This Preliminary Offering Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Certificates 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 Offering Statement shall be deemed "final" by the School Board as of its date for purposes of Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission, except for certain permitted omissions.

PRELIMINARY OFFERING STATEMENT DATED NOVEMBER 6, 2026

NEW ISSUE-BOOK-ENTRY ONLY **Ratings: See "RATINGS" herein**

In the opinion of Greenberg Traurig, P.A., Special Counsel, assuming continuing compliance with certain tax covenants and the accuracy of certain representations and certifications of the School Board, under existing statutes, regulations, rulings and court decisions, the portion of the Basic Lease Payments designated and paid as interest to the Series 2026 Certificate holders will be excludable from gross income for federal income tax purposes; and, further, the portion of the Basic Lease Payments designated and paid as interest to the Series 2026 Certificate holders will not be 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), the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates is not excluded from the determination of adjusted financial statement income. No opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2026 Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder. See "TAX TREATMENT" herein for a description of certain other federal tax consequences of ownership of the Series 2026 Certificates. Special Counsel is further of the opinion that the Series 2026 Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates will not be 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; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2026 Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

$210,150,000*
CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be made by
THE SCHOOL BOARD OF MARION COUNTY, FLORIDA,
as Lessee, Pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor

Dated: Date of Delivery **Due: June 1, as shown on inside cover page**

The Certificates of Participation, Series 2026 (the "Series 2026 Certificates"), offered hereby evidence an undivided proportionate interest in the Basic Lease Payments (as defined herein) to be made by The School Board of Marion County, Florida (the "School Board"), acting as the governing body of the School District of Marion County, Florida (the "District"), pursuant to a Master Lease-Purchase Agreement with the Marion County School Board Leasing Corporation (the "Corporation"), dated as of August 1, 1992 (the "Master Lease"), as amended and supplemented by Schedule No. 2026, dated as of December 1, 2026 ("Schedule No. 2026," and together with the Master Lease, the "Series 2026 Lease"), providing for the lease purchase financing of certain educational facilities by the School Board.

The Series 2026 Certificates are being issued as fully registered Certificates pursuant to the provisions of a Master Trust Agreement, dated as of August 1, 1992 (the "Master Trust Agreement"), as amended and supplemented by the Series 2026 Supplemental Trust Agreement, dated as of December 1, 2026, each between the Corporation and U.S. Bank Trust Company, National Association (successor in interest to SunTrust Bank), Jacksonville, Florida, as trustee (the "Trustee").

The Series 2026 Certificates are being issued in fully registered form in denominations of $5,000 or integral multiples thereof. The interest portion of the Basic Lease Payments represented by the Series 2026 Certificates is payable on June 1 and December 1 of each year, commencing June 1, 2027, by check or draft of the Trustee, mailed to the Series 2026 Certificate owner of record (as of the 15th day of the month preceding the month in which the payment date occurs) at the address shown on the certificate register maintained by the Trustee. Such interest portion may be paid by wire transfer to a domestic bank account designated by the registered owners of $1,000,000 or more in aggregate principal amount of the Series 2026 Certificates upon such owner's written request received no later than the record date prior to any payment date. When issued, the Series 2026 Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Series 2026 Certificates (the "Beneficial Owners") will not receive physical delivery of Series 2026 Certificates. Ownership by the Beneficial Owners of the Series 2026 Certificates will be evidenced through a book-entry only system of registration. As long as Cede & Co. is the registered owner as nominee of DTC, payment of the principal portion and interest portion of the Basic Lease Payments represented by the Series 2026 Certificates will be made directly to Cede & Co., which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. The principal portion of the Basic Lease Payments represented by the Series 2026 Certificates is payable on the dates set forth on the inside cover pages hereof upon surrender at the designated corporate trust office of the Trustee. See "THE SERIES 2026 CERTIFICATES – Book-Entry Only System" herein.

The Series 2026 Certificates are subject to optional and extraordinary prepayment prior to maturity. See "THE SERIES 2026 CERTIFICATES - Prepayment" herein.

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION. NONE OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, EXCEPT FROM THE APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2026 LEASE FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NONE OF THE CORPORATION, THE TRUSTEE OR ANY SERIES 2026 CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY THE LEASE PAYMENTS UNDER THE SERIES 2026 LEASE. SEE "RISK FACTORS" HEREIN.

SEE THE INSIDE COVER FOR CERTAIN ADDITIONAL INFORMATION RELATING TO THE SERIES 2026 LEASE AND THE SERIES 2026 CERTIFICATES.

This cover page and the 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 Offering Statement, including the appendices hereto, to obtain information essential to the making of an informed investment decision.

The Series 2026 Certificates are offered when, as and if delivered and received by the Underwriters, subject to the approving legal opinion of Greenberg Traurig, P.A., Tallahassee, Florida, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the School Board and for the Corporation by Jeremy T. Powers, Esquire, Ocala, Florida, and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their Counsel, Bryant Miller Olive P.A., Tallahassee, Florida. PFM Financial Advisors LLC, Orlando, Florida is acting as Municipal Advisor to the School Board. It is expected that the Series 2026 Certificates will be available for delivery through the facilities of DTC on or about December 3, 2026.

J.P. Morgan

Jefferies **Raymond James**

Dated: _____, 2026

* Preliminary, subject to change.

ADDITIONAL INFORMATION

The Series 2026 Certificates are being issued to provide funds for the purposes of (i) financing the acquisition, construction and installation of certain educational facilities within the District (the "Series 2026 Facilities"), as more particularly described herein and (ii) paying certain costs of issuance with respect to the Series 2026 Certificates. See "PURPOSE OF THE SERIES 2026 CERTIFICATES" herein.

The initial term of the Series 2026 Lease commences on the date of delivery of the Series 2026 Certificates and continues through and including June 30, 2027 and is automatically renewable annually through and including June 30, 2044, with a final renewal term from July 1, 2044 through and including May 15, 2045, unless earlier terminated as described herein. The School Board may enter into other Leases under the Master Lease in addition to the Series 2026 Lease and is currently a party to the Series 2007B Lease and the Series 2024 Lease (each as described herein). **For Fiscal Year 2026-27, of the 54 District operated schools, there are six schools and related improvements leased under the Master Lease. Based on the District's Pre-K through 12 pupil enrollment of approximately 43,764 students (excluding charter school, adult education and Family Empowerment Scholarship students) for Fiscal Year 2026-27, approximately 15% of the District's students are attending classes in, or otherwise utilizing, Facilities (as defined herein) leased under the Master Lease during Fiscal Year 2026-27 (see "THE MASTER LEASED FACILITIES" and "THE SERIES 2026 FACILITIES" herein). Such percentage does not include the 4,490 additional students that are expected to attend classes in, or otherwise utilize, the educational facilities constituting the Series 2026 Facilities upon completion of such Facilities and the one remaining Series 2024 Facility currently under construction.** *To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of students for the Fiscal Year 2026-27 was used; for additions, the number of student stations attributable to each specific classroom or number of students served by such facility for Fiscal Year 2026-27 based on the type of school (elementary, middle or high) or facility (cafeteria, auditorium, gymnasium, etc.) was used. Such figures do not include Designated Equipment under the Master Lease which are not subject to surrender and disposition by the Trustee.*

When the School Board appropriates Lease Payments for any of its Facilities leased under the Master Lease, it must appropriate Lease Payments for all other Facilities leased under the Master Lease. Failure to appropriate funds to pay Lease Payments under any such Lease, or an event of default under any such Lease, will result in the termination of all Leases, including the Series 2026 Lease. Upon any such termination, any proceeds of the disposition of leased Facilities (other than Designated Equipment) will be applied to payment of the related Series of Certificates, all as further described herein. In no event will owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Facilities leased under any Lease other than the Series 2026 Lease. The

proceeds of any such disposition of the Facilities leased under the Series 2026 Lease shall be applied to the payment of the Series 2026 Certificates, after payment of the expenses of the Trustee, in accordance with the terms of the Series 2026 Lease. Should termination of the Master Lease occur, the Series 2026 Certificates will not be prepaid except to the extent the Trustee has moneys available therefor. Special Counsel will express no opinion as to tax exemption or the effect of securities laws with respect to the Series 2026 Certificates following a non-appropriation of funds or an event of default under the Master Lease, which results in termination of the Lease Term of the Series 2026 Lease. Transfers of the Series 2026 Certificates may be subject to compliance with the registration provisions of state and federal securities laws following an event of non-appropriation or an event of default under the Master Lease which results in termination of such Lease Term of the Series 2026 Lease (See "TAX TREATMENT" and "RISK FACTORS" herein).

MATURITY SCHEDULE

$210,150,000[1] Series 2026 Certificates

Maturity[1] (June 1)	Principal Amount[1]	Interest Rate	Yield	Price	Initial CUSIP No.[2]
2027	$23,500,000				
2028	19,970,000				
2029	20,970,000				
2030	22,020,000				
2031	23,120,000				
2032	24,275,000				
2033	25,490,000				
2034	26,765,000				
2045	24,040,000				

[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 School Board, the Municipal Advisor and the Underwriters and their agents take no responsibility for the accuracy of such data.

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

BOARD MEMBERS
Dr. Sarah James(1), Chair
Lori Conrad, Vice Chair
Dr. Allison B. Campbell
Dr. Eric Cummings(1)
Nancy Thrower(2)

SUPERINTENDENT OF SCHOOLS
AND EX-OFFICIO SECRETARY TO THE SCHOOL BOARD
Dr. Danielle Brewer

CHIEF FINANCIAL OFFICER
Robert Rios-Welsh

DIRECTOR OF BUDGETING
Mechelle Marcum

DIRECTOR OF FINANCE-ACCOUNTING
Stephenie Crowder

COUNSEL TO THE SCHOOL BOARD
Jeremy T. Powers, Esq.

SPECIAL COUNSEL
Greenberg Traurig, P.A.
Tallahassee, Florida

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

MUNICIPAL ADVISOR
PFM Financial Advisors LLC
Orlando, Florida

(1) Re-elected to the School Board.
(2) Ms. Thrower's term ends on November 17, 2026. Mr. Mike Mills was elected to fill such seat and will take office on November 17, 2026.

No dealer, broker, salesman or other person has been authorized by the School Board or the Underwriters to give any information or to make any representations, other than those contained in this Offering Statement, in connection with the offering contained herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Statement does not constitute an offer to sell nor a solicitation of an offer to buy any securities, other than the securities offered hereby, or an offer or a solicitation of an offer of the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful. The information set forth herein has been obtained from the School Board or The Depository Trust Company 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 School Board with respect to information provided by The Depository Trust Company and is not to be construed as a representation by the Underwriters, except with regard to any information provided by it.

The Underwriters have reviewed the information in this Offering Statement in accordance with and as a part of their responsibilities to investors under 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.

The information and expressions of opinion stated herein are subject to change without notice, and neither the delivery of this Offering Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School Board since the date hereof.

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 2026 Certificates are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

ANY STATEMENTS IN THIS OFFERING STATEMENT INVOLVING ESTIMATES, ASSUMPTIONS AND MATTERS OF OPINION, WHETHER OR NOT SO EXPRESSLY STATED, ARE INTENDED AS SUCH AND NOT AS REPRESENTATIONS OF FACT, AND THE SCHOOL BOARD AND THE UNDERWRITERS EXPRESSLY MAKE NO REPRESENTATIONS THAT SUCH ESTIMATES, ASSUMPTIONS AND OPINIONS WILL BE REALIZED OR FULFILLED. ANY INFORMATION, ESTIMATES, ASSUMPTIONS AND MATTERS OF OPINION CONTAINED IN THIS OFFERING STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFERING STATEMENT, NOR ANY SALE MADE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE SCHOOL BOARD SINCE THE DATE HEREOF OR THE EARLIEST DATE AS OF WHICH SUCH INFORMATION WAS GIVEN.

UPON ISSUANCE, THE SERIES 2026 CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR LOCAL GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2026 CERTIFICATES FOR SALE.

THIS OFFERING STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD, THE CORPORATION OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2026 CERTIFICATES.

THIS OFFERING STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFERING STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED 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 Offering Statement.

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OFFERING STATEMENT

$210,150,000*
CERTIFICATES OF PARTICIPATION, SERIES 2026
Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be made by
THE SCHOOL BOARD OF MARION COUNTY, FLORIDA, as Lessee,
Pursuant to a Master Lease Purchase Agreement with
Marion County School Board Leasing Corporation, as Lessor

INTRODUCTION

This Offering Statement, including the cover page, inside cover page and appendices hereto, is provided to furnish information in connection with the sale and delivery of $210,150,000* aggregate principal amount of Certificates of Participation, Series 2026 (the "Series 2026 Certificates"). The Series 2026 Certificates evidence an undivided proportionate interest of the registered owners thereof in the Basic Lease Payments to be made by The School Board of Marion County, Florida (the "School Board") under the Series 2026 Lease (as defined below). The Series 2026 Certificates are being executed and delivered pursuant to a Master Trust Agreement, dated as of August 1, 1992 (the "Master Trust Agreement"), as amended and supplemented by the Series 2026 Supplemental Trust Agreement, dated as of December 1, 2026 (the "Series 2026 Supplemental Trust Agreement," and together with the Master Trust Agreement, the "Trust Agreement"), each between the Marion County School Board Leasing Corporation, a Florida not-for-profit corporation (the "Corporation"), and U.S. Bank Trust Company, National Association (successor in interest to SunTrust Bank), Jacksonville, Florida, as trustee (the "Trustee").

The School Board is the governing body of the School District of Marion County, Florida (the "District"), and has entered into a Master Lease-Purchase Agreement, dated as of August 1, 1992 (the "Master Lease") between the Corporation, as Lessor, and the School Board, as Lessee, for the purpose of lease purchasing from time to time certain educational facilities and sites ("Facilities") from the Corporation. Facilities to be leased from time to time will be identified on separate schedules (each a "Schedule") attached to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate lease agreement (individually a "Lease" and collectively the "Leases").

In June 2007, the School Board leased certain educational facilities (the "Series 2007B Facilities") pursuant to Schedule No. 2007B (together with the Master Lease, the "Original Series 2007B Lease"), which was automatically renewable annually through and

* Preliminary, subject to change.

including May 15, 2027. The Series 2007B Facilities were financed with the proceeds of the $55,000,000 Certificates of Participation, Series 2007B, dated June 13, 2007 (the "Series 2007B Certificates"), none of which are presently outstanding and refinanced with proceeds of the $32,860,000 Refunding Certificates of Participation, Series 2015B, dated September 8, 2015 (the "Series 2015B Certificates"), $4,055,000 of which are currently outstanding. In connection with the issuance of the Series 2015B Certificates and the refinancing of the Series 2007B Facilities, the School Board amended and restated the Original Series 2007B Lease pursuant to Schedule No. 2007B (together with the Master Lease, the "Series 2007B Lease"), which is automatically renewable annually through and including May 15, 2027.

In April 2024, the School Board leased certain educational facilities (the "Series 2024 Facilities") pursuant to Schedule No. 2024 (together with the Master Lease, the "Series 2024 Lease," and collectively with the Series 2007B Lease, the "Prior Leases"), which is automatically renewable annually through and including May 15, 2044. The Series 2024 Facilities were financed with the proceeds of the $295,930,000 Certificates of Participation, Series 2024, dated April 25, 2024 (the "Series 2024 Certificates," and together with the Series 2015B Certificates, the "Prior Certificates"), $291,065,000 of which are presently outstanding.

The following table provides a summary of the Schedules that will have been entered into following delivery of the Series 2026 Certificates, the Facilities financed or refinanced thereby, the final Lease ending date, the related Series of Certificates and the outstanding principal amount of each Series of Certificates:

Related Schedule	Related Facilities	Lease Ending Date	Related Series of Certificates	Principal Amount Outstanding
Schedule No. 2007B	Series 2007B Facilities	May 15, 2027	Series 2015B Certificates	$4,055,000
Schedule No. 2024	Series 2024 Facilities	May 15, 2044	Series 2024 Certificates	291,065,000
Schedule No. 2026	Series 2026 Facilities	May 15, 2045	Series 2026 Certificates	210,150,000[(1)]
Total				$505,270,000[(1)]

(1) Preliminary, subject to change.

Pursuant to the applicable provisions of Florida law, including particularly Chapters 1000-1013, Florida Statutes, and Resolution No. 26-12, adopted by the School Board on

November 5, 2026 (the "Resolution"), the School Board has authorized the execution and delivery of Schedule No. 2026 to the Master Lease, as it may be amended from time to time (together with the Master Lease, the "Series 2026 Lease"). The initial term of the Series 2026 Lease commences on the date of delivery of the Series 2026 Certificates and continues through and including June 30, 2027 and is automatically renewable annually through and including June 30, 2044, with a final renewal term from July 1, 2044 through and including May 15, 2045, unless earlier terminated as described herein. The educational facilities being lease-purchased by the School Board under the Series 2026 Lease consist of replacement Dunnellon Middle/High School, new North End Elementary School, and renovation of Booster Stadium, as more particularly described herein (collectively, the "Series 2026 Facilities"). See "THE SERIES 2026 LEASE," "THE SERIES 2026 FACILITIES" and "THE PRIOR FACILITIES."

The School Board currently holds title to the sites on which the Series 2026 Facilities will be located (the "Series 2026 Facility Sites"). Pursuant to the Series 2026 Ground Lease (Series 2026 Facility Sites), dated as of December 1, 2026 (the "Series 2026 Ground Lease"), the School Board will lease the Series 2026 Facility Sites to the Corporation for an initial term which commences on the date of delivery of the Series 2026 Certificates and ends on the earlier of (i) the date on which the Series 2026 Certificates or any Certificates refinancing the Series 2026 Certificates are paid in full, or (ii) June 1, 2055, subject to Permitted Encumbrances (as defined in the Series 2026 Ground Lease). The land upon which the Booster Stadium component of the Series 2026 Facilities is located and which is subject to the Series 2026 Ground Lease (the "Restricted Land") is subject to a deed or other restrictions which require that the Restricted Land only be used for the construction of a football field and related facilities and the playing of football games thereon and that a football game be played on such Restricted Land during each calendar year (collectively, the "Use Restrictions") which may impact the ability of the Trustee to relet or otherwise utilize such facility for other purposes upon the occurrence of a non-appropriation of funds or certain events of default which result in termination of the Series 2026 Lease. Failure to comply with such Use Restrictions may result in legal and other action by the beneficiary of the Declaration of Restrictions to enforce compliance, including possible reverter to the grantors of the Restricted Land. Upon occurrence of a non-appropriation of funds or any event of default resulting in the termination of the Series 2026 Lease and the return of possession of the Series 2026 Facilities to the Corporation or its assignee, pursuant to the Series 2026 Lease, the Trustee has covenanted in the Trust Agreement that, at all times, (i) the Restricted Land shall be used in accordance with the requirements of such Use Restrictions in the fashion required by such Use Restrictions, and (ii) it will undertake no activities that would trigger legal action by the grantors of such Restricted Land to enforce such Use Restrictions. See "THE SERIES 2026 FACILITIES" herein and "APPENDIX D - CERTAIN LEGAL DOCUMENTS – Form of Series 2026 Ground Lease" hereto.

