The fund seeks to maintain a stable net asset value of \$1.00 per share, and shares of the fund may be redeemed or purchased on any business day. The fund invests in obligations issued or guaranteed by U.S. government agencies, authorities, instrumentalities or sponsored enterprises; obligations of U.S. banks, commercial paper; other short-term obligations of U.S. companies, states, and municipalities and other entities; and repurchase agreements. The fund is rated AAA. Total expenses are approximately 21 bps.

**Objective.** The fund's objective is to maximize income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing exclusively in high-quality money market instruments. The fund is designed to provide an investment alternative for members with a short-term investment horizon, typically less than one year.

**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 quarter and year to year up to the last 10 years.

Performance Returns – Net of All Fees and Expenses					
Periods Ending September 30, 2012					
	Qtr.	1 Year	3 Years	5 Years	10 Years
Goldman Sachs Financial Square Prime Obligations Fund <sup>1</sup>	0.03%	0.09%	0.08%	.88%	1.89%
90 Day U.S. T-Bills Index	0.03%	0.07%	0.34%	3.66%	19.81%

<sup>1</sup>Performance returns reported by Capital Management Co. and Goldman Sachs.

## Goldman Sachs Financial Square Prime Obligations Fund (GSPXX) (continued)

As of September 30, 2012, the Goldman Sachs Financial Square Prime Obligations Fund held 202 securities. The top 10 holdings are listed below.

#	Issuer	Category of Investment	Effective Maturity Date	Coupon Rate/Yield (%)	Amortized Cost (\$)
1	Credit Agricole Corporate and Investment Bank(a)	Government Agency Repurchase Agreement	10/01/12	0.219	1,007,630,813.95
2	JP Morgan Securities LLC	Government Agency Repurchase Agreement	10/01/12	0.180	512,000,000.00
3	Citigroup Global Markets, Inc.	Government Agency Repurchase Agreement	10/01/12	0.240	500,000,000.00
4	Credit Suisse Securities (USA) LLC	Government Agency Repurchase Agreement	11/13/12	0.250	500,000,000.00
5	U.S. Bank	Other Note	10/01/12	0.180	500,000,000.00
6	Federal Home Loan Mortgage Corp.	Government Agency Debt	10/03/12	0.181	499,881,377.84
7	Federal Home Loan Mortgage Corp.	Government Agency Debt	10/04/12	0.181	494,913,062.53
8	U.S. Treasury Note	Treasury Debt	03/31/13	0.750	383,622,317.89
9	Citibank, N.A.	Other Note	10/01/12	0.180	300,000,000.00
10	JPMorgan Chase Bank NA	Other Note	10/22/12	0.339	300,000,000.00

(a) Represents portion of Fund's investments in Joint Account III.

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

The FMIvT 0-2 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 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, 2012, the fund had a net asset value of \$192 million, representing 45 FMIvT 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 Standard and Poor's.

**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 market value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net asset value.

**Performance.** The fund rose 0.18% in the third quarter (gross of fees), compared with growth of 0.14% for the BofA Merrill Lynch 1-Year Treasury Note, as the portfolio benefitted from the exposure to the better-performing mortgage and asset-backed securities. In the three years since inception of this strategy, the fund has advanced 0.8% on average annually (gross), adding value over the Bank of America Merrill Lynch 1-Year Treasury Note Index (up 0.6%), although keeping pace with the short-term bond manager peer group (broader non-treasury exposures and longer durations) has been challenging. The 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.

