

NEW ISSUE – BOOK ENTRY ONLY

RATINGS: See "Ratings" herein

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, (i) interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes; and (ii) interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. See "TAX EXEMPTION" herein for a description of certain other federal tax consequences of ownership of the Series 2025 Bonds. Bond Counsel is further of the opinion that the Series 2025 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes, and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX EXEMPTION" herein.



\$106,505,000*

**SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA
CAPITAL OUTLAY SALES TAX REVENUE BONDS,
SERIES 2025**

Dated: Date of Delivery

Due: October 1 in the years shown below

The School District of Osceola County, Florida (the "District"), acting through the School Board of Osceola County, Florida (the "Board"), its governing body, is issuing its Capital Outlay Sales Tax Revenue Bonds, Series 2025 (the "Series 2025 Bonds"), in fully registered form without coupons, in denominations of \$5,000 and any integral multiple thereof. Interest on the Series 2025 Bonds will be payable semi-annually by check or draft mailed on each interest payment date (April 1 and October 1 of each year, commencing October 1, 2025). While the Series 2025 Bonds are registered through the book-entry only system described below, interest on the Series 2025 Bonds will be payable by check or draft of U.S. Bank Trust Company, National Association, Jacksonville, Florida, as Paying Agent, mailed to the registered owners thereof, or at the option of the Paying Agent, and at the request of the registered owner thereof, by bank wire transfer for the account of such owner. Principal of the Series 2025 Bonds will be payable, when due, upon presentation and surrender thereof at the designated office of the Paying Agent. The Series 2025 Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are, or act through, Participants (as defined herein). Purchasers of the Series 2025 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. Ownership by the Beneficial Owners of the Series 2025 Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal, interest and premium, if any, will be made directly to such registered owner which will in turn remit such payments to the Participants for subsequent disbursement to the Beneficial Owners. See "DESCRIPTION OF THE SERIES 2025 BONDS - Book-Entry Only System of Registration" herein.

The principal of and interest on the Series 2025 Bonds are payable solely from and secured by a prior lien upon and pledge of (i) the proceeds received by the District from the levy and collection by the District of the one-half cent school capital outlay discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes, and other applicable provisions of law, and any funds received by the District as a replacement for any such proceeds as the result of any subsequent change in Florida law (the "Sales Tax Revenues") and (ii) until applied in accordance with the provisions of the Resolution (defined herein) all moneys, including investments thereof, in the funds and accounts established under the Resolution except for (A) the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds"), on a parity with the District's outstanding Series 2017A Bonds and Series 2020A Bonds (each as defined herein). The Series 2025 Bonds will not be secured by the Reserve Account or any subaccount therein. For a description of the security and sources of payment for the Series 2025 Bonds see "SECURITY FOR THE SERIES 2025 BONDS" herein.

The Series 2025 Bonds are being issued to provide funds, together with other available funds of the District, sufficient (i) to finance the cost of acquisition, construction and installation of certain educational facilities within the District, as described herein, and (ii) to pay costs associated with the issuance of the Series 2025 Bonds. See "AUTHORITY AND PURPOSE OF ISSUANCE" herein.

THE SERIES 2025 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE DISTRICT AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE DISTRICT, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT SET FORTH IN THE RESOLUTION. NO HOLDER OF ANY SERIES 2025 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2025 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2025 BOND FROM ANY MONEYS OF THE DISTRICT EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

Certain of the Series 2025 Bonds are subject to optional redemption prior to their stated maturity dates. See "DESCRIPTION OF THE SERIES 2025 BONDS – Optional Redemption" herein.

This cover page and inside cover page contain certain information for quick reference only. They are not, and are not intended to be, a summary of the transaction. Investors must read the entire Official Statement, including the appendices hereto, to obtain information essential to the making of an informed investment decision.

SEE INSIDE COVER PAGE FOR THE MATURITY SCHEDULE.

The Series 2025 Bonds are offered when, as and if issued, subject to the legal opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its Counsel, Frank Kruppenbacher, Esq. and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. George A. Smith PLLC, Tallahassee, Florida is serving as Counsel to the Underwriters. PFM Financial Advisors LLC, Orlando, Florida is acting as Financial Advisor to the Board in regard to the issuance of the Series 2025 Bonds. The Series 2025 Bonds are expected to be available for delivery through the facilities of DTC in definitive form on or about _____, 2025.

Raymond James

BofA Securities

Jefferies

This Official Statement is dated _____, 2025.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction. This Preliminary Official Statement shall be deemed "final" by the District as of its date for purposes of Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission, except for certain permitted omissions.

**MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, YIELDS, PRICES AND INITIAL CUSIP NUMBERS**

\$106,505,000⁽¹⁾ Serial Series 2025 Bonds

Maturity⁽¹⁾ (October 1)	Principal Amount⁽¹⁾	Interest Rate	Yield	Price	Initial CUSIP Number⁽²⁾
2026	\$1,435,000				
2027	1,505,000				
2028	1,580,000				
2029	1,665,000				
2030	1,745,000				
2031	9,990,000				
2032	10,490,000				
2033	18,120,000				
2034	19,025,000				
2035	19,975,000				
2036	20,975,000				

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP data herein is provided for convenience of reference only. The District and the Underwriters and their agents take no responsibility for the accuracy of such data.

SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA
Kissimmee, Florida

SCHOOL BOARD MEMBERS

Heather Kahoun, Chair
Teresa "Terry" Castillo, Vice Chair
Bethzaida Garcia
Anthony Cook
Paula Bronson

**SUPERINTENDENT OF SCHOOLS
AND EX OFFICIO SECRETARY TO THE BOARD**
Mark Shanoff, Ed.D.

CHIEF BUSINESS AND FINANCE OFFICER
Sarah Graber

COUNSEL TO THE DISTRICT
Frank Kruppenbacher, Esq.

BOND COUNSEL
Greenberg Traurig, P.A.
Miami, Florida

DISCLOSURE COUNSEL
Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

FINANCIAL ADVISOR
PFM Financial Advisors LLC
Orlando, Florida

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No dealer, broker, salesman or other person has been authorized by the Board to give any information or to make any representation with respect to the Series 2025 Bonds other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Board, DTC and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Underwriters, and while not guaranteed as to completeness or accuracy, is believed to be correct. The information and expressions of opinion stated herein are subject to change without notice. The delivery of this Official Statement shall not, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Upon issuance, the Series 2025 Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon certain exemptions contained therein or under any state securities law and the Series 2025 Bonds will not be listed on any stock or other securities exchange.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "BUDGET," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE BOARD OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2025 BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM OR WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT SHOULD BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2025 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

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OFFICIAL STATEMENT

\$106,505,000*

SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA CAPITAL OUTLAY SALES TAX REVENUE BONDS, SERIES 2025

INTRODUCTION

General

This Official Statement, including the cover page and the Appendices hereto, is furnished with respect to the sale of \$106,505,000* aggregate principal amount of School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds, Series 2025 (the "Series 2025 Bonds") being issued by the School District of Osceola County, Florida (the "District"), acting through The School Board of Osceola County, Florida (the "Board"), its governing body.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2025 Bonds is made only by means of this Official Statement and is subject in all respects to the information contained herein. For a complete description of the terms and conditions of the Series 2025 Bonds, reference is made to the Resolution (as defined herein) in APPENDIX C of this Official Statement. Unless otherwise indicated, capitalized terms used in this Official Statement shall have the same meanings established in the Resolution. See "APPENDIX C - RESOLUTION" hereto.

The District

The District is coterminous with the boundaries of Osceola County, Florida (the "County") and is governed by the Board. For Fiscal Year 2024-25, the District includes 54 schools (consisting of 26 elementary schools, nine middle schools, ten senior high schools, six combination schools, one alternative schools, one adult center and one virtual school) and 26 charter schools which provide education for approximately 82,833 students in kindergarten through grade 12, exclusive of adult education programs, and inclusive of charter school students and Family Empowerment Scholarship (i.e., voucher) students. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein for information regarding the Family Empowerment Scholarship and other State voucher programs.

Authority for Issuance

The Series 2025 Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapters 1001, 1011 and 1013, Florida Statutes, Section 212.055(6), Florida Statutes, and other applicable provisions of law (collectively, the "Act") and Resolution No. 17-049 duly adopted by the Board on May 2, 2017, as amended and supplemented, particularly as supplemented by Resolution No. 25-007 adopted by the Board on April 8, 2025 (collectively, the "Resolution"). See "APPENDIX C – RESOLUTION" hereto.

* Preliminary, subject to change.

Description of the Series 2025 Project

The Series 2025 Bonds are being issued by the Board for the purposes of providing funds, together with other available funds of the District, sufficient (1) to finance the cost of acquisition, construction and installation of various educational facilities within the District as may be financed with the Sales Tax Revenues pursuant to the provisions of the Act, as described herein (the "Series 2025 Project") and (2) to pay costs associated with the issuance of the Series 2025 Bonds. The District currently expects to finance capital improvements at Osceola County School for the Arts and Reedy Creek Elementary School with proceeds of the Series 2025 Bonds.

Description of the Series 2025 Bonds

Denominations. The Series 2025 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Optional Redemption. Certain of the Series 2025 Bonds are subject to optional redemption as described herein.

Registration and Transfers. Transfer of ownership in the Series 2025 Bonds will be effected by The Depository Trust Company ("DTC") book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the Participants (as hereinafter defined) for subsequent disbursement to the Beneficial Owners (as hereinafter defined). Interest on the Series 2025 Bonds is payable semi-annually on October 1 and April 1 of each year, commencing October 1, 2025.

For a more complete description of the Series 2025 Bonds and the basic documentation pursuant to which Series 2025 Bonds are issued, see "DESCRIPTION OF THE SERIES 2025 BONDS" herein.

Sources and Security of Payment for the Series 2025 Bonds

The Series 2025 Bonds are limited obligations of the District payable solely from and secured by a prior lien upon and pledge of (i) the proceeds received by the District from the levy and collection by the District of the one-half cent school capital outlay discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes, and other applicable provisions of law, and any funds received by the District as a replacement for any such proceeds as the result of any subsequent change in Florida law (the "Sales Tax Revenues") and (ii) until applied in accordance with the provisions of the Resolution all moneys, including investments thereof, in the funds and accounts established under the Resolution except for (A) the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds") on a parity with the District's Capital Outlay Sales Tax Revenue Bonds, Series 2017A Bonds (the "Series 2017A Bonds") currently outstanding in the principal amount of \$50,350,000 and the District's Capital Outlay Sales Tax Revenue Bonds, Series 2020A Bonds (the "Series 2020A Bonds," and together with the Series 2017A Bonds, the "Prior Bonds") currently outstanding in the principal amount of \$46,475,000. The Series 2025 Bonds and the indebtedness evidenced thereby do not constitute a lien upon any property of the Board or District, but constitute a lien only on the Pledged Funds in the manner and to the extent provided in the Resolution. See "SECURITY FOR THE SERIES 2025 BONDS" herein for a more detailed description of the security for the Series 2025 Bonds.

No Funded Reserve Account

The Reserve Account Requirement for the Series 2025 Bonds is zero (\$0.00). As such, the Series 2025 Bonds will not be secured by any funds on deposit in the Reserve Account. See "SECURITY FOR THE SERIES 2025 BONDS – Reserve Account" herein.

Additional Bonds

Pursuant to the Resolution, the District may issue Additional Bonds on a parity with the Series 2025 Bonds and the Prior Bonds upon satisfaction of the conditions set forth therein. The Series 2025 Bonds, the Prior Bonds and any Additional Bonds hereinafter issued pursuant to the Resolution are collectively referred to herein as "Bonds." See "SECURITY FOR THE SERIES 2025 BONDS – Additional Bonds" herein.

Tax Exemption

The legal opinion of Greenberg Traurig, P.A., Bond Counsel, will include an opinion to the effect that under existing laws, regulations and court decisions and assuming continuing compliance by the District with certain covenants set forth in the Resolution and with the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2025 Bonds is (a) excludable from gross income for federal income tax purposes, and (b) not an item of tax preference for purposes of the alternative minimum tax of individuals; however, in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. See "TAX EXEMPTION" herein and "APPENDIX D – FORM OF OPINION OF BOND COUNSEL" hereto.

Continuing Disclosure

The Board has agreed and undertaken for the benefit of Series 2025 Bondholders, to provide certain financial information and operating data relating to the District and the Series 2025 Bonds on a continuing basis pursuant to Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein.

Other Information

This Official Statement speaks only as of its date, and information contained herein is subject to change. Copies of the Resolution and other documents and information are available, upon request and upon payment to the Board of a charge for copying, mailing and handling, from the Chief Business and Finance Officer, 817 Bill Beck Boulevard, Kissimmee, Florida 34744.

AUTHORITY FOR AND PURPOSE OF ISSUANCE

The Series 2025 Bonds are being issued by the District under the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly the Act and the Resolution. See "SECURITY FOR THE SERIES 2025 BONDS - School Capital Outlay Surtax" herein.

The Series 2025 Bonds are being issued to provide funds, together with other available funds of the District, sufficient (1) to finance the cost of acquisition, construction and installation of certain educational facilities within the District, as described herein and (2) to pay costs associated with the

issuance of the Series 2025 Bonds. See "THE SERIES 2025 PROJECT" and "SOURCES AND USES OF FUNDS" herein.

DESCRIPTION OF THE SERIES 2025 BONDS

General

The Series 2025 Bonds shall be dated their date of delivery, shall be numbered consecutively from R-1 upward, and shall be issued in the denominations of \$5,000 or integral multiples thereof. The Series 2025 Bonds will mature on the dates and will bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2025 Bonds shall be payable semi-annually on October 1 and April 1 in each year (commencing October 1, 2025). While the Series 2025 Bonds are registered through the book-entry only system described below, interest on the Series 2025 Bonds will be payable by check or draft of U.S. Bank Trust Company, National Association, Jacksonville, Florida, as Paying Agent, mailed to the registered owners thereof, or at the option of the Paying Agent, and at the request of the registered owner thereof, by bank wire transfer for the account of such owner. Principal of the Series 2025 Bonds will be payable upon presentation and surrender thereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, Jacksonville, Florida, as Paying Agent. The Series 2025 Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are, or act through, Participants (as defined herein). Purchasers of the Series 2025 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. Ownership by the Beneficial Owners of the Series 2025 Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal, interest and premium, if any, will be made directly to such registered owner which will in turn remit such payments to the Participants for subsequent disbursement to the Beneficial Owners. See "DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry Only System of Registration" below.

Book-Entry Only System of Registration

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT BELIEVES TO BE RELIABLE, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2025 Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct

Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct Participant and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct Participant and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as defaults, and proposed amendments to the Series 2025 Bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and paying agent and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Distributions and payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Board or the paying agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the paying agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions, and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board and/or the paying agent for the Series 2025 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Board or its agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025 Bonds are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2025 Bonds will be printed and delivered to DTC.

Interchangeability, Negotiability and Transfer

So long as the Series 2025 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to registration, transfer and exchange of Series 2025 Bonds do not apply to the Series 2025 Bonds.

Series 2025 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2025 Bonds of the same maturity of any other authorized denominations.

The Series 2025 Bonds issued under the Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2025 Bonds. So long as any of the Series 2025 Bonds shall remain Outstanding, the District shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2025 Bonds.

Each Series 2025 Bond shall be transferable only upon the books of the District, at the office of the Registrar, under such reasonable regulations as the District may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Series 2025 Bond, the District shall issue, and cause to be authenticated, in the name of the transferee a new Series 2025 Bond or Series 2025 Bonds of the same aggregate principal amount and maturity as the surrendered Series 2025 Bond. The District, the Registrar and any Paying Agent or fiduciary of the District may deem and treat the Person in whose name any Outstanding Series 2025 Bond shall be registered upon the books of the District as the absolute owner of such Series 2025 Bond, whether such Series 2025 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Series

2025 Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2025 Bond to the extent of the sum or sums so paid and neither the District nor the Registrar nor any Paying Agent or other fiduciary of the District shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Series 2025 Bonds or transferring Series 2025 Bonds is exercised, the Board shall execute and the Registrar shall authenticate such Series 2025 Bonds in accordance with the provisions of the Resolution. Execution of Series 2025 Bonds by the Chairman and Superintendent for purposes of exchanging, replacing or transferring Series 2025 Bonds may occur at the time of the original delivery of the Series 2025 Bonds. All Series 2025 Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar in safekeeping until directed by the District to be cancelled by the Registrar. For every such exchange or transfer of Series 2025 Bonds, the District or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The District and the Registrar shall not be obligated to make any such exchange or transfer of Series 2025 Bonds during the 15 days next preceding an Interest Date on the Series 2025 Bonds, or, in the case of any proposed redemption of Series 2025 Bonds, then, for the Series 2025 Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Series 2025 Bonds Mutilated, Destroyed, Stolen or Lost

In case any Series 2025 Bond shall become mutilated, or be destroyed, stolen or lost, the District may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2025 Bond of like tenor as the Series 2025 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2025 Bond upon surrender and cancellation of such mutilated Series 2025 Bond or in lieu of and substitution for the Series 2025 Bond destroyed, stolen or lost, and upon the Holder furnishing the District and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District or the Registrar may prescribe and paying such expenses as the Board and the Registrar may incur. All Series 2025 Bonds so surrendered shall be cancelled by the Registrar. If any of the Series 2025 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2025 Bond, the Board may pay the same or cause the Series 2025 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2025 Bonds be lost, stolen or destroyed, without surrender thereof.

Optional Redemption

The Series 2025 Bonds maturing on or prior to October 1, 20__ are not subject to redemption prior to maturity. The Series 2025 Bonds maturing on or after October 1, 20__ are subject to redemption prior to their respective dates of maturity on or after October 1, 20__ in whole or in part at any time, in any order of maturity selected by the District and by lot within a maturity at a Redemption Price of 100% of the principal amount of the Series 2025 Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Notice of Redemption

Notice of redemption, which shall specify the Series 2025 Bond or Series 2025 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the District, and (A) shall be filed with the Paying Agent of such Series 2025 Bonds, (B) shall be mailed first class, postage prepaid, not less than 20 days nor more than 45 days prior to the redemption date to all Holders of Series 2025 Bonds to be redeemed at their addresses as they appear on the registration books

kept by the Registrar as of the date of mailing of such notice and (C) shall be mailed, certified mail, postage prepaid, at least 35 days prior to the redemption date to the registered securities depositories and one or more nationally recognized municipal bond information services. Failure of any Holder of the Series 2025 Bonds to receive any mailed notice as provided in the Resolution shall not affect the proceedings for redemption of such Holder's Series 2025 Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Series 2025 Bonds being redeemed, (2) the original issue date of such Series 2025 Bonds, (3) the maturity date and rate of interest borne by each Series 2025 Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Series 2025 Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Series 2025 Bond, the principal amount) of each Series 2025 Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2025 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Series 2025 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the District for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

The Board may provide that a redemption may be contingent upon the occurrence of certain conditions and that if such conditions do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Series 2025 Bondholders not later than three business days prior to the date of redemption.

Notwithstanding the foregoing, so long as Cede & Co. or any subsequent securities depository is the registered owner of the Series 2025 Bonds, such notice of redemption shall only be sent to Cede & Co. or such subsequent securities depository. Notices are to be provided to the Beneficial Owners pursuant to arrangements established between the Participants and Beneficial Owners. See "DESCRIPTION OF THE SERIES 2025 BONDS - Book-Entry-Only System of Registration" herein. Upon the discontinuance of the book-entry-only registration system for the Series 2025 Bonds, the foregoing provisions shall apply with respect to the Beneficial Owners of the Series 2025 Bonds.

Selection of Series 2025 Bonds to be Redeemed

The Series 2025 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The District shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Series 2025 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2025 Bonds of a single maturity, the particular Series 2025 Bonds or portions of Series 2025 Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Series 2025 Bonds of the maturity or maturities designated by the District by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2025 Bonds or portions of Series 2025 Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Series 2025 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the District and Paying Agent (if the Registrar is not the Paying Agent for such Series 2025 Bonds) in writing of the Series 2025 Bonds or portions of Series 2025 Bonds selected for redemption and, in the case of any Series 2025 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Redemption of Series 2025 Bonds

Any Series 2025 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the District shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 2025 Bond, without service charge, a new Series 2025 Bond or Series 2025 Bonds, of any authorized denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2025 Bonds so surrendered.

Payment of Redeemed Bonds

Notice of redemption having been given substantially as required by the Resolution, the Series 2025 Bonds or portions of the Series 2025 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the District shall default in the payment of the Redemption Price) such Series 2025 Bonds or portions of Series 2025 Bonds shall cease to bear interest. Upon surrender of such Series 2025 Bonds for redemption in accordance with said notice, such Series 2025 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Series 2025 Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

Purchase in Lieu of Optional Redemption

Notwithstanding anything in the Resolution to the contrary, at any time the Series 2025 Bonds are subject to optional redemption pursuant to the Resolution, all or a portion of the Series 2025 Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the District, on the date which would be the redemption date if such Series 2025 Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the Redemption Price which would have been applicable to such Series 2025 Bonds on the redemption date for the account of and at the direction of the District who shall give the Paying Agent, as trustee, notice at least ten days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Series 2025 Bonds or any other Outstanding Bonds (other than Taxable Bonds) or shall not otherwise affect the status of any such Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to said Outstanding Federal Subsidy Bonds. In the event the Paying Agent, as trustee, is so directed to purchase Series 2025 Bonds in lieu of optional redemption, no notice to the holders of the Series 2025 Bonds to be so purchased (other than the notice of redemption otherwise required under the Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase, the funds which would have been used to pay the Redemption Price for such Series 2025 Bonds if such Series 2025 Bonds had been redeemed rather than purchased. Each Series 2025 Bond so purchased shall not be canceled or discharged and shall be registered in the name of the District. Series 2025 Bonds to be purchased under the Resolution in the manner described above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

SECURITY FOR THE SERIES 2025 BONDS

General

The principal of, and interest on the Series 2025 Bonds are payable solely from and secured by a prior lien upon and a pledge of (i) the Sales Tax Revenues and (ii) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof in the funds and accounts established pursuant to the Resolution except for (A) the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds"). Except as otherwise set forth in the Resolution, such lien and pledge of the Pledged Funds in favor of the Series 2025 Bonds shall be on a parity with all Bonds Outstanding under the Resolution, including, without limitation, the Prior Bonds and any Additional Bonds subsequently issued pursuant to the Resolution.

THE SERIES 2025 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE DISTRICT AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE DISTRICT, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT SET FORTH IN THE RESOLUTION. NO HOLDER OF ANY SERIES 2025 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2025 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2025 BOND FROM ANY MONEYS OF THE DISTRICT EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

Funds and Accounts

The District covenanted and agreed in the Resolution to establish the following funds and accounts to be known as the "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Construction Fund"(the "Construction Fund"), the "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Revenue Fund" (the "Revenue Fund"), the "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Debt Service Fund" (the "Debt Service Fund") and the "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Rebate Fund" (the "Rebate Fund"). The District shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The District shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." The District shall maintain in the Construction Fund an account for each Project. Subject to the provision described below and in the Resolution relating to restrictions in the Act regarding the application of Sales Tax Revenues, moneys in the aforementioned funds and accounts, other than the Rebate Fund and the Unrestricted Revenue Account, until applied in accordance with the provisions of the Resolution, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The District may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Bondholders, any one or more of the funds, accounts and subaccounts established by the Resolution. Such depository or depositories shall perform at the direction of the District the duties of the District in depositing, transferring and disbursing moneys to and from each of such funds and accounts as set forth in the Resolution and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the District and its agent and employees. Any such depository shall be a

bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and be qualified under applicable State law as a depository.

Construction Fund

The District shall establish within the Construction Fund a separate account for each Project (including the Series 2025 Project), the Costs of which are to be paid in whole or in part out of the Construction Fund. The District covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The District shall only make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the Project for which such account was established, except as provided below with respect to any surplus proceeds in a particular account. The District shall keep records of such disbursements and payments and shall retain all such records for six (6) years from the dates of such records.

Notwithstanding any of the other provisions of the Resolution, to the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on the Series of Bonds for which such account was established or to reimburse a Credit Facility Provider for the payment of such principal and interest.

The date of completion of acquisition, construction and equipping of a Project shall be filed by an Authorized District Officer in the appropriate records of the District. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the Costs of such Project, the District shall deposit in the following order of priority any balance of moneys remaining in the Construction Fund in (A) any other account established in the Construction Fund for which the Authorized District Officer certifies that there are insufficient moneys to pay the Costs of the Project for which such account was established, (B) the Reserve Account, to the extent of any deficiency therein and (C) such other fund or account established under the Resolution as shall be determined by the District, provided the District has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds (other than Taxable Bonds) from gross income for purposes of federal income taxation.

School Capital Outlay Surtax

Chapter 212, Part I, Florida Statutes, as amended, imposes a 6% sales tax on the sales price of tangible personal property sold at retail in the State of Florida (the "State") subject to certain exemptions therefrom. A similar tax is imposed on the sales price of tangible personal property when the property is not sold, but is used, or stocked for use in the State. The largest single source of tax receipts in the State is the sales and use tax.

Section 212.055(6), Florida Statutes, authorizes school boards to impose a discretionary sales surtax of up to 0.5% per dollar for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of five or more years, and any land acquisition, land improvement, design and engineering costs related thereto, as well as retrofitting and providing for technology implementation, including hardware and software for various sites within a school district. Surtax revenues may be used for the purpose of servicing bond indebtedness to finance projects authorized by Section 212.055(6), Florida Statutes, and any interest accrued thereto may be held in trust to finance such projects. However, neither the surtax revenues nor any interest accrued thereto may be used for operational expenses. The levy of the surtax must be approved by a referendum of the electors of the county in which the school district is located. By statute, the sales amount above \$5,000 on any item of tangible personal property is not subject to the surtax.

On August 15, 2016, the Board duly adopted a resolution (the "Sales Tax Resolution") providing for the levying and imposition, throughout the incorporated and unincorporated areas of the County, of an additional tax of 0.5% per dollar on all transactions occurring in the County subject to the aforementioned 6% tax (the "Discretionary Sales Surtax"), the proceeds of which will be applied to pay the costs of reconstruction and improvement of school facilities, including safety and security and technology upgrades, land acquisition and other capital facilities uses allowed by law. The Sales Tax Resolution also authorized the use of Discretionary Sales Surtax proceeds to service bond indebtedness to finance authorized projects. The Series 2025 Project constitutes an authorized project under the Sales Tax Resolution. Revenues from the Discretionary Sales Surtax are not required to be shared with eligible charter schools in the District. The proceeds of the Discretionary Sales Surtax received by the District constitute Sales Tax Revenues for purposes of the Resolution.

On November 8, 2016, the levy of the Discretionary Sales Surtax was placed on the ballot and approved by a majority of the electors of the County who voted in the referendum. The Discretionary Sales Surtax is effective for a 20-year period, commenced January 1, 2017 and ending December 31, 2036. For future planning purposes, the District assumes a 3.1% annual growth rate on Discretionary Sales Surtax revenues over the upcoming five-year period.

The table below shows yearly Sales Tax Revenues received by the District from 2020 through 2024.

**School District of Osceola County, Florida
Sales Tax Revenues Receipts⁽¹⁾**

Fiscal Year Ending June 30	Sales Tax Revenues
2020	\$29,591,338
2021	30,323,844
2022	44,208,927
2023	47,327,004
2024	45,824,707

Source: Annual Comprehensive Financial Report of The School Board of Osceola County, Florida for the Fiscal Years Ended June 30, 2019-2024.

Proforma Debt Service Coverage

Maximum Annual Debt Service ⁽¹⁾	Sales Tax Revenues received by the District for Fiscal Year Ended June 30, 2024	Proforma Debt Service Coverage
\$22,025,418	\$45,824,707	2.08x

(1) Represents debt service on the Prior Bonds and the Series 2025 Bonds. With respect to the Series 2025 Bonds, assumes the Series 2025 Bonds are issued in the aggregate principal amount of \$106,505,000, with a true interest cost of 3.285% and a final maturity of October 1, 2036.

THE AMOUNT OF SALES TAX REVENUES DISTRIBUTED TO THE DISTRICT IS SUBJECT TO INCREASE OR DECREASE DUE TO (I) INCREASES OR DECREASES IN THE DOLLAR VOLUME OF TAXABLE SALES WITHIN THE COUNTY, (II) LEGISLATIVE CHANGES RELATING TO THE DISCRETIONARY SALES SURTAX, WHICH MAY INCLUDE CHANGES IN

THE SCOPE OF TAXABLE SALES, AND (III) OTHER FACTORS WHICH MAY BE BEYOND THE CONTROL OF THE DISTRICT OR THE BONDHOLDERS. SEE "RISK FACTORS" HEREIN.

Collection and Administration. Pursuant to Section 212.054, Florida Statutes, the Florida Department of Revenue ("FDOR") has the responsibility to administer, collect and enforce all surtaxes, including the Discretionary Sales Surtax. The proceeds of discretionary sales surtax collections are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund is established for each county imposing such a surtax. FDOR is authorized to deduct 3% of the total revenue generated for all counties levying a surtax for administrative costs. The amount deducted for administrative costs is required to be used only for those costs solely and directly attributable to the surtax. The total administrative costs are to be prorated among those counties levying the surtax on the basis of the amount collected for a particular county to the total amount collected for all counties. FDOR is required to submit annually, no later than March 1, a report detailing the expenses and amounts deducted for administrative costs to the President of the Senate and the Speaker of the House of Representatives of the State, and the governing board of each county levying the surtax.

Pursuant to Section 212.15, Florida Statutes, vendors are required to remit surtax receipts by the twentieth (20th) day of the month immediately following the month of collection. No statute prescribes a deadline for remitting surtax proceeds to the local governing bodies. However, according to the accounting division of FDOR, the FDOR consistently remits the surtax proceeds to such local governing bodies by the twenty-fifth (25th) day of the month immediately following receipt by the FDOR.

Disposition of Sales Tax Revenues

The Resolution provides that the District shall promptly deposit upon receipt all Sales Tax Revenues into the Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 25th day of each month, commencing in the month immediately following delivery of any of the Bonds to the purchasers thereof, in the following manner and in the following order or priority:

(1) Interest Account. The District shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all of the Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). All Hedge Receipts and Federal Subsidy Payments shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which the District has determined are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the District (a) for deposit with the Paying Agent to pay the interest on the Bonds on or prior to the date the same shall become due, whether by maturity, redemption or otherwise, and (b) for Hedge Payments. Any Federal Subsidy Payments deposited to the Interest Account shall be deemed to have been applied to the payment of interest on the Federal Subsidy Bonds to which such Payments relate. The District shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Counterparty to such Qualified Hedge Agreement relating to such Bonds shall be paid to the Counterparty to such Qualified Hedge Agreement on a parity basis with the aforesaid required payments into the Debt Service Fund. In computing the interest on Variable Rate Bonds

which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (x) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (y) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(2) Principal Account. Commencing in the month which is one year prior to the first principal due date (or if the first principal due date is less than one year from the date of issuance of the Bonds, the month immediately following the issuance of the Bonds), the District shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount on the Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding payment due date from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the District for deposit with the Paying Agent to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature and monthly payments into the Principal Account on account of such Bonds shall commence in the twelfth month immediately preceding the maturity date of such Bonds. The District shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said Account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner provided in the Resolution, and for no other purpose. The District shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the District, on or prior to the sixtieth (60th) day preceding the due date of such Amortization

Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established at a price not exceeding par plus accrued interest, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms at a price not exceeding par plus accrued interest. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment payment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the District shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Resolution (or as otherwise provided in a Supplemental Resolution), Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The District shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the District from the Restricted Revenue Fund.

(4) Reserve Account. There shall next be deposited to the Reserve Account an amount which would enable the District to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether such shortfall was caused by an increase in the applicable Reserve Account Requirement, a decrease in the aggregate market value of the investments therein of more than 5% or withdrawal (whether from cash or a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the District to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the District into the Restricted Revenue Account and applied for any legal purpose for such moneys. The District shall promptly inform each Insurer and Credit Bank of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

The obligation to reimburse the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit for any fees, expenses, claims or draws upon such Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be subordinate to the payment of debt service on the Bonds. The right of the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit to payment of reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Account, and subject to the second and third succeeding sentences, its right to reimbursement for claims or draws shall be prior to the replenishment of the cash drawn from the Reserve Account or a subaccount therein. The Reserve Account Insurance Policy or Reserve Account Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit

reimbursement will be further subordinated to cash replenishment of the Reserve Account or subaccount therein to an amount equal to the difference between the full original amount available under the Reserve Account Insurance Policy or Reserve Account Letter of Credit and the amount then available for further draws or claims. If (1) the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit becomes insolvent or (2) the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit defaults in its payment obligations thereunder or (3) the claims-paying ability of the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit does not equal at least a S&P "AA-" or Moody's "Aa3" or Fitch "AA-", the obligation to reimburse the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be subordinate to the cash replenishment of the Reserve Account or subaccount therein.

(5) Unrestricted Revenue Account. (A) The balance of any moneys after the deposits described in paragraphs (1) through (4) above may be transferred, at the discretion of the District, to the Unrestricted Revenue Account or any other appropriate fund or account of the District and may be used for any lawful purpose. In the event moneys on deposit in the Interest Account, the Principal Account and the Bond Amortization Account on the third day prior to an Interest Date are not sufficient to pay the principal of and interest on the Bonds coming due at such Interest Date, the District shall transfer moneys from the Unrestricted Revenue Account to the appropriate Account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

The District, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the District's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

No Funded Reserve Account

The Reserve Account Requirement for the Series 2025 Bonds is zero (\$0.00). As such, the Series 2025 Bonds will not be secured by any funds on deposit in the Reserve Account.

Additional Bonds

The District may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing the Cost of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the District or any other indebtedness of the District that it may lawfully refund with proceeds of Bonds. No such Additional Bonds shall be issued unless (1) no Event of Default (as specified in Section 6.01 of the Resolution) shall have occurred and be continuing hereunder and (2) the following conditions are complied with:

(A) Except as otherwise provided in paragraph (E) below, there shall have been obtained and filed with the Board a statement of the Superintendent: (1) stating that he or she has examined the books and records of the District relating to the Sales Tax Revenues; (2) setting forth the amount of the Sales Tax Revenues during any twelve (12) consecutive months designated by the District within the eighteen (18) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the amount of the Sales Tax Revenues received during the aforementioned 12-month period equals at least 1.50 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such report may be partially based upon certification of certain matters related to the calculation of Maximum Annual Debt Service by the District's financial advisor.

(B) For the purpose of determining the Debt Service under Section 5.02 of the Resolution, the interest rate on Additional Bonds that are proposed to be as Variable Rate Bonds that are not Taxable Bonds shall be deemed to be the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(C) For the purpose of determining the Debt Service under Section 5.02 of the Resolution, the interest rate on Outstanding Variable Rate Bonds (not subject to a Qualified Hedge Agreement) shall be deemed to be (i) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the highest of (a) the actual rate of interest borne by such Variable Rate Bonds on the date of sale, and (b) the average interest rate borne by such Variable Rate Bonds during the 12 month period preceding the date of sale, or (ii) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the higher of (a) the actual rate of interest borne by the Variable Rate Bonds on the date of sale, and (b) with respect to Variable Rate Bonds that are not Taxable Bonds, the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds..

(D) Additional Bonds shall be deemed to have been issued pursuant to the Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Resolution. Except as otherwise provided in the Resolution, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the Issuer shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Additional Bonds pursuant to the Resolution that in the event the principal thereof is accelerated due to such Bonds being held by the Credit Facility Provider, the lien of any accelerated debt due and owing such Credit Facility Provider on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by the Resolution.

(E) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions described in paragraph (A) above shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions paragraph (A) above shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions described in this paragraph.

Books and Records

The District will keep books and records of the receipt of the Sales Tax Revenues in accordance with generally accepted accounting principles and any Credit Facility Provider, Insurer or holder or holders of at least \$1,000,000 aggregate principal amount of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the District relating thereto.