Pursuant to the Series 2026 Assignment Agreement dated as of December 1, 2026 (the "Series 2026 Assignment"), between the Corporation and the Trustee, the Corporation will assign by outright and absolute assignment to the Trustee for the benefit of the owners of the Series 2026 Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2026 Lease (e.g., a Series of Certificates issued to refund the Series 2026 Certificates) substantially all of its right, title and interest under the Series 2026 Ground Lease and the Series 2026 Lease, including its right to receive Basic Lease Payments thereunder. See "SECURITY FOR THE SERIES 2026 CERTIFICATES."

The School Board has agreed and undertaken, for the benefit of Series 2026 Certificate Owners, to provide certain annual financial information and operating data and certain material event notices when and if they occur relating to the District and the Series 2026 Certificates pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein and "APPENDIX F – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT" hereto.

Brief descriptions of the School Board, the District, and the Series 2026 Facilities are included in this Offering Statement together with summaries of certain provisions of the Series 2026 Certificates, the Series 2026 Lease, the Trust Agreement, the Series 2026 Ground Lease and the Series 2026 Assignment. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Series 2026 Lease, the Trust Agreement, the Series 2026 Ground Lease and the Series 2026 Assignment are qualified in their entirety by reference to the respective complete documents. Forms of the Series 2026 Lease, the Trust Agreement, the Series 2026 Ground Lease and the Series 2026 Assignment are included in APPENDIX D hereto. Copies of the final versions of such documents may be obtained upon written request and payment of the costs of duplication to the Trustee at 6410 Southpoint Parkway, Suite 200, Jacksonville, Florida 32216. Capitalized terms used herein and not otherwise defined will have the meanings given them in "APPENDIX D - CERTAIN LEGAL DOCUMENTS."

THE SCHOOL BOARD AND THE DISTRICT

The School Board is a public body corporate existing under the laws of the State of Florida and is the governing body of the District. The School Board consists of five (5) members elected by county-wide vote for overlapping four-year terms. The District is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001, Florida Statutes. The District covers the same geographic area as Marion County, Florida (the "County"). Management of the District is independent of County government and 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. Further information about the District and the School Board is contained in "THE SCHOOL DISTRICT OF MARION COUNTY, FLORIDA" herein and further

information about the County is contained in "APPENDIX A - GENERAL INFORMATION REGARDING MARION COUNTY, FLORIDA" hereto.

PURPOSE OF THE SERIES 2026 CERTIFICATES

The Series 2026 Certificates are being issued for the principal purposes of (i) financing the costs of acquisition, construction and installation of the Series 2026 Facilities and (ii) paying costs associated with the issuance of the Series 2026 Certificates. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

THE SERIES 2026 CERTIFICATES

General

The Series 2026 Certificates will be dated the date of their delivery, will mature in the years and principal amounts and bear interest at the rates set forth on the inside cover page of this Offering Statement. The Series 2026 Certificates shall initially be issued exclusively in fully registered form in denominations of $5,000 or integral multiples thereof. The Series 2026 Certificates initially will be issued exclusively in "book-entry" form and ownership of one fully registered Certificate for each maturity of the Series 2026 Certificates, each in the aggregate principal amount of such maturity, will be initially registered in the name of Cede & Co. as nominee of DTC. Individual purchases will be made in increments of $5,000 or integral multiples thereof. See "– Book-Entry Only System" herein.

The principal portion of Basic Lease Payments represented by the Series 2026 Certificates payable at maturity or upon earlier prepayment thereof shall represent an undivided proportionate interest in the principal portion of Basic Lease Payments due on each of the dates set forth in the Series 2026 Lease. The interest portion of Basic Lease Payments represented by the Series 2026 Certificates is payable on June 1 and December 1 of each year (each a "Payment Date"), commencing on June 1, 2027, to and including the date of maturity or earlier prepayment, and represents undivided proportionate interests in the interest portion of Basic Lease Payments due on the May 15 and November 15 prior to each Payment Date to and including the maturity or earlier prepayment of the Series 2026 Certificates under the Series 2026 Lease.

The interest portion of the Basic Lease Payments represented by the Series 2026 Certificates will be computed on the basis of a 360-day year comprised of twelve 30-day months. The principal portion or Prepayment Price of the Series 2026 Certificates is payable to the registered owner upon presentation at the designated corporate trust office of the Trustee. Except as otherwise provided in connection with the maintenance of a book-entry only system of registration of the Series 2026 Certificates, the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates is payable to the

registered owner at the address shown on the registration books maintained by the Trustee as of the 15th day of the month (whether or not a business day) preceding the Payment Date or at the prior written request and expense of any registered owner of at least $1,000,000 in aggregate principal amount of Series 2026 Certificates by bank wire transfer to a bank account in the United States designated in writing prior to the fifteenth day of the month next preceding each Payment Date (such written request will remain in effect until rescinded in writing).

The principal portion of Basic Lease Payments represented by the Series 2026 Certificates is payable to the Owner thereof upon presentation, when due, at maturity or upon earlier prepayment, at the designated corporate trust office of the Trustee in Jacksonville, Florida.

Notwithstanding the above, reference is made to the book-entry system of registration described under " - Book-Entry Only System" below.

Prepayment

Optional Prepayment. The Series 2026 Certificates maturing on or before June 1, 20__ are not subject to prepayment at the option of the School Board. The Series 2026 Certificates maturing on and after June 1, 20__ are subject to prepayment at the option of the School Board on or after June 1, 20__, if the School Board elects to prepay the principal portion of Basic Lease Payments due under the Series 2026 Lease in whole or in part at any time and, if in part, in such order of maturity of Series 2026 Certificates corresponding to the due dates of the principal portions of Basic Lease Payments under the Series 2026 Lease as shall be designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at a Prepayment Price equal to 100% of the principal portion of the Series 2026 Certificates or portions thereof to be prepaid, plus accrued and unpaid interest to the Prepayment Date.

Extraordinary Prepayment

The principal portion of Basic Lease Payments due under the Series 2026 Lease represented by the Series 2026 Certificates is subject to extraordinary prepayment in whole or in part, at a Prepayment Price of par plus accrued interest to the Prepayment Date, in the event the Series 2026 Lease terminates prior to payment in full of all of the Basic Lease Payments, to the extent the Trustee has moneys available for such purposes (as a result of an event of default under the Trust Agreement or non-appropriation of funds by the School Board).

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No Extraordinary Prepayment in the Event of Remaining Proceeds in the Series 2026 Acquisition Account or Damage, Destruction or Condemnation of the Series 2026 Facilities

The Series 2026 Certificates are not subject to extraordinary prepayment prior to maturity in the event funds remain in the Series 2026 Acquisition Account upon completion of the Series 2026 Facilities or of damage, destruction or condemnation of the Series 2026 Facilities. See "THE SERIES 2026 LEASE - Lease Payments" for information regarding the required use of any remaining funds in the Series 2026 Acquisition Account or any insurance or condemnation proceeds related to the Series 2026 Facilities in the event of damage, destruction or condemnation of such Facilities.

Selection

If less than all of the Series 2026 Certificates are called for prepayment, the particular Series 2026 Certificates or portions thereof to be prepaid will be in multiples of $5,000 and, except as otherwise provided above, such Series 2026 Certificates shall be prepaid in such order of maturity as shall correspond to the due dates of the principal portions of Basic Lease Payments due under the Series 2026 Lease represented by the Series 2026 Certificates. If less than all of the Series 2026 Certificates of like maturity are called for prepayment, the particular Series 2026 Certificates or portions thereof to be prepaid will be selected by lot by the Trustee in such manner as the Trustee deems fair and appropriate. The portion of any Series 2026 Certificate of a denomination of more than $5,000 to be prepaid will be in the principal amount of $5,000 or any integral multiple thereof, and, in selecting portions of such Series 2026 Certificates for prepayment, the Trustee will treat each such Series 2026 Certificate as representing that number of Series 2026 Certificates in $5,000 denominations which is obtained by dividing the principal amount of such Certificate to be prepaid in part by $5,000.

DTC Procedures. Investors should note that while DTC is the registered owner of the Series 2026 Certificates, partial prepayments of the Series 2026 Certificates will be determined in accordance with DTC's procedures. The School Board intends that prepayment allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the School Board and the Beneficial Owners of the Series 2026 Certificates be made in accordance with the method of selection of Series 2026 Certificates for a partial prepayment described above. However, the selection of the Series 2026 Certificates for prepayment in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial prepayment. The School Board can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate prepayments among Beneficial Owners in accordance with the method of selection of Series 2026 Certificates for a partial prepayment described above.

Notice of Prepayment

As long as a book-entry only system is used for determining beneficial ownership of Series 2026 Certificates, notice of prepayment will only be sent to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners. Any failure of DTC to notify any DTC Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the prepayment of the Series 2026 Certificates.

When prepayment of Series 2026 Certificates is required, the Trustee will mail a copy of the notice required by the Trust Agreement, postage prepaid, not less than 30 days nor more than 60 days before the Prepayment Date in the case of optional prepayments, and not less than five days nor more than ten days before the Prepayment Date in the case of extraordinary prepayment after termination of the Lease Term for non-appropriation of funds or default under any Lease, to the holders of any Series 2026 Certificates or portions thereof to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate holder will not affect the validity of the proceedings for the prepayment of other Series 2026 Certificates.

Notwithstanding the provisions of the Master Trust Agreement, the Trustee may give notice of the prepayment of Series 2026 Certificates conditioned upon an event specified by the School Board without the deposit by the School Board of amounts sufficient to pay in full the principal of the Series 2026 Certificates subject to prepayment, plus accrued interest and premium, if any, on such Series 2026 Certificates.

Effect of Prepayment

If, on the Prepayment Date, moneys for the payment of the Prepayment Price of the Series 2026 Certificates or portions thereof to be prepaid are held by the Trustee and available therefor on the Prepayment Date and if notice of prepayment has been given as required by the Trust Agreement and as described above, then from and after the Prepayment Date, the interest portion of the Series 2026 Certificates or the portion thereof called for prepayment will cease to accrue. If such moneys are not available on the Prepayment Date, the principal portion represented by such Series 2026 Certificates or portions thereof will continue to bear interest until paid at the same rate as would have accrued had it not been called for prepayment.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE SCHOOL BOARD AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT

NEITHER THE SCHOOL BOARD NOR THE UNDERWRITERS TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC") will act as securities depository for the Series 2026 Certificates. The Series 2026 Certificates will be issued as fully-registered securities 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 2026 Certificates, each in the aggregate principal amount of such maturity 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 and 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 2026 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct 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 or Indirect Participant through which the Beneficial Owner

entered into the transaction. Transfers of ownership interests in the Series 2026 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Certificates, except in the event that use of the book-entry system for the Series 2026 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2026 Certificates 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 2026 Certificates 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 2026 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Certificates 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 2026 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Certificates, such as prepayments, defaults, and proposed amendments to the Series 2026 documents. For example, Beneficial Owners of Series 2026 Certificates may wish to ascertain that the nominee holding the Series 2026 Certificates 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 Trustee and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2026 Certificates are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Certificates to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School 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 2026 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds and other payments on the Series 2026 Certificates 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 School Board or the Trustee 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 Trustee or the School Board, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School Board and/or the Trustee for the Series 2026 Certificates. 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.

None of the Corporation, the School Board or the Trustee can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2026 Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2026 Certificates, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Certificates at any time by giving reasonable notice to the School Board. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Certificates are required to be printed and delivered.

The School Board may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Certificates will be printed and delivered to DTC.

NEITHER THE SCHOOL BOARD NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS, DTC PARTICIPANTS OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 2026 CERTIFICATES FOR THE ACCURACY OF RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO THE SERIES 2026 CERTIFICATES OR THE PROVIDING OF NOTICE OR PAYMENT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE

SERIES 2026 CERTIFICATES TO DTC PARTICIPANTS OR BENEFICIAL OWNERS, OR THE SELECTION OF SERIES 2026 CERTIFICATES FOR PREPAYMENT.

SECURITY FOR THE SERIES 2026 CERTIFICATES

General

The Series 2026 Certificates evidence undivided proportionate interests in the Basic Lease Payments to be made by the School Board under the Series 2026 Lease and are secured by and payable from the Trust Estate established pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to (a) the Basic Lease Payments under the Series 2026 Lease and the Series 2026 Assignment and (b)(i) all amounts from time to time deposited in the funds and accounts under the Trust Agreement in accordance with the provisions of the Series 2026 Lease and the Trust Agreement, including investment earnings thereon not required to be rebated to the United States government and (ii) any and all monies received by the Trustee pursuant to the Trust Agreement which are not required to be remitted to the School Board, the Corporation or the Trustee pursuant to the Master Lease or the Trust Agreement, including any and all amounts received pursuant to the Master Lease and the Series 2026 Ground Lease.

Neither the School Board nor the Corporation will mortgage or grant a security interest in the real and personal property comprising the Series 2026 Facilities to the Trustee. However, upon termination of the Series 2026 Lease in the case of a non-appropriation of funds or in the case of certain events of default the Series 2026 Lease provides that the School Board must surrender possession of the Series 2026 Facilities (other than Designated Equipment) to the Trustee as assignee of the Corporation for disposition by sale or reletting of its interest in the Series 2026 Facilities, as provided in the Trust Agreement. However, the land upon which the Booster Stadium component of the Series 2026 Facilities is located and which is subject to the Series 2026 Ground Lease (the "Restricted Land") is subject to a deed or other restrictions which require that the Restricted Land only be used for the construction of a football field and related facilities and the playing of football games thereon and that a football game be played on such Restricted Land during each calendar year (collectively, the "Use Restrictions") which may impact the ability of the Trustee to relet or otherwise utilize such facility for other purposes upon the occurrence of a non-appropriation of funds or certain events of default which result in termination of the Series 2026 Lease. Any proceeds of any such disposition, after payment of the expenses of the Trustee, will be applied to the payment of the Series 2026 Certificates and then as provided in the Trust Agreement. See "THE SERIES 2026 LEASE - Effect of Termination for Non-Appropriation or Default," "THE SERIES 2026 FACILITIES" and "RISK FACTORS" herein.

With respect to the Series 2026 Lease, the School Board may not be dispossessed of Designated Equipment or any other personal property financed, in

whole or in part, with proceeds of Series 2026 Certificates. See "THE SERIES 2026 FACILITIES" herein for a description of the Series 2026 Facilities against which the Trustee may exercise rights on behalf of the Owners of the Series 2026 Certificates. See also "THE SERIES 2026 LEASE - Effect of Termination for Non-Appropriation or Default" herein.

Lease Payments

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2026 Lease, the Prior Leases and all other Leases will be made only from legally available funds specifically appropriated for such purpose by the School Board. Revenues available to the District for operational purposes and capital projects such as the Series 2026 Facilities are described under "OPERATING REVENUES OF THE DISTRICT" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein. Prospective purchasers should assume that operating funds will not be available to make Lease Payments and that such payments will be made solely from available revenues for capital outlay projects. Such revenues are also used to pay other outstanding obligations of the District.

The Trust Agreement provides for the establishment and maintenance of a Series 2026 Lease Payment Account for the deposit of Basic Lease Payments appropriated and paid under the Series 2026 Lease. Separate Lease Payment Accounts are established for each series of Certificates issued under the Trust Agreement. Lease Payments due under all Schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable solely from legally available funds appropriated by the School Board for such purpose; provided, that Lease Payments with respect to a particular Schedule and Series of Certificates may be additionally and separately secured by a Credit Facility. There is no limit on the number of additional Facilities that may be financed under the Master Lease. Such additional Facilities may be financed through the sale of additional Series of Certificates under the Trust Agreement. THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE LEASE PAYMENTS DUE FOR A PORTION OF THE FACILITIES LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE LEASE PAYMENTS FOR ALL FACILITIES OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE MASTER LEASE.

Limited Obligations of the School Board

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION.

NONE OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM SCHOOL BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2026 LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NONE OF THE CORPORATION, THE TRUSTEE OR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2026 LEASE. SEE "RISK FACTORS" HEREIN.

Additional Leases

As noted above, the School Board has entered into the Prior Leases and may enter into other Leases under the Master Lease in addition to the Series 2026 Lease and the Prior Leases. Failure to appropriate funds to make Lease Payments under any Lease will, or certain events of default under a Lease may, result in the termination of the Lease Term of all Leases, including the Series 2026 Lease. Upon any such termination of the Lease Term of all Leases, the School Board must surrender all Facilities (except Designated Equipment), including the Series 2026 Facilities (except for Designated Equipment) to the Trustee for sale or re-letting of the Trustee's interest. The proceeds of any such disposition of Series 2026 Facilities will be applied to the payment of the Series 2026 Certificates, after payment of costs and expenses of the Trustee and then as provided in the Trust Agreement. However, the Restricted Land upon which the Booster Stadium component of the Series 2026 Facilities is located is subject to the Use Restrictions which may impact the ability of the Trustee to relet or otherwise utilize such facility for other purposes upon the occurrence of a non-appropriation of funds or certain events of default which result in termination of the Series 2026 Lease. **In no event will owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of another Series of Certificates.** There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of the Facilities against which the Trustee has rights will produce sufficient amounts to pay the outstanding Certificates.

For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to pay Lease Payments or upon the occurrence of an event of default,

see "THE SERIES 2026 LEASE - Termination of Lease Term" and "Effect of Termination for Non-Appropriation or Default" herein and "APPENDIX D - CERTAIN LEGAL DOCUMENTS - Master Lease-Purchase Agreement" hereto.

Additional Certificates; Outstanding Certificates

With respect to any Additional Lease, one or more additional Series of Certificates may be authorized by the Corporation at the request of the School Board and executed and delivered by the Trustee for the purpose of (a) financing the cost of acquisition, construction and equipping of any Facilities, (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities, (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates previously executed and delivered, (e) funding a Reserve Account in an amount equal to the applicable Reserve Account Requirement, if any, (f) capitalizing all or a portion of the interest portion of Basic Lease Payments during construction, or (g) paying the applicable Costs of Issuance. The aggregate principal amount of any additional Series of Certificates that may be executed and delivered under the provisions of the Trust Agreement is not limited except as may be provided with respect to a particular series of Additional Certificates in any Supplemental Trust Agreement creating such Series.