## FMLvT 0-2 Year High Quality Bond Fund (continued)

### Performance Returns – Net of All Fees and Expenses

Periods Ending September 30, 2012

	Qtr.	1 Year	3 Years	5 Years	7 Years	10 Years
FMLvT 0-2 Year High Quality Bond Fund <sup>1</sup>	0.12%	0.38%	0.55%	N/A	N/A	N/A
<i>BofA ML 1 Year Treasury Note Index</i>	0.14%	0.28%	0.59%	1.73%	2.59%	2.25%

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

As of September 30, 2012, the 0-2 Year High Quality Bond Fund held 52 securities. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	US Treasury Bill June 2013	\$ 37,679	19.50%
2	US Treasury Bill May 2013	28,721	14.86%
3	FNMA 0.875% August 2014	13,144	6.80%
4	US Treasury Notes 1.375% May 2013	10,075	5.21%
5	US Treasury Notes 0.250% November 2013	8,004	4.14%
6	Ford Credit Auto Lease 2012-A 0.630% April 2014	5,805	3.00%
7	Bank of America Auto 2012-1 0.590% November 2014	5,407	2.80%
8	Hyundai Auto Receivable 2012-B 0.540% January 2015	5,009	2.59%
9	Nissan Auto Receivable 2-B 0.390% April 2015	5,002	2.59%
10	US Treasury Bill July 2013	4,992	2.58%
	<b>TOTAL</b>	<b>\$ 123,838</b>	<b>64.07%</b>

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

The FMLvT 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 22 bps. As of September 30, 2012, the fund had a net asset value of \$524.7 million, representing 66 FMLvT 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.

**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 market value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net asset value.

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

**Performance.** The fund modestly outperformed that of the Bank of America Merrill Lynch 1-3 Year Government Index in the third quarter, gaining 0.4% gross of fees (versus 0.3%) as the beneficial impact of the mortgage and asset-backed exposures offset the headwind of a shorter duration posture for this portfolio. Over the past year, this strategy (up 1.1% gross of fees) has outperformed the benchmark by 50 basis points, but has failed to keep pace with the more rapid advance in the peer group which benefitted from a longer duration profile and more flexibility as it relates to quality. Recent results have bolstered the long-term returns for this portfolio, such that the fund is now modestly ahead of its benchmark and peer group objectives over the past 10 years, with the high quality focus supporting a lower risk posture and a very strong relative risk-adjusted return profile.

### Performance Returns – Net of All Fees and Expenses

Periods Ending September 30, 2012

	Qtr.	1 Year	3 Years	5 Years	7 Years	10 Years
FMIvT 1-3 Year High Quality Bond Fund <sup>1</sup>	0.33%	0.92%	1.37%	2.45%	3.09%	2.70%
<i>BofA ML 1-3 Yr Government Index</i>	0.25%	0.63%	1.46%	2.90%	3.44%	2.90%

<sup>1</sup>Returns prepared by Asset Consulting Group.

As of September 30, 2012, the 1-3 Year High Quality Bond Fund held 83 securities. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	FNMA 0.875% August 2014	\$ 34,377	6.52%
2	US Treasury Notes 0.500% August 2014	33,661	6.38%
3	FHLB 3.625% October 2013	26,921	5.10%
4	FHLMC 0.625% December 2014	25,405	4.82%
5	US Treasury Notes 0.250% September 2014	24,256	4.60%
6	FHLMC 0.375% October 2013	18,028	3.42%
7	GE Dealer Floor 12-1 Variable Rate February 2017	16,125	3.06%
8	Harley-Davidson Motorcycle 2011-1 0.960% May 2016	13,724	2.60%
9	FNMA 2.000% June 2021	12,832	2.43%
10	US Treasury Notes 0.250% December 2014	11,997	2.27%
	<b>TOTAL</b>	<b>\$ 217,326</b>	<b>41.20%</b>

## 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. Please see Note 3 to the financial statements for information about these investments.

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.

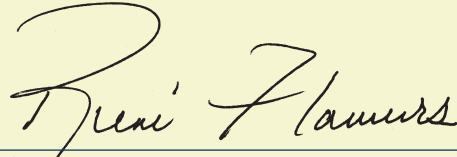
- (D) Investment agreements or repurchase agreements (the maturity of which is less than thirty (30) days) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company or government bond dealer reporting to, trading 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.



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

Attest:



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







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