Receipt of Sales Tax Revenues

The District covenants in the Resolution to do all things necessary or required on its part by the Act, or otherwise to entitle the District to receive the Sales Tax Revenues in the maximum amount provided by law. The District will exercise all legally available remedies to enforce such receipt available under law. The District will not take any action or enter into any agreement that shall result in reducing the level of Sales Tax Revenues received by the District from that level prevailing at the time the District takes such action or entered into such agreement.

Investments

Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such Fund or Account. Moneys on deposit in the Reserve Account may be invested and reinvested in Authorized Investments which mature no later than ten (10) years from the date of investment. All investments shall be valued at market at least annually as of June 30 of each year.

Any and all income received by the District from the investment of moneys in the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Restricted Revenue Account and the Reserve Account (to the extent such income and the other amounts in the Reserve Account does not exceed the Reserve Account Requirement) shall be retained in such respective Fund or Account. Any and all income received by the Issuer from the investment of moneys in the Reserve Account (only to the extent such income and other amounts in the Reserve Account exceeds the Reserve Account Requirement) shall be deposited in the Interest Account.

Nothing contained in the Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Separate Accounts

The moneys required to be accounted for in the funds, accounts and sub-accounts established in the Resolution may be deposited in a single, non-exclusive bank account, and funds allocated to the various funds, accounts and subaccounts established in the Resolution may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as provided in the Resolution.

The designation and establishment of the various funds, accounts and subaccounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Resolution.

THE SERIES 2025 PROJECT

The Series 2025 Project consists of the acquisition, construction and installation of certain capital improvements and educational facilities within the District as may be financed by the Act. Pursuant to the Sales Tax Resolution adopted on August 15, 2016, the Board identified approximately \$1.2 billion of capital improvement needs within the District to be funded from Sales Tax Revenues. The Board will apply the proceeds of the Series 2025 Bonds to a portion of the capital improvement program specified in the Sales Tax Resolution, including the financing of capital improvements to Osceola County School for the Arts and Reedy Creek Elementary School.

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SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds to be derived from the sale of the Series 2025 Bonds.

SOURCES:

Principal Amount of Series 2025 Bonds.....	\$
Plus/Less: Net Original Issue Premium/Discount.....	
TOTAL SOURCES	<u>\$</u>

USES:

Deposit to Series 2025 Construction Account of the Construction Fund ⁽¹⁾	\$
Costs of Issuance ⁽²⁾	
TOTAL USES.....	<u>\$</u>

⁽¹⁾ To be utilized to pay Costs of the Series 2025 Project.

⁽²⁾ Includes the Underwriters' discount, legal, financial advisory and other miscellaneous costs of issuance.

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DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Prior Bonds and the Series 2025 Bonds for each of the following years ending on October 1.

October 1	Prior Bonds ⁽¹⁾	Series 2025 Bonds			Aggregate Debt Service
		Principal	Interest	Total	
2025	\$15,261,080				
2026	15,265,168				
2027	15,263,092				
2028	15,264,852				
2029	15,260,234				
2030	15,264,176				
2031	7,101,326				
2032	7,100,716				
2033	-				
2034	-				
2035	-				
2036	-				
Total ⁽²⁾	\$105,780,644				

⁽¹⁾ Consists of the Series 2017A Bonds and the Series 2020A Bonds.

⁽²⁾ Totals may not add due to rounding.

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SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA

The Board is a corporate body existing under the laws of the State and is the governing body of the District. The Board consists of five members elected for overlapping four-year terms. The District is organized under Section 4, Article IX, of the Constitution of the State of Florida and Chapter 1001, Florida Statutes. The District covers the same geographic area as the County. Management of the District is independent of the County government and other local governments within the County. The County Tax Collector collects ad valorem taxes for the District but exercises no control over the disposition of the District's tax receipts.

For Fiscal Year 2024-25, the District includes 54 schools (consisting of 26 elementary schools, nine middle schools, ten senior high schools, six combination schools, one alternative school, one adult center and one virtual school) and 26 charter schools which provide education for approximately 82,833 students in kindergarten through grade 12, exclusive of adult education programs, and inclusive of charter school students and Family Empowerment Scholarship (i.e., voucher) students.

The Organization and Powers of the Board

The Board is the governing board of the District. The principal offices of the Board are located in Kissimmee, Florida.

The Board is the policy-making body of the District, consisting of five members elected for overlapping four-year terms. Under existing statutes, the Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools, programs for gifted students, handicapped students and students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision for adequate instruction aids; and the establishment of a system to transport students to school or school-related activities.

The Board also has broad financial responsibilities, including approval of the annual budget, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls. The annual budget and accounting reports must be filed with the State Department of Education. The Chairman of the Board is elected by the members of the Board annually. The Superintendent is the ex-officio Secretary of the Board.

The present members of the Board and the expiration of their respective terms are as follows:

<u>Name</u>	<u>Term Expiration</u>
Heather Kahoun, Chair	November 2026
Teresa "Terry" Castillo, Vice Chair	November 2026
Bethzaida Garcia	November 2028
Anthony Cook	November 2028
Paula Bronson	November 2026

Superintendent of Schools

The Superintendent is appointed to the Board and serves as ex officio Secretary to and administrative officer of the Board. The Superintendent oversees operations of the school system, makes policy recommendations to the Board, and performs the duties assigned to him by law and the regulations of the State Department of Education.

The Superintendent also prepares the annual budget for approval by the Board, recommends the tax levy based upon needs illustrated by the budget, recommends debt issuance or borrowing plans of the Board when necessary, provides recommendations for investment of available funds, and keeps records with respect to all funds and financial transactions of the Board.

Administration

Mark Shanoff, Ed.D. was appointed Superintendent of Schools on June 27, 2023. Prior to his unanimous selection as Superintendent, he served as chief information officer in Orange County, Florida Public Schools. In that role, he oversaw Enterprise Applications, the Student Information System, IT Infrastructure, Information Security, the Project Management Office, and Business Operations. During the 2021-2022 school year, he served as Chief Operating Officer of Volusia County, Florida Public Schools. He led a team of 1,700 employees across Design and Construction, Operations and Maintenance, Food and Nutrition Services, Student Transportation Services, and Procurement. Dr. Shanoff has principal experience at the elementary, middle and high school level, serving in such capacities from 2008 to 2021. In 2019, he was awarded Florida Principal of the Year by the National Association of Secondary School Principals. Dr. Shanoff has presented on numerous topics around the country and serves on the RTM Group Advisory Board. He has testified in the Florida House of Representatives on digital learning and on Capitol Hill regarding executive functioning skills of middle school students. He earned a Bachelor's Degree in Elementary Education from Rollins College, a Master's Degree in Educational Leadership from Nova Southeastern University, an MBA from the University of Florida and a doctorate from the University of Central Florida.

Sarah Graber was appointed the Chief Business and Finance Officer in March 2016. Prior to that, Ms. Graber was the Senior Director of Finance for the Orange County, Florida Public Schools since March 2013 after having previously served as Director of Finance for the District since July 2009. Ms. Graber was an Audit Manager for a private accounting firm from 2002 until 2009. Ms. Graber earned a Bachelor of Science Degree in Accounting from the University of Florida, a Master in Accounting Degree from the University of Southern California and completed the Harvard Business School Executive Education program for Chief Financial Officers.

Academics

The Board offers students a complete range of instructional services ranging from basic and standard instructional programs to special programs for gifted children, a full complement of vocational educational programs at high schools and exceptional education for children with learning disabilities. The exceptional student education programs are available at different school sites.

The 26 elementary schools house kindergarten through the 5th grade. The nine middle schools are comprised of grades 6 through 8. The ten high schools include grades 9 through 12 as well as the vocational programs. Additionally, there are six combination schools, one virtual school, one alternative school, one adult center and 26 charter schools in the District. All of the District schools are fully accredited by the State of Florida and Cognia, formerly known as AdvancEd, formerly the Southern Association of Colleges and Schools.

The elementary school program emphasizes basic skills including reading, writing, language arts, and mathematics. Balanced curriculum also includes instruction in science, computer literacy, health, social studies, art, music and physical education. These programs are designed to build a strong foundation and each child is required to attain very specific levels of achievement before promotion to the next grade.

The secondary school program begins with middle school curriculum centering on English, math, science, computer literacy, and social studies. Students are encouraged to begin developing their strengths and interests through electives such as art, music, foreign languages, and vocational exploratory programs.

High school programs are designed to meet the needs of the college bound as well as vocational students. Students who plan to continue their education into college may take a broad range of college preparatory courses as well as advanced placement and honors courses. The District offers International Baccalaureate curriculums as well as dual enrollment programs for students desiring to begin their college coursework early.

In addition to the educational programs offered to K-12 students, the District offers pre-kindergarten services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; programs for special education for infants and toddlers below the age of three; pre-kindergarten programs for three and four year old disabled students; and programs for eligible low income, at-risk pre-school age children.

Historical Growth

The following table presents a summary of general statistical data regarding the District.

Summary of Statistical Data Five-Year History

School Year	Number of Schools ⁽¹⁾	Number of Instructional Personnel	FTE Enrollment ⁽²⁾	Cost per Student
2024-25 ⁽³⁾	54	4,486	73,875	N/A
2023-24	53	4,368	72,495	\$15,424
2022-23	52	4,388	71,743	13,535
2021-22	52	3,812	71,789	11,201
2020-21	52	4,104	69,194	11,043

N/A = Information not available.

⁽¹⁾ Excludes charter schools.

⁽²⁾ Includes charter school students, but excludes Family Empowerment Scholarship students. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein.

⁽³⁾ Budgeted figures.

Source: Annual Comprehensive Financial Report of The School Board of Osceola County, Florida for the Fiscal Years Ended June 30, 2024; Fiscal Year 2024-25 Adopted Budget.

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Growth Projections for Unweighted Full Time Equivalent (FTE) Enrollment

The Florida Department of Education has estimated the following FTE Enrollment for School Years 2025-26 through 2029-30:

School Year	FTE Enrollment ⁽¹⁾	Percentage Change
2025-26	85,209	2.87%
2026-27	87,022	2.13
2027-28	89,191	2.49
2028-29	91,484	2.57
2029-30	93,780	2.51

⁽¹⁾ Includes charter school and Family Empowerment Scholarship students.

Source: State of Florida Office of Economic & Demographic Research, Conference Report for Pre-K-12 Enrollment Education Estimating Conference, Florida School District Programs Unweighted Full-Time Equivalent (FTE) Student Enrollment, February 14, 2025.

Employee Relations

As of July 1, 2024, the professional staff of the District included 4,368 instructional personnel, 184 principals and assistant principals, 92 officials, administrators and managers and 48 supervisors of instruction and deans/curriculum coordinators. Other personnel include teacher's aides, clerks and secretaries, bus drivers, cafeteria personnel, custodial and maintenance workers, mechanics and warehousemen. The total number of regular personnel for the 2024-25 school year is budgeted to be 9,280. Instructional personnel are represented by the Osceola Classroom Teachers Association, which has a contract in effect through June 30, 2026. Another 1,393 personnel are represented by Teamsters Local Union No. 385, which has a contract in effect through June 30, 2026. The compensation package for all bargaining units is negotiated each year. The 2024-25 compensation package was ratified on August 13, 2024.

Retirement and Other Post-Employment Benefit Programs

Florida Retirement System. Essentially all regular employees of the District are eligible to enroll as members of the Florida Retirement System (the "FRS"). The FRS is a single retirement system administered by the Florida Department of Management Services ("DMS"), and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (the "FRS Pension Plan"), a Deferred Retirement Option Program (the "DROP"), a Retirement Health Insurance Subsidy Plan (the "HIS Plan"), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (the "Investment Plan"). A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, information about the FRS's fiduciary net position, and other relevant information, is available from the DMS at: www.dms.myflorida.com.

FRS Pension Plan. The Florida Legislature establishes contribution rates for employers and employees participating in the FRS Pension Plan. The District's contributions to the FRS Pension Plan for Fiscal Year 2023-24 totaled \$32.51 million, which was equal to the required contributions for such fiscal year. At June 30, 2024, the District reported a liability of \$233.58 million for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2022-23 contributions relative to the total fiscal year 2022-23 contributions of all participating

members. At June 30, 2023, the District's proportionate share was 0.588360387%, which was a decrease of 0.032415729% from its proportionate share of measured as of June 30, 2022. For Fiscal Year 2023-24, the District recognized the FRS Pension Plan pension expense of \$49.41 million. In addition, the District reported deferred outflows of resources of \$88.74 million and deferred inflows of resources of \$9.15 million related to the FRS Pension Plan.

HIS Plan. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The District's contributions to the HIS Pension Plan totaled \$7.36 million for Fiscal Year 2023-24. At June 30, 2024, the District reported a net pension liability of \$135.44 million for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, and update procedures were used to determine the net pension liability as of June 30, 2023. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2022-23 contributions relative to the total fiscal year 2022-23 contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.855767290%, which was a decrease of 0.008499522% from its proportionate share measured as of June 30, 2023. For the Fiscal Year 2023-24, the District recognized pension expense of \$50.89 million related to the HIS Plan. In addition, the District reported deferred outflows of resources of \$14.33 million and deferred inflows of resources of \$13.87 million related to the HIS Plan.

Investment Plan. The District contributes to the Investment Plan for its eligible employees electing to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The District's total contribution to the plan totaled \$16.18 million.

ALL POTENTIAL PURCHASERS OF THE SERIES 2025 BONDS SHOULD REVIEW NOTE 10 OF THE NOTES TO THE BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION SET FORTH IN "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2024" ATTACHED HERETO. SUCH NOTE 10 AND REQUIRED SUPPLEMENTARY INFORMATION CONTAIN DESCRIPTIONS OF THE PENSION PLANS AND MATERIAL FINANCIAL INFORMATION CONCERNING THE PLANS, INCLUDING BUT NOT LIMITED TO, INFORMATION REGARDING CONTRIBUTIONS, COSTS, FUNDED STATUS AND FUNDING PROGRESS.

Other Post-Employment Benefit Programs

In addition to its contributions under the retirement plans described above, the District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes. In addition, retirees are eligible to continue the District-sponsored term life insurance policy provided by the District.

In June 2015, the Governmental Accounting Standards Board issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB No. 75"), effective for periods beginning after June 15, 2017, which replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB No. 75 addresses accounting and financial reporting for OPEB provided to employees of state and

local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability. GASB No. 75 was adopted by the District for the year ended June 30, 2018.

The District has historically accounted for its OPEB contributions on a pay-as-you-go basis and the District currently plans to continue such pay-as-you-go funding of its OPEB contributions. As of the valuation date, June 30, 2024, there were 6,175 active employees and 79 retirees and beneficiaries of the District receiving post-employment benefits. The District made benefit payments toward the annual OPEB cost in the amount of \$790,794. The pay-as-you-go method of funding OPEB allows the District to continue to pay only the current OPEB costs each Fiscal Year, but will produce a growing unfunded actuarial liability for the future. The net OPEB obligation was \$15.0 million at the end of Fiscal Year 2023-24.

Below are the details regarding the total OPEB liability from June 30, 2023 to June 30, 2024:

	Total OPEB Liability
Changes for the Fiscal Year:	
Service Cost	\$ 761,140
Interest on the Total OPEB Liability	539,096
Change of Benefit Terms	-
Difference between Expected and Actual Experience	(1,731,145)
Changes in Assumptions and Other Inputs*	1,998,283
Benefit Payments	(790,794)
Net Change in Total OPEB Liability	<u>\$ 776,580</u>
Balance as of 6/30/2024	<u>\$15,036,577</u>

* Changes of assumptions and other inputs include the change in the discount rate from 3.69 percent in 2023 to 3.86 percent as in 2024.

Source: Annual Comprehensive Financial Report of The School Board of Osceola County, Florida for the Fiscal Year Ended June 30, 2024.

For additional information, see Note 11 and the Required Supplementary Information of "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2024" hereto.

Accounting and Funds

Pursuant to Section 11.45, Florida Statutes, the financial operations of the District are subject to annual audit. The District may use independent auditors two out of every three fiscal years with the Auditor General's office auditing the financial operations of the District once every three fiscal years. Audit responsibilities assigned to the Auditor General and/or an independent auditor include the presentation of an annual report on the District's financial statements, assessment of the adequacy of the District's control environment, and determination of the District's compliance with legal requirements.

Accounting policies conform with generally accepted accounting principles applicable to state and local governmental units. The financial statements include fund-basis financial statements and also government-wide financial statements prepared on the accrual basis of accounting that split the District's

programs between governmental and business-type activities. The organization of the District's financial statements for Fiscal Year 2023-24 can be found in Note I to the audited financial statements of the District for the Fiscal Year ended June 30, 2024 attached hereto as Appendix B. For Fiscal Year 2023-24, the organization of such financial statements was as follows:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The fund financial statements provide information about the District's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

Special Revenue – Federal Education Stabilization Fund – to account for funds from Federal government in support of ongoing state and institutional COVID-19 recovery efforts.

Capital Projects –Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs.

Capital Projects – Other Fund – to account for other miscellaneous funds from various sources which are restricted for capital outlay purposes.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Internal Service Funds – to account for the District's individual self-insurance programs.

- Custodial Funds – to account for resources of the school internal fund, which is used to administer moneys collected at several schools in connection with school, student athletic, class and club activities. Currently, the District maintains one Custodial Fund.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied.

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied. See APPENDIX B hereto.

Budget Process

State law requires the Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following the County Property Appraiser's official certification of taxable property, which usually occurs on or about July 1. The Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the County Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed on or before September 18 of each year following a final public hearing. In accordance with such requirements, the District prepared its tentative 2024-25 Fiscal Year budget, which was approved at a public hearing held on July 30, 2024. The final budget for the 2024-25 Fiscal Year was adopted by the Board on September 10, 2024.

The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the Board. Florida law requires the Board to adopt and maintain a balanced budget in which anticipated revenues combined with beginning fund balances equal appropriations. Generally, the final budget is substantially the same as the tentative budget since the Board's hiring plans and materials purchases have been determined before the final budget is adopted.

General Fund Operations

The following table summarizes results of operations for the General Fund for the Fiscal Years ended June 30, 2022 through June 30, 2024 (audited), and the adopted budget for the Fiscal Year ending June 30, 2025.

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SCHOOL DISTRICT OF OSCEOLA COUNTY
Statement of Revenues, Expenditures and Changes in General Fund Balances
for Fiscal Years 2022-2025

		Audited		Budget
	FY 2022	FY 2023	FY 2024	FY 2025 ⁽¹⁾
Revenues:				
Intergovernmental:				
Federal Direct	\$ 556,213	\$ 1,068,416	\$ 861,055	\$ 820,000
Federal through State	2,563,519	1,210,832	2,578,047	2,110,247
State Sources	390,029,194	412,089,630	412,707,179	427,489,664
Local	167,424,754	192,701,131	234,623,729	239,132,126
Total Revenues	\$560,573,680	\$607,070,009	\$650,770,010	\$669,552,037
Expenditures:				
Current Education:				
Instruction	\$369,730,040	\$394,019,538	\$428,605,854	\$482,579,545
Pupil Personnel Services	30,011,874	31,473,796	33,523,629	36,887,632
Instructional Media Services	5,339,280	5,270,954	5,774,489	6,434,807
Instruction & Curriculum Development	16,105,610	18,552,312	18,289,417	22,237,234
Instructional Staff Training	5,387,267	6,930,341	6,585,740	7,280,964
Instruction Related Technology	2,144,643	2,320,854	2,540,957	4,714,547
Board of Education	5,350,821	1,842,561	1,953,555	2,163,448
General Administration	1,957,871	2,219,662	2,612,153	2,907,627
School Administration	26,873,312	28,688,188	30,646,140	33,920,278
Facilities Acquisition & Construction	14,342,417	14,488,451	16,481,950	18,225,466
Fiscal Services	2,241,128	2,431,775	2,588,153	2,881,108
Food Services	391,145	523,185	617,843	683,065
Central Services	7,932,256	9,281,407	9,174,045	10,231,662
Pupil Transportation Services	25,349,090	28,545,539	31,292,971	34,603,318
Operation of Plant	43,670,824	48,317,834	50,126,725	54,027,736
Maintenance of Plant	10,701,414	11,286,900	11,029,784	13,967,541
Administrative Technology Services	4,636,976	5,010,457	6,435,813	7,281,332
Community Services	3,631,155	4,131,275	5,400,305	6,505,355
Fixed Capital Outlay:				
Facilities Acquisition & Construction	-	-	-	-
Other Capital Outlay	743,521	2,362,416	2,666,947	-
Total Expenditures	\$576,540,644	\$617,697,445	\$666,346,470	\$747,532,665
Excess (Deficit) Revenues Over Expenditures	(15,966,964)	(10,627,436)	(15,576,460)	(77,980,628)
Other Financing Sources (Uses)	14,648,996	11,604,874	19,464,380	31,446,645
Excess (Deficit) Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,317,968)	977,438	3,887,920	(46,533,983)
Beginning Fund Balance	\$ 88,988,280	\$ 87,670,312	\$ 88,647,749	\$ 92,535,669
Ending Fund Balance	\$ 87,670,312	\$ 88,647,749	\$ 92,535,669	\$ 46,001,686

⁽¹⁾ The Ending Fund Balance in prior years represents the funds remaining at the end of that Fiscal Year after all expenses have occurred. For budgeting purposes, Florida law generally requires school districts to formulate a budget where Revenues plus Beginning Fund Balance equals Expenditures. As such, the budgeted Ending Fund Balance in Fiscal Year 2024-25 reflects the majority of funds being spread through school and budget departments, even though not all of such funds are expected to be expended in Fiscal Year 2024-25. **Based on actual Fiscal Year 2024-25 Revenues and Expenditures to date, the District estimates its actual Fiscal Year 2024-25 Ending Fund Balance to be \$82.1 million.**

Sources: Annual Comprehensive Financial Report of The School Board of Osceola County, Florida for the Fiscal Year Ended June 30, 2024 and Fiscal Year 2024-25 Adopted Budget.

General Fund Balance Guidelines

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school district's General Fund ending balance not classified as restricted, committed or nonspendable in the approved operating budget is projected to fall below three percent (3%) of projected General Fund revenues, the Superintendent shall provide written notification to the school board and the Commissioner of Education. The section further requires that if the General Fund ending balance not classified as restricted, committed or nonspendable is projected to fall below two percent (2%) of projected General Fund revenues, the Superintendent shall provide written notification to the school board and the Commissioner of Education. Within 14 days after receiving such notification of a balance below two percent (2%), if the Commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to Florida Statutes pertaining thereto, the Commissioner shall appoint a financial emergency board that may take certain delineated steps to assist a school board in complying with the General Fund requirements. In Fiscal Year 2022-23, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 8.6 % of General Fund Revenues and in Fiscal Year 2023-24 was 8.9% of General Fund Revenues. For Fiscal Year 2024-25, the District's General Fund ending balance not classified as restricted, committed or nonspendable is budgeted to be 7.6% of General Fund Revenues.

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Outstanding Debt Information

The following table shows the general long-term debt of the Board as of June 30, 2024.

School District of Osceola County, Florida General Long-Term Debt (As of June 30, 2024)

<u>General Description</u>	<u>Outstanding Balance</u>
<u>Self-Supporting State Bonds:</u> ⁽¹⁾	
Series 2014A, Refunding	\$ 115,000
Series 2017A, Refunding	290,000
 <u>District Revenue Bonds:</u>	
Sales Tax Revenue Bonds, Series 2015	6,804,000
Sales Tax Revenue Bonds, Series 2023	51,415,000
Capital Outlay Sales Tax Revenue Bonds, Series 2017A ⁽²⁾	55,905,000
Capital Outlay Sales Tax Revenue Bonds, Series 2020A ⁽²⁾	53,820,000
 <u>Certificates of Participation:</u>	
Series 2010A-QSCB ⁽³⁾	40,500,000
Series 2014	3,605,000
Series 2015	1,025,000
Series 2017	26,410,000
Series 2023	17,230,000
Total	\$257,119,000

⁽¹⁾ Bonds are issued by the State School Board of Education on behalf of the District and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for such Bonds.

⁽²⁾ Constitute Prior Bonds secured on a parity with the Series 2025 Bonds.

⁽³⁾ The Board designated such Lease as a "qualified school construction bond" ("QSCB") pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 6431 of the Code, the Board made an election to qualify to receive federal subsidy payments from the United States Treasury pursuant to Section 6431(f) of the Code (the "QSCB Issuer Subsidy") on each interest payment date for such QSCB Certificates. The expected QSCB Issuer Subsidy for such QSCB Certificates will be in an amount equal to the lesser of the amount of interest payable with respect to such QSCB Certificates on such date or the amount of interest which would have been payable with respect to such QSCB Certificates if the interest were determined at the applicable tax credit rate for the applicable QSCB Certificates pursuant to Section 54A(b)(3) of the Code.

Source: Annual Comprehensive Financial Report of The School Board of Osceola County, Florida for the Fiscal Year Ended June 30, 2024.

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RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES

Class Size Reduction

Article IX of the State Constitution was amended in 2002 by Amendment 9, which required that the State Legislature provide funding for sufficient classrooms so that class sizes could be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9 and Sections 1003.03 and 1013.735, Florida Statutes, which implement Amendment 9, collectively, are referred to herein as the "Class Size Legislation."

The Class Size Legislation established constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12. Compliance is determined on a period-by-period basis.

The Class Size Legislation further creates an "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program," the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding programs for capital outlays and operating expenditures necessary in relation to these mandated class size reductions.

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars.

Through Fiscal Year 2009-10, the District complied with the requirements of the Class Size Legislation, which was based on the average class size at each school. Beginning in Fiscal Year 2010-11, the requirements were based on the number of students in each individual classroom and subsequently, schools that provided choice (e.g., charter, magnet, career and technical, etc.) continued to be required to meet average class size at each school. During the October 2024 Survey, which is when DOE determines compliance with class size maximums for Fiscal Year 2023-24, the District had one school that was not in compliance with the requirements of the Class Size Legislation. That school subsequently achieved compliance.

Legislative Changes Relating to School Choice

During the State Legislature's 2016 Regular Session, the Florida Legislature enacted House Bill 7029 ("HB 7029"). Among other things, a parent whose child is not subject to a current expulsion or suspension order may seek enrollment in and transport his or her child to any public school in the State, including a charter school, which has not reached capacity. The school district or charter school shall accept and report the student for purposes of funding through the FEFP. The school district or charter school may provide student transportation at their discretion. HB 7029 requires the capacity determinations of each school district and charter school to be current and identified on their respective school websites. Each school must provide preferential treatment in its controlled open enrollment process to: (1) dependent children of active duty military personnel who moved as a result of military orders, (2) children relocated due to foster care placement in a different school zone, (3) children relocated due to a court ordered change in custody as a result of separation or divorce, or the serious illness or death of a parent, and (4) students residing in the school district. Students residing in the school district may not be displaced by a student from another school district. A student who transfers may remain at the school until the student completes the highest-grade level offered. This law took effect with the 2017-18 school year. At present, the impact of the school choice provisions of HB 7029 on the District's finances has been minimal.

House Bill No. 7045 ("HB 7045") was passed during the 2021 Florida legislative session and signed into law by the Governor. HB 7045 merges the State's school choice programs for certain disabled students, and expands eligibility for school voucher programs for low- and middle-income students and students subject to harassment, consolidates existing school-choice programs, increases the amount of State funding for the consolidated school-choice programs to \$200 million and allows the use of scholarship funds for private school tuition and other expenses such as tutoring, computers, and internet access. The new law took effect on July 1, 2021. If a significant number of eligible students transition to private schools, it is likely to have an adverse impact on the District's finances.

HB 1, which significantly expanded the eligibility criteria of the State's school voucher programs, was signed into law by Florida Governor Ron DeSantis on March 27, 2023. HB 1, among other things, expanded eligibility for the Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to any student that is a resident of Florida and is eligible to enroll in kindergarten through grade 12 in a public school. The Family Empowerment Scholarship Program is divided into three programs, the Family Empowerment Scholarship for students attending private schools (the "FES-EO"), the Family Empowerment Scholarship for students with disabilities (the "FES-UA") and the Hope Scholarship Program. HB 1 significantly increased the number of Florida Tax Credit Scholarships that may be awarded each year, and then removed the limits beginning in 2027-28. HB 1, in combination with House Bill 3C which was signed into law and became effective on November 13, 2023, removed the existing limits on the number of FES-EO scholarships that may be given each year. HB 1 also provided that the amount of the Family Empowerment Scholarship is equal to 100% of the school district's FEFP funding per student, including most categorical grants. HB 1 authorized uses of scholarship funds include, among other authorized expenses, tuition and fees for a student to attend eligible private schools. HB 1 took effect on July 1, 2023. House Bill 1403 ("HB 1403") was passed during the 2024 regular Florida legislative session and, among other things, expands eligibility for the Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to include the dependent children of active duty members of the United States Armed Forces who meet certain residency requirements, increases the FES-UA cap from three percent to five percent and repeals the scholarship funding portion of the Hope Scholarship Program. HB 1403 took effect on July 1, 2024. The expansion of the school choice programs in the State could potentially lead to a substantial increase in the number of Florida Tax Credit Scholarships and/or Family Empowerment Scholarship recipients. If a significant number of eligible students in the District transition to private schools or other scholarship eligible programs, it may have an adverse impact on the District's finances. See "RISK FACTORS - State Revenues" herein.

Distribution of Capital Outlay Funds to Charter Schools

On May 11, 2023, CS/CS/HB 1259 ("HB 1259") was signed by Florida Governor Ron DeSantis. HB 1259 modifies the provisions of Section 1013.62, Florida Statutes, relating to the non-voted millage for capital outlay and maintenance purposes of up to 1.50 mills levied pursuant to Section 1011.71, Florida Statutes (the "Capital Improvement Tax"), revenues from which are required to be shared with eligible charter schools in each school district in the State. HB 1259 removed a previously existing State funding threshold for purposes of determining whether Capital Improvement Tax revenues must be shared with eligible charter schools in a school district and establishes a five-year glide path of local sharing of Capital Improvement Tax revenues between each school district in the State and eligible charter schools therein. The calculation methodology set forth in HB 1259 first reduces a school district's available Capital Improvement Tax revenues by the school district's annual debt service for obligations incurred as of March 1, 2017, which are being satisfied by Capital Improvement Tax revenues and which have not been subsequently retired. The remaining Capital Improvement Tax revenues are then divided by the sum of (a) the school district's capital outlay FTE students and (b) the total number of FTE students at eligible charter school in the school district to determine a capital outlay allocation per FTE student. Next, such capital outlay allocation per FTE student is multiplied by the total number of FTE students at each eligible charter

school in the school district to determine a capital outlay allocation for each charter school in the school district. Next, if applicable, the capital outlay allocation to each charter school is reduced by the total amount of State funds allocated to each charter school in the school district thereby reducing the amount of Capital Improvement Tax revenues required to be shared by the school district. The remaining amount, if any, is the amount the school district must share with eligible charter schools in the school district in such year. However, the legislation provides for a five-year phase in for such amounts so that the amount to be paid by the school district for each year pursuant to the above-described methodology was multiplied by 20% for Fiscal 2023-24, and increases by 20% each year until Fiscal Year 2027-28 at which time it would equal 100% of the amount described in the preceding sentence. HB 1259 took effect on July 1, 2023. For Fiscal Year 2024-25, the District shared approximately \$2.5 million in Capital Improvement Tax revenues with eligible charter schools in the District. However, the amount of Capital Improvement Tax revenues the District will be required to share with charter schools in the District is projected to be approximately \$12 million by Fiscal Year 2028-29. However, the Capital Improvement Tax is not pledged to the repayment of the Series 2025 Bonds and the District does not expect any reduction in Capital Improvement Tax revenues to adversely impact its ability to pay debt service on the Series 2025 Bonds.

Public Safety Mandate

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district; (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. During the 2019 Legislative session, the State Legislature passed CS/CS/SB 7030 ("SB 7030") which among other things, removes the prohibition on individuals who perform exclusively classroom duties as a teacher from participating in the guardian program. However, the decision to allow teachers to be armed guardians remains with each individual school board. The Board has entered into contracts with the Osceola County Sheriff's Office and other local law enforcement agencies to provide school resource officers at each District operated school. The estimated cost to the District for Fiscal Year 2023-24 was approximately \$3.8 million and is budgeted to be \$4.4 million for Fiscal Year 2024-25.

RISK FACTORS

EACH PURCHASER OF THE SERIES 2025 BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2025 BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE MARKET PRICE OF THE SERIES 2025 BONDS TO AN EXTENT THAT CANNOT BE DETERMINED.

Fluctuations in Sales Tax Revenues

The amount of Sales Tax Revenues distributed to the District is subject to increase or decrease due to various factors which may be beyond the control of the District or the Series 2025 Bondholders and which may have a material adverse impact on the amount of Sales Tax Revenues distributed to the District. Such factors include: (i) increases or decreases in the dollar volume of sales within the County subject to the Sales Surtax, and (ii) legislative changes relating to the Discretionary Sales Surtax, which may include changes in the scope of taxable sales.

On June 21, 2018, the United States Supreme Court in *South Dakota v. Wayfair, Inc., et al.* held that states can require retailers to collect sales tax on internet sales regardless of whether they maintain a physical presence in the state. In that particular case, the South Dakota legislation required the collection of sales tax by out-of-state retailers with \$100,000 or more in sales or 200 or more individual transactions in South Dakota in a year. During the 2021 Florida Legislative Session, legislation was enacted requiring the collection and remittance of sales tax by out-of-state retailers and took effect on July 1, 2021. The District is unable to predict at this time the full impact of this legislation on the collection of sales tax from out-of-state retailers.

In addition, the amount of Sales Tax Revenues distributed to the District may be negatively impacted by general economic and other conditions, including, but not limited to, changes in population, changes in the price of taxable sales and uses, global conflicts, economic recession, terrorist attacks, pandemics, or active hurricane seasons in Florida. Such events are unpredictable and may affect the collection of the Discretionary Sales Surtax. See also, "- State Revenues" and "- Coronavirus (COVID-19)" below.

Construction Cost Maximums

Section 1013.64(6)(b), Florida Statutes, prohibits a school board from using funds from any sources (including the Sales Tax Revenues) for new construction of educational plant space with a total cost per student station, including change orders, greater than the amounts set forth in Section 1013.64(6)(b)1., Florida Statutes, as adjusted. However, as of July 1, 2019, if the new construction of educational plant space is subject to a lease-purchase agreement entered into pursuant to Section 1011.71(2)(e), Florida Statutes, a school board (i) may use certain local funding sources (including the Discretionary Sales Surtax, school impact fees, and voter approved ad valorem taxes, in each case if legally available for such purpose) to pay for the new construction of educational plant space, and (ii) may, but is not required to, use capital outlay millage revenues and certain state funding sources to pay for the portion of the cost for new construction of educational plant space which does not exceed the total cost per student station requirements or for certain other costs that are not included in cost per student station calculation (such as legal and administrative costs, site improvement costs and school security hardening/capital costs).