Unless otherwise set forth in a Supplemental Trust Agreement authorizing the issuance of more than one Series of Certificates, each Certificate within a Series of Certificates executed and delivered pursuant to the Trust Agreement shall rank *pari passu* and be equally and ratably secured under the Trust Agreement with each other Certificate of such Series, but not with any Certificates of any other Series, without preference, priority, or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Lease Payments available for payment to all Certificate holders are less than all amounts owed with respect to all Series of Certificates on any Payment Date, such amounts available shall be applied on a pro rata basis to Certificate holders of all Series in accordance with the ratio that the principal balance of each Series of Certificates outstanding bears to the total amount of Certificates Outstanding under the Trust Agreement.

Non-Appropriation Risk

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEY FOR THE PURPOSE OF MAKING LEASE PAYMENTS. UNDER THE MASTER LEASE, THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE AVAILABLE REVENUES TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE SUCH REVENUES FOR ALL LEASES OR NONE OF THEM. FOR A DISCUSSION OF REMEDIES AVAILABLE

TO THE TRUSTEE IN THE EVENT OF THE NON-APPROPRIATION OF FUNDS TO PAY LEASE PAYMENTS, SEE "THE SERIES 2026 LEASE - TERMINATION OF LEASE TERM" AND "- EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN. THERE CAN BE NO ASSURANCE THAT THE REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF NON-APPROPRIATION WILL PRODUCE SUFFICIENT AMOUNTS TO FULLY PAY THE OUTSTANDING CERTIFICATES.

Purchase Option Price

The School Board has the right to prepay all or a portion of the principal portions of the Basic Lease Payments represented by the Series 2026 Certificates and in connection therewith remove all or a portion of, as the case may be, the Series 2026 Facilities from the Series 2026 Lease and from the lien of the Series 2026 Ground Lease by paying the Purchase Option Price for the specific Series 2026 Facilities being purchased or, to the extent permitted by law, by substituting other Facilities for the Series 2026 Facilities being acquired. The Purchase Option Price with respect to any of the Series 2026 Facilities, as of each Lease Payment Date, is (i) the Basic Lease Payment then due plus the amount designated in the Series 2026 Lease for such Facilities as the Remaining Principal, minus (ii) any credits pursuant to the provisions of the Series 2026 Lease, plus (iii) an amount equal to the interest to accrue with respect to the Series 2026 Certificates to be prepaid as a result of the release of such Facilities from the Series 2026 Lease from such Lease Payment Date to the next available date for prepaying the Series 2026 Certificates, and plus (iv) an amount equal to a pro rata portion of any Additional Lease Payments then due and owing under the Series 2026 Lease, including any prepayment premiums payable on the Series 2026 Certificates prepaid.

No Reserve Account for Series 2026 Certificates

There is no Reserve Account for the Series 2026 Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Lease Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established. See "APPENDIX D - CERTAIN LEGAL DOCUMENTS - Master Trust Agreement" hereto.

THE MASTER LEASED FACILITIES

The Series 2026 Facilities are being financed under the School Board's existing Master Lease as part of the School Board's master lease purchase program (the "Master Lease Program") with the Corporation. The Facilities financed or refinanced by the School Board under the Master Lease Program are subject to annual appropriation on an all-or-

none basis. **For Fiscal Year 2026-27, of the 54 District operated schools, there are six schools and related improvements leased under the Master Lease. Based on the District's Pre-K through 12 pupil enrollment of approximately 43,764 students (excluding charter school, adult education and Family Empowerment Scholarship students) for Fiscal Year 2026-27, approximately 15% of the District's students are attending classes in, or otherwise utilizing, Facilities leased under the Master Lease during Fiscal Year 2026-27. Such percentage does not include the 4,490 additional students that are expected to attend classes in, or otherwise utilize, the educational facilities constituting the Series 2026 Facilities upon completion of such Facilities and the one remaining Series 2024 Facility currently under construction.** *To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of students for the Fiscal Year 2026-27 was used; for additions, the number of student stations attributable to each specific classroom or number of students served by such facility for Fiscal Year 2026-27 based on the type of school (elementary, middle or high) or facility (cafeteria, auditorium, gymnasium, etc.) was used. Such figures do not include Designated Equipment under the Master Lease which are not subject to surrender and disposition by the Trustee.*

Pursuant to the Master Lease, the School Board does not have the ability to appropriate Basic Lease Payments for one Facility or some combination of Facilities only. The School Board's annual appropriation for Basic Lease Payments must be for all Facilities under the Master Lease Program or it must terminate all Leases under the Master Lease Program (other than certain Designated Equipment). In the event the School Board decides not to appropriate funds in its annual budget for all of such financed Facilities, the School Board would, at the Trustee's option, have to surrender such Facilities (except for certain Designated Equipment), including the Series 2026 Facilities (other than Designated Equipment) to the Trustee for the benefit of the Owners of the Certificates which financed and/or refinanced such Facilities. Under certain conditions set forth in the Master Lease, the School Board may (1) substitute or add components to the Facilities and/or (2) modify the plans and specifications thereof. For a complete description of the Facilities under the Master Lease Program see "THE SERIES 2026 FACILITIES" below.

THE SERIES 2026 FACILITIES

The Series 2026 Facilities

The Series 2026 Project consists of the lease purchase financing of the acquisition, construction and equipping of the Series 2026 Facilities, the lease of the Series 2026 Facility Sites by the School Board to the Corporation pursuant to the Series 2026 Ground Lease and the sublease of the Series 2026 Facility Sites back to the School Board. All of the Series 2026 Facilities are located within the District. The School Board holds title to all of the Series 2026 Facility Sites. Under certain conditions set forth in the Series 2026

Lease, the School Board may substitute and/or add components of the Series 2026 Facilities. See also, "-Substitution of Facilities" and " - Designated Equipment" below.

The Series 2026 Facilities consist of the educational facilities generally described below.

Dunnellon Middle/High School. This component of the Series 2026 Facilities will include the construction of a 300,000-square-foot, two-story middle/high school featuring concrete block/tilt wall construction. The new facility will include an administration suite, media center, art room, music/band rooms, cafeteria, auditorium, gymnasium, athletic facilities, and career and technical education classrooms. Upon completion the school is projected to accommodate 1,900 student stations. Construction is anticipated to be completed in summer of 2029.

North End Elementary School. This component of the Series 2026 Facilities will include the construction of a 115,000-square-foot, two-story elementary school featuring concrete block and brick construction. The new facility will include an administration suite, media center, art room, music room, cafetorium and kitchen, outdoor covered play area, and athletic fields. The project will also include the renovation of 28,019 square feet of existing building space, including classrooms and office space. Upon completion, the school is projected to accommodate 1,090 student stations. Construction is anticipated to be completed in the summer of 2029.

Booster Stadium. This component of the Series 2026 Facilities will include the redevelopment of Booster Stadium, featuring approximately 38,610 square feet of building facilities and 298,475 square feet of athletic and spectator facilities. The project will provide seating for approximately 8,000 spectators, athletic competition areas, team and athletic support facilities, public spaces, press and media facilities, concession areas, restrooms, administrative offices, and building support areas. Additional improvements will include site infrastructure, circulation, and associated outdoor facilities. Construction is anticipated to be completed in July 2028.

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The Estimated Series 2026 Facilities Budget

The following table sets forth the School Board's current estimates of the cost of each of the Facilities comprising the Series 2026 Facilities.

Facilities Description[(1)]	Planning/ Design	Furniture, Fixtures & Equipment[(2)]	Construction/ Acquisition	Total Project Cost
Dunnellon Middle/High School	$3,500,000	$4,000,000	$142,500,000	$150,000,000
North End Elementary School	2,500,000	3,500,000	39,000,000	45,000,000
Booster Stadium	1,500,000	500,000	23,000,000	25,000,000
Total	$7,500,000	$8,000,000	$204,500,000	$220,000,000

(1) The foregoing reflects the current expectations of the School Board and District as of the date of this Offering Statement as to the nature and cost of the Series 2026 Facilities and is subject to change and amendment, without notice.

(2) All equipment not constituting fixtures at the educational facilities listed above are not subject to surrender to, or disposition by, the Trustee upon termination of the Series 2026 Lease and constitute Designated Equipment for purposes of the Series 2026 Lease.

Substitution of Facilities

To the extent permitted by law, the School Board may substitute for any Facilities (including the Series 2026 Facilities) other facilities owned by the School Board, provided such substituted facilities (a) have the same or greater remaining useful life, (b) have a fair market value equal to or greater than the Facilities for which they are substituted, (c) are of substantially equal usefulness as the Facilities to be replaced and provide essential governmental services, (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances, (e) are approved for substitution by the State Department of Education (to the extent required by law) and (f) are approved by the Credit Facility Issuer, if any. In order to effect such substitution, Facilities to be replaced will be released from the encumbrance of the respective Lease and Ground Lease and the facilities to be substituted shall be incorporated into the respective Lease and Ground Lease. The affected Lease shall be appropriately amended and the Ground Lease shall be amended or canceled and replaced to reflect such substitution.

Designated Equipment

Each of the Facilities (including the Series 2026 Facilities) includes Designated Equipment which consists of equipment components not constituting fixtures of the educational facilities described above. In addition, certain other educational facilities may specifically be deemed Designated Equipment under the related Lease. With respect to the Series 2026 Facilities, Designated Equipment consists of all equipment components not constituting fixtures at the educational facilities, each as described above. Upon the occurrence of a non-appropriation of funds or an event of default, neither the holders of the

related Series of Certificates nor any Additional Certificates will have rights to the components of the Facilities, respectively, constituting Designated Equipment. The Designated Equipment with respect to the Series 2026 Facilities has an approximate cost of $8,000,000.

THE PRIOR FACILITIES

The Series 2007B Facilities

The Series 2007B Facilities were originally financed with proceeds of the Series 2007B Certificates and were refinanced with the proceeds of the Series 2015B Certificates. The Series 2007B Facilities consist of certain additions and renovations of South Ocala Elementary School, Howard Middle School and Lake Weir High School. The following is a brief description of the Series 2007B Facilities.

South Ocala Elementary School Addition and Renovation. South Ocala Elementary School received a new cafeteria/multi-purpose building comprising 15,440 square feet. The cafeteria building includes a full kitchen, covered patio, a stage area, storage rooms, an art and music suite, a main dining room and bathrooms. The school also received a new administration building which includes designated areas for the principal and assistants, guidance, discipline, the school clinic and associated storage. The administration building comprises 5,840 square feet. In addition, a 47,132 square foot, two-story classroom building was added and encompasses exceptional student education ("ESE") classrooms and labs, a new media center, twelve new primary classrooms, bathrooms, storage areas and teacher planning spaces. The entire school received a renovation to include new flooring in the classroom areas, minor work on plumbing and lights, painting throughout the entire facility, resurfacing of play fields and parking areas and construction of a new outdoor covered play area. The entire project was completed by December 2010.

Howard Middle School Addition and Renovation. Howard Middle School received a new cafeteria/multi-purpose building comprising 22,470 square feet. The cafeteria building includes a full kitchen, covered patio, a stage area, storage rooms, a main dining room, a new music room, a custodial receiving area, mechanical rooms and bathrooms. The school also received a new administration building which includes designated areas for the principal and assistants, guidance, discipline, the school clinic and associated storage. The administration building comprises 11,539 square feet. In addition, the entire school received a renovation to include a new mechanical system, new plumbing and electrical systems, re-roofing of existing buildings, new doors and hardware, new flooring in the classroom areas, painting throughout the entire facility, and reconfiguration and resurfacing of play fields and parking areas. The entire project was completed by August 2011.

Lake Weir High School Additions and Renovation. Lake Weir High School received a new administration building comprising 11,709 square feet and a new cafeteria/multi-purpose building comprising 21,881 square feet, with a total of 300 student stations. The administration building included offices for the principal and assistants, a guidance suite, a discipline suite, a school clinic, and associated storage spaces. The cafeteria building included a full kitchen, covered patio, a stage area, storage rooms, a main dining room and bathrooms. In addition, the entire school received a renovation to include a new mechanical system, new plumbing and electrical systems, new flooring in the classroom areas, painting throughout the entire facility, and reconfiguration and resurfacing of play fields and parking areas. The existing administration area was remodeled into twelve new classroom areas and new resource rooms. The entire project was completed by July 2009.

The Series 2024 Facilities

The Series 2024 Facilities were financed with proceeds of the Series 2024 Certificates. The Series 2024 Facilities consist of South Marion High School, new middle School "DD," Ross Prairie Elementary School, Winding Oaks Elementary School, and additions at five other schools. The following is a brief description of the Series 2024 Facilities.

Ross Prairie Elementary School – This component of the Series 2024 Facilities consisted of construction of a 115,000 square foot two-story concrete block and brick elementary school to include an administration suite, a media center, an art room, a music room, a cafetorium and kitchen, and an outdoor covered play area and fields. The school houses 860 student stations. This project was completed in August 2025.

Winding Oaks Elementary School – This component of the Series 2024 Facilities consisted of construction of a 115,000 square foot two-story concrete block and brick elementary school to include an administration suite, a media center, an art room, a music room, a cafetorium and kitchen, and an outdoor covered play area and fields. The school houses 860 student stations. This project was completed in August 2025.

Middle School "DD" – This component of the Series 2024 Facilities consists of construction of a 200,000 square foot two-story concrete block and brick middle school with multiple buildings to include an administration suite, a media center, art and music suites, science classrooms, vocational classrooms, a cafetorium and kitchen, a gymnasium, and outdoor play fields and courts. The school will house 1,500 student stations. This project is expected to be completed in May 2027.

South Marion High School – This component of the Series 2024 Facilities consisted of construction of a 285,000 square foot two-story concrete block and brick high school to include an administration suite, a media center, art and music suites, science labs, vocational labs, a cafetorium and kitchen, a gymnasium and outdoor play fields and courts,

as well as athletic stadiums and fields. The school houses 1,800 student stations. This project was completed in August 2026.

Liberty Middle School Addition – This component of the Series 2024 Facilities consisted of construction of a 16,960 square foot single story concrete block and brick 16-classroom addition. The classroom wing houses 352 student stations. This project was completed in October 2025. This component of the Series 2024 Facilities constitutes Designated Equipment under the Series 2024 Lease.

Osceola Middle New Gymnasium – This component of the Series 2024 Facilities consisted of construction of a 16,000 square foot single story steel framed and brick gymnasium and outside basketball courts. The project also included a new covered walk and bus loading and unloading area. This project was completed in November 2025. This component of the Series 2024 Facilities constitutes Designated Equipment under the Series 2024 Lease.

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ESTIMATED SOURCES AND USES OF FUNDS

It is estimated that all funds received from the sale and delivery of the Series 2026 Certificates will be applied as follows:

SOURCES:	
Principal Amount	
Plus/Less: Net Bond Premium/Original Issue Discount	
TOTAL SOURCES	
USES:	
Deposit to Series 2026 Acquisition Account[(1)]	
Costs of Issuance[(2)]	
TOTAL USES	

(1) To be applied to pay costs of the Series 2026 Facilities.

(2) Includes underwriters' discount, legal, printing and municipal advisory fees and other costs of issuance.

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PRIOR CERTIFICATES PAYMENT SCHEDULE

Debt service requirements on the Prior Certificates are as follows:

Bond Year (Ending June 1)	Series 2015B Certificates	Series 2024 Certificates	Combined Prior Certificates Total
2027	$4,181,719	$19,719,363	$23,901,081
2028	-	23,904,113	23,904,113
2029	-	23,901,863	23,901,863
2030	-	25,725,863	25,725,863
2031	-	25,728,613	25,728,613
2032	-	25,725,363	25,725,363
2033	-	25,724,863	25,724,863
2034	-	25,725,363	25,725,363
2035	-	25,725,113	25,725,113
2036	-	25,727,363	25,727,363
2037	-	25,725,113	25,725,113
2038	-	25,726,613	25,726,613
2039	-	25,724,613	25,724,613
2040	-	25,727,113	25,727,113
2041	-	25,726,613	25,726,613
2042	-	25,725,863	25,725,863
2043	-	25,727,363	25,727,363
2044	-	25,728,363	25,728,363
TOTAL[(1)]	$4,181,719	$453,419,525	$457,601,244

(1) Totals may not add due to rounding.

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SERIES 2026 CERTIFICATES AND PRIOR CERTIFICATES
PAYMENT SCHEDULE

The annual payment requirements for the Series 2026 Certificates and the Prior Certificates are shown below:

Bond Year Ending June 1	Series 2026 Certificates			Combined Prior Certificates Total[(1)]	Aggregate Total[(1)]
	Principal	Interest	Total[(1)]		
2027				$23,901,081	
2028				23,904,113	
2029				23,901,863	
2030				25,725,863	
2031				25,728,613	
2032				25,725,363	
2033				25,724,863	
2034				25,725,363	
2035				25,725,113	
2036				25,727,363	
2037				25,725,113	
2038				25,726,613	
2039				25,724,613	
2040				25,727,113	
2041				25,726,613	
2042				25,725,863	
2043				25,727,363	
2044				25,728,363	
2045				-	
Total[(1)]				$457,601,244	

[(1)] Totals may not add due to rounding.

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THE SERIES 2026 LEASE

The following is a brief summary of certain provisions of the Series 2026 Lease and the same is not intended to be definitive. Reference is made to the Series 2026 Lease which is available from the School Board and the Trustee, for the complete text thereof. The form of the Series 2026 Lease is included in "APPENDIX D - CERTAIN LEGAL DOCUMENTS – Form of Schedule No. 2026" hereto.

Authority

The Series 2026 Lease is entered into pursuant to the authority granted under Chapters 1000-1013, Florida Statutes, for the purpose of providing for the acquisition, construction and lease-purchasing of the Series 2026 Facilities.

Lease Term

Under the Series 2026 Lease, the Corporation leases to the School Board the Series 2026 Facilities. The initial term of the Series 2026 Lease commences on the date of delivery of the Series 2026 Certificates and continues through and including June 30, 2027 and is automatically renewable annually through June 30, 2044, with a final renewal term from July 1, 2044 through and including May 15, 2045, unless sooner terminated in accordance with the provisions of the Series 2026 Lease.

Lease Payments

Subject to the conditions stated in the Series 2026 Lease, the School Board agrees to pay all Lease Payments: PROVIDED, HOWEVER, THAT NONE OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE TO THE CORPORATION UNDER THE SERIES 2026 LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER THE SERIES 2026 LEASE, AND THE SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NONE OF THE CORPORATION, THE TRUSTEE, OR ANY SERIES 2026 CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY ANY LEASE PAYMENTS. All Lease Payments due under the Series 2026 Lease will be made from current or other funds authorized by law and regulations of the State Department of Education and appropriated for such purpose by the School Board.