HB 1, which was signed into law by Florida Governor Ron DeSantis on March 27, 2023, provides that, among other things, an unfinished construction project for new construction of educational plant space that was started on or before July 1, 2026, is exempt from the cost per student station limits of Section 1013.64(6)(b)1., Florida Statutes. CS/SB 7002, which was passed during the 2024 regular Florida legislative session, provides that the exemption from the maximum cost per student station limits be extended to construction projects that start on or before July 1, 2028. The Series 2025 Project is a project for new construction of educational plant space that will commence prior to July 1, 2028. **As such, the maximum cost per student station limits of Section 1013.64(6)(b)1., Florida Statutes, do not apply to the Series 2025 Project and the Series 2025 Project is exempt from the cost per student station limits of Section 1013.64(b)(6)1., Florida Statutes.**

Legislative Changes

In recent years, legislation has been introduced that required certain percentages of school district funding be spent on particular activities and imposed additional funding restrictions and other requirements on school districts. Many proposals have sought to provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at historical levels. Other proposals have sought to restrict the ability of local governments to use certain revenues for payment of debt service, to provide for additional procedures and notices in order to issue tax-supported debt or to require the sharing of local revenues with charter schools. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the current legislative session or in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

During the current 2025 regular legislative session of the Florida Legislature, Senate Bill 1664 ("SB 1664") and corresponding House Bill 1221 ("HB 1221," and together with SB 1664, the "Pending Legislation") have been introduced. The Pending Legislation requires, among other things, that any local option discretionary sales surtax (including the Discretionary Sales Surtax) in effect on June 30, 2025 to be approved in a referendum held on or before January 1, 2033 in order to remain in effect after January 1, 2033 unless the proceeds of such tax have been pledged to secure revenue bonds or revenue refunding bonds on or before July 1, 2025, in which case the Pending Legislation provides that the referendum shall occur on or before the January 1 immediately following retirement of the bonds. The District has previously issued the Prior Bonds, and the Series 2025 Bonds will be issued prior to July 1, 2025, each of which are secured by a pledge of the Discretionary Sales Surtax. As such, if the Pending Legislation is enacted in its current form, the District will not be required to hold a referendum to continue the Discretionary Sales Surtax until after the Prior Bonds and the Series 2025 Bonds are retired.

During the current 2025 regular legislative session of the Florida Legislature, various other House and Senate bills and joint resolutions have been introduced proposing, among other things, additional or increased exemptions from ad valorem taxation for both homestead property and certain non-homestead property subject to a long-term lease, revising assessment limitations for ad valorem property, requiring school districts to give priority to charter schools when disposing of surplus real property, and requiring school districts with declining enrollments to dispose of surplus real property identified by the State Board of Education. At this time, the School Board cannot predict whether these bills and joint resolutions will be enacted. Certain of the bills and joint resolutions propose constitutional amendments requiring approval by at least 60% of the electors, and if enacted, the School Board cannot predict whether such proposed constitutional amendments will be approved by the electors.

State Revenues

A large portion of the District's funding is derived from State sources. A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized.

On June 12, 2024, Governor Ron DeSantis approved the State education budget for State Fiscal Year 2024-25, which commenced July 1, 2024, providing for an approximately \$1.8 billion or 6.73% increase in State and local Florida Education Finance Program ("FEFP") funding for K-12 public schools over State Fiscal Year 2023-24, reflecting a per-pupil increase of approximately \$240 per student or 2.75% over Fiscal Year 2023-24. The adopted education budget allocates approximately \$2.2 billion for funding of the State's expanded voucher/scholarship programs pursuant to HB 1 as part of State FEFP funding. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes

Relating to School Choice" herein. However, such funds will be withheld from each school district's FEFP distributions based on the forecasted scholarship students for each school district. For the District, the estimated amount to be withheld is approximately \$62.9 million. Based upon the approved budget, the estimated increase for the District is approximately \$48.6 million (inclusive of charter school students and voucher/scholarship students) in State and local FEFP funds over Fiscal Year 2023-24. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget.

Governor DeSantis released his budget proposal for State Fiscal Year 2025-26. The Governor's proposed budget includes approximately \$29.7 billion in total funding for education, and an increase of \$222 in K-12 per student State and local FEFP funding, including the Family Empowerment Scholarship programs. The Governor's proposed budget provides for an increase of approximately \$1.2 billion in State and local FEFP funding for K-12 public schools, of which approximately \$568 million is derived from local funding. Based on the Governor's proposed budget and individual department submissions, each chamber of the Florida Legislature prepares its own version of the budget, which may or may not reflect the Governor's recommendations. While typically containing a number of the executive branch recommendations, the final approved State budget has historically changed from the version proposed by the Governor. The Florida Senate and House of Representatives are each considering separate budget bills. The current version of the Senate budget bill provides for an increase of approximately \$984 million in State and local FEFP funding for K-12 public schools, reflecting an increase of approximately \$135 in K-12 per student State and local FEFP funding. The current version of the House budget bill provides for an increase of approximately \$747 million in State and local FEFP funding for K-12 public schools (inclusive of funding for the expansion of the State voucher programs), reflecting an increase of approximately \$62 in K-12 per student State and local FEFP funding. Upon the passage of budget bills by each chamber of the Legislature, members of both houses of the Legislature will meet in an Education Budget Conference Committee to resolve differences between the House and Senate budgets and related implementing and conforming bills. Once finalized, the conforming budget and related implementing and conforming bills will be sent to the full House and Senate for adoption and then to the Governor for approval. At this time, no assurance can be given that funding for education will increase as described in the Governor's budget proposal or the current budget bills.

Climate Change

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Even areas like the District are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the District could lose considerable tax revenues and many residents, businesses, and governmental operations along waterfront areas could be displaced. However, the District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the District. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the District.

Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, tornadoes and hurricanes, which could result in negative economic impacts on communities including the District. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change as described in the preceding paragraph), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the District. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

Coronavirus (COVID-19)

The Novel Coronavirus 2019 ("COVID-19") pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy has been broad based and has negatively impacted national, state and local economies. In response to such expectations, then-President Trump on March 13, 2020, declared a "national emergency," which, among other effects, allowed the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation.

The State's finances were expected to be adversely affected by the continued spread of COVID-19, the various governmental actions in response thereto and changes in the behavior of businesses and people. The State derives a significant portion of its annual revenues from the collection of sales tax. The impact of COVID-19 was expected to result in significant decreases in state and local sales tax revenues as a result of decreased tourism and commercial activity throughout the State, but sales tax revenue has generally rebounded to pre-pandemic levels. Notwithstanding the foregoing, no State budget reductions took place in Fiscal Years 2022-23 or 2023-24 and none are expected for Fiscal Year 2024-25. See "RATINGS" herein.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law. Among other provisions, the CARES Act created an Education Stabilization Fund to support K-12 schools and colleges and universities during the COVID-19 outbreak. The Educational Stabilization Fund included a total of \$30.75 billion in relief divided into three separate pools: (1) funds to K-12 schools; (2) funds to higher education; and (3) funds to governors. Florida received approximately \$873.8 million in funds for K-12 schools, approximately \$770.2 million in funds for higher education and approximately \$173 million in funds to the Governor for use as grants to local educational agencies. Funds for K-12 schools were distributed to school districts and charter schools based on their share of Title I-A funds. The District was awarded approximately \$26 million of such CARES Act funds. However, such funds were required to be shared with charter schools and private schools in the County. Funds to local districts can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures, purchasing educational technology to support online learning for all students, and additional activities authorized by federal elementary and secondary education laws. Funds in the Governor's Education Relief Fund can be used at the Governor's discretion to provide emergency support grants to K-12 schools, colleges and universities and child care/early education providers. The CARES Act requires that any entity that receives funds from the Education Stabilization Fund must continue to pay its employees and contractors to the extent practicable during the period of any disruptions or closures related to coronavirus.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSA") was signed into law. Among other provisions, the CRRSA created a second Education

Stabilization Fund ("ESSER II") to support K-12 schools and colleges and universities during the COVID-19 outbreak. Funds for elementary and secondary public schools were allocated to each state as a grant and each state was required to allocate at least 90% of such funds as sub-grants to local education agencies (including charter schools classified as local education agencies) in the state based upon their share of Title I-A funds. The ESSER II Fund includes a total of \$81.88 billion in relief. Florida received approximately \$2.82 billion in ESSER II funds for use as sub-grants to K-12 schools. The District received approximately \$64 million in ESSER II funds for use through September 30, 2024. However, such funds were required to be shared with charter schools and private schools in the County. Funds to local districts can be used for coronavirus-response activities, such as planning, coordinating and implementing activities during long-term school closures, purchasing educational technology to support online learning for all students, addressing learning loss, school repairs and improvements to reduce risk of virus transmission and additional activities authorized by federal elementary and secondary education laws.

On March 11, 2021, then-President Biden signed The American Rescue Plan Act of 2021 (the "Rescue Act") into law to address the impacts of COVID-19. The Rescue Act, among other things, provides (1) \$123.8 billion in emergency relief funds to elementary and secondary public schools, (2) \$2.75 billion in emergency assistance to non-public schools (including an estimated \$7 billion for Florida) and (3) \$39.6 billion in emergency relief for higher education. Funds for elementary and secondary public schools were allocated to each state as a grant and each state is required to allocate at least 90% of such funds as sub-grants to local education agencies (including charter schools classified as local education agencies) in the state based upon their share of Title I-A funds. Under the Rescue Act, at least 20% of the funds allocated to local education agencies must be used to address learning loss. School districts may use the remaining funds for certain activities specified in the Rescue Act to help schools reopen safely, including repairing ventilation systems, reducing class size to ensure social distancing and purchasing personal protective equipment. Each state is required to grant allocations of such funds within 60 days of receipt, and such funds shall remain available for allocation through September 30, 2024. The District received approximately \$154 million in Rescue Act funds.

Due to the evolving nature of the outbreak and federal, State and local responses thereto, the long-term impacts of the COVID-19 crisis are unknown and dependent on factors such as the length of any shutdown or partial inaccessibility of school facilities, the extent to which the faculty and staff or the student population is directly affected and is unable to attend class, teach or provide services, and the impact on the economy as a whole within the State. While the District experienced increased costs associated with the reopening of District schools, including an increase in operational costs incurred to implement distance learning strategies, to provide students and staff with personal protective equipment or to clean, sanitize and maintain its facilities, such increased costs were offset with CARES Act funds, Rescue Act funds or other federal funds. At this time, the School Board also cannot predict with certainty the impacts of the outbreak on the District's revenues for the 2024-25 Fiscal Year and beyond, including whether there will be a reduction in State funding, a decline in student enrollment, a reduction in taxable assessed values of properties in the District, or a reduction in ad valorem tax collections.

Cybersecurity

Computer networks and systems used for information transmission and collection are vital to the efficient operations of the District. District systems provide support to departmental operations and District services by collecting and storing sensitive information, including intellectual property, security information, proprietary business process information, information regarding suppliers and business partners, and personally identifiable information of students and employees (collectively, "Computer Information"). The secure processing, maintenance and transmission of Computer Information is critical to effective departmental operations and the appropriate provision of services. Increasingly, governmental entities are being targeted by cyber-attacks seeking to obtain Computer Information or disrupt critical

services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers and hackers can exploit in their efforts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to a loss of Computer Information or other system disruptions. The District has next generation firewalls with unified threat management features enabled which include firewall, application control, web filter, and intrusion detection and prevention. Cybersecurity operations are handled both internally and externally. The District has had cybersecurity events where certain individual credentials were compromised within the last three years. Such situations were mitigated immediately and process improvements were implemented to prevent future issues. There is a mandatory Security and Privacy Awareness training that all District employees must take to educate users regarding cybersecurity threats and ways to avoid becoming a victim as well as learn about protections in place through the District and ways to minimize vulnerabilities both at work and at home.

While District cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will ensure against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the District's computer network and the confidentiality, integrity, or availability of the District's computer system or the Computer Information. The potential disruption, access, modification, disclosure or destruction of Computer Information could result in the interruption of District services, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and could cause a material disruption in the District's operations or the appropriate provision of District services. The costs of remedying any such damage or protecting against future attacks could be substantial and in excess of the maximum amount of the District's cyber risk insurance policy. Further, the litigation to which the District could be exposed following a cybersecurity breach could be significant, which could cause the District to incur material costs related to such legal claims or proceedings.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series 2025 Bonds are subject to an approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, whose approving opinion (a form of which is attached hereto as APPENDIX D) will be available at the time of delivery of the Series 2025 Bonds. Certain legal matters will be passed on for the District by its Counsel, Frank Kruppenbacher, Esq. and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriters by George A. Smith PLLC, Tallahassee, Florida, as Counsel to the Underwriters.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2025 Bonds except as may be provided in a supplemental opinion of Bond Counsel to the Underwriters (as to which only they may rely) of the Series 2025 Bonds relating to the accuracy of certain statements contained herein under the heading "TAX EXEMPTION" and certain statements which summarize provisions of the Resolution and the Series 2025 Bonds, (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2025 Bonds.

LITIGATION

Concurrently with the delivery of the Series 2025 Bonds, Counsel to the District will deliver an opinion which states, among other things, that there is no litigation or other proceedings pending or, to the best knowledge of the District, threatened against the District (1) that seeks to restrain or enjoin the issuance or delivery of the Series 2025 Bonds or (2) questioning or affecting the validity of the Series 2025 Bonds

or any proceedings or actions of the District with respect to the authorization, sale, execution or issuance of the Series 2025 Bonds or the transactions contemplated by this Official Statement or the Resolution or any other agreement or instrument to which the District is a party in connection therewith and which is used or contemplated for use in the transactions contemplated by this Official Statement or (3) questioning or affecting the creation, organization or existence of the District and which would have an adverse effect on the actions taken by the District with respect to the issuance of the Series 2025 Bonds.

The District experiences claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on its operations or financial condition, but may, in the aggregate, have a material impact thereon. There is no litigation, claim or series of claims currently pending, or, to the best knowledge of the District, threatened that would have a material adverse consequence on the financial condition of the District.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the District make full and fair disclosure of any Series 2025 Bonds or other debt obligations of such entity that have been in default as to payment of principal or interest at any time after December 31, 1975. The District is not and has not since December 31, 1975, been in default as to payment of principal and interest on its Series 2025 Bonds or other debt obligations.

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Series 2025 Bonds in order that the interest on the Series 2025 Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025 Bonds. The District has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, (i) the interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes; (ii) interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (iii) in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2025 Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income, or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the status of interest on the Series 2025 Bonds under the tax laws of any state other than Florida.

The above opinion on federal tax matters with respect to the Series 2025 Bonds will be based on and will assume the accuracy of certain representations and certifications of the District, and compliance

with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2025 Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2025 Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2025 Bonds, or the ownership or disposition of the Series 2025 Bonds. Prospective purchasers of Series 2025 Bonds should be aware that the ownership of Series 2025 Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2025 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2025 Bonds, (iii) the inclusion of the interest on the Series 2025 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2025 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Series 2025 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Series 2025 Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Series 2025 Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Premium

Certain of the Series 2025 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (*i.e.*, for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2025 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2025 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Possibility of Future Changes in Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above, including, without limitation, the excludability from gross income of interest on the Series 2025 Bonds, adversely affect the market price or marketability of the Series 2025 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Series 2025 Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2025 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2025 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2025 Bonds and proceeds from the sale of Series 2025 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2025 Bonds. This withholding generally applies if the owner of Series 2025 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

RATINGS

Moody's Ratings ("Moody's") and Fitch Ratings, Inc. ("Fitch") have assigned underlying ratings of "Aa2" (stable outlook) and "AA" (stable outlook) respectively, to the Series 2025 Bonds. The ratings and outlook reflect only the views of said rating agencies and an explanation of the ratings and outlook may be obtained only from said rating agencies. There is no assurance that such ratings or outlook will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings or outlook may have an adverse effect on the market price of the Series 2025 Bonds. An explanation of the significance of the ratings and outlook can be received from the rating agencies at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0501; Fitch Ratings, Inc., 33 Whitehall Street, New York, New York 10004, (212) 908-0500.

FINANCIAL ADVISOR

The District has retained PFM Financial Advisors LLC, Orlando, Florida, as financial advisor in connection with the District's financing plans and with respect to the authorization and issuance of the Series 2025 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2025 Bonds.

FINANCIAL STATEMENTS

Excerpted pages from the Annual Comprehensive Financial Report of the District for the Fiscal Year ended June 30, 2024, included in this Official Statement as APPENDIX B, have been audited by MSL, P.A., certified public accountants, as stated in their report included in APPENDIX B. Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and the consent of the District's auditors was not requested. The auditors have not performed any services related to, and therefore are not associated with, the preparation of this Official Statement.

The budgeted figures set forth in this Official Statement reflect the District's final budget which was adopted on September 10, 2024. The Board may amend the final budget from time to time in accordance with applicable law.

UNDERWRITING

The Series 2025 Bonds are being purchased by Raymond James & Associates, Inc., acting on behalf of itself, BofA Securities, Inc. and Jefferies LLC (collectively, the "Underwriters") at a price of \$ _____ (which represents the par amount of the Series 2025 Bonds, less an Underwriters' discount of \$ _____ and plus/less a bond premium/original issue discount of \$ _____). The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2025 Bonds if any Series 2025 Bonds are purchased. The Series 2025 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2025 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the District, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., an Underwriter of the Series 2025 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2025 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2025 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Resolution and the Series 2025 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

CONTINUING DISCLOSURE

Pursuant to the Disclosure Dissemination Agent Agreement, the Board has agreed and undertaken for the benefit of Series 2025 Bondholders and in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c2-12 of the Securities Exchange Commission (the "Rule") to provide certain financial information and operating data relating to the Board and the Series 2025 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such undertaking shall only apply so long as the Series 2025 Bonds remain outstanding under the Resolution. The Annual Report and audited financial statements and notices of material events will be filed annually with the Municipal Securities Rulemaking Board Municipal Securities Rulemaking Board via its Electronic Municipal Market Access ("EMMA") system. The specific nature of the information to be

contained in the Annual Report and the notices of material events are described in "APPENDIX E - Form of Disclosure Dissemination Agent Agreement" attached hereto. The Disclosure Dissemination Agent Agreement shall be executed by the District and Digital Assurance Certification LLC, as Dissemination Agent thereunder, prior to the issuance of the Series 2025 Bonds.

With respect to the Series 2025 Bonds, no party other than the District is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts and summaries of all documents, statutes and information concerning the District, the Board and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2025 Bonds, the security for the payment of the Series 2025 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

The Appendices hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

FORWARD LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements" concerning the District's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the District. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "budget," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the Board. At the time of delivery of the Series 2025 Bonds, the undersigned will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Official Statement (other than the information herein related to DTC, the book-entry only system of registration and the information contained under the caption "TAX EXEMPTION," as to all of which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2025 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA

By: _____
Chair

By: _____
Superintendent

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APPENDIX A

GENERAL INFORMATION RELATING TO OSCEOLA COUNTY, FLORIDA

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GENERAL INFORMATION RELATING TO OSCEOLA COUNTY, FLORIDA

General Information

Osceola County (the "County") covers a land area of 1,506 square miles located in east Central Florida, making it the sixth largest county in the State of Florida (the "State") in terms of geographic area. Kissimmee, the County seat, is approximately 18 miles south of Orlando and approximately 75 miles northeast of Tampa. The Atlantic Ocean is located approximately 41 miles to the east and the Gulf of Mexico is approximately 67 miles to the west. The County was established in 1887 by the Florida Legislature and had a 2020 population of 388,656 based upon the 2020 United States Census. This represents a 44.7% increase over 2010 and has placed the County as one of the fastest growing counties in the United States. The County's 2024 estimated population was 451,231 and is projected in 2030 to be at 531,600. Within its borders there are two municipalities: the Cities of Kissimmee and St. Cloud.

Agriculture and cattle formed the County's economic roots and dominated commerce for more than a century. Since the opening of Walt Disney World in 1971, the County has moved from an agriculture-based economy to a tourism-based economy. The County's economy is now directly linked to Central Florida's tourism. Walt Disney World's main entrance is located in the County and retains its status as the largest single-site employer in the world, with over 80,000 employees. The County's labor force in 2024 totaled approximately 235,210 with an estimated unemployment rate of 3.5%. Although the economy of the County is somewhat diversified, a notable 33.7% of workers employed in the County as of the second quarter of 2024 were concentrated in two primary industry sectors: Retail Trade (17.4%) and Accommodation and Food Services (16.3%).

Transportation

The County's location makes it a hub for all forms of transportation. One of the most modern airports in the country is Orlando International Airport, located approximately 15 miles northeast of Kissimmee, with daily flights to all major destinations with through service to other cities. Kissimmee Gateway Airport, a general aviation airport, is the nearest air facility to Walt Disney World, Universal Studios, MGM Studios, EPCOT and other major tourist attractions.

The Florida Turnpike and Interstate-4 link the County with all major traffic routes and cities in the State and in the southeastern United States. The County completed the Osceola Parkway in the mid-1990s, a controlled access toll facility extending east-west from Florida's Turnpike on the east to World Drive located within the Central Florida Tourism Oversight District (formerly known as the Reedy Creek Improvement District) on

the west. The Osceola Parkway enhances the flow of traffic by tourists and other temporary visitors to the County and the Central Florida Tourism Oversight District who utilize the recreation and entertainment facilities located therein, including Walt Disney World.

CSX Transportation owns the railroad tracks in the County which Amtrak uses to transport passengers and which is also used by freight lines. The railway moves to various destinations east of the Mississippi River.

Population

With an estimated 2020 population of 388,656, Osceola County ranked 16th out of Florida's 67 counties in gross population and 25th in population density with an average of 293 persons per square mile.

Osceola County and the State of Florida Population Trends 1980-2050

Year	Osceola County	Percentage Change	State of Florida	Percentage Change
1980	49,287	95.06%	9,746,961	43.52%
1990	107,728	118.57	12,937,926	32.74
2000	172,493	60.12	15,982,824	23.53
2010	268,685	55.77	18,801,310	17.63
2020	388,656	44.65	21,538,187	14.56
2030	531,600	36.79	24,698,500	14.67
2040	623,800	17.34	26,682,000	8.03
2050	695,000	11.41	28,065,000	5.18

Source: Bureau of Economic and Business Research Florida Population Studies, Population Projections.

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County Debt

Osceola County, Florida General Long-Term Debt (As of September 30, 2024)

General Description	Outstanding Principal Balance
Limited General Obligation Refunding Bonds, Series 2015	\$ 2,190,000
Limited General Obligation Refunding Bonds, Series 2020	3,880,000
Infrastructure Sales Surtax Refunding Bonds, Series 2015	5,080,000
Infrastructure Sales Surtax Refunding Bonds, Series 2017	4,545,000
Public Improvement Revenue Bonds, Series 2016A	12,280,000
Public Improvement Revenue Bonds, Series 2017	22,895,000
Public Improvement Revenue Bonds, Series 2020	2,240,000
Sales Tax Revenue Bonds, Series 2015A	55,395,000
Sales Tax Revenue Refunding Bonds, Series 2016A	32,655,000
Sales Tax Revenue Refunding Bonds, Series 2017	3,948,000
Tourist Development Tax (Fifth Cent) Revenue Refunding Bonds, Series 2016	19,595,000
Tourist Development Tax (Fifth Cent) Revenue Refunding Bonds, Series 2019	10,700,000
Tourist Development Tax Revenue Refunding and Bonds, Series 2022	43,780,000
Capital Improvement Revenue Refunding Bonds, Series 2019	89,136,000
Transportation Improvement and Refunding Revenue Bonds (Osceola Parkway), Series 2019A1-2	302,997,000
State Infrastructure Bank Loan Agreement	16,003,000
Total	<u>\$627,319,000</u>

Source: Osceola County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

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General Statistics

Principal Employers - Osceola County 2024 and 2015

Employer	2024			2015		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
School District of Osceola County	7,904	1	8.44%	6,622	1	8.03%
Adventist Health System	4,020	2	4.29	-	-	-
Wal-Mart Stores, INC	3,915	3	4.18	-	-	-
Walt Disney Company - Osceola County Offices	3,700	4	3.95	3,700	4	4.49
Publix Supermarkets	1,795	5	1.92	-	-	-
Gaylord Palms Resort & Convention Center	1,600	6	1.71	-	-	-
HCA Healthcare (Osceola Regional Medical Center)	1,593	7	1.70	1,616	8	1.96
Osceola County Government	1,519	8	1.62	2,303	6	2.79
Westgate Resorts	1,136	9	1.21	-	-	-
McLane/Suneast Incorporated	1,050	10	1.12	-	-	-
Lowes RDC	-	-	-	6,007	2	7.28
Omni Orlando Resort at Champions Gate	-	-	-	1,500	9	1.82
Orange Lake Resorts & Holiday Inn Club Vacation Club	-	-	-	2,250	7	2.73
Florida Hospital Kissimmee	-	-	-	2,803	5	3.40
Florida Hospital Celebration	-	-	-	3,802	3	4.61
Wilson Resort Management	-	-	-	1,200	10	1.46
Total Largest Employers	28,232		30.03%	31,803		38.57%
Total All Other Employers	65,452			50,671		
Total Employment	93,684			82,474		

Source: Osceola County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

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**Civilian Labor Force Summary
Osceola County, Florida**

Calendar Year	Civilian Labor Force	Employment	Unemployment	Annual Average Percent Unemployment
2015	157,892	148,689	9,203	5.8%
2016	164,792	156,541	8,251	5.0
2017	171,704	164,153	7,551	4.4
2018	179,458	172,724	6,734	3.8
2019	184,032	177,826	6,206	3.4
2020	189,497	162,790	26,707	14.1
2021	186,100	174,483	11,617	6.2
2022	196,911	190,025	6,886	3.5
2023	204,145	197,266	6,879	3.4
2024	235,210	227,047	8,163	3.5

Source: FloridaCommerce, Bureau of Workforce Statistics and Economic Research, Local Area Unemployment Statistics (LAUS).

**County Building Permit Activity
2014-2023
(\$ in thousands)**

Calendar Year	Number of Units		Total Valuations
	Single Family	Multi- Family	
2014	2,766	648	\$744,229
2015	3,502	3,258	1,251,496
2016	3,196	501	874,295
2017	4,028	757	1,127,275
2018	4,831	4,928	1,285,635
2019	5,428	2,509	1,552,018
2020	4,970	878	1,172,213
2021	7,207	2,796	1,868,280
2022	6,005	1,378	1,405,699
2023	5,529	2,726	1,882,666

Source: U.S. Census Bureau, Building Permit Activity.

Valuation

The following table shows the total estimated actual value and total taxable value for operating millage in each of the past ten years.

**Total Estimated Actual and Assessed Value of Property
Osceola County, Florida
(In Thousands)**

Tax Year	Fiscal Year	Total Estimated Actual Value	Total Assessed Value	Percentage of Total Assessed Value to Total Estimated Actual Value
2014	2015	\$20,479,277	\$19,516,751	95.3%
2015	2016	23,082,186	21,004,789	91.0
2016	2017	24,769,626	22,961,443	92.7
2017	2018	27,489,658	25,372,954	92.3
2018	2019	30,156,562	28,407,481	94.2
2019	2020	33,154,251	31,397,076	94.7
2020	2021	50,595,303	34,108,072	67.4
2021	2022	60,104,788	39,742,018	66.1
2022	2023	74,072,430	46,353,487	62.6
2023	2024	80,133,432	52,453,378	65.5

Source: Osceola County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

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Osceola County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$146,571	\$141,405	96.48%	\$533	\$141,938	96.84%
2016	158,178	152,193	96.22	86	152,279	96.27
2017	169,373	163,456	96.51	66	163,522	96.55
2018	185,272	178,518	96.35	104	178,622	96.41
2019	204,485	197,322	96.50	1,341	198,663	97.15
2020	229,122	220,075	96.05	60	220,135	96.08
2021	252,322	242,968	96.29	75	243,043	96.32
2022	273,654	263,045	96.12	(140)	262,905	96.07
2023	319,455	306,516	95.95	134	306,651	95.99
2024	371,650	357,402	96.17	46	357,448	96.18

Source: Osceola County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

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Principal Taxpayers

The following table contains the list of the County's principal taxpayers for 2024 and 2015.

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westgate Properties/Resorts/Towers	\$ 1,245,346	1	2.37%	\$ 837,169	1	4.90%
Walt Disney Park and Resorts US Inc.	923,970	2	1.76	584,979	2	3.43
Lando Resorts Corp.	780,465	3	1.49	417,750	3	2.45
RHP Property G.P. Limited Partnership	496,228	4	0.95	-	-	-
Windham Vacation Own & Resorts/Club Wyndham	305,140	5	0.58	-	-	-
Duke Energy Florida LLC	302,735	6	0.58	282,333	4	1.65
BR Gates/Grand at Westside/Meadows/Sonoma DST	294,706	7	0.56	-	-	-
Tempus Palms International	293,330	8	0.56	258,908	6	1.52
Osceola Regional Hospital Inc	151,810	9	0.29	101,611	10	0.60
Omni-ChampionsGate Resort Hotel LLC	139,059	10	0.27	107,064	9	0.63
Dedicated Prime Orlando LP	124,478	11	0.24	-	-	-
Silver Lake Resort	116,701	12	0.22	107,786	8	0.63
Sabal Trail Transmission	114,371	13	0.22	-	-	-
Worldmark The Club	107,222	14	0.20	44,523	20	0.26
Walmart Stores/WalSam Dev Co.	100,526	15	0.19	60,112	14	0.35
KF Orlando Development LP	96,839	16	0.18	-	-	-
CIV Development FL Partners LLC	89,856	17	0.17	-	-	-
2013-1/2017-1/2017-2/2018-1/2018-2/2018-3/2018-4/2019-1 IH Borrower LP	86,776	18	0.17	-	-	-
EL Mirasol Partners LLC	85,410	19	0.16	-	-	-
19 South Apartments LLC	77,644	20	0.15	-	-	-
G.P. Limited Partnership	-	-	-	260,716	5	1.53
Starr Island/Vacation Break/Wyndham	-	-	-	209,761	7	1.23
Orlando Resort Development Group, Inc.	-	-	-	66,641	11	0.39
Lowes Home Centers Inc.	-	-	-	64,550	12	0.38
Florida Gas Transmission Co	-	-	-	62,991	13	0.37
IH2 Prop FL LP/IH3 Prop FL LPIH4 Prop FL LP	-	-	-	58,838	15	0.34
Embarq Florida Inc/Sprint/SprintCom	-	-	-	55,788	16	0.33
Timescape Resorts LLC	-	-	-	52,499	17	0.31
Metropolitan Life Insurance Co.	-	-	-	49,841	18	0.29
Adventist Health System Sunbelt Inc.	-	-	-	46,434	19	0.27
Total taxable assessed value twenty largest taxpayers	\$ 5,932,612		11.31%	\$ 3,730,294		21.85%
Total taxable assessed value all other taxpayers	\$46,520,766		88.69%	\$13,345,500		78.15%
Total taxable assessed value all taxpayers	\$52,453,378		100.00%	\$17,075,794		100.00%

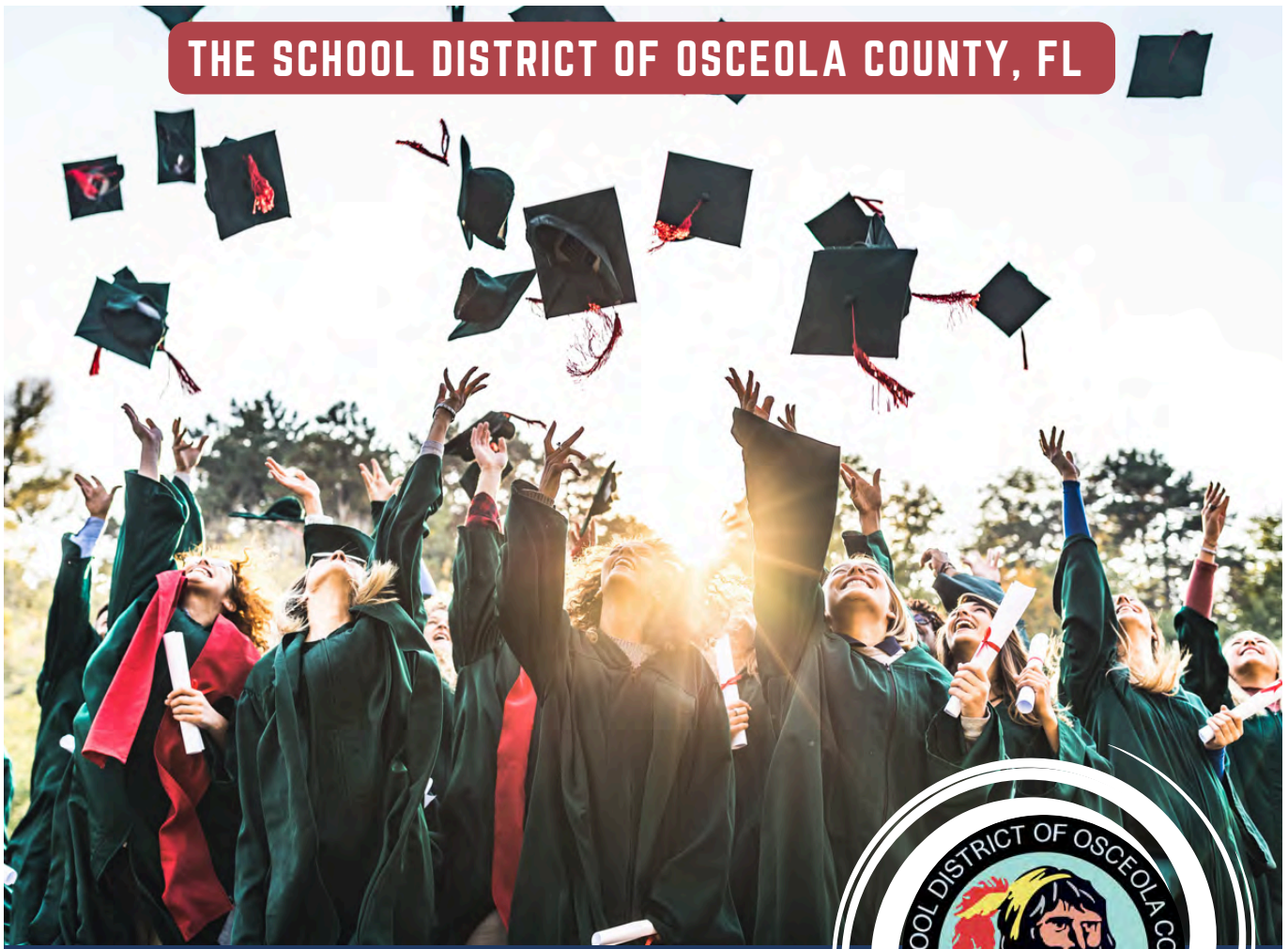
Source: Osceola County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

APPENDIX B

**EXCERPTED PAGES FROM THE AUDITED FINANCIAL STATEMENTS
OF THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FL



Annual Comprehensive Financial Report

Fiscal Year ending June 30, 2024

School Board Members

Heather Kahoun
Chair

Terry Castillo
Vice Chair

Julius Melendez

Jon Arguello

Seat 5 - Vacant

Mark Shanoff, Ed.D.
Superintendent

Sarah E. Graber, CPA, CGFO
Chief Business and Finance Officer

Mari Espinal
Director of Finance

B-1

OUR MISSION: INSPIRING ALL LEARNERS TO REACH THEIR HIGHEST
POTENTIAL AS RESPONSIBLE, PRODUCTIVE CITIZENS.

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Chairman and Members of
The District School Board
of Osceola County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Osceola County, Florida (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the School Internal Funds, which represent 6.6%, 3.1%, 7.2%, 5.4%, and 5.4%, respectively, of the assets, liabilities, net position and fund balance, additions and revenues, and deductions and expenditures of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100% of the transactions and account balances of the aggregate discretely presented component units columns. The financial statements of the School Internal Funds and the aggregate discretely presented component units were audited by other auditors, whose reports have been furnished to us and, our opinion, insofar as it relates to the amounts included for those financial statements, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules – General and Major Special Revenue Funds, Other Postemployment Benefit Schedules, Pension Schedules, and the related Notes to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The accompanying combining and individual major and non-major fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Chairman and Members of
The District School Board
of Osceola County, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
December 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Osceola County District School Board, Florida (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

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 District's basic financial statements found on pages 21-31 of this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-24 fiscal year are as follows:

- Total assets and deferred outflows of resources of the District exceed total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,354,642,820.
- At June 30, 2024, the District's combined governmental fund balances totaled \$748,997,861, an increase of \$19,466,070 or 2.67 percent, in comparison with the prior fiscal year.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$42,727,579 at June 30, 2024, or 6.57 percent of total General Fund revenues.
- The District's total bonded debt (Bonds Payable and Certificates of Participation, excluding premiums and discounts) increased by \$28,691,000, or 12.11 percent during the current fiscal year. The key factor in this was the issuance of a new series of sales tax bonds for the construction of ancillary facilities.
- The District's net capital assets increased by \$201,484,629, or 19.27 percent from the 2022-23 fiscal year.

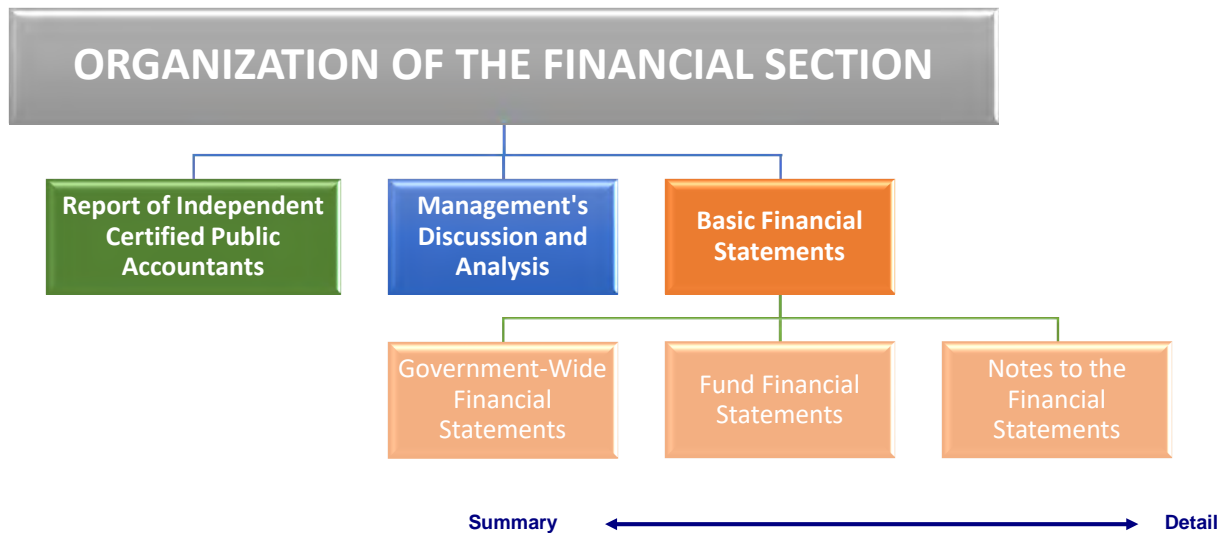
OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The District's basic financial statements are comprised of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to financial statements.

The illustration below shows how the various parts of the financial section are arranged and relate to one another.



Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets, liabilities, and deferred inflows/outflows of resources using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in two categories:

- **Governmental activities** – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.

Component units – The District presents twenty-seven separate legal entities in this report, including AcadeMir Preparatory of Champions Gate, Bellalago Educational Facilities Benefit District, BridgePrep Academy of Osceola County, BridgePrep Academy of St Cloud, Creative Inspiration Journey School, Flora Ridge Educational Facilities Benefit District, Florida Cyber Charter Academy at Osceola, The Foundation for Osceola Education, Inc., Four Corners Charter School, Inc., Four Corners Upper School,

Kissimmee Charter Academy, Lincoln-Marti Charter Schools, Inc., Main Street High School, Mater Academy Preparatory High School, Mater Academy St. Cloud, Mater Brighton Lakes Academy, Mater Palms Academy, New Dimensions High School, Inc., Osceola Science Charter School, Renaissance Academy of Arts and Science, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, Sports Leadership Arts Management, UCP Osceola Charter School, Victory Charter School, Victory Charter School K-5 and Virtual Preparatory Academy of Florida. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within one of three broad categories as discussed below.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds. The District's major funds are the: (1) General Fund, (2) Special Revenue – Federal Education Stabilization Fund, (3) Capital Projects – Nonvoted Capital Improvement Fund and (4) Capital Projects – Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General, major Special Revenue Fund, and major Capital Projects Funds on pages 71-74 of this report to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 23-26 of this report.

Proprietary Funds. Proprietary funds may be established to account for activities in which a fee is charged for services. One type of proprietary fund is maintained.

The internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for the Health and Life Insurance Trust Fund and Casualty Insurance Loss Fund. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Conversely, the internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held in a trustee or fiduciary capacity for the benefit of parties outside the government. The District only has custodial funds that are classified as fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses custodial funds to account for resources held for student activities and groups.

The fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 through 67 of this report.

Other Supplemental Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 87-94 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceed liabilities and deferred inflows by \$1,354,642,820 at June 30, 2024. The following is a summary of the District's net position as of June 30, 2024, compared to net position as of June 30, 2023:

	Net Position, End of Year	
	Governmental Activities	
	6/30/2024	6/30/2023
Current and Other Non-Capital Assets	\$ 834,787,282	\$ 795,025,610
Capital Assets	1,247,231,622	1,045,746,993
Total Assets	2,082,018,904	1,840,772,603
Deferred Outflow of Resources	104,810,241	113,155,084
Total Deferred Outflow of Resources	104,810,241	113,155,084
Current Liabilities	76,679,428	58,610,959
Long-Term Liabilities	724,247,334	633,508,302
Total Liabilities	800,926,762	692,119,261
Deferred Inflow of Resources	31,259,563	28,055,941
Total Deferred Inflow of Resources	31,259,563	28,055,941
Net Position:		
Net Investment in Capital Assets	971,623,914	773,820,159
Restricted	630,389,526	649,673,946
Unrestricted	(247,370,620)	(189,741,620)
Total Net Position	\$ 1,354,642,820	\$ 1,233,752,485

By far, the largest portion of the District's net position, \$971,623,914 or 71.73 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those

assets that is still outstanding. The District uses these capital assets to educate the students of Osceola County, Florida; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

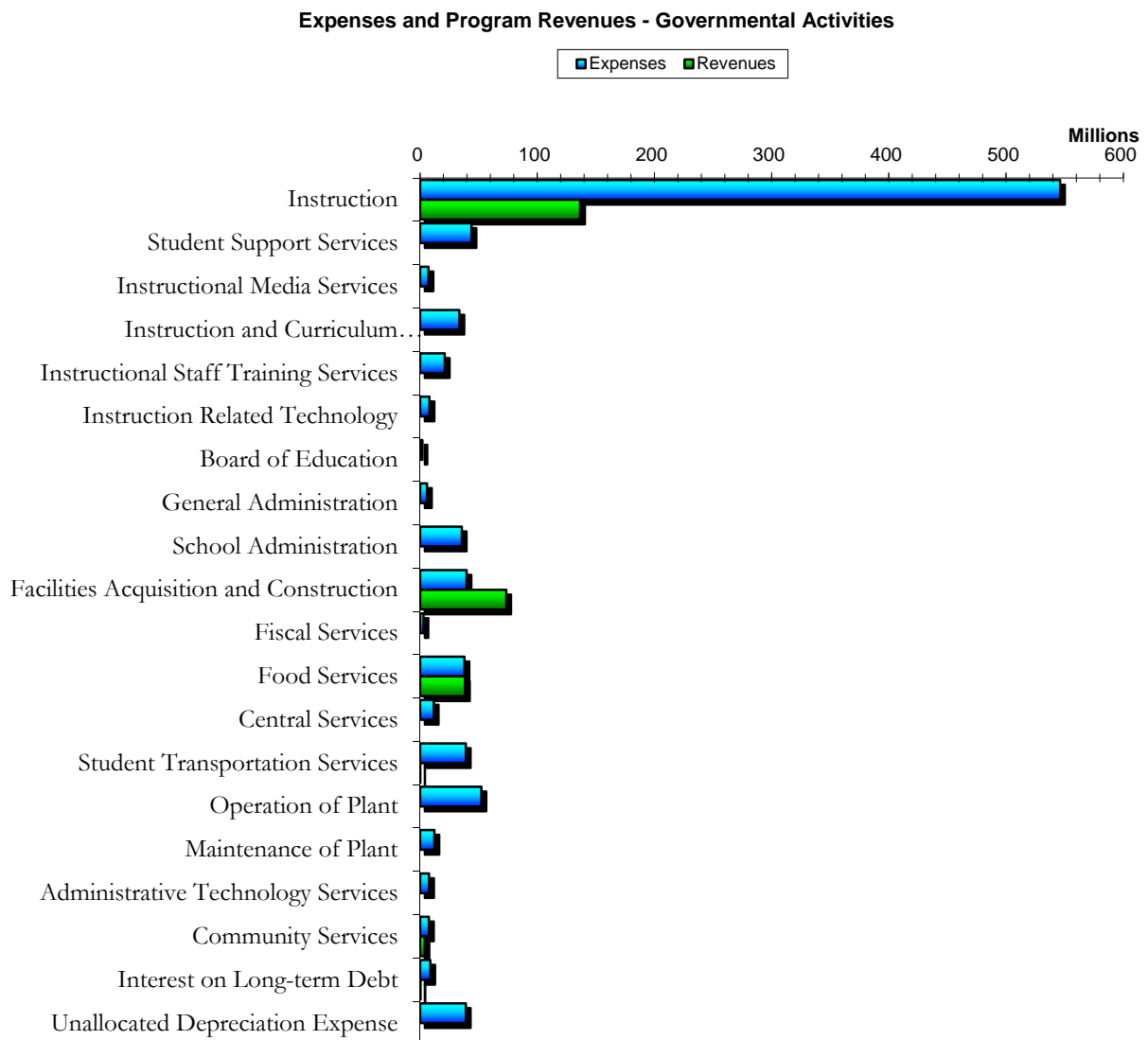
An additional portion of the District's net position, \$630,389,526 or 46.54 percent, represents resources that are subject to external restrictions on how they may be used. There was a decrease of \$19,284,420 in restricted net position reported in connection with the District's governmental activities. This decrease is primarily due to the decrease in the District's reserve for capital projects primarily resulting from new construction, renovation and deferred maintenance. The remaining net position represents resources that are not subject to external restrictions on how they may be used. The balance of unrestricted net position of (\$247,370,620) is primarily the result of recognizing pension liabilities. More information on the standard related to pension, and its effect on the financial statements can be found in Note 10 to the financial statements.

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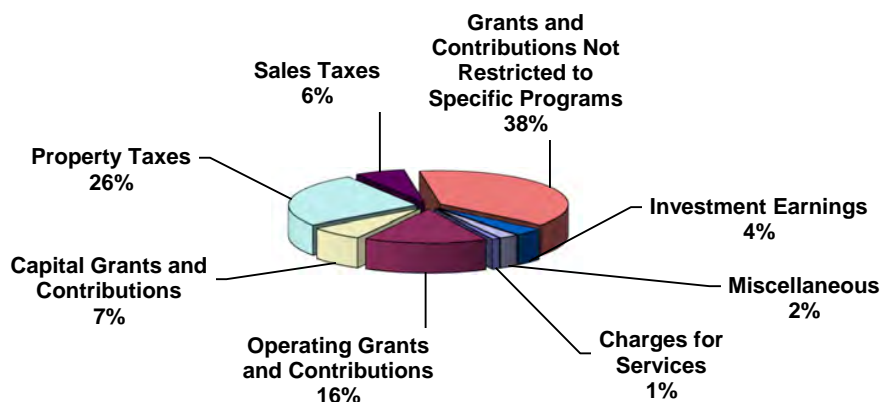
The key elements of the changes in the District's net position for the fiscal years ended June 30, 2024, and June 30, 2023, are as follows:

Operating Results for the Year		
	Governmental	
	Activities	
	6/30/2024	6/30/2023
Revenues:		
Program Revenues:		
Charges for Services	\$ 10,824,791	\$ 9,002,562
Operating Grants and Contributions	167,964,722	164,653,983
Capital Grants and Contributions	73,903,474	94,920,014
General Revenues:		
Property Taxes	282,319,371	234,178,063
Local Sales Taxes	68,747,604	70,994,530
Grants and Contributions not Restricted to Specific Programs	413,682,636	422,245,150
Investment Earnings/(Loss)	39,634,142	18,983,891
Miscellaneous	25,860,219	13,226,388
Total Revenues	<u>1,082,936,959</u>	<u>1,028,204,581</u>
Functions/Program Expenses:		
Instruction	546,016,621	480,860,171
Student Support Services	43,882,636	37,906,125
Instructional Media Services	7,201,238	7,135,163
Instruction and Curriculum Development Services	33,580,763	31,401,139
Instructional Staff Training Services	21,049,242	18,893,634
Instruction Related Technology	8,079,028	8,106,534
Board of Education	2,028,275	1,856,404
General Administration	5,914,597	5,734,032
School Administration	35,607,831	30,984,653
Facilities Acquisition and Construction	39,668,868	28,319,916
Fiscal Services	2,945,932	2,633,438
Food Services	37,869,681	34,258,784
Central Services	11,664,904	11,437,356
Student Transportation Services	39,039,927	34,401,118
Operation of Plant	52,373,126	50,248,745
Maintenance of Plant	12,198,306	11,942,576
Administrative Technology Services	7,652,113	5,830,987
Community Services	7,530,248	5,746,978
Interest on Long-Term Debt	8,718,667	7,669,716
Unallocated Depreciation Expense	39,024,622	36,200,391
Total Expenses	<u>962,046,624</u>	<u>851,567,860</u>
Increase in Net Position	120,890,335	176,636,721
Net Position, Beginning	<u>1,233,752,485</u>	<u>1,057,115,764</u>
Net Position, Ending	<u>\$ 1,354,642,820</u>	<u>\$ 1,233,752,485</u>

Property Taxes increased by \$48,141,308, during the current fiscal year which is a result of the increase in the local property tax base. Capital Grants and Contributions decreased by \$8,562,513. The decrease is the result of a reduction in Federal Education Stabilization funding received during the current fiscal year. Investment earnings increased by \$20,650,251, during the current fiscal year. The increase is the result of the rising interest rates throughout the current fiscal year. The government-wide net position increased by \$120,890,335 during the current fiscal year. The increase represents the excess of revenues over expenses in the current year.



Revenues by Source - Governmental Activities



Governmental Activities

Governmental activities increased the District's net position by \$120,890,335 accounting for the total increase in the net position of the District. This increase is primarily due to program revenues held in reserve for future construction projects.

The largest revenue sources are the State of Florida and local sources. Combined, these two revenue sources account for 85.35 percent of total revenues. Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base. Total state sources increased by \$3,149,258 or .74 percent primarily due to the increase in FEFP funding. Revenues from local sources consist primarily of ad valorem taxes and impact fees. Property tax revenues increased by \$48,141,308 or 20.56 percent, primarily due to the increase in the local property tax base.

Instructional expenses represent 56.76 percent of total governmental expenses in the 2023-24 fiscal year. Instructional expenses increased by \$65,156,450 or 13.55 percent, from the previous fiscal year as a result of salary adjustments for instructional staff and additional staff and materials needed to accommodate the unweighted full-time equivalent growth during the current fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, assigned plus unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds report combined ending fund balances of \$748,997,861, an increase of \$19,466,070, in comparison with the 2022-23 fiscal year. Unassigned fund balance of \$42,727,579 represents 5.7 percent of the ending fund balances and is available to meet the District's short-term spending needs. Remaining fund balances are non-spendable, restricted, or assigned, to indicate that they are not available for new spending. Inventory balances of \$3,988,285 are considered non-spendable. Fund balances totaling \$686,315,029 are restricted for state required carryover programs, debt service, capital projects, grants and other programs, and food service. Fund balances totaling \$15,966,968 are assigned to cover contract commitments, carryover appropriations, and a projected operating deficit.

Major Governmental Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the assigned plus unassigned fund balance of the General Fund was \$58,694,547, while total fund balance reached \$92,535,669. As a measure of the General Fund's liquidity, it may be useful to compare both assigned plus unassigned fund balance and total fund balance to total revenues. Assigned plus unassigned fund balance represents 9.02 percent of total General Fund revenues, while total fund balance represents 14.22 percent of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$3,887,920. This increase was the result of additional funding assigned for a projected operating deficit.

There were no changes to the fund balance for the Special Revenue – Other Federal Programs Fund and the Special Revenue – Federal Education Stabilization Fund since revenues are recognized once expenditures are incurred for these programs.

The fund balance for the Capital Projects – Nonvoted Capital Improvement Fund increased by \$28,909,132. This was a result of an increase in capital outlay tax revenue.

The fund balance for the Capital Projects – Other Fund decreased by \$17,629,041. This was the result of new construction, renovation, and deferred maintenance projects.

The fund balance for non-major funds – reported as Other Governmental Funds – increased by \$4,298,059 to \$63,034,450. This was a planned increase to provide for future capital and debt service expenditures.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements. The District's proprietary fund includes two internal service funds that are used to account for its self-insurance programs. Net position increased by \$2,894,815 due to additional transfers to support purchased services and insurance claims payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2023-24 fiscal year, the District amended its General Fund budget, which resulted in a decrease in total budgeted revenues of approximately \$2,303,754 or 0.36 percent. At the same time, final appropriations were less than the original budgeted amounts by approximately \$8,437,735 or 1.19 percent. Budget revisions occurred primarily from changes in estimated funding levels as a result of the State's distribution of funding based on student enrollment and transfers into the Health and Life Insurance Trust Fund. Planned expenditures were adjusted to meet the District's needs while maintaining an adequate fund balance.

Actual revenues are \$8,843,270 or 1.38 percent, more than the final budget amounts, primarily due to increases in other local revenue. The actual expenditures are \$36,132,406 or 5.14 percent, less than final budget amounts. The primary cause for unspent appropriations is related to schools and other programs carrying forward unspent appropriations that will be used in succeeding years.

During the current fiscal year, assigned plus unassigned fund balance in the General Fund increased by \$7,815,489 from the prior year (\$50,879,058 to \$58,694,547). This is primarily the result of an increase to the projected operating deficit for the subsequent year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for the governmental activities as of June 30, 2024, amounts to \$1,247,231,622 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures and equipment; investments in the educational facilities benefit district; motor vehicles; lease assets, and audio-visual materials and computer software. The total increase in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$201,484,629 or a 19.27 percent increase from the 2022-23 fiscal year.

Major capital asset events during the current fiscal year included the following:

- Construction of Knights Point K-8, Voyager K-8 and Phase 2 of NeoCity Academy
- Construction in progress and design in progress of two K-8 schools and one high school
- Construction in progress of two transportation buildings

- Design in progress of two comprehensive renovations

Following is a summary of the District's capital assets as of June 30, 2024, compared to June 30, 2023.

Schedule of Capital Assets (net of accumulated depreciation)		
	Governmental Activities	
	June 30, 2024	June 30, 2023
Land and Land Improvements	\$ 88,437,805	\$ 78,307,738
Construction in Progress	304,191,835	137,592,919
Improvements Other Than Buildings	15,981,845	11,464,923
Buildings and Fixed Equipment	775,306,697	763,905,069
Furniture, Fixtures, and Equipment	28,909,696	23,346,510
Motor Vehicles	24,528,334	21,318,208
Investment In EFBD	9,543,384	9,712,411
Audio Visual Materials and Computer Software	332,026	99,215
Total	<u>\$ 1,247,231,622</u>	<u>\$ 1,045,746,993</u>

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the District's long-term debt principal, excluding premiums and discounts, totals \$272,470,730. Of this amount, \$265,704,000 is outstanding bonded debt and \$6,766,730 is other long-term debt. Bonded debt constituted the largest portion of long-term debt at the end of the fiscal year and was comprised of \$405,000 outstanding in State School Bonds, \$176,529,000 in District Revenue Bonds, and \$88,770,000 in certificates of participation.

Following is a summary of the District's long-term debt as of June 30, 2024, compared to June 30, 2024.

Schedule of Outstanding Long-Term Debt (excluding premiums and discounts)		
	Governmental Activities	
	June 30, 2024	June 30, 2023
State School (SBE) Bonds	\$ 405,000	\$ 763,000
District Revenue Bonds	176,529,000	135,520,000
Certificates of Participation	88,770,000	100,730,000
Other Long-Term Debt	6,766,730	7,312,978
Total Outstanding Long-Term Debt	<u>\$ 272,470,730</u>	<u>\$ 244,325,978</u>

The District's total debt increased by \$28,144,752 or 11.52 percent, during the current fiscal year.

Additional information on the District's long-term debt can be found in Notes 5 through 8 to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

As of June 2024, the Florida Department of Economic Opportunity reports the unemployment rate for Osceola County, Florida, at 4.0 percent. It is a slight increase from the rate of 3.5 percent a year ago. Osceola County's rate is 0.5 percent higher than the State's average unemployment rate of 3.5 percent, and 0.3 percent lower than the national unemployment rate of 4.3 percent.

Osceola County Board of County Commissioners approved an extension of the existing one-cent infrastructure sales surtax for an additional period of 20 years, subject to the approval of a majority of electors. The residents of Osceola County approved the extension of the discretionary sales surtax by referendum conducted on November 8, 2022. The surtax is split between Osceola County, the City of Kissimmee, the City of St. Cloud and the Osceola County School District.

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Osceola County School District, 817 Bill Beck Boulevard, Kissimmee, Florida 34744.

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BASIC FINANCIAL STATEMENTS



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DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF NET POSITION
June 30, 2024

	Governmental	Component
ASSETS	Activities	Units
Cash and Cash Equivalents	\$ 338,467,105	49,914,371
Investments	461,451,614	13,612,570
Accounts Receivable	1,702,381	834,010
Deposits	-	424,182
Due from Other Agencies	26,452,587	11,688,161
Due from Management Company	-	1,339
Inventories	3,988,286	-
Prepaid Items	2,554,943	1,564,271
Restricted Assets:	-	-
Cash with Fiscal Agent	170,366	464,530
Capital Assets:	-	-
Land	85,835,087	8,111,376
Land Improvements, Nondepreciable	2,602,718	215,628
Construction in Progress	304,191,835	723,698
Improvements Other Than Buildings, Net	15,981,845	2,856,505
Buildings and Fixed Equipment, Net	775,306,697	77,267,873
Furniture, Fixtures and Equipment, Net	28,909,696	3,423,798
Lease Asset, Net	-	182,943,215
Motor Vehicles, Net	24,528,334	298,878
Investment in Educational Facilities Benefit District, Net	9,543,384	-
Audio Visual Materials and Computer Software, Net	332,026	1,205,903
Total Assets	2,082,018,904	355,550,308
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Debt Refunding	378,812	530,459
Pension	103,072,755	1,621,748
Other Postemployment Benefits	1,358,674	-
Total Deferred Outflows of Resources	104,810,241	2,152,207
LIABILITIES		
Salaries and Benefits Payable	2,053,069	5,791,449
Payroll Deductions and Withholdings	926,378	-
Accounts Payable	9,165,748	5,754,101
Accrued Expenses	-	665,564
Construction Contracts Payable	38,151,308	-
Construction Contracts Payable-Retainage	8,232,329	-
Due to Other Agencies	7,105,734	6,528,787
Due to Management Company	-	943,177
Sales Tax Payable	7,627	52,728
Accrued Interest Payable	2,420,530	480,724
Other Liabilities	-	362,417
Estimated Insurance Claims Payable	8,078,133	-
Unearned Revenue	538,572	-
Long-Term Liabilities:		
Portion Due Within One Year:		
Loan Payable	-	594,989
Notes Payable	-	1,600,053
Certificates of Participation Payable	12,295,000	-
Bonds Payable	20,000,849	2,400,729
Obligations Under Leases	-	5,342,864
Compensated Absences Payable	6,574,598	153,263
Other Postemployment Benefits Payable	930,388	17,026
Net Pension Liability	-	-
Educational Facilities Benefit District Agreement Payable	575,274	16,785
Portion Due After One Year:		
Loan Payable	-	732,053
Notes Payable	-	24,163,351
Bonds Payable	156,984,543	89,624,842
Certificates of Participation Payable	76,475,000	-
Obligations Under Leases	-	176,441,637
Compensated Absences Payable	47,081,990	51,086
Other Postemployment Benefits Payable	14,106,189	241,701
Net Pension Liability	369,027,919	7,384,212
Educational Facilities Benefit District Agreement Payable	6,191,457	-
Impact Fee Credit Vouchers	14,004,127	-
Total Liabilities	800,926,762	329,343,538
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Debt Refunding	2,471,399	407,725
Deferred Revenue	-	203,632
Pension	23,013,685	617,876
Other Postemployment Benefits	5,774,479	83,692
Total Deferred Inflows of Resources	31,259,563	1,312,925
NET POSITION		
Net Investment in Capital Assets	971,623,914	(13,902,752)
Restricted For:		
State Required Carryover Programs	15,479,621	-
Food Service	19,209,315	-
Debt Service	29,381,183	5,358,997
Capital Projects	566,319,407	1,745,001
Other Purposes	-	643,481
Unrestricted	(247,370,620)	33,201,325
Total Net Position	\$ 1,354,642,820	\$ 27,046,052

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
Governmental Activities:						
Instruction	\$ 546,016,621	4,359,609	132,187,059		(409,469,953)	90,493,653
Student Support Services	43,882,636				(43,882,636)	5,621,483
Instructional Media Services	7,201,238				(7,201,238)	231,101
Instruction and Curriculum Development Services	33,580,763				(33,580,763)	3,783,659
Instructional Staff Training Services	21,049,242				(21,049,242)	649,691
Instruction Related Technology	8,079,028				(8,079,028)	1,837,759
Board of Education	2,028,275				(2,028,275)	792,470
General Administration	5,914,597				(5,914,597)	6,676,566
School Administration	35,607,831				(35,607,831)	18,296,171
Facilities Services	39,668,868			73,518,261	33,849,393	5,446,195
Fiscal Services	2,945,932				(2,945,932)	8,556,792
Food Services	37,869,681	2,506,461	35,777,663		414,443	2,895,795
Central Services	11,664,904				(11,664,904)	1,918,532
Pupil Transportation Services	39,039,927	127,577			(38,912,350)	1,950,878
Operation of Plant	52,373,126				(52,373,126)	22,002,135
Maintenance of Plant	12,198,306				(12,198,306)	3,394,405
Administrative Technology Services	7,652,113				(7,652,113)	1,297,328
Community Services	7,530,248	3,831,144			(3,699,104)	7,023,269
Debt Service					-	3,457,502
Interest on Long-term Debt	8,718,667			385,213	(8,333,454)	10,430,911
Unallocated Depreciation Expense*	39,024,622				(39,024,622)	824,099
Total Primary Government	\$ 962,046,624	\$ 10,824,791	\$ 167,964,722	\$ 73,903,474	(709,353,637)	197,580,394
Component Units:						
Charter Schools, Foundation and Benefit Districts	\$ 197,580,394	\$ 3,854,567	\$ 28,146,193	\$ 10,335,616		\$ (155,244,018)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes					205,392,875	-
Property Taxes, Levied for Capital Projects					76,926,496	-
Local Sales Taxes					68,747,604	-
State passed through local school district					-	103,483,111
Grants and Contributions Not Restricted to Specific Programs					413,682,636	53,852,913
Unrestricted Investment Earnings (Loss)					39,634,142	1,240,801
Miscellaneous					25,860,219	1,547,107
Total General Revenues and Special Items					830,243,972	160,123,932
Change in Net Position					120,890,335	4,879,914
Net Position - Beginning					1,233,752,485	22,166,138
Net Position - Ending					<u>\$ 1,354,642,820</u>	<u>\$ 27,046,052</u>

*This amount excludes the depreciation that is included in the direct expenses of the various functions.

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Nonvoted Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 59,769,513	146,406	12,526,710	220,454,205	25,835,210	\$ 318,732,044
Investments	29,183,323	-	106,299,583	288,812,170	37,147,614	461,442,690
Accounts Receivable	757,401	-	2,093	6,403	1,290	767,187
Due from Other Funds	6,653,198	-	-	-	-	6,653,198
Due from Other Agencies	1,460,447	7,104,500	6,298	12,474,913	5,406,430	26,452,588
Due from Internal Funds	709,942	-	-	-	-	709,942
Inventories	3,274,107	-	-	-	714,178	3,988,285
Total Assets	\$ 101,807,931	\$ 7,250,906	\$ 118,834,684	521,747,691	69,104,722	\$ 818,745,934
LIABILITIES AND FUND BALANCES						
Liabilities:						
Salaries and Benefits Payable	\$ 972,166	614,460	-	-	466,444	\$ 2,053,070
Payroll Deductions and Withholdings	649,671	142,400	-	-	134,306	926,377
Accounts Payable	2,421,031	710,125	135,455	1,379,997	1,432,409	6,079,017
Construction Contracts Payable	-	-	1,396,553	36,106,665	648,090	38,151,308
Construction Contracts Payable-Retainage	-	-	1,370	8,134,593	96,366	8,232,329
Due to Other Funds	-	4,360,316	-	-	2,292,882	6,653,198
Due to Other Agencies	5,139,841	1,423,605	-	-	542,289	7,105,735
Due to Internal Funds	363	-	-	-	477	840
Sales Tax Payable	7,627	-	-	-	-	7,627
Unearned Revenue	81,563	-	-	-	457,009	538,572
Total Liabilities	9,272,262	7,250,906	1,533,378	45,621,255	6,070,272	69,748,073
Fund Balances:						
Nonspendable	3,274,107	-	-	-	714,178	3,988,285
Restricted	30,567,015	-	117,301,306	476,126,436	62,320,272	686,315,029
Assigned	15,966,968	-	-	-	-	15,966,968
Unassigned	42,727,579	-	-	-	-	42,727,579
Total Fund Balances	92,535,669	-	117,301,306	476,126,436	63,034,450	748,997,861
TOTAL LIABILITIES AND FUND BALANCES	\$ 101,807,931	\$ 7,250,906	\$ 118,834,684	521,747,691	69,104,722	\$ 818,745,934

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balances - Governmental Funds \$ 748,997,861

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 1,247,231,622

Deferred amount on refunding (loss) are not recognized in the fund level statements but are included in the government-wide statements. 378,812

Deferred amount on refunding (gain) are not recognized in the fund level statements but are included in the government-wide statements. (2,471,399)

Deferred amount for pensions (contributions, assumptions, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements. 103,072,755

Deferred amount for OPEB (contributions, assumptions, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements. 1,358,674

Deferred amount for pensions (experience, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements. (23,013,685)

Deferred amount for OPEB (experience, investments, and proportionate change) are not recognized in the fund level statements but are included in the government-wide statements. (5,774,479)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position net of capital assets reported above.

Total Assets - Internal Service Funds	\$	23,831,642	
Total Liabilities - Internal Service Funds		(9,343,824)	
Less: Depreciable Assets Reported Above		(2,957,295)	
			11,530,523

Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due. (2,420,530)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds Payable	\$	176,985,392	
Certificates of Participation Payable		88,770,000	
Compensated Absences Payable		53,656,588	
Other Postemployment Benefits Payable		15,036,577	
Net Pension Liability		369,027,919	
Educational Facilities Benefit District Agreement Payable		6,766,731	
Impact Fee Credit Vouchers		14,004,127	
			(724,247,334)

Total Net Position - Governmental Activities **\$ 1,354,642,820**

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Nonvoted Capital Improvement Fund	Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Federal Direct	\$ 861,055	47,080	-	-	4,697,068	\$ 5,605,203
Federal Through State	2,578,047	59,310,486	-	-	90,321,365	152,209,898
State	412,707,179	-	-	11,415,733	3,527,611	427,650,523
Local:						
Property Taxes	205,380,533	-	76,938,838	-	-	282,319,371
Local Sales Taxes	-	-	-	68,747,604	-	68,747,604
Impact Fees	-	-	-	76,910,497	-	76,910,497
Charges for Services - Food Service	-	-	-	-	2,506,461	2,506,461
Other Local Revenues	29,243,196	-	5,629,921	23,444,374	2,660,816	60,978,307
Total Revenues	650,770,010	59,357,566	82,568,759	180,518,208	103,713,321	1,076,927,864
EXPENDITURES						
Current-Education:						
Instruction	428,605,854	41,102,100	-	-	32,423,008	502,130,962
Pupil Personnel Services	33,523,629	2,627,989	-	-	2,284,098	38,435,716
Instructional Media Services	5,774,489	419,499	-	-	162,754	6,356,742
Instruction and Curriculum Development Services	18,289,417	1,579,396	-	-	9,433,160	29,301,973
Instructional Staff Training Services	6,585,740	5,335,601	-	-	6,902,198	18,823,539
Instruction Related Technology	2,540,957	4,510,601	-	-	90,257	7,141,815
Board of Education	1,953,555	-	-	-	-	1,953,555
General Administration	2,612,153	1,523,306	-	-	1,483,064	5,618,523
School Administration	30,646,140	327,701	-	-	24,713	30,998,554
Facilities Acquisition and Construction	16,481,950	-	11,490,242	10,048,124	-	38,020,316
Fiscal Services	2,588,153	-	-	-	-	2,588,153
Food Services	617,843	-	-	-	35,208,853	35,826,696
Central Services	9,174,045	303,058	-	-	985,308	10,462,411
Pupil Transportation Services	31,292,971	463,079	-	-	159,143	31,915,193
Operation of Plant	50,126,725	254,607	-	-	1,196	50,382,528
Maintenance of Plant	11,029,784	-	-	-	50,455	11,080,239
Administrative Technology Services	6,435,813	440,549	-	-	30,190	6,906,552
Community Services	5,400,305	-	-	-	1,484,435	6,884,740
Fixed Capital Outlay:						
Facilities Acquisition and Construction	-	-	6,196,618	214,579,531	864,686	221,640,835
Other Capital Outlay	2,666,947	470,080	2,757,987	10,306,665	6,140,110	22,341,789
Debt Service:						
Principal	-	-	-	-	31,309,000	31,309,000
Interest and Fiscal Charges	-	-	-	-	7,887,527	7,887,527
Dues, Fees and Issuance Costs	-	-	-	-	183,575	183,575
Total Expenditures	666,346,470	59,357,566	20,444,847	234,934,320	137,107,730	1,118,190,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,576,460)	-	62,123,912	(54,416,112)	(33,394,409)	(41,263,069)
OTHER FINANCING SOURCES (USES)						
Transfers In	28,816,603	-	-	-	37,692,468	66,509,071
Bonds Issued	-	-	-	60,000,000	-	60,000,000
Proceeds from the Sale of Capital Assets	-	-	-	10,081,363	-	10,081,363
Insurance Loss Recoveries	647,777	-	-	-	-	647,777
Transfers Out	(10,000,000)	-	(33,214,780)	(33,294,291)	-	(76,509,071)
Total Other Financing Sources (Uses)	19,464,380	-	(33,214,780)	36,787,072	37,692,468	60,729,140
Net Change in Fund Balances	3,887,920	-	28,909,132	(17,629,040)	4,298,059	19,466,071
Fund Balances, July 1, 2023	88,647,749	-	88,392,174	493,755,477	58,736,391	729,531,791
Fund Balances, June 30, 2024	\$ 92,535,669	\$ -	\$ 117,301,306	\$ 476,126,437	\$ 63,034,450	\$ 748,997,862

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds **\$ 19,466,070**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current period.		
Capital Outlays net of amounts not capitalized	\$ 243,117,939	
Depreciation Expense(excluding internal service funds)	<u>(42,806,500)</u>	200,311,439
Capital assets not purchased by the District increase net assets in the government-wide statements, but are not financial resources and, therefore, are not reported in the governmental funds. This is the net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations).		1,454,510
Vouchers payable associated with impact fee credits are accrued in the government-wide statements, but are not recognized in the governmental funds.		(6,175,106)
The cost of capital assets disposed of during the current year is expensed in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net position differs from the change in fund balances by the undepreciated cost of the disposed assets.		(281,321)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the net effect of these transactions.		
Sales Tax Revenue Bonds	\$ (60,000,000)	
Redemption of Principal	31,309,000	
Amortization of Deferred Inflows/Outflows	<u>(647,565)</u>	(29,338,565)
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.		(7,303,063)
In the statement of activities, the cost of other postemployment benefits is measured by the decrease in the total OPEB liability during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the OPEB costs. This is the amount paid in excess of the decrease in the OPEB liability in the current period.		212,778
In the statement of activities, the cost of pension benefits is measured by the decrease in the net pension liability during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for pension costs. This is the amount of the decrease in the net pension liability in excess of the amount paid in the current period.		(60,437,204)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) plus depreciation expense of internal service funds is reported with governmental activities.		<u>2,980,797</u>

Change in Net Position of Governmental Activities **\$ 120,890,335**

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 19,905,428
Investments	8,924
Accounts Receivable	225,252
Prepaid Items	2,554,943
Total Current Assets	<u>22,694,547</u>
Noncurrent Assets:	
Capital Assets:	
Construction in Progress	23,516
Buildings and Fixed Equipment, Net	2,898,967
Furniture, Fixtures and Equipment, Net	34,813
Total Noncurrent Assets	<u>2,957,296</u>
Total Assets	<u>25,651,843</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	3,085,891
Estimated Insurance Claims Payable	8,078,133
Total Liabilities	<u>11,164,024</u>
NET POSITION	
Investment in Capital Assets	2,957,296
Unrestricted	11,530,521
Total Net Position	<u>\$ 14,487,817</u>

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2024

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenues	\$ 72,561,913
Total Operating Revenues	<u>72,561,913</u>
OPERATING EXPENSES	
Purchased Services	16,575,619
Materials and Supplies	112,459
Insurance Claims	62,884,118
Depreciation/Amortization Expense	90,268
Total Operating Expenses	<u>79,662,464</u>
Operating Income/(Loss)	<u>(7,100,551)</u>
NONOPERATING REVENUES	
Interest	552
Miscellaneous Local Sources	176
Loss on Disposition of Assets	(5,361)
Total NonOperating Revenues	<u>(4,633)</u>
Transfers In	<u>10,000,000</u>
Change In Net Position	<u>2,894,816</u>
Net Position - Beginning	<u>11,593,001</u>
Net Position - Ending	<u><u>\$ 14,487,817</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2024

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 75,096,915
Payments for Insurance Claims	(14,008,989)
Cash Payments to Vendors for Goods and Services	(62,206,162)
Net Cash Provided(Used) by Operating Activities	(1,118,236)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	10,000,000
Net Cash Provided by Noncapital Financing Activities	10,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(9,648)
Net Cash Used by Capital and Related Financing Activities	(9,648)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	(345)
Interest	552
Net Cash Provided by Investing Activities	207
Net Increase/(Decrease)in Cash and Cash Equivalents	8,872,323
Cash and Cash Equivalents, Beginning	11,033,105
Cash and Cash Equivalents, Ending	\$ 19,905,428
 Reconciliation of Operating Gain/(Loss) to Net Cash	
Provided by/(Used in) Operating Activities:	
Operating Income/(Loss)	\$ (7,100,551)
Adjustments to Reconcile Operating Gain to Net Cash	
Provided by Operating Activities:	
Depreciation	90,268
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	2,621,797
(Increase)/Decrease in Due from Other Agencies	13,103
(Increase)/Decrease in Prepaid Items	(86,795)
Increase/(Decrease) in Accounts Payable	2,679,090
Increase/(Decrease) in Estimated Insurance Claims Payable	664,852
Total Adjustments	5,982,315
Net Cash Provided/(Used) by Operating Activities	\$ (1,118,236)

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF FIDUCIARY
NET POSITION
June 30, 2024

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 6,407,952
Accounts Receivable	180,380
Due From Other Funds	895
Inventory	51,049
Total Assets	<u>6,640,276</u>
LIABILITIES	
Accounts Payable	709,942
Total Liabilities	<u>709,942</u>
NET POSITION	
Restricted for:	
Student Groups	5,930,334
TOTAL NET POSITION	<u><u>\$ 5,930,334</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Student Group Collections	\$ 12,671,350
DEDUCTIONS	
Student Group Disbursements	12,366,246
Change in Net Position	305,104
Net Position - Beginning	5,625,230
Net Positions- Ending	\$ 5,930,334

The accompanying notes to financial statements
are an integral part of this statement.