On May 15, 2027, and thereafter on November 15 and May 15 of each year, the Lease Payment Date preceding each Payment Date, the School Board is required to pay to

the Trustee the Basic Lease Payment due. The School Board is also required to pay, when due, Additional Lease Payments and Supplemental Payments, consisting of, among other things, fees and expenses of the Trustee and the Corporation. Lease Payments due under the Series 2026 Lease may be reduced, when applicable, by amounts credited as follows:

(a) The Trustee will deposit into the Lease Payment Account interest income, including accrued interest received from the sale of the Series 2026 Certificates, if any, in accordance with the Trust Agreement and apply such interest income as provided in the Trust Agreement.

(b) Upon completion of the acquisition and construction of the Series 2026 Facilities and the payment of all Costs of the corresponding Facilities or on Termination of the Lease Term, the amounts, if any, remaining on deposit in the Series 2026 Acquisition Account will be transferred to the Series 2026 Lease Payment Account to be applied to Basic Lease Payments next coming due under the Series 2026 Lease.

(c) The Trustee will deposit in the Series 2026 Lease Payment Account or the Series 2026 Acquisition Account, Net Proceeds realized in the event of damage, destruction or condemnation of Series 2026 Facilities to be applied to the prompt repair, restoration or replacement of such Series 2026 Facilities; provided, however, if the School Board has determined that its operations have not been materially affected and that it is not in the best interest of the School Board to repair, restore or replace that portion of the Series 2026 Facilities damaged, destroyed or condemned, then the School Board shall not be required to comply with the provisions of the preceding clause. In such case, the Net Proceeds will be deposited to the Series 2026 Acquisition Account and applied to finance other facilities not then subject to the Master Lease, in which case such other Facilities shall become subject to the provisions of the Series 2026 Lease as fully as if they were the originally leased Facilities.

(d) There shall be credited against amounts due by the School Board, the amounts available for the payment of the interest portion of Basic Lease Payments in the Lease Payment Account (including investment earnings thereon).

Assignment of Lease to Trustee

Pursuant to the Series 2026 Assignment, substantially all right, title and interest of the Corporation in and to the Series 2026 Ground Lease and in and to the Series 2026 Lease, including the right to receive Basic Lease Payments thereunder, has been absolutely and unconditionally assigned by the Corporation to the Trustee for the benefit of the owners of the Series 2026 Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2026 Lease. The School Board has consented to such assignment.

Lease Covenants

In the Series 2026 Lease, the School Board covenants that it will (i) maintain the Series 2026 Facilities at all times during the Lease Term in good repair and condition, (ii) pay applicable taxes, assessments, utility charges and other governmental charges, and (iii) provide applicable insurance coverage which may include self-insurance, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements contained in the Series 2026 Lease.

Budget and Appropriation

The cost and expense of the performance by the School Board of its obligations under the Series 2026 Lease, under the Prior Leases and any Additional Leases and the incurrence of any liabilities of the School Board under the Series 2026 Lease, under the Prior Leases and any Additional Leases including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under all Leases, are subject to and dependent upon appropriations being duly made from time to time by the School Board for such purposes. Under no circumstances will the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased under any Lease including the Series 2026 Lease.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under all Leases, the Superintendent will include in the Superintendent's tentative budget proposal, in a separate line item, the funds necessary to make such Lease Payments, and all Leases will be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final official budget. If no such appropriation is made in the final adopted budget or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under Chapter 1001, Florida Statutes and applicable regulations thereunder, all Leases will terminate as of the date of adoption of the final official budget or the last date on which a final budget is required to have been adopted, whichever is earlier.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under all Leases, no Leases will be automatically renewed for the following Fiscal Year, and all Leases will terminate on June 30 of the current Fiscal Year. The School Board will, however, provide written notice of any non-appropriation of funds, as described above, to the Trustee and the Credit Facility Issuer, if any, within three business days after declaring its intent not to appropriate the funds necessary to make payments under all Leases. For a discussion of the effect of termination of the Lease Term of the Leases, see "THE SERIES

2026 LEASE - Effect of Termination for Non-Appropriation or Default" and "RISK FACTORS" herein.

Termination of Lease Term

The Lease Term of each Lease, including the Prior Leases, the Series 2026 Lease and any additional Leases that may be entered into in the future, will terminate upon the earliest of any of the following events:

(a) All Leases, including the Series 2026 Lease, will terminate on the latest Lease Payment Date set forth in each such Lease (assuming all Lease Payments have been made);

(b) All Leases, including the Series 2026 Lease, will terminate in the event of a non-appropriation of funds for the payment of Lease Payments;

(c) All Leases, including the Series 2026 Lease, will terminate upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Master Lease; and

(d) A particular Lease will terminate upon payment by the School Board of the Purchase Option Price of the particular Facilities leased under such Lease by the School Board or upon provision for such payment pursuant to the Master Lease.

Effect of Termination for Non-Appropriation or Default

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under " – Termination of Lease Term" above, the School Board is required to immediately surrender its leasehold interest and deliver possession of all the Facilities financed under all Leases to the Trustee in the condition, state of repair and appearance required under the Leases, except for Designated Equipment, if any, which the School Board shall not be required to surrender. Upon such surrender, the Trustee will sell or relet its interest in such Facilities in such manner and to such person or persons for any lawful purpose as it, in its sole discretion, determines to be appropriate. The proceeds derived from any such sale or reletting of the leasehold interest in such Facilities will be applied, as provided in the Trust Agreement to the payment in full of the Series of Certificates relating to such Facilities after payment of the pro-rata portion of the expenses of the Trustee and then shall be applied as described in the Trust Agreement. The proceeds of any such disposition of the Series 2026 Facilities (except Designated Equipment), after payment of the expenses of the Trustee, will be applied to the payment of the Series 2026 Certificates and then as provided in the Trust Agreement. However, the Restricted Land upon which the Booster Stadium component of the Series 2026 Facilities is located is subject to the Use Restrictions which may impact the ability of the Trustee to relet or otherwise utilize such facility for other purposes upon the occurrence of a non-appropriation of funds or certain events of default

which result in termination of the Series 2026 Lease. Failure to comply with such Use Restrictions may result in legal and other action by the beneficiary of the Declaration of Restrictions to enforce compliance, including possible reverter to the grantors of the Restricted Land. Upon occurrence of a non-appropriation of funds or any event of default resulting in the termination of the Series 2026 Lease and the return of possession of the Series 2026 Facilities to the Corporation or its assignee, pursuant to the Series 2026 Lease, the Trustee has covenanted in the Trust Agreement that, at all times, (i) the Restricted Land shall be used in accordance with the requirements of such Use Restrictions in the fashion required by such Use Restrictions, and (ii) it will undertake no activities that would trigger legal action by the grantors of such Restricted Land to enforce such Use Restrictions. See "RISK FACTORS - Limitation Upon Disposition; Ability to Sell or Relet." IN NO EVENT WILL OWNERS OF THE SERIES 2026 CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED OR REFINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. For a discussion of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of such Facilities to the Trustee, see "APPENDIX D - CERTAIN LEGAL DOCUMENTS - Master Lease-Purchase Agreement" hereto.

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under "– Termination of Lease Term" above, the School Board will be under no obligation to transfer possession of and/or title to the Designated Equipment to the Trustee, as assignee of the Corporation and the Trustee will have no right under the Lease to involuntarily dispossess the School Board of the use and enjoyment of or title to any of the Designated Equipment.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of any Leases for non-appropriation of funds or certain events of default and the disposition of the Facilities will produce sufficient amounts to pay the outstanding Series 2026 Certificates. Federal income tax status and state tax treatment of payments made to Certificate holders after such termination may also be adversely affected. See "TAX TREATMENT" herein. Further, after such termination of the Lease Term of all Leases, transfer of Series 2026 Certificates may be subject to the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that the market for the Series 2026 Certificates will not be impaired following termination of the Lease Term of the Leases. See "RISK FACTORS" herein.

THE CORPORATION

The Corporation is a Florida not-for-profit education corporation formed for the purpose of acting as lessor under Leases with the School Board. The sole member of the Corporation is the School Board. Upon dissolution, all of its assets will be distributed to

the School Board. The Board of Directors of the Corporation consists of the members of the School Board and its officers are School Board members and employees.

There is no litigation pending against the Corporation.

Pursuant to the Series 2026 Assignment, the Corporation has made an absolute and unconditional assignment of substantially all of its right, title and interest under the Series 2026 Lease to the Trustee, retaining its rights to indemnification, its right to hold title to certain of the Series 2026 Facilities, and to receive notices under the Master Lease. In accordance therewith, the Trustee collects directly all of the Basic Lease Payments which are the primary source of and security for payment of the Series 2026 Certificates. The credit of the Corporation is not material to any of the transactions contemplated in this Offering Statement. No financial information concerning the Corporation has been included herein, nor is it contemplated that any such financial information will be included in any future Offering Statement relating to the sale of any Additional Certificates or other obligations of the School Board or the Corporation.

THE SCHOOL DISTRICT OF MARION COUNTY, FLORIDA

General

The School Board is a public body corporate existing under the laws of the State and is the governing body of the District. The School Board consists of five members elected by county-wide vote 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 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 2026-27, the District has 54 District-operated schools (comprised of 31 elementary schools, nine middle schools, eight high schools, one K-8 school, one adult and community education school, one exceptional student educational facility, one early learning academy, one alternative school and a virtual school), which provide public education for 43,764 enrolled students (excluding 1,164 charter school students and 9,442 Family Empowerment Scholarship (i.e., voucher) students) in kindergarten through grade 12 programs. All public schools of the County are fully accredited by the State of Florida and by Cognia, formerly AdvancEd.

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School Facilities, Enrollment and Other Information

The following table includes facilities, enrollment and other information regarding the District school system for the current and prior four years.

District Schools and Enrollment

Fiscal Year	Number of Schools[1]	Number of Instructors	Full Time Equivalent ("FTE") Enrollment[2]	Average Cost Per Student
2026-27[3]	54	3,024	43,764	N/A
2025-26	51	3,000	44,283	$12,156
2024-25	51	3,076	44,805	11,943
2023-24	51	3,002	44,637	10,576
2022-23	51	2,891	43,702	9,880

N/A = Information not available.

[1] Excludes charter schools and adult education. For Fiscal Year 2026-27, there are five charter schools in the District.

[2] As of 120-day membership count, except for Fiscal Year 2026-27 which is based on the 10 day count as of August 20, 2026. Excludes charter school students, adult education students and Family Empowerment Scholarship (i.e., voucher) students who attend private schools or are home schooled. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein.

[3] Budgeted figures.

Source: School District of Marion County.

Profile of Educational Facilities

	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027
Elementary	29	29	29	29	31
Middle	9	9	9	9	9
High	8	8	8	8	8
Special[1]	5	5	5	5	6
Total	51	51	51	51	54

[1] Includes K-8, adult and community education, exceptional student educational, early learning facilities, the District alternative school and the District virtual school.

Source: School District of Marion County.

Legislation passed by the Florida Legislature has resulted in an increase in charter schools, charter school enrollment and Family Empowerment Scholarship (i.e. voucher) students. Charter schools qualifying as "high-performing" are able to increase enrollment, add grade levels, extend their charter terms and even expand into other districts, with fewer restrictions. Local governing authorities' ability to control development criteria for charter

schools has been reduced. The impact of this legislation continues to affect charter school enrollment, therefore, the resulting impact on traditional public school enrollment cannot be determined at this time. The Florida Legislature has also significantly expanded the use of private school vouchers in the State in recent years, including by removing income limits for eligibility. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein.

As a result, District student enrollment in traditional public schools decreased by approximately 522 students in Fiscal Year 2025-26 compared to Fiscal Year 2024-25. The combined effect of reduced revenues available to support District-operated schools and programs, together with rising operating costs, resulted in a negative financial impact to the District in excess of $5.7 million. For the 2026-27 Fiscal Year, traditional public school enrollment has decreased by an additional approximately 500 students compared to Fiscal Year 2025-26 while charter school enrollment has remained steady and enrollment in the Family Empowerment Scholarship (i.e., voucher) program has grown by approximately 1,600 students compared to Fiscal Year 2025-26. In response, the District has implemented and continues to evaluate cost-containment measures, including administrative staffing efficiencies, consolidation of under-enrolled schools, and alignment of staffing levels with student enrollment trends. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein for information regarding the Family Empowerment Scholarship and other school choice programs.

Future-Focused Operations Plan

Primarily due to changing economic factors, the School Board adopted a Future-Focused Operations Plan to replace 11 aging facilities, eliminate 86 portable classrooms and consolidate certain underutilized schools in order to decrease costs and increase operational efficiencies. Adoption of the Future-Focused Operations Plan will not result in the elimination of any District programs, however, District staff may be reduced in proportion to student enrollment. The plan is expected to result in the elimination of $150 million in deferred-maintenance costs and an initial annual $2 million savings in operating costs, which savings are expected to increase each year. No schools are expected to be consolidated or closed for Fiscal Year 2026-27. However, the School Board has approved the consolidation of two elementary schools into a single elementary school for the 2027-28 school year. Additional consolidations are being considered for future years.

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Projected Student Enrollment

Fiscal Year	Full Time Equivalent Enrollment[(1)]
2027-28	55,226
2028-29	56,426
2029-30	57,378
2030-31	58,991
2031-32	60,088

[(1)] Includes charter school, Family Empowerment Scholarship and adult education 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, August 11, 2026.

The School Board

The governing board of the District is the School Board, which is a public corporation existing under and by virtue of the laws of the State of Florida, particularly Chapter 1001, Florida Statutes. The principal offices of the School Board are located in Ocala, Florida.

The School Board is the policy-making body of the District, consisting of five members elected by district for overlapping four-year terms. Under existing statutes, the School 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 and for 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 School 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.

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School Board Members

Name/Office	Current Term Expires
Dr. Sarah James[(1)], Chair	November 2026
Lori Conrad, Vice Chair	November 2028
Dr. Allison B. Campbell	November 2028
Dr. Eric Cummings[(1)]	November 2026
Nancy Thrower[(2)]	November 2026

(1) Re-elected to the School Board for a four-year term ending November 2030.

(2) Term ends on November 17, 2026. Mr. Mike Mills was elected to fill such seat and will take office on November 17, 2026 for a four-year term.

Administration

The Superintendent of Schools is appointed by the School Board and serves as ex officio Secretary to and administrative officer of the School Board. The Superintendent oversees operations of the school system, makes policy recommendations to the School 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 School Board, recommends the tax levy based upon needs illustrated by the budget, recommends debt issuance or borrowing plans of the School Board when necessary, provides recommendations for investment of available funds, and keeps records with respect to all funds and financial transactions of the School Board.

The Superintendent is assisted by a Deputy Superintendent who is responsible for curriculum and instruction, the Chief Financial Officer, the Executive Director of K-12 Academics, a Staff Attorney, the Executive Director of Human Resources, and the Executive Director of Safety & Security. Under each of these administrators are the various Area Superintendents, Senior Executive Directors, Executive Directors, Directors, functionaries and instructional staff personnel who support and service each of the elementary, middle and high schools within the District.

Biographical descriptions of certain members of the District's administrative staff are as follows:

Dr. Danielle Brewer is currently Superintendent of Schools. Dr. Brewer holds degrees from Saint Leo University and earned both an Education Specialist degree and a Doctor of Education in Educational Leadership from National Louis University. Dr. Brewer brings more than 20 years of experience in public education.

Dr. Brewer began her career with the District in 2005 and has served as a teacher, academic coach, dean, assistant principal, principal, Director of Curriculum, Instruction,

and Digital Learning, and Senior Executive Director of High Schools and Secondary Curriculum. These experiences provided her with a deep understanding of the district and the needs of students, educators, and families.

Robert Rios-Welsh is currently the Chief Financial Officer of the District and oversees the Finance-Accounting, Budgeting, Risk Management, Food Services, Payroll and Purchasing Departments of the District. With over 20 years of financial leadership in public sector and non-profits, Mr. Rios-Welsh is responsible for ensuring that District financial resources are strategically managed to support student achievement and community impact, while promoting financial transparency and accountability. Mr. Rios-Welsh holds a Bachelor of Science degree in Biology from Seton Hall University and a Master of Public Administration degree from Rutgers University, with a concentration in budgeting and financial management. He also completed advanced certifications in governmental accounting from the University of Georgia and applied data analytics (machine learning) through a joint program with New York University, the University of Chicago, and the University of Maryland. He joined the District in August of 2025.

Mechelle Marcum is the Director of Budget and oversees the development and implementation of the District's yearly operating and capital budgets. She earned a Bachelor of Science degree in Public Administration as well as a Masters of Public Administration, both from Eastern Michigan University. She has over 25 years of public budgeting experience. She joined the District in March of 2026.

Stephenie Crowder is the Director of Finance-Accounting and oversees the financial accounting department. She received her Masters of Business Administration from St. Leo University. She has experience in public accounting, auditing, and financial reporting. She joined the District in August of 2025.

Total School Personnel

For Fiscal Year 2026-27, the professional staff of the District includes approximately 6,643 full and part-time employees, including 3,024 teachers and 238 principals, assistant principals, administrators and managers. Other personnel include teachers' aides, clerks and secretaries, bus drivers, cafeteria personnel, custodial and maintenance workers, mechanics and warehousemen. The total number of other personnel for the 2026-27 school year is 3,381.

Employee Relations

The percentage of total District employees which are eligible to be represented by the union is approximately 88%. Marion Education Association (MEA) covers 3,106 employees. Marion Educational Support Personnel (MESP) covers 1,535 employees. International Union of Painters and Allied Trades (IUPAT) covers 1,379 employees. The collective bargaining agreements with the MEA and IUPAT expire on

June 30, 2028. The MESP contract expires on June 30, 2027. However, each collective bargaining unit agreement is subject to an annual reopener to negotiate certain terms. The District expects to begin negotiating with the collective bargaining units for the 2026-27 reopener contracts soon. Until new terms are negotiated and approved, the current contracts remain operative. The School Board believes that the employee relations among all segments of the educational community have always been extremely professional and conducive to resolving problems internally in the best interest of the District. A collaborative bargaining process is used for all of the District's union negotiations.