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DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Osceola County School District's (District) governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

➤ **Reporting Entity**

The Osceola County School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) Rules. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Osceola County.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading. Based on the application of these criteria, the following component units are included within the District's reporting entity:

- **Blended Component Units.** Blended component units are, in substance, part of the District's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District.

The District's employee group health and life insurance program, described in a subsequent note, is administered through the Osceola County District School Board Group Health and Life Insurance Trust (Trust). Assets necessary to fund the program are transferred to the Trust; however, under the terms of the Trust agreement, the District retains control of the assets. Therefore, the financial activities of the Trust are reported in the District's financial statements. Separate financial statements for the Trust are not published.

The Osceola County School Board Leasing Corporation, Inc. (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment. The governing board of the Leasing Corporation is the Board. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

- Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's other component units. A separate column is used to emphasize that they are legally separate from the District.

The Foundation for Osceola Education, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to provide charitable and educational aid to the Board, to promote education, and to encourage research, learning, and dissemination of information. Additionally, the Foundation entered into two separate charter agreements with the District to operate Bellalago Academy, and PM Wells Charter Academy, which are considered divisions of the Foundation and are included in the Foundation's financial statements. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit. An annual audit of the organization's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

The Bellalago Educational Facilities Benefit District and the Flora Ridge Educational Facilities Benefit District (Benefit Districts) are separate districts organized pursuant to Chapter 125, Florida Statutes, and Section 1013.355, Florida Statutes, to provide for the timely construction and maintenance of school facilities. The Benefit Districts are an alternate mechanism that allows for the sharing of educational facilities costs that are necessary to accommodate new growth and development. The Benefit Districts have imposed a specific financial burden on the Osceola County School District and are considered fiscally dependent in accordance with the criteria described in Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. Two staff members of the Osceola County School District have been appointed to the board of each Benefit District. Audits of the Benefit District's annual financial statements are conducted by an independent certified public accountant and are filed in the District's administrative office at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

Academir Preparatory of Champions Gate, BridgePrep Academy of Osceola County, BridgePrep Academy of Saint Cloud, Creative Inspiration Journey School, Florida Cyber Charter Academy at Osceola, Four Corners Charter School, Inc., Four Corners Upper School, Kissimmee Charter Academy, Lincoln-Marti Charter Schools, Inc., Main Street High School, Mater Academy Preparatory High School, Mater Academy St. Cloud, Mater Brighton Lakes Academy, Mater Palms Academy, New Dimensions High School, Inc., Osceola Science Charter School, Renaissance Academy of Arts and Science, Renaissance Charter School at Poinciana, Renaissance Charter School at Tapestry, Sports Leadership Arts Management, UCP Osceola Charter School, Victory Charter School, Victory Charter School K-5 and Virtual Prep Academy of Florida, are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act; and Section 1002.33, Florida Statutes. The charter schools operate under a charter approved by their sponsor, the Osceola County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools. This financial responsibility arises from the fact that the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District. The financial data reported on the accompanying statements was derived from the charter school's unaudited financial statements for the fiscal year ended June 30, 2024. The unaudited reports are filed in the District's administrative offices at 817 Bill Beck Boulevard, Kissimmee, Florida, 34744.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

➤ **Basis of Presentation: Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

➤ **Basis of Presentation: Fund Financial Statements**

The fund financial statements provide information about the District's funds, including the fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue—Federal Education Stabilization Fund – to account for funds from Federal Government in support of ongoing state and institutional COVID – 19 recovery efforts.
- Capital Projects – Local Capital Improvement Fund – to account for financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs.
- Capital Projects – Other Fund – to account for other miscellaneous funds from various sources which are restricted for capital outlay purposes.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Internal Service Funds – to account for the District's individual self-insurance programs.
- Custodial Funds – to account for resources of the school internal fund, which is used to administer moneys collected at several schools in connection with school, student athletic, class, and club activities. Currently, the District maintains one Custodial Fund.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

➤ **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources

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or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Sales taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences are recognized when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The charter schools, the Foundation, and the Benefit Districts, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

➤ **Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, cash with fiscal agent, demand deposits, and short-term, highly liquid investments with original maturities of 3 months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida PRIME, the Florida Public Assets for Liquidity Management (Florida PALM), and Money Market accounts.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits, except for cash dividends and interest held in an investment account, are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Investments**

Investments consist of amounts placed in SBA Debt Service accounts for investment of debt service money, amounts placed with the SBA for participation in Florida PRIME investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

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The District's investments in Florida PRIME and Florida Public Assets for Liquidation Management (PALM) are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The SBA Debt Service Accounts and Florida (PALM) indicate that the District's investments in the Florida PRIME and Florida (PALM) are Securities and Exchange Commission Rule 2a7-like external investment pools. These investments are reported at fair value, which is amortized cost. The District also invests in Florida Fixed Income Trust (FIT) external investment pool in which shares are owned in the fund, rather than in the underlying investments. Florida FIT investments are reported at net asset value (NAV). The District's other investments consist of US Treasury Bonds/Notes, Municipal Bonds/Notes, Federal Agency Mortgage-Backed Securities, Federal Agency Commercial Mortgage-Backed Securities, Federal Agency Collateralized Mortgage Obligations, Corporate Notes and Bank notes which are reported at fair value.

Types and amounts of investments held at fiscal year-end are described in Note 2.

➤ **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories held at the maintenance department, transportation department, central warehouse and for the District's food service program are stated at cost valued on a weighted-average basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The District applies the consumption method to account for its inventories. As such, the expenditure for supplies inventory is recognized when the supplies are actually used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000 for tangible personal property and \$25,000 for real property. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other Than Buildings	8 - 40 years
Buildings, Fixed Equipment, and Investment in Educational Facilities Benefit District	10 -50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials and Computer Software	3 - 5 years

Current year information relative to changes in capital assets is described in Note 4.

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➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports separate sections for deferred outflows of resources.

The deferred outflow of resources represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position reports separate sections for deferred inflows of resources. The deferred inflow of resources represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The District has three items that qualify for reporting in the deferred outflows of resources and deferred inflows of resources sections of the statement of net position. The deferred charges on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Changes in net pension liability are reported as deferred outflows of resources and deferred inflows of resources related to pensions. The deferred outflows of resources and deferred inflows of resources related to pensions are discussed in a subsequent note. Changes in Other Postemployment Benefits (“OPEB”) liability are reported as deferred outflows of resources and deferred inflows of resources related to OPEB. The deferred outflows of resources and deferred inflows of resources related to OPEB are discussed in Note 11.

➤ **Pensions**

In the government-wide statement of net position, liabilities are recognized for the District’s proportionate share of each pension plan’s net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The District’s retirement plans and related amounts are described in Note 10.

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Changes in long-term liabilities for the current year are reported in Note 8.

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➤ **Net Position Flow Assumption**

The District occasionally funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Consequently, it is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

➤ **Fund Balance Flow Assumptions**

The District may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

➤ **Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the Chief Business and Finance Officer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. That is, an additional action does not normally have to be taken for the removal of an assignment whereas an additional action is essential to either remove or revise a commitment.

In addition, the District has adopted Board Rule 7.10 which establishes "contingency reserves" to help sustain the financial stability of the District during times of emergency spending for items such as disaster recovery and revenue shortfalls that could potentially occur after the current year's budget adoption. School Board Rule 7.10 requires an amount equal to 6 percent of the General Fund revenues and other financing sources to be reserved for contingency purposes. The Superintendent shall obtain approval from the School Board if at any time it is projected that this balance will not be maintained.

➤ **Program Revenues**

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues

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identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

➤ **State Revenue Sources**

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the FDOE under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the FDOE. The FDOE performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of 5 months following the date of the original reporting. Such amendments may impact funding allocations for subsequent fiscal years. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following fiscal year to be expended for the same educational programs. The FDOE generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the unencumbered balance of categorical and earmarked educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

A schedule of revenue from State sources for the current year is presented in Note 13.

➤ **District Property Taxes**

The Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service.

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Osceola County Property Appraiser, and property taxes are collected by the Osceola County Tax Collector.

The Board adopted the 2023 tax levy on September 5, 2023. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1, and are delinquent on April 1, of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Osceola County Tax Collector at fiscal year-end but not yet remitted to the District.

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Millages and taxes levied for the current year are presented in Note 14.

➤ **Educational Impact Fees**

Osceola County imposes an educational impact fee based on an ordinance adopted by the County Commission in 1992. This ordinance has been amended from time to time, most recently in December 2021, when Ordinance 2021-85 established the revised rates to be collected. The educational impact fee is collected for all new residential construction within the County. The fees are collected by the County and each municipality within the County, based on an interlocal agreement. The fees can only be used for capital expenditures directly affected by new residential growth. Educational impact fee credits granted in exchange for land are shown in the government-wide financial statements as unearned revenue until the credits are used, at which time the revenues are recognized.

➤ **Federal Revenue Sources**

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

➤ **Compensated Absences**

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

➤ **Proprietary Funds Operating and Non-Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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2. INVESTMENTS

As of June 30, 2024, the District has the following investments and maturities:

Investment	Maturities	Fair Value
<i>Cash Equivalents</i>		
State Board of Administration (SBA):		
Florida PRIME	45 Day Average	\$ 263,399,678
Florida Public Assets for Liquidity Management (PALM)	38 Day Average	19,891,764
Money Market:		
Goldman Sachs Financial Square Govt. Fund	31 Day Average	470,898
Total Cash Equivalents		\$ 283,762,340
<i>Investments</i>		
Florida Fixed Income Trust (FIT)	120 Days	169,107,273
SBA Debt Service Accounts	6 Months	11,057
US Treasury Bonds/Notes	03/2025-05/2024	199,196,761
Municipal Bonds/Notes	03/2025-07/2025	626,210
Federal Agency Mortgage-Backed Securities	6/2027 - 7/2035	1,880,548
Federal Agency Commercial Mortgage-Backed Securities	08/2024 - 09/2027	23,773,186
Federal Agency Collateralized Mortgage Obligation	9/2024 - 4/2041	1,997,235
Bank Notes	08/2026 - 05/2028	1,279,208
Corporate Notes	08/2024 - 04/2028	63,580,138
Total Investments		461,451,614
Total Cash Equivalents and Investments		<u>\$ 745,213,954</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

- The District's investment policy limits investments to a maximum of 5½ years and the investment of current operating funds to no longer than 2 years.
- Florida PRIME had a weighted average days to maturity (WAM) of 35 days, Florida PALM had a WAM of 38 days, Florida FIT had a WAM of 120 days, and Money Market funds had a WAM of 31 days at June 30, 2024. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.
- For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA

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to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of June 30, 2024, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- The District's investment policy allows for investments in certificates of deposit, time deposits, securities of the United States Government, other forms of authorized investments described in the Florida Statutes, and money market funds based on the highest rating by any one Nationally Recognized Statistical Ratings Organization (NRSRO).
- The District's investments in SBA Debt Service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by SBA for managing interest rate risk and credit risk for this account.
- As of June 30, 2024, the District's investments in Florida PRIME, the Florida PALM, and Money Market accounts are rated "AAAm" by Standard & Poor's. Investments in Florida FIT are rated AAaf/S1 by Fitch.

Custodial credit risk is the risk of loss attributed to the failure of the depository bank.

- Section 218.415(18), Florida Statutes, requires the District to earmark all investments and (1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; (2) if in a book-entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or (3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investments are held by a safekeeping agent, in the name of the District. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.
- The District's investment policy limits the amounts the District may invest in any one issuer, based on the type of instrument as follows:

<u>Investment Type</u>	<u>Percent</u>
United States Government Securities	100%
United States Government Agencies	75%
Corporates	25%
Municipals	25%
Agency Mortgage-Backed Securities	25%
Non-Negotiable Collateralized Bank Deposits/Savings Accounts	50%
Commercial Paper	25%
Bankers' Acceptances	10%
Repurchase Agreements	40%
Money Market Funds	50%

- Most of the District's investments are issued or explicitly guaranteed by the United States Government or are in external investment pools, which do not require disclosure for concentration of credit risk. Remaining investments follow investment policy limits.

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- As of June 30, 2024, approximately 37 percent of the District's investments were in Florida FIT, followed by 44 percent in US Treasury Bonds/Notes and 14 percent in Corporate Notes. For the Capital Project – Other Fund Corporate Notes are 8 percent of investments in the fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 of the fair value hierarchy are inputs valued using quoted prices in active markets for identical assets; Level 2 inputs are valued using other significant observable inputs; Level 3 inputs are valued using significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2024:

Investment by fair value level	Fiscal Year Ending 6/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
SBA Debt Service Accounts	\$ 11,057	\$ 11,057	\$ -	\$ -
US Treasury Bonds/Notes	199,196,761	-	199,196,761	-
Municipal Bonds/Notes	626,210	-	626,210	-
Federal Agency Mortgage-Backed Securities	1,880,548	-	1,880,548	-
Federal Agency Commercial Mortgage-Backed Securities	23,773,186	-	23,773,186	-
Federal Agency Collateralized Mortgage Obligation	1,997,235	-	1,997,235	-
Bank Notes	1,279,208	-	1,279,208	-
Corporate Notes	63,580,138	-	63,580,138	-
Total Investments by fair value level	<u>\$ 292,344,341</u>	<u>\$ 11,057</u>	<u>\$ 292,333,284</u>	<u>\$ -</u>
Investments Measured at Net Asset Value (NAV)				
Florida Fixed Income Trust-(FIT)	169,107,273			
Total Investments at NAV	<u>\$ 169,107,273</u>			
Total Investments	<u><u>\$ 461,451,614</u></u>			

SBA Debt Service Accounts classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S. Treasury Bonds/Notes, Municipal Bonds/Notes, Federal Agency Securities and Mortgage Obligations, Bank Notes and Corporate Notes classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

3. RECEIVABLES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible accounts receivable is accrued.

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4. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 75,705,020	\$ 10,130,068	\$ -	\$ 85,835,087
Land Improvements, Nondepreciable	2,602,718		-	2,602,718
Construction in Progress	137,592,919	214,522,209	47,923,293	304,191,835
Total Capital Assets Not Being Depreciated	<u>215,900,657</u>	<u>224,652,277</u>	<u>47,923,293</u>	<u>392,629,640</u>
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	45,559,359	5,813,113	-	51,372,472
Buildings and Fixed Equipment	1,318,954,188	41,712,532		1,360,666,719
Furniture, Fixtures, and Equipment	74,011,301	12,837,029	4,358,502	82,489,829
Investment in Educational Facilities Benefit District	14,158,434			14,158,434
Motor Vehicles	49,149,819	6,992,728	4,380,131	51,762,415
Audio Visual Materials and Computer Software	4,399,404	308,367	334,645	4,373,126
Total Capital Assets Being Depreciated	<u>1,506,232,504</u>	<u>67,663,770</u>	<u>9,073,278</u>	<u>1,564,822,995</u>
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	34,094,436	1,296,191		35,390,627
Buildings and Fixed Equipment	555,049,119	30,310,904		585,360,022
Furniture, Fixtures, and Equipment	50,664,791	7,173,116	4,257,772	53,580,131
Investment in Educational Facilities Benefit District	4,446,023	169,027		4,615,050
Motor Vehicles	27,831,611	3,781,878	4,379,408	27,234,082
Audio-Visual Materials and Computer Software	4,300,189	75,384	334,471	4,041,102
Total Accumulated Depreciation	<u>676,386,168</u>	<u>42,806,500</u>	<u>8,971,651</u>	<u>710,221,014</u>
Total Capital Assets Being Depreciated, Net	<u>829,846,336</u>	<u>24,857,270</u>	<u>101,627</u>	<u>854,601,981</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,045,746,993</u>	<u>\$ 249,509,546</u>	<u>\$ 48,024,920</u>	<u>\$ 1,247,231,621</u>

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 3,781,878
Unallocated	39,024,622
Total Depreciation Expense - Governmental Activities	<u>\$ 42,806,500</u>

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5. EDUCATIONAL FACILITIES BENEFIT DISTRICT AGREEMENT PAYABLE

Pursuant to Section 1013.355, Florida Statutes, the District entered into an interlocal agreement with Osceola County, Florida, dated September 15, 2003, authorizing the creation of the Bellalago Educational Facilities Benefit District (Benefit District). The purpose of the Benefit District is to finance the construction of school facilities using a combination of sources, including impact fees, non-ad valorem assessments from homeowners, charter capital, and payments from the District. The District also entered into a charter contract on April 6, 2004, with the Foundation for Osceola Education, Inc. (Foundation), creating Bellalago Academy. The Foundation entered into an interlocal agreement with the Benefit District under which it agreed to pay to the Benefit District any charter capital received in exchange for use of the school facilities. On December 16, 2003, the District entered into an interlocal funding agreement with the Benefit District and Avatar Properties, Inc., to formalize the obligations of the parties. Under the terms of this agreement, the District is obligated to pay the portion of debt service on bonds issued by the Benefit District not otherwise funded by impact fees, non-ad valorem assessments, and charter capital. Phase I of the construction was funded through bonds issued by the Benefit District at a rate of 6.05 percent. Phase II of the construction was funded by issuing a second series of bonds by the Benefit District at a rate of 5.83 percent.

On May 28, 2014, the District issued \$23,150,000 in refunding Capital Improvement Refunding Bonds, Series 2014A, with an average interest rate of 3.48 percent, to refund and redeem \$23,535,000 of the District's outstanding Capital Improvement Revenue Bonds Series 2004A and 2004B. The 2014A Series were issued to reduce the total debt service payments from the 2004A and 2004B certificates, resulting in savings to the District of \$6,181,793 over the next 20 years.

Estimated amounts payable for the Benefit District agreement are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2025	913,628	575,274	338,355
2026	914,075	614,519	299,556
2027	904,846	644,108	260,738
2028	895,896	673,583	222,313
2029-2033	4,324,102	3,774,430	549,672
2034	941,670	484,817	456,853
Total	<u>\$ 8,894,217</u>	<u>\$ 6,766,731</u>	<u>\$ 2,127,486</u>

The amounts required from the District in the future are dependent on the amount of charter capital received, which is dependent on enrollment at the school and the level of funding appropriated annually by the Legislature.

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6. CERTIFICATES OF PARTICIPATION

Certificates of Participation at June 30, 2024, are as follows:

Series	Amount Outstanding	Interest Rate (percent)	Lease Term Maturity	Original Amount
2010 COPS, Series A (QSCB)	\$ 40,500,000	6.658 ⁽¹⁾	2027	\$ 40,500,000
2014 COPS Refunding	3,605,000	2.24	2028	12,005,000
2015 COPS Refunding	1,025,000	2.67	2025	8,310,000
2017 COPS Refunding	26,410,000	2.10	2027	58,170,000
2023 COPS Refunding	17,230,000	1.36	2028	20,570,000
Total Certificates of Participation	<u>\$ 88,770,000</u>			

Note (1): The Series 2010A Lease is designated as a "Qualified School Construction Bond" (QSCB) as defined in Section 54F of the Internal Revenue Code, and pursuant to Section 6431 of the Code, the School Board has elected to receive federal subsidy payments on each interest payment date for the Series 2010A Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Series 2010A Certificates on such date or the amount of interest which would have been payable with respect to the Series 2010A Certificates if the interest were determined at the applicable tax credit rate for the Series 2010A Certificates pursuant to Section 54A(b)(3) of the Code.

The District entered into a master financing arrangement on April 1, 1992, which arrangement was characterized as a lease-purchase agreement, with the Osceola School Board Leasing Corporation, Inc., whereby the District secured financing of various educational facilities. The financings were accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given ground leases on District properties to the Osceola School Board Leasing Corporation, Inc., with a rental fee of \$1 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the various Ground Lease Agreements for the benefit of the securers of the Certificates for a period of time specified by the arrangement as follows:

Certificates	Lease Term
Series 2010	Earlier of date paid in full or April 30, 2027
Series 2014, Refunding	Earlier of date paid in full or June 30, 2028
Series 2015, Refunding	Earlier of date paid in full or August 30, 2024
Series 2017, Refunding	Earlier of date paid in full or June 30, 2027
Series 2023, Refunding	Earlier of date paid in full or June 30, 2028

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The District properties included in the ground leases under this arrangement include the following:

Certificates	Description of Properties
Series 2010	Osceola High School Renovations, Thacker Avenue Elementary School Renovations, and Highlands Elementary School
Series 2014, Refunding	Poinciana High School (correct defects/deficiencies to original construction), Kissimmee Elementary School, Liberty High School, and Chestnut Elementary School
Series 2015, Refunding	Four Corners Charter School
Series 2017, Refunding	Celebration High School, Poinciana High School Auditorium, and the Osceola County School for the Arts
Series 2023, Refunding	Liberty High School and Chestnut Elementary School

The lease payments are payable by the District, semiannually, on June 1 and December 1 for Series 2014, 2017 and 2023; February 1 and August 1 for Series 2015; and a bullet maturity due on April 1, 2027 for Series 2010. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30	COPs		COPs from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2025	-	2,696,490	12,295,000	883,374	15,874,864
2026	-	2,696,490	11,480,000	658,069	14,834,559
2027	40,500,000	2,696,490	11,705,000	434,120	55,335,610
2028	-	-	12,790,000	205,668	12,995,668
Total Certificates of Participation	<u>\$ 40,500,000</u>	<u>\$ 8,089,470</u>	<u>\$ 48,270,000</u>	<u>\$ 2,181,231</u>	<u>\$ 99,040,701</u>

➤ **Qualified School Construction Bonds**

The District issued Certificates of Participation (COPs) dated April 29, 2010, under the Qualified School Construction Bond (QSCB) Program pursuant to Section 54F of the United States Internal Revenue Code of 1986 as amended (the Code). The QSCB Program provides for an issuer interest rate subsidy on certain bonds or COPs. The School District of Osceola County received an approved allocation of funds from the Florida Department of Education sufficient for the designation of the Series 2010A COP as a QSCB under the Code. Pursuant to Section 6431 of the Code, the District has elected to receive Federal subsidy payments (the Issuer Subsidy) from the United States Treasury on each interest payment date for the Series 2010A Certificates in an amount equal to the lesser of the amount of interest payable with respect to the Series 2010A Certificates if the interest were determined at the applicable tax credit rate pursuant to Section 54a(b)(3) of the Code. The tax credit rate which would have been applicable to the Series 2010A Certificates is 5.8 percent.

The Series 2010A Certificates were issued in the amount of \$40,500,000. Interest payments are to be made to the holders of the Certificates on April 1st and October 1st of each year at the stated coupon rate of 6.658 percent with the Issuer Subsidy received by the District on the same date. The principal amount of the Certificates is to be repaid in one lump sum on April 1, 2027. Currently, the District deposits \$2,121,002 into

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a Sinking Fund annually on April 1st. The accumulated amount in this fund plus interest at a projected 3 percent is to be used to repay the principal amount of these certificates upon maturity.

7. BONDS PAYABLE

Bonds payable at June 30, 2024, are as follows:

Series 2014A, Refunding	\$	115,000	3.0 - 5.0	2025	1,796,000
Series 2017A, Refunding		290,000	5.0	2026	986,000
District Revenue Bonds:					
Sales Tax Revenue Series 2015		6,804,000	2.29	2025	30,087,000
Capital Outlay Sales Tax Rev. Series 2017		55,905,000	2.76	2033	86,250,000
Capital Outlay Sales Tax Rev. Series 2020		53,820,000	1.52	2030	75,150,000
Sales Tax Revenue, Series 2023		51,415,000	4.05	2033	60,000,000
Total Bonds		<u>168,349,000</u>			
Plus: Unamortized Bond Premium					
					51,392
Total Bonds Payable	\$	<u><u>168,400,392</u></u>			

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

➤ **State School Bonds**

These bonds are issued by the SBE on behalf of the District. The bonds mature serially and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

➤ **District Revenue Bonds**

The School Board issued Sales Tax Revenue Bonds, Series 2007A and 2007B on April 12, 2007, totaling \$47,580,000 and \$32,255,000, respectively. These bonds are authorized by Chapter 1001, Florida Statutes and Chapter 212, Part I, Florida Statutes. A resolution providing for the issuance of the bonds was adopted by the Board on March 20, 2007. Proceeds of the discretionary local government infrastructure sales tax surtax received by the District pursuant to an interlocal agreement between Osceola County, the cities of Kissimmee and St. Cloud, and the District are pledged for the payment of bonds. Proceeds of the 2007A bonds were used to finance the acquisition, construction, reconstruction, renovation, and equipping of certain capital improvements and educational facilities within the District. Proceeds of the 2007B bonds were used to advance-refund a portion of the District's outstanding Sales Tax Revenue Bonds, Series 2001.

On July 17, 2015, the District issued Sales Tax Revenue Bonds, Series 2015. Proceeds of the 2015 bonds were used to advance-refund a portion of the Series, 2007A bonds. On September 21, 2016, the District reissued the Sales Tax Revenue Bonds, Series 2015 to modify the terms of bond and reduce the interest rate payable on the outstanding principal balance of the bonds. On June 16, 2017, the District issued Sales Tax Revenue Bonds, Series 2017, to refund a portion of the Series, 2007B.

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Both, the Sales Tax Revenue Bonds, Series 2015 and Series 2017 contain provisions by which the purchaser can, upon the occurrence and continuation of an event of default, impose a default interest rate of 6 percent and 8 percent, respectively, in excess of the rate of interest on the bonds, until the default.

In November 2016, Osceola County voters approved by referendum the imposition of a one-half cent discretionary sales surtax to be effective beginning January 1, 2017, and ending December 31, 2036. A resolution providing for the issuance of the Capital Outlay Sales Tax Revenue Bonds, Series 2017, was adopted by the Board on May 2, 2017, and pledging the one-half cent discretionary sales surtax for the principal and interest payments of the bonds. On May 11, 2017, the District issued bonds in the amount of \$86,250,000. On September 2, 2020, the Board adopted an amending and supplementing resolution to issue additional Capital Outlay Sales Tax Revenue bonds. On September 8, 2020, the District issued Capital Outlay Sales Tax Revenue Bonds, Series 2020A in the amount of \$75,150,000. The proceeds of the bonds will be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses, land acquisition, land improvement, design and engineering costs, retrofitting and providing for technology implementation, including hardware and software, for the various sites within the District.

Both the Capital Outlay Sales Tax Revenue Bonds, Series 2017 and 2020 contain provisions by which the purchaser can, upon the occurrence and continuation of an event of default, impose a default interest rate of Prime plus 8 percent, to the lesser of 18% or the maximum allowed rate by law.

On November 14, 2023 the Board adopted an amending and supplementing resolution to issue additional Sales Tax Revenue bonds. On November 16, 2023, the District issued Sales Tax Revenue Bonds, Series 2023 in the amount of \$60,000,000. The proceeds of the bonds will be used to finance the acquisition, construction, equipping, installation of, and renovation to, various capital improvements and educational facilities within the district.

Sales Tax Revenue Bond Series 2023 contains a provision by which the purchaser can, upon the occurrence and continuation of an Event of Default, impose a default interest rate of Prime plus 6 percent.

The District has pledged a combined total of \$ 191,913,308 of discretionary and capital outlay surtax sales revenues (sales tax revenues) in connection with the Series 2015, 2017 and 2023 Sales Tax Revenue Bonds, and 2017 and 2020 Capital Outlay Sales Tax Bonds issues described above. During the 2023-24 fiscal year, the District recognized sales tax revenues totaling \$68,747,604 and expended \$21,740,123 (32 percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt, or June 1, 2033. Assuming a nominal growth rate in the collection of sales tax revenues, which are levied through June 30, 2037 approximately 21 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

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Bonds payable as of June 30, 2024 are as follows:

Fiscal Year Ending June 30	Bonds		Bonds from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
State School Bonds:					
2025	254,000	17,950	-	-	271,950
2026	151,000	7,550	-	-	158,550
Total State School Bonds	405,000	25,500	-	-	430,500
District Revenue Bonds:					
2025	-	-	19,704,000	4,793,961	24,497,961
2026	-	-	19,665,000	4,390,624	24,055,624
2027	-	-	20,205,000	3,853,380	24,058,380
2028-2032	-	-	101,460,000	10,662,139	112,122,139
2033	-	-	6,910,000	269,204	7,179,204
Total District Revenue Bonds	-	-	167,944,000	23,969,308	191,913,308
Total	\$ 405,000	\$ 25,500	\$ 167,944,000	\$ 23,969,308	\$ 192,343,808

8. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

Description	Balance 7-1-23	Additions	Deductions	Balance 6-30-24	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 857,241	\$ -	\$ 400,849	\$ 456,392	\$ 296,849
Bonds from Direct Borrowings and Direct Placements	135,520,000	60,000,000	18,991,000	176,529,000	19,704,000
Certificates of Participation Payable COP from Direct Borrowings and Direct Placements	40,500,000	-	-	40,500,000	-
Educational Facilities Benefit District Agreement Payable	60,230,000	-	11,960,000	48,270,000	12,295,000
Impact Fee Credit Vouchers	7,312,978	-	546,247	6,766,731	575,274
Net Pension Liability	7,829,021	23,606,983	17,431,877	14,004,127	-
Other Postemployment Benefits Payable	321,234,636	168,012,925	120,219,642	369,027,919	-
Compensated Absences Payable	14,259,998	6,140,826	5,364,247	15,036,577	930,388
	45,764,428	14,684,931	6,792,771	53,656,588	6,574,598
Total Governmental Activities	\$ 633,508,302	\$ 272,445,666	\$ 181,706,633	\$ 724,247,334	\$ 40,376,109

The District's outstanding COPs from direct borrowings and direct placements totaled \$48,270,000 and \$176,529,000 for bonds. Information related to securities pledged as collateral and events of default provisions related to COPs and bonds are discussed in Note 6 and Note 7, respectively.

The District issues educational impact fee credits in exchange for land in connection with the construction of school facilities within the Bellalago Educational Facilities Benefit Districts (BEFBD) and Flora Ridge Educational Facilities Benefit District (FREFBD). Impact fee credits issued to the BEFBD are related to the K-8 portion of the educational impact fees authorized, while the FREFBD impact fee credits are related to the K-5 portion of the educational impact fees authorized.

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For the governmental activities, compensated absences, pension, and other postemployment benefits are generally liquidated with resources of the General Fund.

9. FUND BALANCE REPORTING

The following is a schedule of fund balances by category at June 30, 2024:

	Major Funds					
	General	Special Revenue - Federal Education Stabilization	Nonvoted Capital Improvement Fund	Capital Projects - Other	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances						
Nonspendable:						
Inventory	\$ 3,274,107	\$ -	\$ -	\$ -	\$ 714,178	\$ 3,988,286
Restricted:						
State Categorical Programs	15,489,181	-	-	-	-	15,489,181
Debt Service	-	-	-	-	31,801,713	31,801,713
Capital Projects	-	-	117,301,306	476,126,436	12,023,423	605,451,165
Grants and Programs	15,077,834	-	-	-	-	15,077,834
Food Services	-	-	-	-	18,495,136	18,495,136
Assigned:						
Contract Commitments	2,936,863	-	-	-	-	2,936,863
Carryover Appropriations	2,608,136	-	-	-	-	2,608,136
Projected Operating Deficit	10,421,969	-	-	-	-	10,421,969
Unassigned	42,727,579	-	-	-	-	42,727,579
Total Fund Balances	\$ 92,535,669	\$ -	\$ 117,301,306	\$ 476,126,436	\$ 63,034,450	\$ 748,997,861

In addition to committed and assigned fund balance categories discussed in the Fund Balance Policies note disclosures, fund balance may be classified as follows:

➤ **Non spendable Fund Balance**

Non spendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. The District has inventory of \$3,988,286 classified as non-spendable.

➤ **Restricted Fund Balance**

Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District has a total of \$ 686,315,029 in restricted fund balance as of June 30, 2024.

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➤ **Assigned Fund Balance**

The assigned fund balance is the portion of fund balance that is not restricted or committed for the General Fund. It is spendable or available for appropriation but has been earmarked for a specific purpose. The District has \$15,966,968 in assigned fund balance as of June 30, 2024, for outstanding purchase obligations and to eliminate the projected operating deficit in the subsequent year.

➤ **Unassigned Fund Balance**

The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes. As discussed in the Fund Balance Policies note disclosure, the District has set aside “contingency reserves” as per School Board Rule 7.10. The contingency funds of \$40,800,000 are included as part of the unassigned general fund balance of \$42,727,579 .

10. RETIREMENT PLANS

➤ **FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PENSION PLANS**

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services web site (www.dms.myflorida.com).

The District’s FRS and HIS pension expense totaled \$100,301,567 for the fiscal year ended June 30, 2024.

➤ **FRS Pension Plan**

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- FRS, Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- FRS, Elected County Officers Class – Members who hold specified elective offices in local government.
- FRS, Senior Management Service Class – Members in senior management level positions.

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Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total

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service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2023-24 fiscal year were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
FRS, Regular	3.00	13.57
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management	3.00	34.52
FRS, Special Risk	3.00	32.67
FRS, Special Risk Administrative	3.00	39.82
DROP - Applicable to Members from		
All of the Above Classes or Plans	0.00	21.13
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Program.

(B) Contribution rates are dependent upon retirement class or plan in which reemployed.

The District's contributions to the Plan totaled \$32,508,190 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a liability of \$233,584,032 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The district's proportionate share of the net pension liability was based on the district's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the District's proportionate share was 0.588360387 percent, which was a decrease of -0.032415729 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$49,413,310 related to the Plan. In addition, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,012,174	\$ -
Change of assumptions	15,282,939	-
Net difference between projected and actual earnings on FRS pension plan investments	9,790,974	-
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	9,146,131	9,148,659
District FRS contributions subsequent to the measurement date	32,508,190	-
Total	<u>\$ 88,740,407</u>	<u>\$ 9,148,659</u>

The deferred outflows of resources related to pensions, totaling \$32,508,190 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net

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pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	\$ 7,309,319
2026	(1,783,861)
2027	39,008,399
2028	2,017,249
Thereafter	<u>532,453</u>
Total	<u>\$ 47,083,559</u>

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on PUB2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (A)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	<u>3.8%</u>	6.3%	6.1%	7.7%
Total	<u>100%</u>			
Assumed inflation - Mean			2.4%	1.4%

Note: (A) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and

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inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.7 percent) or 1 percentage point higher (7.7 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.70%	6.70%	7.70%
District's proportionate share of the net pension liability	\$ 399,009,092	\$ 233,584,031	\$ 95,186,178

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan. On June 30, 2024, the District reported a payable of \$ 3,454,640 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2024

➤ **HIS Pension Plan**

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The district contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$ 7,356,174 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a net pension liability of \$ 135,443,887 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate

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share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The district's proportionate share of the net pension liability was based on the District's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.855767290percent, which was a decrease of 0.008499522 percent from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$50,888,257 . In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,989,589	\$ 318,995
Change of assumptions	3,572,960	11,776,822
Net difference between projected and actual earnings on HIS pension plan investments	70,185	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,343,440	1,769,209
District contributions subsequent to the measurement date	7,356,174	-
Total	<u>\$ 14,332,348</u>	<u>\$ 13,865,026</u>

The deferred outflows of resources, totaling \$ 7,356,174 was related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ (1,130,519)
2026	(491,048)
2027	(1,518,718)
2028	(2,306,460)
2029	(1,304,659)
Thereafter	(137,449)
Total	<u>\$ (6,888,853)</u>

Actuarial Assumptions. The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.65 percent

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Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP 2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.65 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.54 percent to 3.65 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
District's proportionate share of the net pension liability	\$ 154,520,338	\$ 135,443,888	\$ 119,630,793

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan. At June 30, 2024, the District reported a payable of \$58,558 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2024.

Pension Plan Aggregates. The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense for the district's defined pension plans are summarized below:

	<u>Pension Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net pension liability	\$ 233,584,032	\$ 135,443,888	\$ 369,027,920
Deferred outflows of resources	88,740,407	14,332,348	103,072,755
Deferred inflows of resources	9,148,659	13,865,026	23,013,685
Pension expense	49,413,310	50,888,257	100,301,567

➤ **FRS – DEFINED CONTRIBUTION PENSION PLAN**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2023-24 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Elected County Officers	16.34
FRS, Senior Management Service	12.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The District's Investment Plan pension expense totaled \$ 16,177,976 for the fiscal year ended June 30, 2024.

Payables to the Pension Plan. At June 30, 2024, the District reported a payable of \$ 1,642,725 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2024.

11. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

➤ **Plan Description**

The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from

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the District, and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical and prescriptions and life insurance coverage. Such provisions may be amended at any time by further action from the Florida Legislature. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan, on average, than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or another entity.

➤ **Benefit Terms and Employees Covered**

Plan contribution requirements and benefit terms of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advanced funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation. As of the valuation date, June 30, 2024, there were 6,175 active plan members and 79 inactive plan members or beneficiaries receiving benefits. There are no inactive plan members entitled to benefits not yet receiving benefits. The District provided contributions of \$ 790,794 toward annual OPEB costs, comprised of benefit payments made on behalf of the retirees for claims expense, retention costs, and net of retiree contributions totaling \$849,070. Required contributions are based on projected pay-as-you-go financing.

➤ **Total OPEB Liability**

The District's total OPEB liability of \$ 15,036,576 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

➤ **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumption and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	3.86%
Salary Increases	FRS 7/1/2023 Actuarial Valuation 3.4% - 7.8%, including inflation
Retirement Age	Rates used in the 7/1/2023 FRS Actuarial Valuation Based on a statewide experience study from 2013- 2018
Mortality	The PUB-2010 Generational tables used are projected by Scale MP-2018 from 2010

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Healthcare Cost Trend Rates	Getzen Model with trend starting at 7.0% and gradually decreasing to an ultimate trend rate of 4.0%.
Aging Factors	2013 SOA Study "Health Care Costs-From Birth to Death"
Administrative Expenses	Included in the per capita health costs

The District selected the economic, demographic, and health care claim cost assumption used in the June 30, 2024 valuation. The current actuary provided guidance with respect to the economic assumptions demographic assumptions, the health care participation rate assumption, and the spouse coverage election rate assumption. The demographic assumptions were based on those employed in the July 1, 2023, Defined Benefit Pension Plan Actuarial Valuation of the FRS, which were developed by the FRS from an Actuarial Experience Study. These include assumed rates of future termination, mortality, disability and retirement. In addition, salary increase assumptions for development of the pattern of the normal cost increases were the same as those used by the FRS.

➤ **Changes to the Total OPEB Liability**

Below are the details regarding the total OPEB liability for the measurement period from June 30, 2022, to June 30, 2023.

Changes for the Fiscal Year:	
Service Cost	761,140
Interest on the Total OPEB Liability	539,096
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(1,731,145)
Changes in Assumptions and Other Inputs	1,998,283
Benefit Payments	(790,794)
	<hr/>
Net Changes	776,580
	<hr/>
Balance as of 6/30/2024	\$ 15,036,577
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The changes of assumptions or other inputs reflect a change in the discount rate from 3.69 percent as of the beginning of the measurement period, to 3.86 percent as of June 30, 2024. The expected claims and premiums were updated to reflect recent information provided for this valuation. Also, the ultimate healthcare cost trend rate was increased from 3.75 percent to 4 percent.

➤ **Discount Rate**

The District has no plan assets held in trust to finance the OPEB plan liability. Therefore, the discount rate in the calculation of the total OPEB liability is equal to the tax-exempt municipal bond rate based on a 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of the OPEB plan valuation, the municipal bond rate was 3.86 percent (based on the most recent date available on or before the measurement date of "Fidelity 20-Year Municipal GO AA Index"). The discount rate was 3.69 percent as of the beginning of the measurement period.

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➤ **Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86 percent) or 1 percentage point higher (4.86 percent) than the current discount rate:

	Decrease 2.86%	Discount Rate 3.86%	Increase 4.86%
Total OPEB Liability	\$ 15,905,198	\$ 15,036,576	\$ 14,172,633

➤ **Sensitivity to the Total OPEB Liability to Changes in the Healthcare Cost Trend**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent point lower and 1 percent point higher than the current healthcare cost trend rates:

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 13,634,770	\$ 15,036,576	\$ 16,675,424

➤ **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized an OPEB expense of \$ 717,609 . At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between Expected and Actual Experience	\$ 215,720	\$ 1,650,035
Changes of assumptions of other inputs	212,566	4,124,444
Benefits paid subsequent to the measurement date	930,388	-
Total	\$ 1,358,674	\$ 5,774,479

The deferred outflows of resources related to OPEB, totaling \$ 930,388 resulting from District benefits paid subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ (659,899)
2026	(659,899)
2027	(659,899)
2028	(659,899)
2029	(637,602)
Thereafter	(2,068,995)
Total	\$ (5,346,193)

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12. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of interfund receivables and payables reported in the fund financial statements:

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 6,653,198	\$ -
Special Revenue:		
Federal Education Stabilization	-	4,360,316
Nonmajor Governmental	-	2,292,882
Total	<u>\$ 6,653,198</u>	<u>\$ 6,653,198</u>

The interfund amounts represent temporary loans to cover expenditures incurred prior to reimbursement from outside sources. These amounts are expected to be repaid within one year. The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 28,816,603	\$ 10,000,000
Capital Projects:		
Nonvoted Capital Improvement Funds	-	33,214,780
Other Funds	-	33,294,291
Nonmajor Governmental	37,692,468	-
Internal Service Funds	10,000,000	-
Total	<u>\$ 76,509,071</u>	<u>\$ 76,509,071</u>

The major transfers out of the Capital Projects funds were to provide debt service principal and interest payments and to assist in funding general maintenance operations of the District. The remaining transfers between funds were to fund the health plan.

13. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2023-24 fiscal year:

Source	Amount
Florida Education Finance Program	\$ 327,021,233
Categorical Educational Program - Class Size Reduction	69,415,294
School Recognition	2,471,574
Charter School Capital Outlay	9,938,526
Workforce Development Program	8,452,901
Workforce Development Capitalization Incentive	364,297
Voluntary Prekindergarten Program	2,897,414
Capital Outlay & Debt Service	3,168,083
Miscellaneous State Revenue	3,921,201
Total	<u>\$ 427,650,523</u>

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Accounting policies relating to certain State revenue sources are described in Note 1.

14. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2023 tax roll for the 2023-24 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort (RLE)	3.244	\$ 166,051,158
RLE Prior Period Adjustment	0.012	614,246
Basic Discretionary Local Effort	0.748	38,287,998
<u>CAPITAL PROJECTS - LOCAL CAPITAL IMPROVEMENT FUND</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>76,780,745</u>
Total	<u>5.504</u>	<u>\$ 281,734,147</u>

15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

➤ **Encumbrances**

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2024:

<u>Major Funds</u>					
	Special Revenue - Federal Education Stabilization	Nonvoted Capital Improvement Fund	Capital Project- Other Funds	Nonmajor Governmental Funds	Total Governmental Funds
<u>\$ 10,268,298</u>	<u>\$ 6,845,734</u>	<u>\$ 10,344,982</u>	<u>\$ 191,978,507</u>	<u>\$ 5,890,042</u>	<u>\$ 225,327,563</u>

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➤ **Construction Contracts**

The following is a summary of major construction contract commitments remaining at fiscal year-end:

Project	Contract (s) Amount	Completed to Date	Balance Committed
"AA" Kindred K-8	\$ 54,057,589	\$ 36,590,122	\$ 17,467,467
"BB" Knights Point K8	61,871,401	2,746,367	59,125,034
"CC" Voyager K8	55,123,986	2,573,811	52,550,175
"AAA" Nova Road High School	53,863,601	48,580,237	5,283,363
Gateway HS Renovation	45,945,125	1,555,224	44,389,901
Neocity Expansion	31,112,320	4,342,195	26,770,125
Osceola Cty School for the Arts Renovation	3,161,675	2,788,118	373,557
Reedy Creek ES Renovation	2,503,376	1,834,553	668,823
Transportation East	38,819,143	23,813,038	15,006,105
Transportation West	47,343,904	45,351,435	1,992,469
Other construction projects	28,313,362	12,843,725	15,469,637
Grand Total	\$ 422,115,481	\$ 183,018,826	\$ 239,096,655

16. INVESTMENT IN CAPITAL ASSETS

The amount reported on the Statement of Net Position as Net Investment in Capital Assets as of June 30, 2024, consists of the following:

Capital Assets	\$ 1,957,452,633
Less: Accumulated depreciation/amortization	<u>710,221,014</u>
Net carrying value of capital assets	1,247,231,620
Less:	
Outstanding principal of capital debt/borrowings expended for capital purposes	161,819,407
Outstanding principal balance of debt/borrowing used for refundings	48,675,000
Outstanding principal balance of any other capital-related liabilities	67,154,495
Unamortized premiums	51,392
Unamortized balance of deferred outflows of resources	378,811
Plus:	
Unamortized discounts	-
Unamortized balance deferred inflows	<u>2,471,399</u>
Net Investment in Capital Assets	<u><u>\$ 971,623,914</u></u>

17. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Effective May 1, 2010, for property insurance and effective July 1, 2010, for all other casualty and workers' compensation coverage, the School Board implemented a stand-alone program of self-insurance and excess insurance.

The Board established the Osceola County School Board Group Health and Life Insurance Trust to provide for a health, hospitalization, and life insurance program. These programs are accounted for in the District's internal service funds. The program is on a self-insured basis up to specified limits. The District did not elect to purchase the aggregate stop-loss coverage due to the rising premium cost and the high attachment point. The District maintained the individual deductible at \$1,500,000 with a corresponding aggregate deductible of \$135,000 for a total 1st claim exposure of \$1,635,000. The Board has contracted with a professional administrator to administer

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the self-insurance program, including the processing, investigating, and payment of claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. A liability in the amount of \$ 6,679,000 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable for the group health program at June 30, 2024.

Effective July 1, 2003, the District's general liability and auto liability programs were established on a self-insured basis. These programs are administered by the Trust and are accounted for in the District's internal service funds. A liability of \$ 1,399,133 was established based on reserves for outstanding claims at June 30, 2024, as reported by the program administrator.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insurance programs:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2022-23	\$ 6,695,640	\$ 57,280,312	\$ (56,562,671)	\$ 7,413,281
2023-24	7,413,281	63,639,238	(62,974,386)	8,078,133

18. BOND INSURANCE RATINGS

As of June 30, 2024, the Districts Certificates of Participation, Series 2010, Series 2014, Series 2015, Series 2017, and Series 2023 are uninsured.

19. LITIGATION

The District is involved in several threatened and pending legal actions. In the opinion of the District's legal counsel and management, it is not probable that a material loss will occur from these actions.

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REQUIRED SUPPLEMENTARY INFORMATION



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DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
Federal Direct	\$ 750,000	\$ 750,000	\$ 861,055	\$ 111,055
Federal Through State	1,500,000	2,578,047	2,578,047	-
State	418,930,728	413,625,279	412,707,179	(918,100)
Local:				
Property Taxes	205,053,402	205,053,402	205,380,533	327,131
Local Sales Taxes	17,996,364	20,416,037	29,243,196	8,827,159
Total Revenues	644,230,494	642,422,765	650,770,010	8,347,245
EXPENDITURES				
Current - Education:				
Instruction	467,893,052	449,633,132	428,605,854	21,027,278
Pupil Personnel Services	34,444,397	34,878,136	33,523,629	1,354,507
Instructional Media Services	5,628,409	5,774,489	5,774,489	-
Instruction and Curriculum Development Services	20,230,749	20,218,860	18,289,417	1,929,443
Instructional Staff Training Services	6,787,732	7,136,419	6,585,740	550,679
Instruction Related Technology	2,492,312	2,540,957	2,540,957	-
Board of Education	2,020,212	2,016,896	1,953,555	63,341
General Administration	2,335,480	2,630,420	2,612,153	18,267
School Administration	32,903,951	32,885,304	30,646,140	2,239,164
Facilities Services	13,221,286	16,594,249	16,481,950	112,299
Fiscal Services	2,754,560	2,736,708	2,588,153	148,555
Food Services	552,227	620,000	617,843	2,157
Central Services	8,716,475	9,174,045	9,174,045	-
Pupil Transportation Services	29,657,276	31,320,286	31,292,971	27,315
Operation of Plant	54,638,025	54,557,609	50,126,725	4,430,884
Maintenance of Plant	12,716,759	12,608,824	11,029,784	1,579,040
Administrative Technology Services	5,938,069	6,445,414	6,435,813	9,601
Community Services	6,767,506	6,824,482	5,400,305	1,424,177
Fixed Capital Outlay:				
Other Capital Outlay	1,218,134	3,882,646	2,666,947	1,215,699
Total Expenditures	710,916,611	702,478,876	666,346,470	36,132,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,686,117)	(60,056,111)	(15,576,460)	44,479,651
OTHER FINANCING SOURCES				
Transfers In	26,953,947	30,114,220	28,816,603	(1,297,617)
Insurance Loss Recoveries	200,000	409,721	647,777	238,056
Transfers Out		(10,000,000)	(10,000,000)	-
Total Other Financing Sources	27,153,947	20,523,941	19,464,380	(1,059,561)
Net Change in Fund Balances	(39,532,170)	(39,532,170)	3,887,920	43,420,090
Fund Balances, July 1, 2023	88,647,749	88,647,749	88,647,749	-
Fund Balances, June 30, 2024	\$ 49,115,579	\$ 49,115,579	\$ 92,535,669	\$ 43,420,090

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
Federal Direct	\$ 47,020	\$ 47,020	\$ 47,080	\$ 60
Federal Through State	80,030,196	80,195,823	59,310,486	(20,885,337)
Total Revenues	80,077,216	80,242,843	59,357,566	(20,885,277)
EXPENDITURES				
Current - Education:				
Instruction	64,166,567	59,259,503	41,102,100	18,157,403
Pupil Personnel Services	1,038,514	2,990,899	2,627,989	362,910
Instructional Media Services	68,807	431,031	419,499	11,532
Instruction and Curriculum Development Services	456,112	1,683,706	1,579,396	104,310
Instructional Staff Training Services	4,357,470	6,318,322	5,335,601	982,721
Instruction Related Technology	6,626,112	4,644,910	4,510,601	134,309
General Administration	1,442,319	1,768,146	1,523,306	244,840
School Administration	-	328,272	327,701	571
Facilities Acquisition and Construction	19,820	14,220	-	14,220
Fiscal Services	150,000	-	-	-
Food Services	-	-	-	-
Central Services	314,355	358,314	303,058	55,256
Pupil Transportation Services	855,852	742,722	463,079	279,643
Operation of Plant	424,918	493,219	254,607	238,612
Maintenance of Plant	-	-	-	-
Administrative Technology Services	2,840	487,500	440,549	46,951
Community Services	-	-	-	-
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	153,530	722,079	470,080	251,999
Total Expenditures	80,077,216	80,242,843	59,357,566	20,885,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING USES				
Transfers Out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, July 1, 2023	-	-	-	-
Fund Balances, June 30, 2024	\$ -	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - NONVOTED CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local:				
Property Taxes	\$ 76,780,745	\$ 76,780,745	\$ 76,938,838	\$ 158,093
Miscellaneous	1,695,448	1,695,448	5,629,921	3,934,473
Total Revenues	78,476,193	78,476,193	82,568,759	4,092,566
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	18,926,917	19,869,317	11,490,242	8,379,075
Fixed Capital Outlay:				
Facilities Acquisition and Construction	20,224,496	19,812,870	6,196,618	13,616,252
Other Capital Outlay	12,680,659	14,968,957	2,757,987	12,210,970.00
Total Expenditures	51,832,072	54,651,144	20,444,847	34,206,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,644,121	23,825,049	62,123,912	38,298,863
OTHER FINANCING (USES)				
Transfers Out	(33,519,000)	(35,375,504)	(33,214,780)	2,160,724
Total Other Financing Sources (Uses)	(33,519,000)	(35,375,504)	(33,214,780)	2,160,724
Net Change in Fund Balances	(6,874,879)	(11,550,455)	28,909,132	40,459,587
Fund Balances, July 1, 2023	88,392,174	88,392,174	88,392,174	-
Fund Balances, June 30, 2024	\$ 81,517,295	\$ 76,841,719	\$ 117,301,306	\$ 40,459,587

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - OTHER FUND
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental:				
State	\$ 10,174,146	\$ 11,387,897	\$ 11,415,733	\$ 27,836
Local:				
Local Sales Tax	66,000,000	66,000,000	68,747,604	2,747,604
Impact Fees	85,000,000	85,000,000	76,910,497	(8,089,503)
Miscellaneous	5,354,061	5,354,061	23,444,374	18,090,313
Total Revenues	166,528,207	167,741,958	180,518,208	12,776,250
EXPENDITURES				
Current - Education:				
Facilities Acquisition and Construction	45,136,276	32,874,666	10,048,124	(22,826,542)
Fixed Capital Outlay:				
Other Capital Outlay	52,089,930	20,980,643	10,306,665.00	(10,673,978)
Facilities Acquisition and Construction	513,024,180	563,133,084	214,579,531	348,553,553
Total Expenditures	610,250,386	616,988,393	234,934,320	382,054,073
Excess (Deficiency) of Revenues Over (Under) Expenditures	(443,722,179)	(449,246,435)	(54,416,112)	394,830,323
OTHER FINANCING SOURCES (USES)				
Bonds Issued	60,000,000	60,000,000	60,000,000	-
Proceeds from the Sale of Capital Assets	-	6,750,000	10,081,363	3,331,363
Transfers Out	(30,535,893)	(33,301,561)	(33,294,291)	7,270
Total Other Financing Sources (Uses)	29,464,107	33,448,439	36,787,072	3,338,633
Net Change in Fund Balances	(414,258,072)	(415,797,996)	(17,629,040)	398,168,956
Fund Balances, July 1, 2023	493,755,477	493,755,477	493,755,477	-
Fund Balances, June 30, 2024	\$ 79,497,405	\$ 77,957,481	\$ 476,126,437	\$ 398,168,956

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF CHANGES IN THE TOTAL
OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability							
Service Cost	\$ 761,140	\$ 943,654	\$ 1,026,554	\$ 917,455	\$ 1,108,994	\$ 1,195,877	\$ 1,254,867
Interest on the Total OPEB Liability	539,094	302,641	419,891	501,366	694,516	744,758	613,015
Changes of benefits terms	-	-	-	-	(2,205,337)	-	-
Difference between expected and actual experience	(1,731,145)	-	838,442	-	(87,088)	-	-
Changes of assumptions and other inputs	1,998,283	(1,471,702)	(2,773,786)	522,908	(3,456,391)	(83,594)	(869,829)
Benefit payments	<u>(790,794)</u>	<u>(794,160)</u>	<u>(813,888)</u>	<u>(1,047,099)</u>	<u>(1,418,884)</u>	<u>(1,023,065)</u>	<u>(1,002,025)</u>
Net Change in total OPEB Liability	\$ 776,579	\$ (1,019,567)	\$ (1,302,787)	\$ 894,630	\$ (5,364,190)	\$ 833,976	\$ (3,972)
Total Beginning OPEB Liability	<u>14,259,997</u>	<u>15,279,565</u>	<u>16,582,352</u>	<u>15,687,722</u>	<u>21,051,912</u>	<u>20,235,836</u>	<u>20,235,836</u>
Total Ending OPEB Liability	<u>\$ 15,036,576</u>	<u>\$ 14,259,998</u>	<u>\$ 15,279,565</u>	<u>\$ 16,582,352</u>	<u>\$ 15,687,722</u>	<u>\$ 21,069,812</u>	<u>\$ 20,231,864</u>
Covered-Employee Payroll	\$ 273,741,458	\$ 258,652,853	\$ 251,119,275	\$ 229,794,534	\$ 223,101,490	\$ 274,164,824	\$ 240,100,401
Total OPEB Liability as a percentage of covered-employee payroll	5.49%	5.52%	6.09%	7.23%	7.04%	7.69%	8.43%

Notes: *The amounts presented for each fiscal year were determined as of June 30. The District implemented GASB 75 in fiscal year 2018.

Data was unavailable prior to 2017

** There are no assets accumulated in a trust that meets the criteria of GASB codification
or to pay related benefits for the OPEB plan

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the FRS net pension liability	0.588360387%	0.620776116%	0.614920867%	0.560893965%	0.582333296%	0.570426911%	0.570368400%	0.572630955%	0.616946585%	0.616274953%
District's proportionate share of the net pension liability	\$ 237,565,426	\$ 234,054,895	\$ 46,339,922	\$ 242,899,707	\$ 200,186,534	\$ 171,410,401	\$ 168,421,603	\$ 144,541,817	\$ 79,606,150	\$ 37,601,835
District's covered payroll	\$ 315,054,545	\$ 315,054,545	\$ 302,769,352	\$ 297,282,408	\$ 293,344,775	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865
District's proportionate share of the net pension liability as a percentage of its covered payroll	75.40%	74.29%	15.31%	81.71%	68.24%	62.06%	62.25%	52.87%	29.92%	14.22%
FRS plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Note: *The amounts presented for each fiscal year were determined as of June 30.

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 32,508,190	\$ 28,336,206	\$ 26,489,646	\$ 23,425,828	\$ 18,636,021	\$ 18,056,535	\$ 16,256,709	\$ 14,848,093	\$ 13,964,519	\$ 15,026,754
FRS contributions in relation to the contractually required contribution	(32,508,190)	(28,336,206)	(26,489,646)	(23,425,828)	(18,636,021)	(18,056,535)	(16,256,709)	(14,848,093)	(13,964,519)	(15,026,754)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 368,459,170	\$ 330,964,172.00	\$ 315,054,545	\$ 302,769,352	\$ 297,282,408	\$ 293,344,775	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494
FRS contributions as a percentage of covered payroll	8.82%	8.56%	8.41%	7.74%	6.27%	6.16%	5.89%	5.49%	5.11%	5.65%

Note: *The amounts presented for each fiscal year were determined as of June 30.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the HIS net pension liability	0.855767290%	0.8642668127%	0.855919525%	0.855898328%	0.875429086%	0.845269481%	0.848996056%	0.857952516%	0.865679313%	0.870195724%
District's proportionate share of the net pension liability	\$ 135,443,887	\$ 91,082,707	\$ 104,978,750	\$ 104,443,493	\$ 97,629,068	\$ 89,108,381	\$ 90,517,456	\$ 99,947,559	\$ 88,211,874	\$ 81,345,641
Covered payroll	\$ 315,054,545	\$ 315,054,545	\$ 302,769,352	\$ 297,282,408	\$ 293,344,775	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494	\$ 264,519,865
Proportionate share of the net pension liability as a percentage of its covered payroll	43%	29%	35%	35%	33%	32%	33%	37%	33%	31%
HIS plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note: *The amounts presented for each fiscal year were determined as of June 30.

**DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 7,356,174	\$ 5,635,810	\$ 5,229,542	\$ 5,031,102	\$ 4,932,141	\$ 4,861,173	\$ 4,583,917	\$ 4,493,132	\$ 4,397,554	\$ 3,305,881
HIS contributions in relation to the contractually required contribution	(7,356,174)	(5,635,810)	(5,229,542)	(5,031,102)	(4,932,141)	(4,861,173)	(4,583,917)	(4,493,132)	(4,397,554)	(3,305,881)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 368,459,170	\$ 330,964,172	\$ 315,054,545	\$ 302,769,352	\$ 297,282,408	\$ 293,344,775	\$ 276,205,310	\$ 270,558,074	\$ 273,388,232	\$ 266,042,494
HIS contributions as a percentage of covered payroll	2.00%	1.70%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.61%	1.24%

Note: *The amounts presented for each fiscal year were determined as of June 30.

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024

1. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State statutes and State Board of Education rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.
- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund-function level. The Board made several supplemental budgetary appropriations throughout the year. Supplemental budgetary appropriations are presented in budget and actual comparison statements by original budget and final budget amounts and discussed in the Management's Discussion and Analysis (MD&A).

**2. SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT
BENEFITS PLAN LIABILITY AND RELATED RATIOS**

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2024, total OPEB liability increased from the prior fiscal year as a result of changes to assumptions as discussed below:

- The discount rate was changed from 3.69% as of the beginning of the measurement period to 3.86% as of June 30, 2023;
- The ultimate healthcare cost trend rate was increased from 3.75% to 4.00%.
- The health coverage acceptance assumption was decreased from 35% (30% single coverage and 5% dual coverage) to 25% (20% single coverage and 5% dual coverage).

**3. RATES OF RETIREMENT AND DROP ENTRY ASSUMPTIONS FOR ALL
MEMBERSHIP CLASSES WERE UPDATED TO MATCH CHANGES ADOPTED BY
THE FLORIDA RETIREMENT SYSTEM IN THEIR JULY 1, 2023 VALUATION IN
RESPONSE TO THE ENACTMENT OF SENATE BILL 7024.SCHEDULE OF**

DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024

PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FRS PENSION PLAN

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The most recent study for the FRS Pension Plan was completed in 2023 for the period of July 1, 2013 through June 30, 2018. There were no changes in the Pension Plan benefit terms. The following were changes in actuarial assumptions in the 2023 study:

- The inflation rate assumption remained at the rate of 2.40 percent.
- Payroll growth, remained at the rate of 3.25 percent.
- The long-term expected rate of return remained at the rate of 6.70 percent.

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at: https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports

A summary of key changes implemented since the latest valuation are described in the Florida Department of Management Services, Actuarial Valuations at: https://www.dms.myflorida.com/workforce_operations/retirement/publications/actuarial_valuations

4. SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HIS PENSION PLAN

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent study for the FRS Pension Plan was completed in 2023 for the period of July 1, 2013 through June 30, 2018. There were no changes in the HIS Program benefit terms. The following were changes in actuarial assumptions in 2023:

- The inflation rate assumption remained at 2.40 percent.
- Payroll growth, including inflation remained at 3.25 percent.
- The municipal bond rate increased to a rate of 3.65% percent.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine the total pension liability for the program.

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at: https://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports

A summary of key changes implemented since the latest valuation are described in the Florida Department of Management Services, Actuarial Valuations at: https://www.dms.myflorida.com/workforce_operations/retirement/publications/actuarial_valuations

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Chairman and Members of
The District School Board
of Osceola County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Osceola County, Florida (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon December 13, 2024. Our report includes a reference to other auditors who audited the financial statements of the School Internal Funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Chairman and Members of
The District School Board
of Osceola County, Florida

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.800, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter dated December 13, 2024.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
December 13, 2024

APPENDIX C
RESOLUTION

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THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA

RESOLUTION NO. 17-049

CAPITAL OUTLAY SALES TAX REVENUE BONDS

ADOPTED MAY 2, 2017

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EXHIBIT A - FORM OF BONDS

RESOLUTION

A RESOLUTION OF THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA AUTHORIZING THE ISSUANCE FROM TIME TO TIME, IN ONE OR MORE SERIES, OF THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA CAPITAL OUTLAY SALES TAX REVENUE BONDS, TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING, INSTALLATION OF, AND RENOVATION TO, VARIOUS CAPITAL IMPROVEMENTS AND EDUCATIONAL FACILITIES WITHIN THE DISTRICT; PLEDGING MONEYS RECEIVED BY THE DISTRICT FROM THE ONE-HALF CENT SCHOOL CAPITAL OUTLAY DISCRETIONARY SALES SURTAX TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF BONDS ISSUED HEREUNDER; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH BONDS ISSUED HEREUNDER; AUTHORIZING RELATED ACTIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA, ACTING AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA:

ARTICLE I

GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

“**Accreted Value**” shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal

rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360 day year.

"Act" shall mean Section 212.055(6), Florida Statutes, Chapters 1001, 1011 and 1013, Florida Statutes, the Constitution of the State of Florida and other applicable provisions of law.

"Additional Bonds" shall mean the obligations issued in compliance with the terms, conditions and limitations contained in Section 5.02 hereof which rank equally in all respects with all Outstanding Bonds initially issued under this Master Resolution.

"Amortization Installment" shall mean an amount designated as such by, or provided for pursuant to, this Resolution or a Supplemental Resolution of the Issuer and established with respect to the Term Bonds.

"Annual Debt Service" shall mean the aggregate amount of Debt Service on the Bonds for each applicable Fiscal Year.

"Authorized Investments" shall mean any investments that may be made by the Issuer under applicable law.

"Authorized Issuer Officer" shall mean the Chairman or the Superintendent or the Chief Financial Officer, and when used in reference to any act or document, also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

"Board" shall mean The School Board of Osceola County, Florida, or its successor in function.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

"Bond Counsel" shall mean Greenberg Traurig, P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bondholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bond Insurance Policy" shall mean any municipal bond new issue insurance policy or policies, if any, issued by an Insurer guaranteeing the payment of principal of and interest on the Bonds of any Series, or portions thereof.

"Bonds" shall mean shall mean bonds or notes issued or authorized to be issued under this Master Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which banking institutions within the State are authorized or required by law to remain closed.

"Capital Appreciation Bonds" shall mean those Bonds of a Series so designated under the authority of the Issuer, whether by Supplemental Resolution, purchase contract, or otherwise, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"Chairman" means the Chairman of the Board and, in his or her absence or unavailability, the Vice Chairman or such other person as may be duly authorized to act on his or her behalf.

"Chief Financial Officer" shall mean the Chief Financial Officer of the Issuer.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Construction Fund" shall mean the fund established pursuant to Section 4.03 hereof.

"Cost," when used in connection with a Project, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the costs of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations during the period of acquisition and construction of such Project and for such period

subsequent to completion as the Issuer shall determine; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses of the financing, including audits, fees and expenses of any Paying Agent, Registrar or depository; (8) amounts, if any, required by this Resolution to be paid into the Interest Account upon the issuance of any Series of Bonds; (9) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Bonds) incurred for a Project; (10) costs of machinery, equipment and supplies and reserves required by the Issuer for the commencement of operation of such Project; and (11) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles applicable to the Issuer, and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer and interest on any interfund loan related thereto. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

“Counterparty” shall mean the entity entering into a Hedge Agreement with the Issuer. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

“Credit Bank” shall mean as to any particular Series of Bonds, the Person (other than an Insurer) providing a letter of credit, a line of credit or other credit or liquidity facility, as designated in the Supplemental Resolution providing for the issuance of such Bonds.

“Credit Facility” shall mean as to any particular Series of Bonds, an irrevocable letter of credit, a line of credit or other credit or legal liquidity facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Resolution providing for the issuance of such Bonds.

“Debt Service” shall mean, at any time, the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Outstanding Bonds during such period of time, except to the extent that such interest is to be paid from deposits in the Interest Account or Construction Fund made from Bond proceeds for such purpose, (2) principal of Outstanding Serial Bonds maturing in such period of time, and (3) the Amortization Installments scheduled to be paid during such period of time. For purposes of this definition, (A) all amounts payable on a Capital Appreciation Bond shall be considered a principal payment in the year it becomes due, (B) with respect to debt service on any Bonds which relate to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time, (C) if any Series of Bonds has 25% or more of the aggregate principal amount of such Series coming due in any one year, Debt Service shall be determined on such Series during such period of time as if the

principal of and interest on such Series were being paid from the date of issuance thereof in substantially equal annual amounts over a period of 25 years, (D) the amount, if any, on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted, and (E) with respect to Debt Service on any Federal Subsidy Bonds, when determining the interest on such Bonds for any particular Interest Date the amount of the corresponding Federal Subsidy Payment shall be deducted from the amount of interest which is due and payable to the holders of such Bonds on the Interest Date, but only to the extent that the Issuer reasonably believes that it will be in receipt of such Federal Subsidy Payment on or prior to such Interest Date.

“Debt Service Fund” shall mean the fund established pursuant to Section 4.04(B) hereof.