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 (not including employee contributions) to the FRS Pension Plan totaled $29.73 million for the Fiscal Year ended June 30, 2025. At June 30, 2025, the District reported a liability of $197.61 million for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 Fiscal Year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.510826606%, which was a decrease of 0.015744071% from its proportionate share measured as of June 30, 2023. For the Fiscal Year ended June 30, 2025, the District recognized an FRS Pension Plan pension expense of $30.66 million. In addition, the District reported deferred outflows of resources of $83.18 million and deferred inflows of resources of $20.49 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 Plan totaled $6.35 million for the fiscal year ended June 30, 2025. At June 30, 2025, the District reported a net pension liability of $108.22 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2023-24 contributions relative to the total fiscal year 2023-24 contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.72139575%, which was a decrease of 0.002314028% from its proportionate share measured as of June 30, 2023. For the fiscal year ending June 30, 2025, the District recognized the HIS Plan expense of $4.46 million. In addition, the District reported deferred outflows of resources of $10.91 million and deferred inflows of resources of $13.95 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 Investment Plan pension expense totaled $13.58 million for the fiscal year ended June 30, 2025. At June 30, 2025, the District reported a payable of $71,604 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended June 30, 2025.

ALL POTENTIAL PURCHASERS OF THE SERIES 2026 CERTIFICATES SHOULD REVIEW NOTE III. E. 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 MARION COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" SUCH NOTE III. E. 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 Program

In addition to its contributions under the State's retirement plan 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 June 2015, the Governmental Accounting Standards Board issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than*

Pensions ("GASB No. 75"), which was adopted by the District for the Fiscal Year ended June 30, 2018. 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. The beginning net position of the District was decreased due to the implementation of GASB Statement No. 75 and the District's Total OPEB liability reported at June 30, 2017 was increased due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75.

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. For Fiscal Year 2025, 218 retirees received healthcare benefits. The District provided required contributions of approximately $940,137 toward the annual OPEB cost in Fiscal Year 2024-25. 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 total OPEB obligation was $18.35 million as of June 30, 2025.

Below are the details regarding the Total OPEB liability for the measurement period from July 1, 2024 to June 30, 2025:

	Total OPEB Liability
Service Cost	$ 843,755
Interest on the Total OPEB Liability	705,124
Difference on Experience	-
Changes of Assumptions	(149,332)
Benefit Payments	(940,137)
Change in Total OPEB Plan Liability	459,410
Total OPEB Liability at 6/30/2024	17,893,778
Total OPEB Liability at 6/30/2025	$18,353,188

Source: The School Board of Marion County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

For additional information on Total OPEB liability, including assumptions on which the calculation is based, see Note III. F. and the Required Supplementary Information to the District's audited financial statements for the Fiscal Year ended June 30, 2025 which are attached hereto as APPENDIX B.

Accounting Changes

Accounting policies conform with generally accepted accounting principles applicable to state and local governmental units. The District implemented the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* ("GASB 34"), and related GASB pronouncements, during the Fiscal Year ended June 30, 2002. GASB 34 created new basic financial statements for reporting the District's financial activities. The organization of such financial statements for Fiscal Year 2024-25 was as follows:

Basis of Presentation

Government-wide Financial Statements – The government-wide financial statements, (i.e., the statement of net position and 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 non-exchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's 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 is charged to the functional category that initially purchased the related asset.

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 fund. 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.

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 Federal funds received under the Coronavirus Aid, Relief and Economic Security Act.

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, including new construction, renovation and remodeling projects, new and replacement equipment, motor vehicles purchases and debt service payments.

Capital Projects - Other Capital Projects Fund - to account for the financial resources from other sources for educational capital outlay needs, including new construction, renovation and remodeling projects.

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

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

Private-Purpose Trust Fund - to account for resources provided for the benefit of the Silver River Museum.

Custodial Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, and club activities. These assets are held for the benefit of students and the District does not have administrative involvement with the assets nor were the assets derived from the District's sources of revenue received for those students. These funds are combined and reported in one custodial fund of the District. The trusts/donations accounts for those funds collected for a specific restricted purpose that can only be expended in accordance with the donor's provisions as required by the Florida Department of Education.

Budget Process

State law requires the School Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following the County Appraiser's official certification of taxable property, which usually occurs on or about July 1. The School 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 Appraiser prepares tax millage notices for property owners within the School District. The final budget and tax rate are fixed on or before September 25 of each year, following a final public hearing. In accordance with such requirements, the School Board adopted the budget for the 2026-27 Fiscal Year on September 8, 2026.

The Superintendent of Schools is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. Florida law requires the School 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 School Board's hiring plans and materials purchases have been determined before the final budget is adopted.

Auditing System

In addition to local internal audits two other budget reviews are conducted. The Department of Education conducts regular financial compliance reviews of each school district to ensure that local districts comply with state regulations. In conjunction with this review, the Financial Management Section of the Department of Education reviews the cost reporting system of each district to ensure that the Financial and Program Cost Accounting and Reporting for Florida Schools is being properly implemented by the School Board.

District Financial Operations

The financial and accounting practices of the District are designed to conform to generally accepted accounting principles applied to governmental units. The District's accounting system is organized on the basis of funds and accounts groups. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are to be controlled. The accounts for the governmental and agency (general, special revenue, debt service and capital projects) fund types are maintained on a modified accrual basis of accounting, whereby revenues are recognized when they become available and measurable and expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except, primarily, unmatured interest on general long term debt, which is recognized when the interest is due. The proprietary (internal service) fund types are maintained on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

General Fund Operations

The following table summarizes General Fund operations, including Revenues, Expenses and changes in General Fund Balances for the Fiscal Years ended June 30, 2024, and 2025 (audited), 2026 (unaudited) and the budgeted operating figures for the Fiscal Year ending June 30, 2027.

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SELECTED FINANCIAL INFORMATION OF THE SCHOOL DISTRICT
School District of Marion County, Florida
Summary of General Fund Operations

	Audited		Unaudited	Budgeted
	FY 2024	FY 2025	FY 2026[1]	FY 2027[2]
Revenues				
Federal Direct	$464,874	$576,259	$581,046	$556,403
Federal Through State and Local	1,554,484	2,743,536	2,122,122	1,283,400
State Sources	261,182,242	269,894,285	266,279,739	321,313,716
Local	191,009,685	203,482,058	222,228,135	235,514,511
Total Revenues	454,211,285	476,696,138	491,211,042	558,668,030
Expenditures				
Current – Education:				
Instruction	256,148,431	286,442,061	293,775,398	390,921,446
Student Personnel Services	29,389,790	35,189,184	36,709,250	40,601,577
Instructional Media Services	4,620,663	4,888,398	5,087,240	6,198,919
Instruction & Curriculum Development	4,370,124	4,869,853	5,534,626	5,853,042
Instructional Staff Training Services	4,384,158	5,023,167	5,056,377	9,277,762
Instructional Related Technology	2,507,404	2,608,305	2,485,230	2,979,206
Board of Education	1,165,366	1,190,837	1,051,120	1,222,490
General Administration	2,113,990	2,217,231	2,673,593	2,557,060
School Administration	25,408,463	27,043,643	28,237,852	28,627,106
Facility Services	1,403,871	1,887,297	6,800,828	4,426,835
Fiscal Services	4,284,590	4,421,081	4,787,597	6,236,883
Central Services	6,512,709	7,011,825	8,161,687	7,936,403
Student Transportation Services	24,475,789	27,335,009	31,007,388	27,551,113
Operation of Plant	41,177,368	42,955,439	46,834,365	54,268,742
Maintenance of Plant	11,774,599	12,397,555	12,976,612	13,369,177
Administrative Technology Services	4,483,882	5,222,525	6,404,013	8,324,032
Community Services	5,816,705	6,759,194	6,929,855	8,546,341
Capital Outlay:				
Facilities Acquisition & Construction	5,084,803	3,655,755	-	-
Other Capital Outlay	11,441,034	17,981,464	-	-
Debt Service:				
Principal	5,334,536	5,805,192	3,137,762	-
Interest and Fiscal Charges	193,954	242,844	117,291	-
Total Expenditures	452,092,229	505,147,859	507,768,074	618,898,134
Excess (Deficit) Revenues Over Expenditures	2,119,056	(28,451,721)	(16,557,032)	(60,230,104)
Other Financing Sources				
Insurance Loss Recoveries	138,248	572,650	217,654	-
Issuance of Debt – Leases/SBITAs/Loans	8,667,546	14,727,357	1,581,616	-
Sale of Capital Assets		109,228	1,910,580	-
Transfers In	8,346,412	8,246,198	8,249,472	9,132,159
Transfers Out	(21,746)	(21,220)	(76,241)	(22,000)
Total Other Financing Sources (Uses)	17,130,460	23,634,213	11,883,082	9,110,159
Excess (Deficit) Revenues and Other Sources Over Expenditures and Other Uses	19,249,516	(4,817,508)	(4,673,951)	(51,119,945)
Beginning Fund Balance	90,008,533	109,258,051	104,440,538	99,766,578
Total Ending Fund Balance	$109,258,049	$104,440,538	$99,766,578	$48,646,633[3]

(1) The unaudited amounts shown for Fiscal Year 2025-26 are derived from the unaudited Superintendent's Annual Financial Report (ESE 348) (the "AFR") and are subject to change through the auditing process. The District's independent auditors will audit the AFR to prepare the audited financial statements that will be included in the District's Annual Comprehensive Financial Report for Fiscal Year 2025-26.

(2) Subject to amendment from time to time in accordance with applicable law.

(3) 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 2026-27 reflects all funds being spread through school and budget departments, even though not all of such funds are expected to be expended in Fiscal Year 2026-27.

Source: Annual Comprehensive Financial Reports of the District for Fiscal Years 2024 and 2025; Superintendent's Annual Financial Report (Unaudited) for Fiscal Year 2026; Adopted Budget for Fiscal Year 2027.

General Fund Ending 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 district 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 district school board and the Commissioner of Education. Within 14 days after receiving such notification of an ending 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 district school board in complying with the General Fund requirements. In Fiscal Year 2024-25, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 9.6% of General Fund Revenues and in Fiscal Year 2025-26 was 8.5% (unaudited) of General Fund Revenues. For Fiscal Year 2026-27, the District's General Fund ending balance not classified as restricted, committed or nonspendable is budgeted to be 3.5% of General Fund Revenues.

Capital Projects Funds

The following table summarizes results of operations for the capital projects funds of the District for the Fiscal Years ended June 30, 2024 and 2025 (audited), 2026 (unaudited) and the budgeted figures for the Fiscal Year ending June 30, 2027.

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The School District of Marion County, Florida
Summary of Capital Projects Fund Revenues and Expenditures

	Audited		Unaudited[1]	Budget[2]
	2023-24	2024-25	2025-26	2026-27
Beginning Fund Balance	$32,441,194	$362,020,502	$273,692,361	$188,372,947
Revenues				
State Sources	2,441,280	7,267,635	3,854,764	3,604,799
Local Sources	55,618,401	101,843,189	117,964,537	114,171,910
TOTAL Revenues	58,059,681	109,110,824	121,819,301	117,776,709
Other Financing Sources				
Transfers In	332,099,369	886,755	-	-
Loss Recoveries	-	-	-	-
TOTAL Other Sources	332,099,369	886,755	-	-
Expenditures				
Facilities Acquisition & Construction	38,992,886	163,761,685	173,215,592	239,738,761
Debt Service	-	-	-	-
TOTAL Expenditures	38,992,886	163,761,685	173,215,592	239,738,761
Other Uses				
Transfers Out	(21,586,856)	(34,564,037)	(33,923,123)	(34,864,642)
Ending Fund Balance, June 30	$362,020,502	$273,692,359	$188,372,947	$31,546,253[3]

[1] The unaudited amounts shown for Fiscal Year 2025-26 are derived from the unaudited Superintendent's Annual Financial Report (ESE 348) (the "AFR") and are subject to change through the auditing process. The District's independent auditors will audit the AFR to prepare the audited financial statements that will be included in the District's Annual Comprehensive Financial Report for Fiscal Year 2025-26.

[2] Subject to amendment from time to time in accordance with applicable law.

[3] The Ending Fund Balance in prior years represent 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 2026-27 reflects all funds being spread through school and budget departments, even though not all of such funds are expected to be expended in Fiscal Year 2026-27. Based on actual Fiscal Year 2026-27 Revenues and Expenditures to date, the District estimates its Fiscal Year 2026-27 Ending Fund Balance to be $41.5 million.

Source: School District of Marion County, Florida.

Obligations Under Unrelated Lease Purchase Agreements

The School Board has in the past, and may in the future, enter into lease purchase arrangements payable from the Local Option Millage or Discretionary Sales Surtax (each as defined herein) revenues upon terms and conditions other than those in the Master

Lease. Failure to make payments under any such lease agreement, or an event of default under any such lease agreement, will not affect the Lease Terms or cause the termination of the Series 2026 Lease or any other Lease. The School Board periodically enters into lease purchase agreements for the acquisition of various types of equipment. These leases are not part of the Master Lease. See Notes III. J.6. to the Basic Financial Statements in "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF MARION COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS

The School Board derives its revenues for capital outlay projects from certain State and local sources. The major categories of these revenue services are briefly described below. In Fiscal Year 2025-26, excluding existing fund balances, approximately 3.2% (unaudited) of the annual revenues for capital improvements were provided by State revenues, approximately 51.6% (unaudited) were provided by local millage and approximately 45.3% (unaudited) were provided by Discretionary Sales Surtax (as defined herein) revenues and other sources.

State Sources

PECO. One source of State educational funding contributions to the School Board's capital outlay requirements is the Florida Public Education Capital Outlay Program ("PECO"). PECO funds are derived from revenues generated from the gross receipts tax levied on utilities pursuant to Article VII of the Florida Constitution. The vast majority of such revenues are generated from assessments imposed on the sale of telecommunication services and electricity pursuant to Chapter 203, Florida Statutes. The method of allocation of funds to the district school boards is provided by State law based upon a statutory formula, a component of which is the number of full-time equivalent students in the school system. The Commissioner of Education of the State administers PECO and allocates or reallocates funds as authorized by law. In recent years, PECO funds have been almost exclusively allocated to charter schools in the State. The School Board did not receive any non-charter school PECO Funds for Fiscal Years 2024-25 or Fiscal Year 2025-26 (unaudited). The District is not budgeted to receive any non-charter school PECO Funds for Fiscal Year 2026-27. PECO funds are not available to pay Lease Payments.

C.O. and D.S. Funds. The State Capital Outlay and Debt Service Funds ("CO&DS") also provide funds for the School Board's capital outlay requirements. CO&DS funds are derived from a portion of the revenues collected from motor vehicle license charges. The School Board received $2,161,013 in CO&DS funds in Fiscal Year 2024-25 and $2,092,353 in CO&DS funds in Fiscal Year 2025-26 (unaudited). The District is budgeted to receive $1,985,311 in CO&DS funds in Fiscal Year 2026-27. CO&DS are legally available to the School Board to pay the principal component of Basic Lease Payments,

but only if the Project financed thereby appears on a project priority list approved by the State Board of Education. The components of the Series 2026 Facilities are not on a project priority list approved by the State Board of Education.

Other State Sources. Under the Act the District may be entitled to receive other state revenues pursuant to other programs if the District achieves certain standards relating to its capital outlay efforts. Some of such revenues may be used to make lease-purchase payments. It is not possible at this time to determine or estimate the amount of such state revenues, if any, that the District may receive in the future.

Local Sources

AS DESCRIBED HEREIN, THE SCHOOL DISTRICT EXPECTS TO PAY A PORTION OF THE BASIC LEASE PAYMENTS WITH RESPECT TO THE SERIES 2026 CERTIFICATES RELATING TO THE DUNNELLON MIDDLE/HIGH SCHOOL AND NORTH END ELEMENTARY SCHOOL COMPONENTS OF THE SERIES 2026 FACILITIES (THE "SALES TAX PORTION OF THE SERIES 2026 CERTIFICATES") FROM THE DISCRETIONARY SALES SURTAX DESCRIBED BELOW. HOWEVER, THE SCHOOL BOARD ALSO EXPECTS TO USE THE LOCAL OPTION MILLAGE LEVY REVENUES DESCRIBED BELOW TO PAY THE PORTION OF BASIC LEASE PAYMENTS WITH RESPECT TO THE PORTION OF THE SERIES 2026 CERTIFICATES RELATING TO THE BOOSTER STADIUM COMPONENT OF THE SERIES 2026 FACILITIES (THE "LOML PORTION OF THE SERIES 2026 CERTIFICATES").

NOTWITHSTANDING THE FOREGOING, THE SCHOOL BOARD DOES NOT HAVE THE ABILITY TO APPROPRIATE BASIC LEASE PAYMENTS FOR ONE LEASE OR SOME COMBINATION OF LEASES ONLY. THE SCHOOL BOARD'S ANNUAL APPROPRIATION FOR BASIC LEASE PAYMENTS MUST BE FOR ALL LEASES UNDER THE MASTER LEASE PROGRAM OR IT MUST TERMINATE ALL LEASES UNDER THE MASTER LEASE. IN THE EVENT THE SCHOOL BOARD DECIDES NOT TO APPROPRIATE FUNDS IN ITS ANNUAL BUDGET FOR ALL OF SUCH LEASES, THE SCHOOL BOARD WOULD, AT THE TRUSTEE'S OPTION, HAVE TO SURRENDER MASTER LEASED FACILITIES, INCLUDING THE SERIES 2026 FACILITIES (OTHER THAN DESIGNATED EQUIPMENT), TO THE TRUSTEE FOR THE BENEFIT OF THE OWNERS OF THE CERTIFICATES WHICH FINANCED OR REFINANCED SUCH FACILITIES.

School Capital Outlay Sales Surtax. Chapter 212, Florida Statutes, imposes a 6% sales tax on the sales price of tangible personal property sold at retail in the State, subject to certain exemptions therefrom. A similar tax is imposed on the cost price of tangible personal property when the property is not sold, but is used, consumed, distributed or stored 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 the 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.

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 herein described Discretionary Sales Surtax. The proceeds of the Discretionary Sales Surtax are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund is to be established for each county or school board imposing such a surtax. FDOR is authorized to deduct up to 3% of the total revenue generated for all counties or school boards 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 or school boards levying the surtax on the basis of the amount collected for a particular county or school board to the total amount collected for all counties or school boards.

Pursuant to Section 212.15, Florida Statutes, vendors are required to remit sales tax 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, FDOR consistently remits the surtax proceeds to such local governing bodies by the twenty-fifth (25th) day of the month immediately following receipt by FDOR.

On February 13, 2024, the School Board duly adopted a 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 shall be applied to pay the costs of expanding, construction and improving school facilities. On November 5, 2024, 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 10-year period which commenced January 1, 2025 and ends December 31, 2034. For the six-months ended

June 30, 2025, the District received $20.6 million in Discretionary Sales Surtax revenues and for the Fiscal Year ended June 30, 2026, received $33.4 million (unaudited) in Discretionary Sales Surtax revenues. For the Fiscal Year ending June 30 2027, the District is budgeted to receive $38.7 million in Discretionary Sales Surtax revenues.

Coverage from Discretionary Sales Surtax Revenues of Sales Tax Portion of the Basic Lease Payments Represented by the Series 2026 Certificates

	Fiscal Year 2026
Discretionary Sales Surtax Revenues	$33,364,310[(1)]
Maximum Annual Basic Lease Payments Represented by the Sales Tax Portion of the Basic Lease Payments Represented by the Series 2026 Certificates	$28,103,500[(2)]
Coverage	1.19x

(1) Unaudited, actual figure. Exclusive of interest income.

(2) Preliminary, subject to change. Assumes approximately 82% of the Basic Lease Payments represented by the Series 2026 Certificates will be paid from Discretionary Sales Surtax revenues.

The amount of Discretionary Sales Surtax 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 sales tax, which may include changes in the scope of taxable sales, and (iii) other factors which may be beyond the control of the District.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE SCHOOL BOARD EXPECTS TO PAY THE SALES TAX PORTION OF THE BASIC LEASE PAYMENTS REPRESENTED BY THE SERIES 2026 CERTIFICATES FROM DISCRETIONARY SALES SURTAX REVENUES. HOWEVER, THE LOCAL OPTION MILLAGE LEVY DESCRIBED BELOW WILL BE USED TO PAY THE LOML PORTION OF THE BASIC LEASE PAYMENTS WITH RESPECT TO THE SERIES 2026 CERTIFICATES. SEE ALSO, "RISK FACTORS - FLUCTUATIONS IN DISCRETIONARY SALES SURTAX REVENUES" HEREIN.

WHILE THE SCHOOL BOARD EXPECTS TO USE DISCRETIONARY SALES SURTAX REVENUES TO PAY THE SALES TAX PORTION OF THE BASIC LEASE PAYMENTS REPRESENTED BY THE SERIES 2026 CERTIFICATES, THE DISCRETIONARY SALES SURTAX REVENUES ARE NOT PLEDGED TO THE PAYMENT OF THE SERIES 2026 CERTIFICATES, AND THE HOLDERS OF THE SERIES 2026 CERTIFICATES WILL NOT HAVE A LIEN UPON ANY DISCRETIONARY SALES SURTAX REVENUES. ADDITIONALLY, THE

DISCRETIONARY SALES SURTAX REVENUES MAY BE PLEDGED TO SECURE OTHER BONDS OR OBLIGATIONS ISSUED BY THE DISTRICT IN THE FUTURE AND THE HOLDERS OF SUCH BONDS OR INDEBTEDNESS WOULD HAVE A PRIOR LIEN UPON SUCH DISCRETIONARY SALES SURTAX REVENUES. NOTWITHSTANDING THE FOREGOING, THE DISTRICT DOES NOT CURRENTLY ANTICIPATE THE ISSUANCE OF ANY BONDS OR OBLIGATIONS SECURED BY A PLEDGE OF, AND LIEN UPON, THE DISCRETIONARY SALES SURTAX REVENUES.

Educational Facilities Impact Fee. In order to assure that new residential development bears a proportionate share of the cost of capital expenditures necessary to provide educational facilities required as a result of such development, the Board of County Commissioners of the County enacted Ordinance No. 06-23 on July 18, 2006. Pursuant to the Ordinance No. 06-23, all residential construction occurring within the County, both within the unincorporated County and within the municipalities therein, is subject to the imposition of an educational impact fee (the "Educational Facilities Impact Fee"). However, the County had suspended the collection of the Educational Facilities Impact Fee since 2011, but on March 5, 2024, the County enacted an Ordinance (the "Educational Facilities Impact Fee Ordinance"), which reinstated collection of the Educational Facilities Impact Fee at the rates set forth therein and described below. The collection of the Educational Facilities Impact Fee resumed in July 2024.

The Educational Facilities Impact Fee Ordinance provides for the calculation, collection, deposit and transfer of the Educational Facilities Impact Fee. Amounts collected by the County and municipalities therein pursuant to the imposition of the Educational Facilities Impact Fee (the "Educational Facilities Impact Fee Revenues") are required to be transferred to the School Board for deposit in the trust account established for the corresponding Educational Benefit District (as defined herein), as provided in the Educational Facilities Impact Fee Ordinance. The amount of the Educational Facilities Impact Fee imposed on each new residential development is based on the capital cost required to serve the increased demand for capital educational facilities resulting from the proposed new residential development as reflected by a formula set forth in the Educational Facilities Impact Fee Ordinance and the Marion County Public Schools Educational Facilities Update Study, dated September 13, 2023 (the "Educational Impact Fee Study"). For the purpose of ensuring that feepayers receive sufficient benefit for Educational Facilities Impact Fees paid, the Educational Facilities Impact Fee Ordinance establishes five (5) separate educational benefit districts whose collective geographical boundaries are coterminous with the geographical boundaries of the County. The Educational Facilities Impact Fee Ordinance requires that the School Board expend Educational Facilities Impact Fee Revenues within each Benefit District to fund the cost of additional educational and related facilities and capital assets.

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The County's current Educational Facilities Impact Fee schedule (reflecting a 40% collection rate) is as follows:

Land Use	Educational Impact Fee
Single Family Detached/Mobile Home on Lot, per dwelling unit	$4,307
Single Family Attached/Townhouse, per dwelling unit	2,020
Multi-Family (Condominiums)	1,990
Multi-Family Apartments	
- 700 square feet and under	1,604
- 701 to 900 square feet	3,847
- 901 to 1,200 square feet	4,337
- Greater than 1,200 square feet	5,525
Mobile Home Park, per dwelling unit	2,866

As described below, the Local Option Millage Levy constitutes the primary source of funds to make Basic Lease Payments represented by the outstanding Certificates and any additional Certificates issued in connection with the Master Lease or any other lease purchase arrangement entered into by the School Board. However, in connection with the issuance of the Series 2024 Certificates, it was determined that approximately 78% of the Series 2024 Facilities represented growth necessitated capital improvements, the Educational Facilities Impact Fee Revenues were legally available to pay that portion of Basic Lease Payments represented by the Series 2024 Certificates relating to the Educational Facilities Impact Fee eligible portion of the Series 2024 Facilities. As such, the School Board could pay up to 78% of the Basic Lease Payments represented by the Series 2024 Certificates (the "Impact Fee Eligible Portion of the Series 2024 Certificates") from the Educational Facilities Impact Fee Revenues, to the extent that the same are received from the County and available to the School Board to make such payments. However, the School Board does not expect to receive an amount of Educational Facilities Impact Fee Revenues each year that would allow the School Board to pay all of the Impact Fee Eligible Portion of the Series 2024 Certificates from Educational Facilities Impact Fee Revenues. Rather, the School Board intends to utilize substantially all of the annual Educational Impact Fee Revenues to pay as much of the Basic Lease Payments represented by the Impact Fee Eligible Portion of the Series 2024 Certificates as can be paid from such revenues each year and pay the remaining Basic Lease Payments represented by the Series 2024 Certificates (the "LOML Portion of the Series 2024 Certificates") each year from the Local Option Millage Levy described below.

The Educational Facilities Impact Fee Ordinance and the Educational Impact Fee Study are subject to mandatory review by the County, in consultation with the School Board at least once every five years. Therefore, there can be no assurance that such revenues will be continued to be levied at the same rates and available to the

School Board in the future. See also, "RISK FACTORS – Educational Facilities Impact Fee" herein.

The Educational Facility Impact Fees described above are available to pay the Impact Fee Eligible Portion of the Series 2024 Certificates. With respect to the LOML Portion of the Series 2024 Certificates, the School Board expects to utilize the Local Option Millage Levy to pay the LOML Portion of the Series 2024 Certificates.

Historical and Projected Educational Facilities Impact Fee Revenues. The following table sets forth the historical Educational Facilities Impact Fee Revenues for 2025 and 2026 and the projected amount of Educational Facilities Impact Fee Revenues for the following three years based on the Educational Impact Fee Study. As noted above, Basic Lease Payments represented by the Impact Fee Eligible Portion of the Series 2024 Certificates are payable from the Educational Facilities Impact Fee Revenues and the School Board expects to pay as much of the Impact Fee Eligible Portion of the Series 2024 Certificates as it can from such Educational Facilities Impact Fee Revenues each year and then utilize Local Option Millage Levy revenues to pay the remaining Basic Lease Payments represented by the Series 2024 Certificates.

School District of Marion County, Florida
Historical and Projected Educational Facilities Impact Fee Revenues

Fiscal Year Ended June 30	Educational Impact Fee Revenues
2025	$11,661,279[(1)]
2026	12,241,392[(2)]
2027	8,300,000[(3)]
2028	12,813,325[(4)]
2029	12,059,600[(4)]

[(1)] Audited figure.
[(2)] Unaudited figure.
[(3)] Budgeted figure.
[(4)] Based on the following assumptions. Actual revenue may vary to a significant degree:

(a) All housing will be Single Family Residential or Mobile Home on a lot. Single Family Residential has historically been the majority housing type constructed in the County.
(b) Assumes a fee of $4,307 per each Single Family Detached or Mobile Home on a Lot.
(c) The maximum number of units constructed will be 3,500 (2024-25) and the minimum number of units (2028-29) will be 2,800 based on the Educational Impact Fee Study.

Source: School District of Marion County Florida, Planning and Governmental Relations Department.

There can be no assurance that Educational Facilities Impact Fee Revenues will be available to the School Board in the future, as educational impact fee rates, as well as their levy, are subject to the discretion of the Board of County Commissioners of the County. The County suspended collection of the Educational Facilities Impact Fee from 2011 until approving the resumption of collection pursuant to the Educational Facilities Impact Fee Ordinance beginning in July 2024. In addition, Educational Facilities Impact Fee Revenue collections will also vary depending on the rate at which the Educational Facilities Impact Fee is imposed, the categories of the buildings on which they are imposed, and the rate of new construction in the County, all of which are outside the control of the School Board. Therefore, the amount of revenues the School Board can expect to receive in future years from the levy of the Educational Facilities Impact Fee, and in turn, the amount of Educational Facilities Impact Fee Revenues, if any, available to pay Basic Lease Payments on the Impact Fee Eligible Portion of the Series 2024 Certificates is subject to fluctuation from year to year. See "RISK FACTORS – Educational Facilities Impact Fee" herein. NOTWITHSTANDING THE FOREGOING, THE SCHOOL BOARD EXPECTS TO USE THE EDUCATIONAL FACILITIES IMPACT FEE REVENUES FOR PAYMENT OF IMPACT FEE ELIGIBLE PORTION OF BASIC LEASE PAYMENTS REPRESENTED BY THE SERIES 2024 CERTIFICATES (BUT NOT THE SERIES 2026 CERTIFICATES). HOWEVER, THE SCHOOL BOARD HAS NOT PLEDGED THE EDUCATIONAL FACILITIES IMPACT FEE REVENUES FOR SUCH PURPOSE AND NEITHER THE HOLDERS OF THE SERIES 2024 CERTIFICATES NOR THE HOLDERS OF THE SERIES 2026 CERTIFICATES HAVE A PLEDGE OF, OR LIEN UPON, EDUCATIONAL FACILITIES IMPACT FEE REVENUES. AS DESCRIBED ABOVE, IN THE EVENT EDUCATIONAL FACILITIES IMPACT FEE REVENUES ARE NOT SUFFICIENT TO PAY THE IMPACT FEE ELIGIBLE PORTION OF THE SERIES 2024 CERTIFICATES, THE SCHOOL BOARD EXPECTS TO USE THE LOCAL OPTION MILLAGE REVENUES DESCRIBED BELOW FOR SUCH PURPOSE.

Local Option Millage. School boards may levy a non-voted millage (the "Local Option Millage") for capital outlay and maintenance purposes, pursuant to Section 1011.71(2), Florida Statutes. Currently, the maximum amount of Local Option Millage may be up to 1.50 mills. Revenues from the Local Option Millage may be used to fund, among other things, new construction, remodeling, site acquisition and improvement; maintenance and repair; school bus purchases; payments under lease purchase agreements and certain short-term loans. Prior to July 1, 2012, payments from the Local Option Millage for lease-purchase agreements for educational facilities and sites were not permitted to exceed three-fourths of the revenues of the Local Option Millage. However, effective July 1, 2012, the three-fourths limitation was waived for lease-purchase agreements originally entered into prior to June 30, 2009. **The School Board is not required to levy any millage for capital outlay purposes in the future. Since revenues from the Local Option Millage may be used for, but are not pledged to, the payment of Basic Lease Payments under the Series 2026 Lease and the Prior Leases, the failure**

of the School Board to levy all or a portion of the Local Option Millage would have an adverse effect on available revenues from which the School Board may appropriate funds to make Basic Lease Payments. In the event that revenues generated from the Local Option Millage are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating levy may be used to make such Lease Payments. Additionally, if the revenue from 1.50 mills is insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical capital needs, a school board may elect to levy up to 0.25 mills for capital purposes in lieu of a like amount of discretionary operating millage. Pursuant to recently enacted legislation, school districts must share a portion of the Local Option Millage revenues with eligible charter schools in such school district. See "– Sharing of Local Option Millage with Charter Schools" below.

The following table sets forth the District's capital outlay levies for Fiscal Year 2026-27:

Local Option Millage	District Levy	Description	Max
Local Option Millage	1.500 mills	Non-voted millage for capital outlay and maintenance purposes.	1.500 mills
Capital Outlay Discretionary Millage	0.00 mills	If revenue from the Local Option Millage is insufficient to make payments due under a lease purchase agreement entered into prior to June 30, 2009, or to meet other critical school district fixed capital outlay needs, a school board may levy up to an additional .25 mills of Local Option Millage in addition to the 1.5 mills, in lieu of levying an equivalent amount of the discretionary mills for operations (i.e., Current Operating Discretionary Millage)	0.250 mills

In Fiscal Years 2024-25 and 2025-26, the District received $55.91 million and $61.60 million (unaudited), respectively, in Local Option Millage revenues. For Fiscal Year 2026-27, the District is budgeted to receive $67.19 million in Local Option Millage revenues.

Sharing of Local Option Millage with Charter Schools. On May 11, 2023, CS/CS/HB 1259 ("HB 1259") was signed into law by Florida Governor Ron DeSantis. HB 1259 modifies the provisions of Section 1013.62, Florida Statutes, relating to Local Option Millage revenues that are required to be shared with eligible charter schools in each school district in the State. HB 1259 removes a previously existing State funding threshold for purposes of determining whether Local Option Millage revenues must be shared with

eligible charter schools in a school district and establishes a five-year glide path of local sharing of Local Option Millage 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 Local Option Millage revenues by the school district's annual debt service for obligations incurred as of March 1, 2017, which are being satisfied by Local Option Millage revenues and which have not been subsequently retired. The remaining Local Option Millage 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 schools 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 Local Option Millage 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 were multiplied by 20% for Fiscal 2023-24 and increase 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. These provisions of HB 1259 are expected to reduce the amount of Local Option Millage revenues available to the School Board to make Basic Lease Payments on the Certificates. For Fiscal Year 2025-26, the District shared $451,884 in Local Option Millage revenues with eligible charter schools in the District and for Fiscal Year 2026-27 is estimated to share $602,513 in Local Option Millage revenues with eligible charter schools in the District. Such amount is projected to increase to approximately $753,141 by Fiscal Year 2030-31. However, the School Board does not expect any such reduction to adversely impact its ability to make Basic Lease Payments.

Maximum Cost Per Student Station. A school board may not use revenues from the Local Option Millage to pay for any portion of the cost of any new construction of educational plant space with a total cost per student station, including change orders, in excess of the amounts set forth in Section 1013.64(6)(b)1., Florida Statutes, as adjusted (the "Maximum Cost Per Student Station"). For purposes of calculating the Maximum Cost Per Student Station, certain costs such as legal and administrative costs, site improvement costs (incidental to construction), costs related to school security/hardening capital improvements, among other costs, are not included. 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 district school board (i) may use certain local funding sources (including local option sales surtaxes, educational 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 the Local Option 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 Maximum Cost Per Student Station requirements or for costs which are not included in Maximum Cost Per Student Station calculation.

On March 27, 2023, the Governor of the State signed House Bill No. 1 ("HB 1") into law. HB 1 provides, among other things, that an unfinished construction project for new construction of educational plant space that was started on or before July 1, 2026, is exempt from the Maximum Cost Per Student Station limits. Pursuant to CS/SB 7002, which was passed during the 2024 regular Florida legislative session, the exemption from the Maximum Cost Per Student Station limits was extended to construction projects that start on or before July 1, 2028. The Series 2026 Facilities are construction projects for new construction of educational plant space that will be started on or before July 1, 2028 and are therefore exempt from the Maximum Cost Per Student Station limits.

Local Option Millage Required to Cover Certificate Payments

As described above, the School Board expects to use Discretionary Sales Surtax revenues to pay a portion of the Sales Tax Portion of the Basic Lease Payments represented by the Series 2026 Certificates (for purposes of the table, this amount is estimated to be $224,817,053* or an average of $28,102,132* per year from 2027 through 2034, inclusive, or approximately 82.2% of the annual Basic Lease Payments represented by the Series 2026 Certificates). The School Board expects to use Local Option Millage revenues to pay the LOML Portion of the Series 2026 Certificates (for purposes of the table, representing the remaining $48,493,354* or an average of $1,285,064* in the years 2027 through 2044, inclusive, and $25,362,200* at final maturity in 2045 or 17.8% of the annual Basic Lease Payments represented by the Series 2026 Certificates). The following table sets forth the millage levy that would provide 1.00x coverage of the maximum annual Basic Lease Payments represented by the LOML Portion of the Series 2026 Certificates and the Prior Certificates (for purposes of this table, reflecting only the LOML Portion of the Series 2024 Certificates representing 53% of the annual Basic Lease Payments represented by the Series 2024 Certificates) based on current law, assuming 96% collection of the taxes levied:

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* Preliminary, subject to change.