“Federal Securities” shall mean non-callable direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury) or non-callable obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Federal Subsidy Bonds” shall mean Bonds issued under Section 54AA of the Code, Section 1400U-2 of the Code or any other applicable provision of the Code, the interest on which is not exempt from federal income taxation, with respect to which the Issuer elects to receive, or is otherwise entitled to receive, Federal Subsidy Payments from the United States Department of Treasury.

“Federal Subsidy Payments” shall mean the direct payments made by the United States Department of Treasury to the Issuer with respect to any Federal Subsidy Bonds pursuant to Sections 54AA(g), 6431 and 1400U-2 of the Code, or any other applicable provision of the Code.

“Financial Advisor” shall mean Public Financial Management, Inc., Orlando, Florida, or any subsequent financial firm that is providing financial advisory services to the Issuer.

“Fiscal Year” shall mean the period commencing on July 1 of each year and continuing through the next succeeding June 30, or such other period as may be prescribed by law.

“Fitch” means Fitch Ratings and any assigns and successors thereto.

"Hedge Agreement" shall mean an agreement in writing between the Issuer and the Counterparty pursuant to which (1) the Issuer agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on a notional amount specified in such agreement during the period specified in such agreement and (2) the Counterparty agrees to pay to the Issuer an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on all or a portion of a notional amount specified in such agreement during the period specified in such agreement. Hedge Agreement shall also include any financial product or agreement which is used by the Issuer as a hedging device with respect to its obligations to pay interest on Bonds, or any portion thereof, which is designated by the Issuer as "Hedge Agreement."

"Hedge Payments" shall mean any amounts payable by the Issuer as interest on the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or a fee or by virtue of termination of a Qualified Hedge Agreement or any obligation to provide collateral.

"Hedge Receipts" shall mean any amounts receivable by the Issuer on the related notional amount under a Qualified Hedge Agreement.

"Insurer" shall mean, with respect to a particular Series of Bonds, such Person as shall have issued a Bond Insurance Policy insuring such Series of Bonds, and its successors and assigns.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

"Interest Date" or **"interest payment date"** shall be such date or dates for the payment of interest on the Bonds as provided pursuant to Section 2.02 hereof.

"Issuer" shall mean the School District of Osceola County, Florida.

"Master Resolution" shall mean this Resolution No. 17-049, adopted by the School Board on May 2, 2017, as it may be amended from time to time.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in, or determined in accordance with, the Supplemental Resolution of the Issuer authorizing the issuance of such Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear.

"Moody's" shall mean Moody's Investors Service, and any assigns and successors thereto.

"Outstanding," when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which other Bond or Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for other Bond or Bonds under Sections 2.05 and 2.07 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof and (4) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean for each Series of Bonds, the paying agent appointed by the Issuer for such Series of Bonds and its successor or assigns, if any.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, governmental entity or other legal entity.

"Pledged Funds" shall mean (1) the Sales Tax Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except (A) for the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions hereof.

"Policy Costs" shall mean, collectively, the repayment of draws, reasonable expenses and interest related to a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds

for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund held by a fiduciary consisting only of cash or Federal Securities, secured in substantially the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund are sufficient, as verified by an independent certified public accountant or other expert in such matters, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above and are not available to satisfy any other claims, including those against the fiduciary holding the same, and (4) which are rated in the highest rating category (without regard to gradations, such as "+" or "-" or "1, 2 or 3" of such categories) of one of the Rating Agencies.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

"Project" shall mean any structure, property or facility for public use which the Issuer from time to time may determine to construct, acquire or equip, together with all equipment, structures and other facilities necessary or appropriate in connection therewith which are contemplated by Exhibit A to Resolution 17-020, adopted by the School Board on August 15, 2016 (the "Plan"), financed in whole or in part with the indebtedness secured by this Resolution. This term is to be broadly construed as including any lawful undertaking contemplated by the Plan which will accrue to the benefit of the Issuer, including, without limitation, financing improvements to the Issuer's facilities, joint ventures and acquisition of partial interests or contractual rights, and including modification, disposal, replacement or cancellation of a Project previously authorized, should such modification, disposal, replacement or cancellation be permitted under this Resolution.

"Rating Agencies" means Fitch, Moody's and Standard & Poor's, as applicable.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 4.04(C) hereof.

"Record Date" shall mean, unless otherwise provided in a Series Resolution, the close of business on the fifteenth day of the month next preceding any Interest Payment Date, whether or not a Business Day.

“Redemption Price” shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

“Refunding Securities” shall mean Federal Securities and Prerefunded Obligations.

“Registrar” shall mean for each Series of Bonds, the bond registrar appointed by the Issuer for such Series of Bonds and its successor or assigns, if any.

“Reserve Account” shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

“Reserve Account Insurance Policy” shall mean the insurance policy deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4).

“Reserve Account Letter of Credit” shall mean a letter of credit or line of credit or other credit facility (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

“Reserve Account Requirement” shall mean, as of any date of calculation for the Reserve Account, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) 125% of the average Annual Debt Service for all Outstanding Bonds secured thereby, or (3) the maximum amount of Bond proceeds which may be deposited to the Reserve Account without subjecting the same to yield restriction under the Code, or causing interest on any of the Bonds (other than Taxable Bonds) to be included in gross income for purposes of federal income taxation; provided, however, the Issuer may establish hereby or by Supplemental Resolution a different Reserve Account Requirement with respect to any particular Series of Bonds pursuant to Section 4.05(A)(4) hereof, which Reserve Account Requirement may be \$0.00. In computing the Reserve Account Requirement in respect of a Series of Bonds that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of calculation, the highest of (i) the actual rate of interest on the date of calculation, (ii) the average interest rate borne by such Variable Rate Bonds for the 12-month period preceding each date of calculation, and (iii) the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation, and (B) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of calculation, the higher of (i) the actual rate of interest on the date of calculation, and (ii) the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation. The

Reserve Account Requirement shall be calculated, and the investments on deposit in the Reserve Account shall be valued, as of June 30 of each year with respect to the next succeeding Fiscal Year.

"Resolution" shall mean this Master Resolution, as the same may from time to time be amended, modified or supplemented by a Supplemental Resolution.

"Restricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04(A) hereof.

"Revenue Fund" shall mean the fund created pursuant to Section 4.04(A) hereof.

"Sales Tax Revenues" shall mean the proceeds received by the District from the levy and collection by the District of the one-half cent school capital outlay discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes, and other applicable provisions of law, and any funds received by the District as a replacement for any such proceeds as the result of any subsequent change in Florida law.

"Serial Bonds" shall mean all of the Bonds other than the Term Bonds.

"Series" shall mean shall mean a series of Bonds issued under this Master Resolution pursuant to a Series Resolution.

"Series Resolution" shall mean a Supplemental Resolution adopted pursuant to the terms of this Master Resolution, establishing the manner of sale, terms, maturities, interest rates and the details of the Series of Bonds.

"Standard and Poor's" or **"S&P"** shall mean S&P Global Ratings, and any assigns and successors thereto.

"State" shall mean the State of Florida.

"Subordinated Indebtedness" shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof or deemed subordinate and junior to the Bonds in accordance with the provisions hereof or in accordance with the provisions of such Subordinated Indebtedness.

"Superintendent" shall mean the Superintendent of the District, who is also the Ex-Officio Secretary of the Board, and, in his or her absence or unavailability, any Deputy Superintendent of the District or Assistant Superintendent of the District, or such other person who may be duly authorized to act on his or her behalf.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

"Taxable Bonds" shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes or that such interest is subject to federal income taxation. Notwithstanding the foregoing, except as otherwise provided herein, Taxable Bonds shall not include Federal Subsidy Bonds.

"Term Bonds" shall mean the Bonds all of which shall be stated to mature on one date and which shall be subject to mandatory redemption through the payment of Amortization Installments.

"Unrestricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04(A) hereof.

"Variable Rate Bonds" shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Master Resolution; the term "heretofore" shall mean before the date of adoption of this Master Resolution; and the term "hereafter" shall mean after the date of adoption of this Master Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. AUTHORITY FOR MASTER RESOLUTION. This Master Resolution is adopted pursuant to the provisions of the Act. The Issuer has ascertained and hereby determines that adoption of this Master Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the Issuer herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the Issuer.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who

shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds, and shall be deemed to be and shall constitute a contract between the Issuer, the Holders from time to time of the Bonds and any Insurer or Credit Bank. The pledge made in the Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and any Insurer or Credit Bank, but only in accordance with the terms hereof. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to the Resolution.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Act, the Issuer is authorized to pledge the Sales Tax Revenues to pay the principal of, premium, if any, and interest on Bonds.

(B) It is necessary and desirable and in the best interests of the Issuer to borrow moneys from time to time to finance and refinance capital improvements within the Issuer.

(C) The Bonds and Subordinated Indebtedness issued hereunder shall be secured by the Pledged Funds as provided herein and such Pledged Funds have not otherwise been pledged or encumbered.

(D) The principal of and interest on the Bonds and any Subordinated Indebtedness that may be issued pursuant to this Master Resolution, and all other payments provided for in the related Resolution, will be paid solely from the Pledged Funds in accordance with the terms hereof and in the manner provided here; the Bonds and any Subordinated Indebtedness issued hereunder shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions and neither the State, nor any political subdivision thereof, and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds or any Subordinated Indebtedness to be issued pursuant to this Master Resolution, or to make any other payments provided for in the related Resolution, and neither the Bonds nor any Subordinated Indebtedness shall constitute a lien upon any other property whatsoever of or in the Issuer.

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ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. This Master Resolution creates an issue of Bonds of the Issuer to be designated as "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds" which may be issued from time to time in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Master Resolution is not limited except as is or may hereafter be provided in this Master Resolution or as limited by the Act. The designation of any particular Series of Bonds may be modified by the Supplemental Resolution authorizing such Series in order to better describe it.

SECTION 2.02. TERMS OF BONDS: The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined by Supplemental Resolution of the Issuer.

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; shall bear interest at such rates, shall have such Interest Dates and the proceeds shall be used in such manner; all as determined or provided for by Supplemental Resolution of the Issuer. The Issuer may issue Bonds which may be secured by a Credit Facility or by a Bond Insurance Policy of a Credit Bank or an Insurer, respectively, all as shall be determined by Supplemental Resolution of the Issuer. The Board may delegate approval of the terms, details and sale of a Series of Bonds to an Authorized Issuer Officer pursuant to Supplemental Resolution.

SECTION 2.03. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chairman and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Superintendent, as Ex-Officio Secretary to the

Board. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Master Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.04. AUTHENTICATION. No Bond of any Series shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Master Resolution. The form of such certificate shall be substantially in the form provided in Section 2.08 hereof.

SECTION 2.05. TEMPORARY BONDS. Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.03, and deliver, upon authentication by the Registrar pursuant to Section 2.04 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by subsequent resolution and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Master Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.06. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the

Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.06 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.07. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or

fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an Interest Date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Except as otherwise provided by a Supplemental Resolution, any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and deliver Bonds and the Registrar shall authenticate such Bonds in accordance with the provisions of this Master Resolution. Execution of Bonds by the Chairman and the Superintendent for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be cancelled by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the 15 days next preceding an Interest Date on the Bonds of such Series (other than Capital Appreciation Bonds and Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

The Issuer may elect to issue any Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry

obligations, provided it shall establish a system of registration therefor by Supplemental Resolution.

In the event the Issuer elects to provide for a book entry only system of registration for a Series of Bonds, the following shall apply.

Such Series of Bonds shall be initially issued in the form of a separate single certificated fully registered for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Bonds shall be registered in the name of Cede & Co., all payments on the Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Bondholder of the Bonds.

With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (a "Participant"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Bonds, (B) the delivery to any Participant or any other person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Bonds, or (C) the payment to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal or interest of the Bonds. The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the Bondholder and absolute owner of such Bond for the purpose of payment of principal or interest with respect to such Bond, for the purpose of giving notices and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal or interest of the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and in the related Resolution and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal or interest of the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal or interest pursuant to the provisions hereof. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the

words "Cede & Co." in the Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer, in its sole discretion, that such book-entry only system should be discontinued by the Issuer, the Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but shall be registered in whatever name or names Bondholders shall designate, in accordance with the provisions of the Resolution. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Bonds consistent with the terms of the Resolution, in denominations authorized in the Supplemental Resolution pursuant to which such Bonds are issued. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the existing Blanket Issuer Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal and interest on the Bonds.

SECTION 2.08. FORM OF BONDS. The text of the Bonds, except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Issuer, shall be in substantially the form attached hereto as **Exhibit A**, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman and the Superintendent prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officers' execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof).

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ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. PRIVILEGE OF REDEMPTION. The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution. The provisions of this Article III may also be modified pursuant to Supplemental Resolution to accommodate any redemption provisions with respect to a Series of Bonds.

SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof. Except as otherwise provided in a Supplemental Resolution, if less than all of a Term Bond is to be redeemed the aggregate principal amount to be redeemed shall be allocated to the Amortization Installments on a pro-rata basis unless the Issuer, in its discretion, designates a different allocation.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03. NOTICE OF REDEMPTION. Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agent of such Bonds, (B) shall be mailed first class, postage prepaid, not less than 20 days nor more than 45 days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (C)

shall be mailed, certified mail, postage prepaid, at least 35 days prior to the redemption date to the registered securities depositories and one or more nationally recognized municipal bond information services as hereinafter provided in this Section 3.03. Failure to mail such notice to such depositories or services or the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred. Such notice shall also be mailed to the Insurer, if any, of such redeemed Bonds. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

In addition to the mailing of the notice described above, each notice of redemption and payment of the Redemption Price shall meet the following requirements; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

(A) Each further notice of redemption shall be sent by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services which disseminate notices of prepayment or redemption of obligations such as the Bonds.

(B) Each further notice of redemption shall be sent to such other Person, if any, as shall be required by applicable law or regulation.

The Issuer may provide that redemption will be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders not later than three Business Days prior to the date of redemption.

SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

SECTION 3.06. PURCHASE IN LIEU OF OPTIONAL REDEMPTION. Notwithstanding anything in this Resolution to the contrary, at any time the Bonds are subject to optional redemption pursuant to this Resolution, all or a portion of the Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the Issuer, on the date which would be the redemption date if such Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the redemption price which would have been applicable to such Bonds on the redemption date for the account of and at the direction of the Issuer who shall give the Paying Agent, as trustee, notice at least ten days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Bonds or any other Outstanding Bonds (other than Taxable

Bonds) or shall not otherwise affect the status of any such Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to said Outstanding Federal Subsidy Bonds. In the event the Paying Agent, as trustee, is so directed to purchase Bonds in lieu of optional redemption, no notice to the holders of the Bonds to be so purchased (other than the notice of redemption otherwise required under this Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Bonds if such Bonds had been redeemed rather than purchased. Each Bond so purchased shall not be canceled or discharged and shall be registered in the name of the Issuer. Bonds to be purchased under this Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

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ARTICLE IV

SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds, in the manner and to the extent provided in this Resolution. No Holder of any Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer except from the Pledged Funds in the manner and to the extent provided herein.

SECTION 4.02. SECURITY FOR BONDS. The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds; provided, however, a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy in addition to the security provided herein; and provided further that a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a separate subaccount in the Reserve Account for such Series of Bonds. Issuers of a Reserve Account Insurance Policy and Reserve Account Letter of Credit shall be secured in accordance with the provisions hereof. In addition, the Issuer does hereby irrevocably pledge and grant a lien upon the Pledged Funds to the payment of the Policy Costs in accordance with the provisions hereof; provided, however, such pledge and lien shall be junior and subordinate in all respects to the pledge of and lien upon such Pledged Funds granted hereby to the Bondholders. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. Except as otherwise provided by Supplemental Resolution, the obligation of the Issuer to make Hedge Payments to a Counterparty pursuant to a Qualified Hedge Agreement shall be on parity with the Bonds as to lien on and pledge of the Pledged Funds in accordance with the terms hereof (any other payments related to a Qualified Hedge Agreement, including fees, penalties, termination payments and the obligation to collateralize, shall be Subordinated Indebtedness of the Issuer).

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer in accordance with the priority set forth in Section 4.05 hereof.

SECTION 4.03. CONSTRUCTION FUND. The Issuer covenants and agrees to establish, a special fund to be known as the "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Construction Fund," which shall be used only for payment of the Cost of a Project. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner hereinafter provided, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution, and there may be paid into the Construction Fund, at the option of the Issuer, any moneys received for or in connection with a Project by the Issuer from any other source. The Issuer shall establish within the Construction Fund a separate account for each Project, the Cost of which is to be paid in whole or in part out of the Construction Fund.

The proceeds of insurance maintained pursuant to this Resolution against physical loss of or damage to a Project, or of contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the appropriate account of the Construction Fund.

Any moneys received by the Issuer from the State or from the United States of America or any agencies thereof for the purpose of financing part of the Cost of a Project shall be deposited into the appropriate account of the Construction Fund and used in the same manner as other Bond proceeds are used therein; provided that separate accounts or subaccounts may be established in the Construction Fund for moneys received pursuant to the provisions of this paragraph whenever required by Federal or State law.

The Issuer covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the Project for which it was established, except as otherwise provided below. The Issuer shall keep records of such disbursements and payments and shall retain all such records for such period of time as required by applicable law. The Issuer shall make available the records at all reasonable times for inspection by any Holder of any of the Bonds or the agent or representative of any Holder of any of the Bonds.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on the Bonds for which such

account was established or to reimburse a provider of a Credit Facility or Bond Insurance Policy for the payment of such principal and interest, when due.

The date of completion of the acquisition, construction and equipping of a Project shall be filed by an Authorized Issuer Officer in the appropriate records of the Issuer. Promptly after the date of the completion of a Project, and after paying or making provision for the payment of all unpaid items of the Cost of such Project, the Issuer shall deposit in the following order of priority any balance of moneys remaining in an account in the Construction Fund in (A) another account of the Construction Fund for which an Authorized Issuer Officer has stated that there are insufficient moneys present to pay the Cost of the related Project, (B) the Reserve Account, to the extent of a deficiency therein, and (C) such other fund or account established hereunder as shall be determined by the Board, provided the Issuer has received an Opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds (other than Taxable Bonds) from gross income for purposes of Federal income taxation or shall not otherwise affect the status of any Outstanding Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to any Outstanding Federal Subsidy Bonds.

SECTION 4.04. CREATION OF FUNDS AND ACCOUNTS. The Issuer covenants and agrees to establish the following funds and accounts:

(A) The "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Revenue Fund." The Issuer shall maintain two separate accounts in the Revenue Fund, the "Restricted Revenue Account" and the "Unrestricted Revenue Account."

(B) The "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Debt Service Fund." The Issuer shall maintain four separate accounts in the Debt Service Fund, the "Interest Account," the "Principal Account," the "Bond Amortization Account" and the "Reserve Account."

(C) The "School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Rebate Fund."

Moneys in the aforementioned funds and accounts, other than the Rebate Fund and the Unrestricted Revenue Account, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Bondholders, any one or more of the funds,

accounts and subaccounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and be qualified under applicable State law as a depository.

Notwithstanding the foregoing, none of the aforementioned funds and accounts is required to be established prior to the time any such fund or account is required to be funded or otherwise utilized hereunder.

SECTION 4.05. DISPOSITION OF SALES TAX REVENUES. (A) The Issuer shall promptly deposit upon receipt all of the Sales Tax Revenues into the Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 25th day of each month, commencing in the month immediately following delivery of any of the Bonds to the purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

(1) Interest Account. The Issuer shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all of the Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). All Hedge Receipts and Federal Subsidy Payments shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which the Issuer has determined are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Issuer (a) for deposit with the Paying Agent to pay the interest on the Bonds on or prior to the date the same shall become due, whether by maturity, redemption or otherwise, and (b) for Hedge Payments. Any Federal Subsidy Payments deposited to the Interest Account shall be deemed to have been applied to the payment of interest on the Federal Subsidy Bonds to which such Payments relate. The Issuer shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next

succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Counterparty to such Qualified Hedge Agreement relating to such Bonds shall be paid to the Counterparty to such Qualified Hedge Agreement on a parity basis with the aforesaid required payments into the Debt Service Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(2) Principal Account. Commencing in the month which is one year prior to the first principal due date (or if the first principal due date is less than one year from the date of issuance of the Bonds, the month immediately following the issuance of the Bonds), the Issuer shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount on the Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding payment due date from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the Issuer for deposit with the Paying Agent to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature and monthly payments into the Principal Account on account of such Bonds shall commence in the twelfth month immediately preceding the maturity date of such Bonds. The Issuer shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date (or, if the first principal

due date is less than one year from the date of issuance of the Bonds, the month immediately following the issuance of the Bonds), there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said Account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided or as provided by Supplemental Resolution, and for no other purpose. Capital Appreciation Bonds that are Term Bonds shall be payable from the Term Bonds Redemption Account in the years in which such Bonds mature and monthly payments into the Bond Amortization Account on account of such Bonds shall commence in the twelfth month immediately preceding the due date of the related Amortization Fund Installments. The Issuer shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Issuer, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established at a price not exceeding par plus accrued interest, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms at a price not exceeding par plus accrued interest. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment payment date, for the purposes of calculating the amount

of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof (or as otherwise provided in a Supplemental Resolution), Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Restricted Revenue Fund.

(4) Reserve Account. There shall next be deposited to the Reserve Account an amount which would enable the Issuer to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether such shortfall was caused by an increase in the applicable Reserve Account Requirement, a decrease in the aggregate market value of the investments therein of more than 5% or withdrawal (whether from cash or a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the Issuer to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the Issuer into the Restricted Revenue Account and applied for any legal purpose for such moneys. The Issuer shall promptly inform each Insurer and Credit Bank of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the Reserve Account in an amount at

least equal to the applicable Reserve Account Requirement to the extent such Series of Bonds are to be secured by the Reserve Account or any subaccount therein; provided, however, nothing herein shall be construed to require the Issuer to fund the Reserve Account or any subaccount for any Series of Bonds. Upon the adoption of the Supplemental Resolution authorizing the issuance of a Series of Bonds, the Issuer shall determine whether such Series of Bonds shall be secured by the Reserve Account or any subaccount therein and, if the Issuer determines that the Series of Bonds will be secured by a separate subaccount therein, the Issuer shall also establish the Reserve Account Requirement applicable thereto. Such required amount, if any, shall be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account or subaccount therein over a period of months from the date of issuance of such Series of Bonds, which shall not exceed 36 months.

Notwithstanding the foregoing provisions, in lieu of or in substitution of any required deposits into the Reserve Account or any subaccount therein, the Issuer may cause to be deposited into the Reserve Account or subaccount a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account or subaccount, if any. The Issuer may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account or a subaccount therein upon compliance with the terms of this Section 4.05(A)(4). Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. Upon the initial deposit of any such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, the provider thereof shall be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, or the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"), or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating in one of the two highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"). Any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall equally secure all Bonds secured by the Reserve Account or subaccount into which such Policy or Letter of Credit is deposited.

Each Reserve Account Insurance Policy and Reserve Account Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be

reinstated to the extent of any reimbursement of draws or claims paid. If the revolving reinstatement feature described is suspended or terminated or if the Reserve Account Insurance Policy or Reserve Account Letter of Credit is no longer valid and enforceable, the Issuer shall either (i) deposit into the Reserve Account or subaccount an amount sufficient to cause the cash or investments on deposit in the Reserve Account or applicable subaccount to equal the Reserve Account Requirement on all Outstanding Bonds then secured by such Reserve Account or subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such instrument with a Reserve Account Insurance Policy or a Reserve Account Letter of Credit meeting the requirements described herein within six months of such occurrence.

If three days prior to an Interest Date or principal payment date, or such other period of time as shall be required by the terms of the Reserve Account Insurance Policy or Reserve Account Letter of Credit, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on the Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit and submit a demand for payment pursuant to the provisions of such Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit, (b) the Paying Agent, and (c) the Insurer or Credit Bank, if any, of the amount of such deficiency and the date on which such payment is due.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy by executing and delivering to such issuer a promissory note or other evidence therefor; provided, however, any such note or evidence (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from the Pledged Funds in the manner provided herein. The obligation to reimburse the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit for any Policy Costs shall be subordinate to the payment of Debt Service on the Bonds.

The term "Paying Agent" as used in this Section 4.05(A)(4) may include one or more Paying Agents for the Outstanding Bonds.

Whenever the amount of cash in the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred to the other Accounts of the Debt Service Fund for the payment of the Bonds.

The Issuer may also establish a separate subaccount in the Reserve Account for any Series of Bonds and such subaccount shall be pledged to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount of the Reserve Account at such level as the Issuer deems appropriate. In the event the Issuer by Supplemental Resolution establishes the Reserve Account Requirement for a particular Series of Bonds to be zero (0.00) or it shall determine that such Series are not to be secured in any manner by the Reserve Account or a subaccount, then it shall not be required to establish a separate subaccount; provided, however, such Series of Bonds shall have no lien on or pledge of any moneys on deposit in the Reserve Account. Moneys used to replenish the Reserve Account shall be deposited in the separate subaccounts in the Reserve Account and in the Reserve Account on a pro-rata basis.

In the event the Issuer shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in the Reserve Account or any subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance Policy or Reserve Account Letter of Credit. The provisions of any insurance agreements executed in connection with any such Policy or Letter of Credit, when executed and delivered, shall be incorporated herein by reference. The provisions of such agreements shall supersede the provisions hereof to the extent of any conflict herewith.

(5) Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.05(A)(1) through (A)(4) hereof may be transferred, at the discretion of the Issuer, to the Unrestricted Revenue Account or any other appropriate fund and account of the Issuer and may be used for any lawful purpose including, without limitation, the early redemption of Bonds. In the event moneys on deposit in the Interest Account, the Principal Account and the Bond Amortization Account on the third day prior to an Interest Date are not sufficient to pay the principal of, interest and Amortization Installment on the Bonds coming due on such Interest Date, the Issuer shall transfer moneys from the Unrestricted Revenue Account, if any, to the appropriate Account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

(B) The Issuer, in its discretion, may use moneys in the Principal Account, the Bond Amortization Account and the Interest Account to purchase or redeem Outstanding Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(C) On or prior to the date established for payment of any principal of or interest on the Bonds, the Issuer shall withdraw from the appropriate Account of the Debt Service Fund sufficient moneys to pay such principal or interest and deposit such moneys with the Paying Agent. Such deposits with the Paying Agent shall be made in moneys available to make payments of the principal of and interest on the Bonds as the same becomes due.

(D) In the event the Issuer shall issue a series of Bonds secured by a Credit Facility, the Issuer may establish such separate subaccounts in the Interest Account, the Principal Account and the Bond Amortization Account to provide for payment of the principal of and interest on such Series as may be required by the Credit Facility Provider; provided one Series of Bonds shall not have preference in payment from Pledged Funds over any other Series of Bonds. The Issuer may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in this Section 4.05 as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds. In the case of Bonds secured by a Credit Facility, amounts on deposit in any subaccounts established for such Bonds may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Facility Provider for amounts drawn under such Credit Facility to pay the principal of or redemption price, if applicable, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the Holders thereof for payment.

SECTION 4.06. REBATE FUND. Amounts on deposit in the Rebate Fund shall be held in trust by the Issuer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Revenue Fund) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. For any Series of Bonds for which the rebate requirements of Section 148(f) of the Code are applicable, the Issuer agrees to undertake all actions required of it in its arbitrage certificate relating to such Series of Bonds, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(B) depositing the amount determined in clause (A) above into the Rebate Fund;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificates may be amended without the consent of any Holder, Credit Bank or Insurer from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

SECTION 4.07. INVESTMENTS. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such Fund or Account. Moneys on deposit in the Reserve Account may be invested and reinvested in Authorized Investments which mature no later than ten (10) years from the date of investment. All investments shall be valued at market at least annually as of June 30 of each year.

Any and all income received by the Issuer from the investment of moneys in the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Restricted Revenue Account and the Reserve Account (to the extent such income and the other amounts in the Reserve Account does not exceed the Reserve Account Requirement) shall be retained in such respective Fund or Account. Any and all income received by the Issuer from the investment of moneys in the Reserve Account (only to the extent such income and other amounts in the Reserve Account exceeds the Reserve Account Requirement) shall be deposited in the Interest Account.

Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.08. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

The designation and establishment of the various funds, accounts and subaccounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

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ARTICLE V

SUBORDINATED INDEBTEDNESS, ADDITIONAL BONDS AND COVENANTS OF ISSUER

SECTION 5.01. SUBORDINATED INDEBTEDNESS. The Issuer will not issue any other obligations payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon except in compliance with the provisions of Section 5.02. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution and provided further that the issuance of such Subordinated Indebtedness shall be subject to any provisions contained in financing documents securing outstanding Subordinated Indebtedness to the extent such provisions impact on the ability of the Issuer to issue Subordinated Indebtedness. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Issuer agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided.

The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing or refinancing the Costs of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the Issuer or any other indebtedness of the Issuer that it may lawfully refund with proceeds of Bonds. No such Additional Bonds shall be issued unless (1) no Event of Default (as specified in Section 6.01 hereof) shall have occurred and be continuing hereunder and (2) the following conditions are complied with:

(A) Except as otherwise provided in Section 5.02(E) hereof, there shall have been obtained and filed with the Issuer a statement of the Superintendent: (1) stating that he or she has examined the books and records of the Issuer relating to the Sales Tax Revenues, which have been received by the Issuer; (2) setting forth the amount of such Sales Tax Revenues during any twelve (12) consecutive months designated by the Issuer within the eighteen (18) months immediately preceding the date of delivery of such

Additional Bonds with respect to which such statement is made; and (3) stating that the aggregate amount of such Sales Tax Revenues received during the aforementioned 12-month period equals at least 150% of the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such report may be partially based upon a certification of certain matters related to the calculation of the Maximum Annual Debt Service by the Issuer's Financial Advisor.

(B) For the purpose of determining the Debt Service under this Section 5.02, the interest rate on Additional Bonds that are proposed to be as Variable Rate Bonds that are not Taxable Bonds shall be deemed to be the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(C) For the purpose of determining the Debt Service under this Section 5.02, the interest rate on Outstanding Variable Rate Bonds (not subject to a Qualified Hedge Agreement) shall be deemed to be (i) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the highest of (a) the actual rate of interest borne by such Variable Rate Bonds on the date of sale, and (b) the average interest rate borne by such Variable Rate Bonds during the 12 month period preceding the date of sale, or (ii) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the higher of (a) the actual rate of interest borne by the Variable Rate Bonds on the date of sale, and (b) with respect to Variable Rate Bonds that are not Taxable Bonds, the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(D) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution. Except as otherwise provided in Sections 4.02 and 4.05 hereof, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the Issuer shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Additional Bonds pursuant to this Section 5.02 that in the event the principal thereof is accelerated due to such Bonds being held by the Credit Facility Provider, the lien of any accelerated debt due and owing such Credit Facility Provider on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by this Resolution.

(E) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.02(A) hereof shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

SECTION 5.03. BOND ANTICIPATION NOTES. The Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by resolution of the Issuer.

SECTION 5.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS. The Issuer may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Issuer shall meet all the requirements imposed upon the issuance of Additional Bonds by Section 5.02 hereof, assuming, for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds and (B) the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.05(A)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

SECTION 5.05. BOOKS AND RECORDS. The Issuer will keep books and records of the receipt of the Sales Tax Revenues in accordance with generally accepted accounting principles, and any Credit Facility Provider, or Holder or Holders of at least \$1,000,000 aggregate principal amount of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.06. NO IMPAIRMENT. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution, agreement or other proceedings of the Issuer.

SECTION 5.07. RECEIPT OF SALES TAX REVENUES. The Issuer covenants to do all things necessary or required on its part by the Act or otherwise to entitle the Issuer to receive the Sales Tax Revenues in the maximum amount provided by law. The Issuer shall exercise all legally available remedies to enforce such receipt now or hereafter available under law. The Issuer will not take any action or enter into any agreement that shall result in impairing or reducing the level of Sales Tax Revenues

received by the Issuer from that level prevailing at the time the Issuer takes such action or enters into such agreement.

SECTION 5.08. FEDERAL INCOME TAX COVENANTS. (A) The Issuer covenants with the Holders of the Bonds (other than Taxable Bonds and Federal Subsidy Bonds) that it shall not use the proceeds of the Bonds in any manner which would cause the interest on the Bonds to be or become includable in gross income for purposes of federal income taxation.

(A) The Issuer covenants with the Holders of the Bonds (other than Taxable Bonds and Federal Subsidy Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of the Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation.

(B) The Issuer hereby covenants with the Holders of the Bonds (other than Taxable Bonds and Federal Subsidy Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

SECTION 5.09. COVENANTS RELATING TO FEDERAL SUBSIDY BONDS. The Issuer covenants with respect to any Bonds issued as Federal Subsidy Bonds that it will:

(A) File, on a timely basis, Internal Revenue Service Form 8038-CP or such other form or forms required by the United States Department of Treasury to receive Federal Subsidy Payments in connection with any Bonds issued as Federal Subsidy Bonds.

(B) Deposit promptly the Federal Subsidy Payments received from the United States Department of Treasury, if any, to the Interest Account of the Debt Service Fund to pay interest on the Federal Subsidy Bonds.

(C) Comply with all provisions of the Code, all Treasury Regulations promulgated thereunder, and any applicable notice, ruling or other formal interpretation issued by the United States Department of Treasury or the Internal Revenue Service, in order for the Bonds issued as Federal Subsidy Bonds to be and to remain Federal Subsidy Bonds.

(D) Not take any action, or fail to take any action, if any such action or failure to take such action would adversely affect the Issuer's receipt of Federal Subsidy Payments or the status of the Bonds issued as Federal Subsidy Bonds, or any portion thereof, as Federal Subsidy Bonds. The Issuer covenants that it will not directly or indirectly use or permit the use of any proceeds of Bonds issued as Federal Subsidy Bonds or any other of its funds or take or omit to take any action that would cause the Bonds issued as Federal Subsidy Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) or to fail to meet any other applicable requirements of the Code.

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ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal, any Amortization Installment, redemption premium or interest on any Bond when due. In determining whether a payment default has occurred, no effect shall be given to payment made under a Bond Insurance Policy.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolution on the part of the Issuer to be performed, and such default shall continue for a period of 90 days after written notice of such default shall have been received from the Holders of not less than 25% of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the Issuer shall not be deemed to be in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until default has been corrected; provided, however, no such curative action shall exceed 90 days without the prior written consent of the Insurers.

SECTION 6.02. REMEDIES. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable

without the consent of any Insurers of such Series of Bonds subject to acceleration except to the extent the acceleration of any Bonds that bear interest at a variable rate and that are secured by a Credit Facility is provided for in a Supplemental Resolution, the provisions of which are approved by the Insurers.

The Holder or Holders of Bonds in an aggregate principal amount of not less than 25% of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Superintendent. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of such appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03. DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS. The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring any then Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Series of Bonds owned by such Holders or insured by such Insurer, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05. WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an

acquiescence therein; and every power and remedy given by Section 6.02 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06. APPLICATION OF MONEYS AFTER DEFAULT. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds (except as for amounts in the subaccounts of the Reserve Account which shall be applied to the payment of the Series of Bonds for which they were established) as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver and Registrar hereunder;

(B) To the payment of the interest (including Hedge Payments) and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest (including Hedge Payments) then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 hereof), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest (including Hedge Payments) then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(C) To the payment of all amounts owed to the Insurers not covered by A or B above and all amounts owed to Counterparties not covered by A or B above.

SECTION 6.07. CONTROL BY INSURER. To the extent an Insurer makes any payment of principal of or interest on Bonds in accordance with its Bond Insurance Policy, such Insurer shall become subrogated to the rights of the recipients of such payments in accordance with the terms of its Bond Insurance Policy. Upon the occurrence and continuance of an Event of Default, an Insurer of a Series of Bonds, if such Insurer shall not be in payment default under its Bond Insurance Policy, shall be deemed to be the sole owner of such Bonds for purposes of (A) directing and controlling the enforcement of all rights and remedies with respect to such Series of Bonds, including any waiver of an Event of Default and removal of any trustee, and (B) exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of such Bonds are entitled to take pursuant to this Article VI hereof. No provision expressly recognizing or granting rights in or to an Insurer shall be modified without the consent of such Insurer. An Insurer's rights under this Section 6.07 shall be suspended during any period in which such Insurer is in default in its payment obligations under its Bond Insurance Policy (except to the extent of amounts previously paid by such Insurer and due and owing to such Insurer) and shall be of no force or effect if its Bond Insurance Policy is no longer in effect or if the Insurer asserts that its Bond Insurance Policy is not in effect or if the Insurer waives such rights in writing. The rights granted to an Insurer under this Section 6.07 are granted in consideration of such Insurer issuing its Bond Insurance Policy. The Issuer shall provide each Insurer immediate notice of any Event of Default described in Section 6.01(A) hereof and notice of any other Event of Default occurring hereunder within 30 days of the occurrence thereof. Each Insurer of any Bonds hereunder shall be considered a third-party beneficiary to the Resolution with respect to such Bonds.

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ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Sections 2.01 or 2.02 hereof, including the issuance of Additional Bonds, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To authorize Projects or to change or modify the description of any Project.

(G) To specify and determine matters necessary or desirable for the issuance of Variable Rate Bonds, Federal Subsidy Bonds or Capital Appreciation Bonds.

(H) To provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds.

(I) To make any other change that, in the opinion of the Issuer, would not materially adversely affect the interests of the Holders of the Bonds. In making such determination, the Issuer shall not take into consideration any Bond Insurance Policy.

SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS', INSURERS' AND CREDIT BANKS' CONSENTS. Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of any Credit Bank that has provided a Credit Facility and the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect if such Insurer and Credit Bank are not in payment default under their Bond Insurance Policy or Credit Facility, as the case may be. No Supplemental Resolution may be approved or adopted which shall permit or require, without the consent of all affected Bondholders, (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution, or except as otherwise permitted or provided hereby, which materially adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of separate subaccounts in the Reserve Account provided in Section 4.05(A)(4) hereof), or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurers or the Credit Banks of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Superintendent shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all

Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Superintendent and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Superintendent an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Notwithstanding any other provision of this Section 7.02, Holders of Bonds shall be deemed to have provided consent pursuant to this Section 7.02 if the offering document for such Bonds expressly describes the Supplemental Resolution and the amendments to this Resolution contained therein and states by virtue of the Holders' purchase of such Bonds the Holders are deemed to have notice of, and consented to, such Supplemental Resolution and amendments.

SECTION 7.03. AMENDMENT WITH CONSENT OF INSURERS AND CREDIT BANKS ONLY. For purposes of amending this Resolution pursuant to Section 7.02 hereof, an Insurer of Bonds and the Credit Bank providing a Credit Facility shall be considered the Holder of such Bonds which it has insured or provided a Credit Facility; provided that such Insurer and Credit Bank is not in default with respect to its obligations under its Bond Insurance Policy or Credit Facility, and the consent of the Holders of such Bonds shall not be required if the Insurer of such Bonds and any such Credit Bank shall consent to the amendment as provided by this Section 7.03. At least 15 days prior to adoption of any amendment made pursuant to this Section 7.03, notice of such amendment shall be delivered to the Rating Agencies then rating the Bonds. Upon filing with the Superintendent of evidence of such consent the Insurers and Credit Banks as aforesaid, the Issuer may adopt such Supplemental Resolution. After the adoption by the Issuer of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 7.03 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in Clauses (A), (B), (C), (D) or (E) in the first paragraph of Section 7.02 hereof.

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ARTICLE VIII

DEFEASANCE

SECTION 8.01. DEFEASANCE. If (A) the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Series of Bonds the principal and interest or Redemption Price due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, and (B) the Issuer shall pay all Policy Costs owing to any provider of a Reserve Account Letter of Credit or Reserve Account Insurance Policy and all amounts owing to the Insurers, then all covenants, agreements and other obligations of the Issuer to the holders of such Series of Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for payment or redemption of any Series of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 8.01 if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, (ii) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant to be in such amount that the principal of and the interest on or redemption price which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of and interest due and to become due on said Bonds on and prior to the maturity date thereof and (iii) receipt of an opinion of counsel, rendered in reliance upon the verification report described in clause (ii) above, to the effect that, assuming the deposit and application of the Refunding Securities and uninvested cash in accordance with the terms of this Section 8.01, the Bonds to be prepaid will be deemed to be paid and the obligations under the Resolution will have been released and discharged with respect to the prepaid Bonds. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or redemption price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or redemption price of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of maturity; provided, however, the Issuer may substitute new Refunding Securities and moneys for the

deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on or redemption price of the refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 8.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution. In order to defease Variable Rate Bonds under this Section 8.01 provision must be made in the escrow deposit agreement for such Bonds to allow for optional tenders for purchase if such purchase is allowed under the corresponding authorizing instrument for such Bonds. If adequate provision cannot be made, then such Variable Rate Bonds may not be defeased under this Section 8.01.

If Bonds are not to be redeemed or paid within 60 days after any such defeasance described in this Section 8.01, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity date upon which moneys are to be available for the payment of the principal of and interest on or redemption price of said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 8.01.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

Notwithstanding anything herein to the contrary, in the event that the principal of or interest due on the Bonds shall be paid by an Insurer or Insurers, such Bonds shall remain Outstanding, shall not be defeased or otherwise satisfied and shall not be considered paid by the Issuer, and the pledge of the Pledged Funds and all covenants,

agreements and other obligations of the Issuer to the Bondholders shall continue to exist and such Insurer or Insurers shall be subrogated to the rights of such Bondholders.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. CAPITAL APPRECIATION BONDS. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Issuer or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 9.02. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 9.03. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 9.04. VALIDATION AUTHORIZED. To the extent deemed necessary by Bond Counsel or desirable by the School Board Attorney, Bond Counsel is authorized to institute appropriate proceedings for validation of a Series of Bonds herein authorized pursuant to Chapter 75, Florida Statutes.

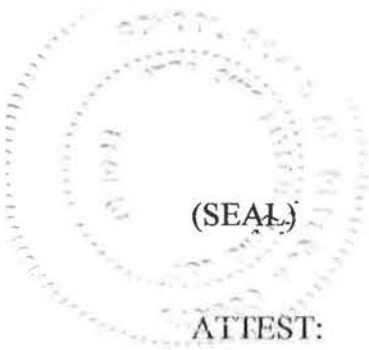
SECTION 9.05. REPEAL OF INCONSISTENT RESOLUTIONS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 9.06. OPEN MEETINGS. It is hereby found and determined that all formal actions of the School Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the School Board, and that all deliberations of the

School Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 9.07. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

ADOPTED at a Regular Meeting this 2nd day of May, 2017.



(SEAL)

ATTEST:

**THE SCHOOL BOARD OF OSCEOLA
COUNTY, FLORIDA, ACTING AS THE
GOVERNING BODY OF THE SCHOOL
DISTRICT OF OSCEOLA COUNTY,
FLORIDA**

By: 
Chairman


Superintendent/Ex-Officio Secretary

**APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:**


School Board Attorney

THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA

RESOLUTION NO. 25-007

**CAPITAL OUTLAY SALES TAX REVENUE BONDS
SERIES 2025**

ADOPTED: APRIL 8, 2025

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RESOLUTION

A RESOLUTION OF THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$125,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA CAPITAL OUTLAY SALES TAX REVENUE BONDS, SERIES 2025 (THE “SERIES 2025 BONDS”), TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING, INSTALLATION OF, AND RENOVATION TO, VARIOUS CAPITAL IMPROVEMENTS AND EDUCATIONAL FACILITIES WITHIN THE DISTRICT; PLEDGING MONEYS RECEIVED BY THE DISTRICT FROM THE ONE-HALF CENT SCHOOL CAPITAL OUTLAY DISCRETIONARY SALES SURTAX TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2025 BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE SERIES 2025 BONDS ISSUED HEREUNDER; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE SERIES 2025 BONDS ISSUED HEREUNDER; AUTHORIZING A NEGOTIATED SALE OF THE SERIES 2025 BONDS AND DELEGATING CERTAIN AUTHORITY TO THE CHAIR AND THE SUPERINTENDENT FOR THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT THERETO UPON SATISFACTION OF THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE DISTRIBUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION, DELIVERY AND USE OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE OFFERING OF THE SERIES 2025 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT WITH RESPECT TO SUCH SERIES 2025 BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID SERIES 2025 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AND REGISTRAR AGREEMENT WITH RESPECT TO SUCH SERIES 2025 BONDS; AUTHORIZING THE ISSUANCE OF THE SERIES 2025 BONDS WITHOUT CREDIT ENHANCEMENT OR IF CREDIT ENHANCED THE ACCEPTANCE OF A COMMITMENT FOR THE ISSUANCE OF A MUNICIPAL BOND INSURANCE POLICY FOR THE SERIES 2025 BONDS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA, ACTING AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA:

ARTICLE I

GENERAL

SECTION 1.01 DEFINITIONS¶ Any term used herein and not otherwise defined shall have the definition for such term provided in the Master Resolution. In addition, the following terms shall have the following meanings herein, unless the text otherwise expressly requires:

“Disclosure Agreement” means the Disclosure Dissemination Agent Agreement between the Board and Digital Assurance Certification LLC, the substantial form of which is attached hereto as **Exhibit F**.

“District” shall mean the Issuer.

“Interest Date” or **“interest payment date”** for the Series 2025 Bonds shall be April 1 and October 1 of each year, commencing October 1, 2025, or such other date as may be set forth in the Purchase Agreement.

“Issuer” shall mean the School District of Osceola County, Florida.

“Master Resolution” shall mean Resolution No. 17-049, adopted by the Board on May 2, 2017.

“Paying Agent” shall mean, with respect to the Series 2025 Bonds, U.S. Bank Trust Company, National Association, Jacksonville, Florida.

“Paying Agent and Registrar Agreement” shall mean the Paying Agent and Registrar Agreement between the Issuer and the Paying Agent with respect to the Series 2025 Bonds, the substantial form of which is attached hereto as **Exhibit C**.

“Purchase Agreement” shall mean the Bond Purchase Agreement between the Issuer and the Underwriters with respect to the sale of the Series 2025 Bonds, the substantial form of which is attached hereto as **Exhibit A**.

“Registrar” with respect to the Series 2025 Bonds, initially shall be U.S. Bank Trust Company, National Association, Jacksonville, Florida.

“Reserve Account Requirement” shall mean the Reserve Account Requirement for the Series 2025 Bonds, which shall be zero (\$0.00).

“Series 2025 Bonds” shall mean the School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds, Series 2025, authorized pursuant to Section 2.02 hereof.

“Series 2025 Construction Account” shall mean the account established pursuant to Section 2.05 hereof.

“Series 2025 Project” shall mean the portion of the Project financed with proceeds of the Series 2025 Bonds.

“Underwriters” mean, collectively, Raymond James & Associates, Inc., BofA Securities, Inc. and Jefferies LLC, and such other underwriters as shall be named in the Purchase Agreement.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms, shall refer to this Resolution; the term “heretofore” shall mean before the date of adoption of this Resolution; and the term “hereafter” shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02 AUTHORITY FOR RESOLUTION¶ This Resolution is adopted pursuant to the provisions of the Act and the Master Resolution, including, without limitation, Section 7.01(E) of the Master Resolution. The Issuer has ascertained and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act and the Master Resolution, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Act and the Master Resolution and to carry out and effectuate the plan and purpose of the Act and the Master Resolution, and that the powers of the Issuer herein exercised are in each case exercised in accordance with the provisions of the Act and the Master Resolution and in furtherance of the purposes of the Issuer.

SECTION 1.03 RESOLUTION TO CONSTITUTE CONTRACT¶ In consideration of the purchase and acceptance of any or all of the Series 2025 Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Series 2025 Bonds, and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Series 2025 Bonds. The pledge made in the Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Series 2025 Bonds, but only in accordance with the terms hereof. All of the Series 2025 Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2025 Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04 FINDINGS¶ It is hereby ascertained, determined and declared that:

(A) Pursuant to the Act, the Issuer is authorized to pledge the Sales Tax Revenues to pay the principal of and interest on the Series 2025 Bonds.

(B) It is necessary and desirable and in the best interests of the Issuer to borrow moneys from time to time to finance and refinance capital improvements within the jurisdiction of the Issuer.

(C) On May 2, 2017, the Board adopted Resolution 17-049 for the purposes described therein, including authorizing the issuance of the Issuer's Capital Outlay Sales Tax Revenue Bonds in order to finance and refinance the costs of certain capital improvements constituting educational facilities.

(D) On May 2, 2017, the Board adopted Resolution 17-050 for the purposes described therein, including the issuance of the Issuer's Capital Outlay Sales Tax Revenue Bonds, Series 2017A (the "Series 2017A Bonds") to finance the Series 2017A Project.

(E) On September 8, 2020, the Board adopted Resolution 21-005 for the purposes described therein, including the issuance of the Issuer's Capital Outlay Sales Tax Revenue Bonds, Series 2020A (the "Series 2020A Bonds") to finance the Series 2020A Project.

(F) Section 7.01(E) of the Master Resolution provides for the issuance of Additional Bonds for the purpose of financing a Project such as the Series 2025 Project, so long as no Event of Default shall have occurred and be continuing, and upon satisfaction of the conditions set forth in Section 5.02(A) of the Master Resolution, and such Additional Bonds shall be payable on a parity with the Series 2017A Bonds and the Series 2020A Bonds and rank equally with respect to their lien on the Pledged Funds and their sources and security for the payment therefrom without preference of any Bonds over any other.

(G) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2025 Bonds and the complexity of the transactions relating to such Series 2025 Bonds, it is in the best interest of the Issuer to sell the Series 2025 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2025 Bonds, subject in all respects to the satisfaction of the conditions set forth in Section 2.04 hereof.

(H) The Board has been advised by its Financial Advisor, PFM Financial Advisors LLC as to the market appropriateness of the purchase of the Series 2025 Bonds by the Underwriters in light of current market levels and conditions and as to the acceptance of the Purchase Agreement pursuant to a delegated negotiated sale, subject in all respects to the satisfaction of the conditions set forth in Section 2.04 hereof.

(I) The School District will not be adversely affected if the Series 2025 Bonds are not sold pursuant to a competitive sale.

(J) The estimated Pledged Funds to be received in each Fiscal Year hereafter will be sufficient to pay the principal of and interest on the Series 2025 Bonds, as the same become due, and all other payments provided for in this Resolution.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01 AUTHORIZATION OF BONDS: A Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in the aggregate principal amount of not exceeding \$125,000,000 for the principal purpose of financing the Series 2025 Project. Such Series of Bonds shall be designated as “School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds, Series 2025.”

SECTION 2.02 DESCRIPTION OF SERIES 2025 BONDS: The Series 2025 Bonds shall be dated as of their date of delivery, and shall be issued in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple in excess thereof.

The Series 2025 Bonds shall bear interest at such rates and yields, shall mature on October 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as determined by the Superintendent, upon the advice of the Financial Advisor, subject to the conditions set forth in Section 2.04 hereof. All of the terms of the Series 2025 Bonds will be included in the Purchase Agreement. The Chair and the Superintendent are hereby authorized to execute the Purchase Agreement in substantially the form attached hereto as Error! Reference source not found. with such modifications as the Chair and the Superintendent deem appropriate upon satisfaction of the conditions described in Section 2.04 hereof, subject to review and approval by Bond Counsel. Execution by the Chair and the Superintendent of the Purchase Agreement shall be deemed to be conclusive evidence of approval of such modifications.

SECTION 2.03 FORM OF SERIES 2025 BONDS: The text of the Series 2025 Bonds shall be in substantially the form set forth in

Exhibits Intentionally Omitted attached hereto, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chair and the Superintendent prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officers’ execution of the Series 2025 Bonds and the Issuer’s delivery of the Series 2025 Bonds to the purchaser or purchasers thereof).

SECTION 2.04 NEGOTIATED SALE OF SERIES 2025 BONDS; BOND PURCHASE AGREEMENT: It is hereby found, ascertained, determined and declared by the Board that a negotiated sale of the Series 2025 Bonds is in the best interest of the Board and is hereby authorized. The Purchase Agreement described in Section 2.02 hereof shall not be executed by the Chair and the Superintendent until such time as all of the following conditions have been satisfied:

(A) Receipt by the Chair and the Superintendent of a written offer to purchase the Series 2025 Bonds by the Underwriters substantially in the form of the Purchase Agreement attached hereto as Error! Reference source not found., said offer to provide for, among other things, (i) not exceeding \$125,000,000 aggregate principal amount of Series 2025 Bonds, (ii) a true interest cost rate of no more than 4.5% per annum, (iii) an underwriting discount (including management fee

and all expenses) not in excess of 0.40% of the par amount of the Series 2025 Bonds, (iv) the first optional redemption date for the Series 2025 Bonds, if any, shall be no later than October 1, 2034, and (v) the final maturity of the Series 2025 Bonds being no later than October 1, 2036.

(B) Receipt by the Chair and the Superintendent of a disclosure statement and a truth-in-bonding statement of the Underwriters dated the date of the Purchase Agreement and complying with Section 218.385, Florida Statutes.

Upon satisfaction of all the requirements set forth in this Section 2.04, the Chair and the Superintendent are authorized to execute and deliver the Purchase Agreement containing terms complying with the provisions of this Section 2.04 and the Series 2025 Bonds shall be sold to the Underwriters pursuant to the provisions of such Purchase Agreement.

SECTION 2.05 SERIES 2025 CONSTRUCTION ACCOUNT¶ The Issuer covenants and agrees to establish an account within the Construction Fund to be known as the “School District of Osceola County, Florida Capital Outlay Sales Tax Revenue Bonds Series 2025 Construction Account,” in accordance with Section 4.03 of the Master Resolution.

SECTION 2.06 APPLICATION OF SERIES 2025 BOND PROCEEDS¶ Subject in all respects to the satisfaction of the conditions set forth in Section 2.04 hereof, the proceeds derived from the sale of the Series 2025 Bonds shall be applied by the Issuer simultaneously with the delivery thereof as follows:

(A) A portion of the proceeds of the Series 2025 Bonds shall be applied to the payment of costs and expenses relating to the issuance of the Series 2025 Bonds, including the Policy (as defined herein) premium, if any.

(B) The remainder of the proceeds of the Series 2025 Bonds shall be deposited to the Series 2025 Construction Account which shall be applied only to payment of the Cost of the Series 2025 Project.

SECTION 2.07 FULL BOOK-ENTRY¶ The Series 2025 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2025 Bond for each of the maturities of the Series 2025 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). As long as the Series 2025 Bonds are registered in the name of Cede & Co., all of the Outstanding Series 2025 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., all payments of principal on the Series 2025 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Series 2025 Bonds, upon presentation of the Series 2025 Bonds to be paid, to the Paying Agent.

With respect to Series 2025 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Board, the District, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the “Participants”). Without limiting the immediately preceding sentence, the Board, the District, the Registrar and the Paying Agent shall have no responsibility

or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2025 Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2025 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, redemption price, if any, or interest on the Series 2025 Bonds. The Board, the District, the Registrar and the Paying Agent may treat and consider the Person in whose name each Series 2025 Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Bond for the purpose of payment of principal, redemption price, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption price, if any, and interest on the Series 2025 Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, redemption price, if any, and interest on the Series 2025 Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the District to make payments of principal, redemption price, if any, and interest pursuant to the provisions of this Resolution. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to transfers during the 15 days next preceding an Interest Date or first mailing of notice of redemption, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the District shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the District of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2025 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2025 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the District that such book-entry only system is burdensome or undesirable to the District, the Series 2025 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of the Master Resolution. In such event, the District shall issue and the Registrar shall authenticate, transfer and exchange the Series 2025 Bonds of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Issuer Letter of Representations previously executed by the District and delivered to DTC shall apply to the payment of principal of, premium, if any, and interest on the Series 2025 Bonds.

SECTION 2.08 AUTHORIZATION TO EXECUTE PAYING AGENT AND REGISTRAR AGREEMENT; APPOINTMENT OF PAYING AGENT AND REGISTRAR: U.S. Bank Trust Company, National Association, Jacksonville, Florida, is hereby designated Paying Agent and Registrar for the Series 2025 Bonds. The Chair is hereby authorized to execute and deliver and the Superintendent is authorized to attest any agreements prepared by Bond Counsel and reviewed by the School Board Attorney that are necessary to engage the Paying Agent and Registrar. The Chair and the Superintendent are hereby authorized to execute and deliver the Paying Agent and Registrar Agreement to U.S. Bank Trust Company, National Association, as Paying Agent and Registrar, and any other agreement which may be necessary to effect the transactions contemplated by this Section 2.08 and by the Master Resolution. The Paying Agent and Registrar Agreement shall be in substantially the form of the Paying Agent and Registrar Agreement attached hereto as **Exhibit C** with such changes, amendments, modifications, omissions and additions, including the date of such Paying Agent and Registrar Agreement, as may be approved by the Chair and the Superintendent. Execution by the Chair and the Superintendent of the Paying Agent and Registrar Agreement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 2.09 PRELIMINARY OFFICIAL STATEMENT: The Board hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as **Exhibit D** in connection with the offering of the Series 2025 Bonds for sale. If between the date hereof and the posting of the Preliminary Official Statement, it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the Chair is hereby authorized to approve such insertions, changes and modifications. The Chair is hereby authorized to deem the Preliminary Official Statement “final,” as of its date, for the purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”) substantially in the form attached hereto as **Exhibit E**. Execution of a certificate by the Chair deeming the Preliminary Official Statement “final” as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

SECTION 2.10 OFFICIAL STATEMENT: The form, terms and provisions of the Official Statement relating to the Series 2025 Bonds shall be substantially as set forth in the Preliminary Official Statement with the addition of such information that is determined in connection with the pricing of the Series 2025 Bonds. Subject to satisfaction of all of the conditions set forth herein, the Chair and the Superintendent are each hereby authorized and directed to execute and deliver said Official Statement in the name and on behalf of the Board, and thereupon to cause such Official Statement to be delivered to the Underwriters within seven (7) business days of the date of the Purchase Agreement with such changes, amendments, modifications, deletions and additions as may be approved by said Chair. Said Official Statement, including any such changes, amendments, modifications, deletions and additions as approved by the Chair, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2025 Bonds to the public. Execution by the Chair of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 2.11 CONTINUING DISCLOSURE: The Board hereby covenants and agrees that, for the purpose of enabling the Underwriters to comply with the Rule, it will comply with and carry out all of the provisions of the Disclosure Agreement, as it may be amended from

time to time in accordance with the terms thereof. The Disclosure Agreement shall be substantially in the form attached hereto as **Exhibit F** with such changes, amendments, modifications, deletions and additions as shall be approved by the Chair, and shall be executed and delivered by the Chair. Notwithstanding any other provision of this Resolution or the Master Resolution, failure of the Board to comply with such Disclosure Agreement shall not be considered an event of default under the Master Resolution; provided, however, to the extent provided by law, the sole and exclusive remedy of any Series 2025 Bond Owner for the enforcement of the provisions of the Disclosure Agreement that relates to its Series 2025 Bonds shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Board to comply with its obligations under this Section 2.11 and the Disclosure Agreement. For purposes of this Section 2.11, “Series 2025 Bond Owner” shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Series 2025 Bonds for federal income tax purposes.

SECTION 2.12 MUNICIPAL BOND INSURANCE¶ The Board hereby authorizes the payment of the principal and interest on all, a portion or none of the Series 2025 Bonds (the “Insured Bonds”), whichever is determined by the Superintendent to be in the District's best interests based on the advice of the Financial Advisor, pursuant to a Bond Insurance Policy (the “Policy”) that guarantees the scheduled payment when due of principal of and interest on the Insured Bonds issued by a municipal bond insurer (the “Insurer”). The Chair and the Superintendent are each hereby authorized to execute such documents and instruments necessary to cause the Insurer to insure the Insured Bonds. With respect to the Insured Bonds, the Insurer shall be deemed to be the “Insurer” as such term is used and defined in the Master Resolution.

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ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01 REDEMPTION PROVISIONS¶ The Series 2025 Bonds shall be subject to redemption prior to their respective maturities, upon notice as provided in the Master Resolution, upon the terms and provisions as set forth in the Purchase Agreement, subject to the satisfaction of the conditions set forth in Section 2.04 hereof.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01 SEVERABILITY OF INVALID PROVISIONS¶ If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2025 Bonds issued hereunder.

SECTION 4.02 GENERAL AUTHORITY¶ The members of the Board, the Superintendent and the officers, attorneys and other agents or employees of the Board are hereby authorized to do all acts and things required of them by this Resolution, the Master Resolution, the Official Statement, the Paying Agent and Registrar Agreement, the Policy, if any, the Disclosure Agreement and the Purchase Agreement, or desirable or consistent with the requirements hereof or the Master Resolution, the Official Statement, the Paying Agent and Registrar Agreement, the Policy, if any, the Disclosure Agreement or the Purchase Agreement, for the full, punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2025 Bonds, the Master Resolution, the Official Statement, the Paying Agent and Registrar Agreement, the Policy, if any, the Disclosure Agreement and the Purchase Agreement, and each member, employee, attorney and officer of the Board and the Superintendent is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. The authorized signatory of the Series 2025 Bonds or of any document executed and delivered in connection therewith may, among other things, change the designation of the Series 2025 Bonds and related defined terms and the date of any document accompanying this Resolution as an exhibit. Execution by such authorized signatory shall be deemed to be conclusive evidence of approval of such changes.

SECTION 4.03 MASTER RESOLUTION¶ Except as herein expressly provided, the Master Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

SECTION 4.04 REPEAL OF INCONSISTENT RESOLUTIONS¶ All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 4.05 OPEN MEETINGS¶ It is hereby found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the Board, and that all deliberations of the Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 4.06 EFFECTIVE DATE¶ This Resolution shall become effective immediately upon its adoption.

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ADOPTED at a Regular Meeting this 8th day of April, 2025.

**THE SCHOOL BOARD OF OSCEOLA
COUNTY, FLORIDA, ACTING AS THE
GOVERNING BODY OF THE SCHOOL
DISTRICT OF OSCEOLA COUNTY,
FLORIDA**

(SEAL)

ATTEST:

By: /s/ Heather Kahoun
Heather Kahoun, Chair

/s/ Mark Shanoff, Ed.D.
Superintendent/Ex-Officio Secretary

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

/s/ Sarah Koren
School Board Attorney

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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FORM OF LEGAL OPINION OF BOND COUNSEL

On the date of issuance of the Capital Outlay Sales Tax Revenue Bonds, Series 2025, Greenberg Traurig, P.A., Bond Counsel, proposes to issue its approving opinion in substantially the following form:

[Date of Delivery]

School District of Osceola County, Florida
817 Bill Beck Boulevard
Kissimmee, Florida 34744-4495

Re: School District of Osceola County, Florida
\$_____ Capital Outlay Sales Tax Revenue Bonds, Series 2025

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the School District of Osceola County, Florida (the “District”) of its \$_____ aggregate principal amount of Capital Outlay Sales Tax Revenue Bonds, Series 2025 (the “Series 2025 Bonds”), issued and delivered on this date pursuant to the constitution and laws of the State of Florida, particularly, Chapters 1001, 1011 and 1013, Florida Statutes, Chapter 212, Part I, Florida Statutes, and other applicable provisions of law (collectively, the “Act”) and Resolution No. 17-049, as amended and supplemented by Resolution No. 25-007, adopted by The School Board of Osceola County, Florida (the “School Board”), acting as the governing body of the District, on May 2, 2017 and April 8, 2025, respectively (collectively, the “Resolution”). Any capitalized term used herein and not otherwise defined shall have the meaning ascribed thereto in the Resolution.

In order to secure the payment of the Series 2025 Bonds, and subject to the terms of the Resolution, the School Board has pledged to the holder of the Series 2025 Bonds, and granted a lien to the holder of the Series 2025 Bonds on the Pledged Funds.

We have examined the Act, the Resolution and such certified copies of the proceedings of the School Board and such other documents and opinions as we have deemed necessary to render this opinion. As to the questions of fact material to our opinion, we have relied upon representations of the School Board furnished to us, without undertaking to verify such representations by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The District and the School Board are duly organized under Section 4, Article IX of the Constitution of Florida and Chapter 1001, Florida Statutes, with the power to adopt the Resolution, to perform their obligations thereunder and to issue the Series 2025 Bonds.

2. The Resolution has been duly adopted by the School Board. The Resolution creates a valid pledge of the Pledged Funds and the moneys held in the funds and accounts created under the Resolution and constitutes a valid and binding obligation of the District and the School Board enforceable against the District and the School Board in accordance with its terms.

3. The issuance and sale of the Series 2025 Bonds have been duly authorized by the School Board and, assuming the due execution and authentication thereof, the Series 2025 Bonds constitute valid and binding limited obligations of the District, payable in accordance with, and as limited by, the terms of the Resolution.

4. The Internal Revenue Code of 1986, as amended (the "Code") includes requirements which the District must continue to meet after the issuance of the Series 2025 Bonds in order that interest on the Series 2025 Bonds be excludable from gross income for federal income tax purposes. The failure of the District to meet these requirements may cause interest on the Series 2025 Bonds to be included in gross income of the owners thereof for federal income tax purposes retroactive to their date of issuance. The District has covenanted in the Resolution to take the actions required by the Code in order to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds. The District has full legal power and authority to comply with such covenants.

Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the following paragraph, interest on the Series 2025 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and, furthermore, interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Series 2025 Bonds.

In rendering the opinion expressed above, we have assumed continuing compliance by the District with the tax covenants referred to above that must be met after the issuance of the Series 2025 Bonds in order that interest on the Series 2025 Bonds not be included in gross income for federal income tax purposes.

5. The Series 2025 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein.

In rendering the foregoing opinions we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

The opinions set forth in numbered paragraphs 2. and 3. above are subject to state and federal laws relating to bankruptcy, insolvency, reorganization, moratorium and similar laws, and to equitable principles, affecting the enforcement of creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

We wish to call to your attention that the Series 2025 Bonds are limited obligations of the District payable solely out of the Pledged Funds as provided in the Resolution, and neither the full faith and credit nor the taxing power of the District, the State of Florida or any political subdivision thereof is pledged as security for the payment of the Series 2025 Bonds. The Series 2025 Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation.

Respectfully submitted,

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APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of [CLOSING DATE], 2025, is executed and delivered by The School Board of Osceola County, Florida, as the governing body of the School District of Osceola County, Florida (the "Issuer") and Digital Assurance Certification LLC, as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1939, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board, or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Chief Business and Finance Officer or their designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports. (a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than April 15 following the end of each fiscal year of the Issuer, commencing April 15, 2026. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of

the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies";
2. "Non-Payment related defaults, if material";
3. "Unscheduled draws on debt service reserves reflecting financial difficulties";
4. "Unscheduled draws on credit enhancements reflecting financial difficulties";
5. "Substitution of credit or liquidity providers, or their failure to perform";
6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds";
7. "Modifications to rights of securities holders, if material";
8. "Bond calls, if material, and tender offers";
9. "Defeasances";
10. "Release, substitution, or sale of property securing repayment of the securities, if material";
11. "Rating changes";
12. "Bankruptcy, insolvency, receivership or similar event of the Obligated Person";
13. "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material"; and

14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material";
15. "Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material"; and
16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties."

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking";
2. "change in Obligated Person";
3. "notice to investors pursuant to bond documents";
4. "certain communications from the Internal Revenue Service";
5. "secondary market purchases";
6. "bid for auction rate or other securities";
7. "capital or other financing plan";
8. "litigation/enforcement action";
9. "change of tender agent, remarketing agent, or other on-going party"; and
10. "other event-based disclosures."

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information";
2. "change in fiscal year/timing of annual disclosure";
3. "change in accounting standard";
4. "interim/additional financial information/operating data";
5. "budget";
6. "investment/debt/financial policy";
7. "information provided to rating agency, credit/liquidity provider or other third party";
8. "consultant reports"; and
9. "other financial/operating data."

(viii) provide the Issuer with evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. (a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial information and operating data of the type included with respect to the Issuer, in the Official Statement, including but not limited to:

(a) Updates of information set forth in the Official Statement relating to:

1. Summary of statistical data for the past five years under the subheading "Historical Growth" under the heading "SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA";

2. Sales Tax Revenues as set forth in the table entitled "Sales Tax Revenue Receipts" under the heading "SECURITY FOR THE SERIES 2025 BONDS";

3. Financial information about the District in the tables entitled tables entitled, "Statement of Revenues, Expenditures and Changes in General Fund Balances" and "General Long Term Debt" under the heading "SCHOOL DISTRICT OF OSCEOLA COUNTY, FLORIDA";

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "Obligated Person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final Official Statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events. (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Certificate holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or

governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In

the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall, in a timely manner not in excess of ten business days after the occurrence of such Notice Event, file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing. (a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the

Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the Rule or the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall

terminate with respect to the Bonds upon the legal defeasance, prior prepayment or payment in full of all of the Bonds, when the Issuer is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification LLC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent. (a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the School Board's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine,

or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days' written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION
LLC, as Disclosure Dissemination Agent

By: _____
Brianna Steger
Senior Vice President

THE SCHOOL DISTRICT OF
OSCEOLA COUNTY, FLORIDA

By: _____
Heather Kahoun
Chairman, The School Board of Osceola
County, Florida

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: The School District of Osceola County, Florida

Obligated Person(s): The School District of Osceola County, Florida

Name of Bond Issue: Capital Outlay Sales Tax Revenue Bonds, Series 2025

Date of Issuance: [CLOSING DATE], 2025

Date of Official Statement: [SALE DATE], 2025

CUSIP Numbers:

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: The School District of Osceola County, Florida

Obligated Person: The School District of Osceola County, Florida

Name(s) of Bond Issue(s): Capital Outlay Sales Tax Revenue Bonds, Series 2025

Date(s) of Issuance: [CLOSING DATE], 2025

Date(s) of Disclosure Agreement: [CLOSING DATE], 2025

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification LLC, as Disclosure Dissemination Agent.

Dated: _____

DIGITAL ASSURANCE CERTIFICATION
LLC, as Disclosure Dissemination Agent, on
behalf of the Issuer

cc: _____

EXHIBIT C-1 EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

The School District of Osceola County, Florida

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies";
2. _____ "Non-Payment related defaults, if material";
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties";
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties";
5. _____ "Substitution of credit or liquidity providers, or their failure to perform";
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security";
7. _____ "Modifications to rights of securities holders, if material";
8. _____ "Bond calls, if material"; Tender offers;
9. _____ "Defeasances";
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material";
11. _____ "Rating changes";
12. _____ "Bankruptcy, insolvency, receivership or similar event of the Obligated Person";
13. _____ "Merger, consolidation, or acquisition of the Obligated Person, if material";
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material";
15. _____ "Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material"; and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [CLOSING DATE], 2025 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

The School District of Osceola County, Florida

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking";
2. _____ "change in Obligated Person";
3. _____ "notice to investors pursuant to bond documents";
4. _____ "certain communications from the Internal Revenue Service";
5. _____ "secondary market purchases";
6. _____ "bid for auction rate or other securities";
7. _____ "capital or other financing plan";
8. _____ "litigation/enforcement action";
9. _____ "change of tender agent, remarketing agent, or other on-going party"; and
10. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [CLOSING DATE], 2025 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

The School District of Osceola County, Florida

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information";
2. _____ "change in fiscal year/timing of annual disclosure";
3. _____ "change in accounting standard";
4. _____ "interim/additional financial information/operating data";
5. _____ "budget";
6. _____ "investment/debt/financial policy";
7. _____ "information provided to rating agency, credit/liquidity provider or other third party";
8. _____ "consultant reports"; and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification LLC
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

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