Anticipated Local Option Millage Required to Cover Maximum Annual Basic Lease Payments Represented by the LOML Portion of the Series 2026 Certificates, the LOML Portion of the Series 2024 Certificates and the Prior Certificates

Fiscal Year 2026-27	
Net Taxable Assessed Valuation[(1)]	$46,657,965,626
Local Option Millage	1.50 mills
Assumed Tax Collection Rate	96.0%
Total Revenue Generated by 1.50 mills Levy at 96% Collection	**$67,187,471**
FY 26-27 Local Option Millage Required to Satisfy Maximum Annual Basic Lease Payments Represented by the LOML Portion of the Series 2026 Certificates, the LOML Portion of the Series 2024 Certificates and the Prior Certificates	
Maximum Annual Basic Lease Payments Represented by the LOML Portion of the Series 2026 Certificates, the LOML Portion of the Series 2024 Certificates and the Prior Certificates (Fiscal Year 2044-45)[(2)]	$25,362,200
Minimum Local Option Millage Needed to Satisfy Maximum Annual Lease Payments Represented by the LOML Portion of the Series 2026 Certificates, the LOML Portion of the Series 2024 Certificates and the Prior Certificates[(3)]	0.566 mills
Sharing of the Local Option Millage with Eligible District Charter Schools	
Estimated Total Allocation of Local Option Millage to Eligible District Charter Schools	$1,541,696[(3)]
Less Total Amount of State Charter School Local Option Funding Allocated to Eligible District Charter Schools	$788,555[(3)]
Maximum Local Option Millage Revenue Shared with Eligible District Charter Schools[(4)]	$602,513
Maximum Local Option Millage Shared with Eligible District Charter Schools	0.013 mills
Minimum Local Option Millage Revenue Remaining after Charter School Payments	$66,584,958
Local Option Millage Available After Basic Lease Payments and Charter School Payments	
Minimum Remaining Local Option Millage	0.920 mills
Total Minimum Remaining Revenue Anticipated from Local Option Millage	$41,222,758

(1) Preliminary July 1, 2026 certified figure. Prior to adjustments on appeals from taxpayers. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser" herein.

(2) Assumes the Prior Certificates have the financial arrangements, assumptions, and accounting practices described in footnotes under "PRIOR CERTIFICATES PAYMENT SCHEDULE." Assumes the Series 2026 Certificates are issued in the aggregate principal amount of $210,150,000 with a true interest cost of 4.06% and a final maturity of June 1, 2045. Assumes that $12,059,600 of the annual Basic Lease Payments represented by the Series 2024 Certificates will be paid from Educational Facilities Impact Fee Revenues and $28,103,500 of the annual Basic Lease Payments represented by the Series 2026 Certificates will be paid from Discretionary Sales Surtax revenues. In the event no Educational Facilities Impact Fee Revenues or Discretionary Sales Surtax revenues were available to pay the maximum annual Basic Lease Payments represented by the Series 2024 Certificates and Series 2026 Certificates, respectively, the School Board would need to levy a minimum millage of 1.231 mills to satisfy the maximum annual Basic Lease Payments represented by the Series 2026 Certificates and the Prior Certificates.

(3) Under current law, the 75% limitation on the use of the Local Option Millage revenues for the payment of lease-purchase agreements is waived for lease-purchase agreements originally entered into prior to June 30, 2009. Except for the Series 2024 Lease, the Prior Leases were originally entered into prior to June 30, 2009 and are therefore not subject to the 75% limitation.

(4) Based on requirements of HB 1259 for Fiscal Year 2025-26. This figure reflects the amount shared with eligible charter schools in Fiscal Year 2025-26 plus 20% (reflecting 80% of the difference between the Estimated Total Allocation of Local Option Millage to Eligible Charter Schools and the Total Amount of State Charter School Local Option Funding Allocated to Eligible District Charter Schools shown above); however, such distributions are phased over five years. At this time, the actual amount of the Local Option Millage Levy revenues to be shared with eligible charter schools in Fiscal Year 2026-27 and future years cannot be determined because the number of eligible charter schools and charter school enrollment are unknown. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources - Sharing of Local Option Millage with Charter Schools" herein.

Source: School District of Marion County, Florida.

General Obligation Debt. In addition to the Local Option Millage levy, qualified electors, by referendum, may vote an additional millage levy for District operation and capital outlay purposes, as prescribed by the Florida constitution and applicable statutes. The majority of the qualified electors voting within the District may authorize the issuance of general obligation bonds for school construction and renovation, the debt service on which is paid from ad valorem school district taxes levied on all taxable real and personal property within the District, excluding exempt property as required by Florida law. The District currently has no general obligation bonds outstanding.

OPERATING REVENUES OF THE DISTRICT

The District derives its operating income from a variety of federal, State and local sources. The major categories of these income sources for the operating funds are briefly described below. **Prospective purchasers should assume that operating funds will not be available to make Lease Payments and that such payments will be made solely from capital outlay funds.** See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein.

State Sources

The District's two major sources of funds from the State are (i) the basic Florida Education Finance Program ("FEFP") receipts and (ii) FEFP categorical program receipts.

Florida Education Finance Program. The major portion of State support is distributed under the provisions of the Florida Education Finance Program, which was enacted by the State Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent ("FTE") student basis and through a formula that takes into account: (i) varying program costs; (ii) cost differentials between districts; (iii) differences in per-student costs due to the density of student population; and (iv) the required level of local support. Program cost factors are determined by the State Legislature each year. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in other variables comprising the formula, as well as to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in each county. To participate in FEFP funding, the District must levy a minimum millage for operating purposes, which is set by the State Department of Education. The District's general fund receipts from the State for FEFP pursuant to the above formula for Fiscal Years 2024-25 and 2025-26 were $215.35 million and $212.05 million (unaudited), respectively, and are budgeted at $268.43 million for Fiscal Year 2026-27.

FEFP categorical programs are lump sum appropriations from the State intended to supplement local school district revenues to enhance the delivery of educational and support services by each school district. In recent years, most categorical programs have

been eliminated and the funds are now earmarked within the FEFP base student allocation. The class size reduction categorical is the largest of the categorical funds that has not been earmarked within the FEFP base student allocation. The allocation for class size reduction is based on a funding formula. The majority of the funds available require appropriation by the School Board for the purposes for which they were provided. Class size reduction funds were $44.90 million and $44.78 million (unaudited) for Fiscal Years 2024-25 and 2025-26, respectively, and are budgeted at $44.96 million for Fiscal Year 2026-27.

State Lottery Revenues. A portion of the revenues generated from the State lottery is distributed to each Florida school district as Discretionary Lottery revenue and Florida School Recognition Program revenue. The Florida School Recognition Program recognizes schools that have received an "A" or improved at least one letter grade from the previous school year and, under Florida Statutes, is required to be used for nonrecurring bonuses for school faculty and staff, nonrecurring expenditures for educational equipment or materials, for temporary personnel to assist schools in maintaining or improving student performance, or any combination of these. The District received $1.10 million in Florida School Recognition Program revenues in Fiscal Years 2024-25 and $981,667 in Florida School Recognition Program revenues in 2025-26. The District expects to receive $1.23 million under the Florida School Recognition Program in Fiscal Year 2026-27. The District did not receive any Discretionary Lottery revenues in Fiscal Years 2024-25 or 2025-26 and is not budgeted to receive any Discretionary Lottery revenues in Fiscal Year 2026-27.

The District also receives State educational funding from a variety of miscellaneous State programs. These sources include racing commission funds and State mobile home license tax revenues.

Local Sources

Ad Valorem Taxes. Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills ($10 per $1,000 of taxable real and personal property value). The millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies. Chapter 1011, Florida Statutes, further limits the millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State of Florida Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the State Legislature and certified by the Commissioner of the State of Florida Department of Education and is referred to as the

district "required local effort." For Fiscal Year ending June 30, 2027, the District's required local effort is 3.028 mills and for the Fiscal Year ended June 30, 2026, was 3.058 mills. In addition to such required local effort millage for Fiscal Year 2026-27, the District levied a Prior Period Funding Adjustment Millage of 0.018 mills and levied 0.014 mills for Fiscal Year 2025-26 as required by Section 1011.62(4)(e), Florida Statutes. Such Prior Period Funding Adjustment Millage is levied when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage.

In addition to the "required local effort," school districts are entitled to an additional non-voted current operating "discretionary millage" not to exceed an amount established annually by the legislature and up to 1.5 mills for capital outlay and maintenance of school facilities. However, the District may levy up to an additional 0.25 mills for capital outlay and maintenance of school facilities in lieu of operating discretionary millage. For Fiscal Year ended June 30, 2026, the District's discretionary operating millage was 0.748 mills and is 0.748 mills for the Fiscal Year ending June 30, 2027. The District did not levy any capital outlay discretionary millage for Fiscal Years 2025-26 or 2026-27. See "AD VALOREM TAXATION - Millage Set by Local Governing Body - District Millage Rates" herein.

The District, pursuant to authority granted in Section 1011.71(9), Florida Statutes, sought voter approval for the levy of an additional 1.00 mills for operating purposes for a period of four years, which levy was originally approved in Fiscal Year 2013-14 and has been re-approved every four years since. The levy was renewed by the voters for an additional four years at a November 2022 referendum, with the levy to continue through Fiscal Year 2026-27. The voters approved renewal of this levy for an additional four years at the November 2026 general election. The District must share revenues from this millage with charter schools in the District. See "AD VALOREM TAXATION - Tax Collection and Distribution by Tax Collector" herein.

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The following table sets forth the District's operating millage levies for Fiscal Year 2026-27:

Operating Millage	District Levy	Description	Max
Required Local Effort	3.028 mills	Each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the State Legislature	3.028 mills
Prior Period RLE Adjustment	0.018 mills	Non-voted; not to exceed amount established annually by the State; authorized when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage	0.018 mills
Current Operating Discretionary Millage	0.748 mills	Non-voted; not to exceed amount established annually by the State Legislature	0.748 mills
Additional Operating Millage (Voter Approved)	1.000 mills	School boards may, upon approval by voters in a local referendum or general election, levy an additional millage for operating needs up to an amount that when combined with the non-voted millage does not exceed 10 mills. Such levy shall be for a maximum of four years.	1.000 mills

Budgeted revenues from ad valorem taxes were based on applying millage levies to ninety-six percent (96%) of the non-exempt assessed valuation of real and personal property within the County. Ad valorem tax receipts for operating purposes increased from $178.53 million for Fiscal Year 2024-25 to $197.96 million (unaudited) for Fiscal Year 2025-26. Ad valorem taxes for operating purposes are budgeted to be $214.73 million for Fiscal Year 2026-27.

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Federal Sources

The District receives certain Federal moneys, both directly and through the State, substantially all of which are restricted for specific programs. Direct Federal revenue sources were $576,258 and $581,046 (unaudited) in Fiscal Years 2024-25 and 2025-26, respectively, and are budgeted at $556,403 for Fiscal Year 2026-27. Federal funds through the State and local totaled $2,743,536 and $2,122,122 (unaudited) in Fiscal Years 2024-25 and 2025-26, respectively, and are budgeted to be $1,283,400 in Fiscal Year 2026-27.

AD VALOREM TAXATION

The following information is provided in view of the fact that a large portion of the School Board's revenues are derived from ad valorem taxation.

Property Assessment and County Property Appraiser

General. Ad valorem taxes may be levied only by counties, school districts, municipalities, and certain special districts (railroad properties are centrally assessed at the State level). No State ad valorem taxes shall be levied upon real estate or tangible personal property. State law requires that all ad valorem taxation be assessed at a uniform rate within each taxing unit and, with certain exceptions, that real and personal property subject to ad valorem taxation be assessed at 100% of its just value. See "– Limitation on Increase in Assessed Value of Property" below. The following property is generally subject to taxation in the manner provided by law: (a) all real and personal property in the State and all personal property belonging to persons residing in the State; and (b) all leasehold interests in property of the United States, of the State, or any political subdivision, municipality, agency, authority, or other public body corporate of the State. Pursuant to the Constitution of the State of Florida and State law, certain of such property may be exempt from ad valorem taxation. See "– Exemptions from Ad Valorem Taxation" below.

Determination of Property Valuation. The Property Appraiser determines property valuation on real and tangible personal property subject to ad valorem taxation as of January 1 of each year. By July 1 of each year, the Property Appraiser notifies the County, the District, each municipality within the County, and each other legally constituted special taxing district within the County as to its just valuation, the legal adjustments and exemptions, and the taxable valuation. The taxable valuation is then used by each taxing body to calculate its ad valorem millage for the budget year. See "– Limitation on Increase in Assessed Value of Property" and "– Millage Set by Local Governing Body" below for limitations on increases in assessed value of property.

Limitation on Increase in Assessed Value of Property. The Constitution of the State of Florida limits the increases in assessed just value of homestead property to the lower of (a) 3% of the assessment for the prior year or (b) the percentage change in the Consumer

Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just value is known as the "Save Our Homes Benefit." Further, any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to $500,000 of their Save Our Homes Benefit to a new homestead property purchased within three years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, commencing January 1, 2027, assessment increases for specified non-homestead real property may not exceed 5% of the assessment for the prior year. See "– Legislation Relating to Ad Valorem Taxation – Recent Amendments Relating to Ad Valorem Taxation" below.

Preparation of Tax Roll. The Property Appraiser applies the final certified millage of each taxing body to the assessed valuation on each item of real and tangible personal property and prepares the final tax roll which is certified to the Tax Collector by October 1. This permits the printing of tax bills for delivery on November 1 of each year. The tax bills contain all of the overlapping and underlying millages set by the various taxing bodies. All ad valorem taxes are collected by the Tax Collector and distributed to the various taxing bodies. See "– Tax Collection and Distribution by Tax Collector" below.

Appealing Property Valuation. Concurrently with notification to the various taxing bodies, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on his or her property. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (a) request an informal conference with the Property Appraiser to resolve the issue, (b) file a petition with the clerk of the County value adjustment board (the "Adjustment Board"), or (c) appeal to the Circuit Court within 60 days of the certification for collection of the tax roll or within 60 days of the issuance of a final decision by the Adjustment Board. A petition to the Adjustment Board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization for representation by a qualified person. Property

owners appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to the properties that will have a petition pending on or after the delinquency date (normally April 1). A property owner's failure to make the required partial payment before the delinquency date will result in the denial of the property owner's petition. A taxpayer receives notice of the hearing and is required to provide the Property Appraiser with a list of evidence, copies of documentation, and summaries of testimony prior to the hearing before the Adjustment Board. The Adjustment Board holds public hearings on such petitions and may make adjustments to the valuations made by the Property Appraiser if such valuations are found not to be fair and at market value. The Adjustment Board must complete all required hearings and certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

Assessed Valuation of Taxable Property

The following table sets forth the percentage of taxable assessed value to total assessed value for Fiscal Years 2020 through 2027.

School District of Marion County, Florida
Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Eight Years

Tax Year	Fiscal Year	Taxable Assessed Value	Estimated Actual Value	Percentage of Taxable Assessed Value to Estimated Actual Value
2019	2019-20	$20,937,197,284	$31,520,080,985	66.4%
2020	2020-21	22,558,590,035	33,820,313,222	66.7
2021	2021-22	24,587,890,270	37,576,549,071	65.4
2022	2022-23	29,631,642,026	47,782,570,790	62.0
2023	2023-24	34,843,216,122	56,677,098,123	61.5
2024	2024-25	38,808,170,032	61,731,113,238	62.8
2025	2025-26	42,629,605,562	66,605,021,197	64.0
2026	2026-27	46,657,965,626[(1)]	71,071,229,615[(1)]	65.7

(1) Preliminary, July 1, 2026 certified values. Subject to adjustment through the Adjustment Board process.
Source: The School Board of Marion County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025. Florida Department of Revenue, Property Tax Oversight, Research and Analysis for Tax Years 2025 and 2026 figures.

Millage Set by Local Governing Body

General. The Constitution of the State of Florida provides that ad valorem taxes shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other special districts a millage authorized by law approved by voters. With respect to schools, the millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies.

As described above, the Property Appraiser is required to certify to each taxing authority the aggregate taxable value of all non-exempt property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with the determination of the forthcoming budget and millage levy. The form on which such certification is made by the Property Appraiser is required to include instructions to each taxing authority describing the proper method of computing a millage rate, which, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes, will provide the same ad valorem tax revenues for each taxing authority as was levied during the prior fiscal year. See "Millage Rollback Legislation" below.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the School Board to adopt and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The School Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of the preliminary certification of taxable value. The School 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 Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. Generally, the final budget is substantially the same as the tentative budget since the School Board's hiring plans and materials purchases have been determined before the final Budget is adopted. The School Board adopted the final budget for the Fiscal Year 2026-27 on September 8, 2026.

As part of the budget process, the District is required to provide advance notice of the purposes for which the District intends to spend budgeted amounts, including those derived from the revenues generated from the Local Option Millage, and to adopt a budget that shows the capital outlay expenditures applicable to each project. For information regarding the Local Option Millage, see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein. The District currently lists in such notice all projects that may begin within the Fiscal Year which are reasonably anticipated to be funded from revenues generated from the estimated Local Option Millage. This listing is provided to allow for public input for all capital outlay projects that are reasonably anticipated to be funded from the revenues.

Millage Rollback Legislation. In 2007, the Florida Legislature adopted a property tax plan that significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities, and special districts to rollback their millage rates for the Fiscal Year 2007-08 to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-07; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-07 ad valorem tax revenues by 0% to 9%. In addition, the Millage Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body. School districts are not required to comply with the particular provisions of the Millage Rollback Legislation relating to limitations on increases in future years.

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District Millage Rates. The following table contains current and historical millage rates (tax per $1,000 of assessed value) levied by the School Board for the Fiscal Years 2021-22 through 2026-27:

District Millage Rates

	Fiscal Year Ended June 30					
	2022	2023	2024	2025	2026	2027
General Fund						
Required Local Effort[(1)]	3.655	3.257	3.191	3.075	3.072	3.046
Discretionary	0.748	0.748	0.748	0.748	0.748	0.748
Voter Approved[(2)]	1.000	1.000	1.000	1.000	1.000	1.000
Subtotal	5.403	5.005	4.939	4.823	4.820	4.794
Debt Service	0.000	0.000	0.000	0.000	0.000	0.000
Capital Improvement	1.500	1.500	1.500	1.500	1.500	1.500
Total Millage Levy	6.903	6.505	6.439	6.323	6.320	6.294

(1) Inclusive of Prior Period Funding Adjustment Millage, if any.
(2) Levied for operating purposes pursuant to Section 1011.71(9), Florida Statutes.
Source: School District of Marion County, Florida.

See "OPERATING REVENUES OF THE DISTRICT – Local Sources – Ad Valorem Taxes" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources – Local Option Millage" herein for additional information on the various millages authorized to be levied by the school districts.

Tax Collection and Distribution by Tax Collector

General. All real and tangible personal property taxes are based on assessed values as certified and delivered to the Tax Collector by the Property Appraiser as described above. The Tax Collector mails to each property owner on the tax roll a tax bill for the taxes levied by the various taxing authorities in the County. Taxes may be paid upon receipt of such bill with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January, and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Because of the discount in ad valorem taxes for payments made prior to March 1, taxes collected will likely never be 100% of the tax levy.

The Tax Collector is required to distribute the taxes collected to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Delinquent Taxes. All unpaid taxes on real and tangible property become delinquent on April 1 of the year following the year in which the taxes were levied.

Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until paid, or until payment is no longer required or until a tax certificate is sold at auction (from which time the interest rate shall be as bid by the buyer of the tax certificate). Delinquent tangible personal property taxes also bear interest at the rate of 18% per year from April 1 until paid. Delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1, the property is subject to warrant, levy, seizure and sale.

Tax Certificates and Tax Deeds. On or before June 1 or the 60th day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property that is the subject of delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the County. State law provides that real property tax liens are superior to all other liens, except prior Internal Revenue Service liens.

To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the penalty interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate shown on the tax certificate (or interest at the rate of 5%, whichever is higher) from the date of the sale of the tax certificate to the date of redemption. If such tax certificates or liens are not redeemed by the property owner within two years, the holder of the tax certificates can cause the property to be sold to pay off the outstanding certificates and the interest thereon.

At any time after two years have elapsed since April 1 of the year of the issuance of a tax certificate and before the expiration of seven years, the holder of the tax certificate may apply for a tax deed with respect to any tax certificate it holds. Two years after such April 1, the County may make application for a tax deed with respect to any tax certificate it holds. Upon receipt of such applications, a public sale is advertised and held (unless the property is redeemed), and the highest bidder at such sale receives a tax deed for the property. Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner, which includes the possible seizure of the tangible personal property.

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The following table sets forth the total and estimated actual value of taxable property in the District for the last eight years:

The School Board of Marion County, Florida
Property Tax Levies and Collections

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year[1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount[2]	Percentage of Levy		Amount	Percentage of Levy
2020	$150,412,993	$144,841,201	96.30%	$446,080	$145,287,281	96.59%
2021	158,316,448	152,266,646	96.18	722,427	152,989,073	96.63
2022	169,730,471	163,549,412	96.36	780,639	164,330,051	96.82
2023	192,754,062	185,418,804	96.19	794,627	186,213,431	96.61
2024	224,189,288	215,570,904	96.16	642,388	216,213,292	96.44
2025	245,384,327	254,809,762[3]	103.84	888,234	255,697,996[3]	104.20
2026	271,144,088	260,298,324	96.00	775,083	261,073,407	96.29

(1) Total tax value as extended on the final certified tax roll.
(2) Net of allowable discounts. See "AD VALOREM TAXATION - Tax Collection and Distribution by Tax Collector" above.
(3) In Fiscal Year 2025, there were a large number of tax deed sales resulting in payment of back taxes from prior years resulting in collections for such period being more than the taxes levied for Fiscal Year 2025.
Source: The School Board of Marion County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025. 2026 figures produced by Marion County Tax Collector.

Exemptions from Ad Valorem Taxation

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the Constitution of the State of Florida and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Certain recent amendments to existing provisions relating to ad valorem tax exemptions are described under "Legislation Relating to Ad Valorem Taxation – Recent Amendments Relating to Ad Valorem Taxation."

Constitutional Exemptions. The Constitution of the State of Florida provides for the following exemptions from ad valorem taxation:

Exempt Entities/Exempt Purposes. The Constitution of the State of Florida provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

Household Goods and Personal Effects. The Constitution of the State of Florida provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than $1,000 and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than $500. State law exempts from taxation to every person residing and making his or her permanent home in the State, all household goods and personal effects and exempt property up to the value of $500 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

Tangible Personal Property and Renewable Energy Devices. The Constitution of the State of Florida provides that by general law and subject to conditions specified therein, $25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018 through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

Property Dedicated in Perpetuity for Conservation. The Constitution of the State of Florida provides that there shall be granted an ad valorem tax exemption for certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Homestead Exemption. The Constitution of the State of Florida provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally

dependent upon such person is eligible to receive a homestead exemption of up to $50,000. The first $25,000 applies to all property taxes, including school district taxes. The additional exemption, up to $25,000, applicable to the assessed value of the property between $50,000 and $75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law. However, see "– Legislation Relating to Ad Valorem Taxation – Recent Amendments Relating to Ad Valorem Taxation" below for information on a recently approved constitutional amendment which increases the homestead exemption for all non-school district levies.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of injury while serving during wartime may be entitled to a $5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. Under certain circumstances, a veteran's surviving spouse may be entitled to carry over these exemptions.

Permanently and Totally Disabled Veterans. A military veteran who is a resident of the State and was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on property they own and use as their homesteads. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Discounts for Disabled Veterans. Each veteran who is age 65 or older and is partially or totally permanently disabled may receive a discount on the assessed value of the property that the veteran owns and uses as a homestead. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veteran's Affairs.

Deployed Military Personnel. Each person who receives a homestead exemption; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the Florida Legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the Legislature divided by the number of days in that year.

Exemption for Disabled First Responders. First responders who are totally and permanently disabled as a result of injuries sustained in the line of duty receive ad valorem tax relief on their homestead property. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. Florida defines first responders as law enforcement officers, correctional officers, firefighters, emergency medical technicians and paramedics.

Surviving Spouses of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Certain Totally and Permanently Disabled Persons. Any real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/waste water systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes, and certain tangible personal property.

Legislation Relating to Ad Valorem Taxation

Recent Amendments Relating to Ad Valorem Taxation. In recent legislative sessions, several legislative proposals and proposed constitutional amendments were passed (and approved by voters in the case of constitutional amendments) affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as their permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

On November 3, 2026, voters approved an amendment ("Amendment 3") to the Florida Constitution in a Statewide referendum to, among other things, (i) increase the

residential homestead exemption for all property tax levies (other than school district levies) from $50,000 to $150,000 as of January 1, 2027 and to $250,000 as of January 1, 2028 and (ii) reduce the maximum amount by which annual property assessments (other than for school district levies) can increase each year for non-homestead property from 10% to 5%. **Amendment 3 does not apply to school district levies and is therefore not expected to have a material impact on District finances or impact the School Board's ability to pay the Basic Lease Payments represented by the Series 2026 Certificates.**

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the Florida Legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. There can be no assurance that additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the District, the District's finances in general or the District's ad valorem taxing power.

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Principal Property Tax Payers

The following table contains the list of the County's ten largest taxpayers for the Fiscal Year ended June 30, 2025 and nine years prior.

School District of Marion County, Florida
Principal Property Taxpayers

	2025			2016		
Taxpayer	**Taxable Assessed Value**	**Rank**	**% of Total County Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**% of Total County Taxable Assessed Value**
Duke Energy (Progress Energy)	$275,248,816	1	0.92%	$183,155,455	1	1.28%
Sumter Electric Cooperative, Inc.	168,725,229	3	0.56	111,163,575	2	0.77
Sabal Trail Transmission, LLC	132,391,626	5	0.44	-	-	-
Marion Community Hospital	173,281,462	2	0.61	49,606,910	6	-
FedEx Ground Package System Inc	119,902,758	6	0.40	-	-	-
Wal Mart	90,181,835	10	0.30	74,953,396	3	0.52
Cardinal LG Company	114,539,089	7	0.38	-	-	-
On Top of the World Communities, LLC	96,091,095	8	0.32	37,645,322	8	0.26
TL IP Ocala Industrial Owner, LLC	92,885,751	9	0.31	-	-	-
Equestrian Operations, LLC	151,255,803	4	0.51	-	-	-
Paddock Mall, LLC	-	-	-	39,209,408	7	0.27
Embarq (formerly Sprint-Florida, Inc.)	-	-	-	69,440,419	4	0.48
Florida Gas Transmission Co.	-	-	-	30,015,893	10	0.21
Clay Electric Cooperative, Inc.	-	-	-	33,232,511	9	0.23
K-Mart	-	-	-	53,170,000	5	0.37
Total Principal Taxpayers	1,414,503,464		4.73	681,592,889		4.15
All Other Taxpayers	28,495,942,548		95.27	13,665,630,796		95.85
Total Taxable Valuation	$29,910,446,012		100.00%	$14,347,223,685		100.00%

Source: The School Board of Marion County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES

General

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation and District revenues have been introduced in the State Legislature. Many of these proposals 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 recent, 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 to issue tax-supported debt or to require certain local revenues to be shared with charter schools in the school district. There can be no assurance that similar

or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

Constitutional Amendments Related to Class Size Reduction

Amendment 9 to the State Constitution required the State Legislature to provide funding for sufficient classrooms so that class sizes can 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, relating to the implementation of Amendment 9 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. School districts not in compliance are required to submit to the Commissioner of Education a corrective action plan that describes specific actions the district will take in order to fully comply with the requirements by October of the following year.

The Class Size Legislation further created 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 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.

As of the October 2026 survey, the week during which the Department of Education determines compliance with class size maximums, the District was in compliance with the Class Size Legislation.

Legislative Changes Relating to School Choice

During the State Legislature's 2016 Regular Session, the 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 amendment took effect with the 2017-18 school year.

HB 7029 also revises the method for enforcing compliance with the Class Size Legislation to clarify that for purposes of enforcing compliance, the calculation is based upon the statutory formula used to determine the reduction in class size categorical funding for noncompliance. At present, the Class Size Legislation compliance enforcement provisions of HB 7029 have not had any significant impact on the District's finances.

House Bill No. 7045 ("HB 7045") was passed during the 2021 Florida legislative session and signed into law by the Governor. HB 7045 merged the State's school choice programs for certain disabled students and expanded eligibility for school voucher programs for low- and middle-income students and students subject to harassment, consolidates existing school-choice programs, increased the amount of State funding for the consolidated school-choice programs to $200 million and allowed the use of scholarship funds for private school tuition and other expenses such as tutoring, computers, and internet access.

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 removes the limits beginning in 2027-28. HB 1, in combination with House Bill 3C which was signed into law and became effective on November 3, 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 has led to a substantial increase in the number of Florida Tax Credit Scholarships and/or Family Empowerment Scholarship recipients. While the District has seen a small percentage of students migrate to private schools or other scholarship eligible programs to date, most scholarship recipients in the District have been students who were already enrolled in private school and would not be expected to enroll in a public school. However, if a significant number of eligible students in the District transition to private schools or other scholarship eligible programs, it is likely to have an adverse impact on the District's finances. The Florida Education Association, the State's largest teachers union, and other plaintiffs recently filed a lawsuit against the Florida Department of Education, among others, challenging the constitutionality of the expansion of the State's scholarship programs and charter school statutory scheme. At this time, the outcome of such lawsuit cannot be determined. See "RISK FACTORS – State Revenues" herein.

Distribution of Local Option Millage 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 Local Option Millage Levy revenues that are required to be shared with eligible charter schools in each school district in the State. HB 1259 removes a previously existing State funding threshold for purposes of determining whether Local Option Millage Levy revenues must be shared with eligible charter schools in a school district and establishes a five-year glide path of local sharing of Local Option Millage Levy 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 Local Option Millage Levy revenues by the school district's annual debt service for obligations incurred as of March 1, 2017, which are being satisfied by Local Option Millage Levy revenues and which have not been subsequently retired. The remaining Local Option Millage Levy 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 schools 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 Local Option Millage Levy 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 2025-26, the District shared $451,884 in Local Option Millage revenues with eligible charter schools in the District and for Fiscal Year 2026-27 is estimated to share $602,513 in Local Option Millage revenues with eligible charter schools in the District. Such amount is projected to increase to approximately $753,141 by Fiscal Year 2030-31. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Revenue Sources – Sharing of Local Option Millage with Charter Schools" herein.

Schools of Hope

House Bill 7069 ("HB 7069"), as amended by HB 7070 in 2019, among other things, established the Schools of Hope Program to encourage traditional public schools within the State and charter operators throughout the country to replicate their model and service students from persistently low-performing schools and students who reside in a Florida Opportunity Zone (as defined therein). These provisions of HB 7069, now codified in Section 1002.333, Florida Statutes, provide for the establishment of Schools of Hope, which are charter schools operated by a Hope Operator to service students from one or more persistently low-performing schools; are located within a Florida Opportunity Zone or in the attendance zone of the persistently low-performing school or within a five-mile radius of such school, whichever is greater; and is a Title I eligible school. Section 1002.333, Florida Statutes, defines "persistently low-performing schools" as schools that have earned three consecutive school grades below a "C" pursuant to Section 1008.34, Florida Statutes, in at least three of the previous five years and has not earned a school grade of "B" or higher in the most recent two school years, and a school that was closed pursuant to Section 1008.33(4), Florida Statutes, within two years of a notice of intent, and defines "Hope Operators" as nonprofit organizations that operate three or more charter schools with a record of serving students from low-income families and receives such designation from the Florida Department of Education. Pursuant to Section 1002.333, Florida Statutes, the statutory requirements for the application, approval, and contract that apply to charter schools do not apply to Schools of Hope; instead, a Hope Operator submits a notice of intent to a school district in order to open a School of Hope and the school district is required to enter into a performance based agreement with a Hope Operator within 60 days of receiving a notice of intent.

Section 1002.333, Florida Statutes, also (a) provides Schools of Hope with certain statutory authority, including, but not limited to, allowing a School of Hope to be designated as a local educational agency for the purposes of receiving federal funds; (b)

provides that Schools of Hope are exempt from Chapters 1000-1013, Florida Statutes, and all school board policies, except any laws related to (i) the student assessment program and school grading system, (ii) student progression and graduation, (iii) provisions of services to students with disabilities, (iv) civil rights, (v) student health, safety, and welfare, (vi) public meetings, (vii) public records, and (viii) the code of ethics for public officers and employees.; (c) provides provisions for facilities for Schools of Hope; (d) provides provisions for funding Schools of Hope, including that they be funded in accordance with the statutory provisions relating to funding for charter schools and be considered a charter school for purposes of charter school capital outlay; (e) establishes the School of Hope Program to cover specified operational expenses for Schools of Hope; and (f) establishes the Schools of Hope Revolving Loan Program to help Schools of Hope cover school building construction and startup costs.

On June 30, 2025, Senate Bill 2510 ("SB 2510") was signed into law by the Governor. SB 2510, among other things, modifies the provisions of Section 1002.333, Florida Statutes, relating to the requirements for the establishment of Schools of Hope including adding provisions allowing a School of Hope to be located outside of a Florida Opportunity Zone or the attendance zone of the persistently low-performing school under certain circumstances, allowing a Hope Operator seeking to open a School of Hope to submit an application to a state university or a Florida College System institution and enter an agreement with such state university or Florida College System institution, and allowing a School of Hope to co-locate with another school in a public school facility. The school district must permit any School of Hope to use all or part of underused, vacant, or surplus school district facilities, and receive facility-related services at no cost. Students enrolled in the School of Hope shall be included in the district's total capital outlay full-time equivalent membership for the purpose of Section 1013.62, Florida Statutes, and for calculating the Public Education Capital Outlay Maintenance funds or any other maintenance funds for the facility. Notwithstanding the foregoing, on February 20, 2026, the Florida Department of Education adopted amendments to its rules relating to a Hope Operator seeking to use all or a part of underused, vacant or surplus school district facilities. The amended rule provides, among other things, that a facility is eligible for use by a Hope Operator if its facility utilization rate is no more than 75% or there is a surplus of at least 400 student stations at the facility, and prohibits Hope Operators from using facilities that were opened within the prior four years. The amended rule also provides that a Hope Operator may not submit more than five notices for use of underused, vacant or surplus facilities within a 12-month period, and provides that a Mutual Management Plan between the school district and the Hope Operator will set forth any incremental costs to be paid by the Hope Operator in connection with the use of such facility.

To date, the District has not received any notices from Schools of Hope operators approved in the State seeking to use any underused, vacant or surplus District facilities.

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, removed 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. In 2019, the School Board decided against arming teachers in District operated schools. The School Board has entered into contracts with the County Sheriff's Office and other local law enforcement agencies to supplement existing school resource officers until all positions are filled. Safety appropriations including a total investment in school police officers, police aides, school security monitors, school police support staff and other school-based security initiatives totaled $8.22 million in Fiscal Year 2024-25. Such amount increased to $10.58 million (unaudited) in Fiscal Year 2025-26, which includes $523,380 provided to charter schools in the District.

RISK FACTORS

THE PURCHASERS OF THE SERIES 2026 CERTIFICATES ARE SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2026 CERTIFICATES IS ENCOURAGED TO READ THIS OFFERING STATEMENT IN ITS ENTIRETY, INCLUDING THE APPENDICES HERETO. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE MARKET PRICE OF THE SERIES 2026 CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

Annual Right of the School Board to Terminate the Leases

Although the School Board has determined that the Series 2026 Facilities are necessary to its operations and currently intends to continue the Series 2026 Lease for the Maximum Lease Term and has covenanted in the Series 2026 Lease that the Superintendent will include a sufficient amount in the tentative budget and final budget to enable the School Board to make the Lease Payments due in each Fiscal Year, the School Board is not required, legally or otherwise, to appropriate funds for Basic Lease Payments. If for any Fiscal Year the School Board does not approve a tentative budget and a final budget which appropriates sufficient funds from available revenues in a line item specifically identified for payment of its obligations under the Series 2026 Lease, the Prior Leases and any Additional Lease, the Master Lease shall terminate as of the last day of the then Initial Lease Term or last Renewal Lease Term for which moneys have been budgeted and appropriated, and the School Board will not be obligated to make Lease Payments accruing or arising thereafter except for payment representing the number of days they occupied the Facilities, and the School Board shall be required to peaceably surrender use, possession and control of the Facilities to the Trustee (excluding Designated Equipment).

THE LIKELIHOOD THAT THE SERIES 2026 LEASE WILL BE TERMINATED AS THE RESULT OF A NON-APPROPRIATION OF FUNDS IS DEPENDENT UPON CERTAIN FACTORS THAT ARE BEYOND THE CONTROL OF THE CERTIFICATE OWNERS, INCLUDING THE CONTINUING FUTURE UTILITY OF THE SERIES 2026 FACILITIES AND OTHER FACILITIES TO THE SCHOOL BOARD IN TERMS OF LOCATION, DESIGN, CAPACITY, AND OTHER FACTORS, AND CHANGES IN POPULATION OR DEMOGRAPHICS WITHIN THE COUNTY.

Tax Treatment

Upon termination of the Master Lease, there is no assurance that payments made by the Trustee with respect to the Series 2026 Certificates and designated as interest will be excludable from gross income for federal income tax purposes. See "TAX TREATMENT" herein.

Limitation Upon Disposition; Ability to Sell or Relet

Following an event of default under the Trust Agreement (which includes a non-appropriation of funds under the Master Lease), the Trustee may take possession of the Series 2026 Facilities (other than Designated Equipment). The Trustee's ability to actually achieve such a disposition of the Series 2026 Facilities (other than Designated Equipment) is limited by its inability to convey fee simple title to the Series 2026 Facilities and by the governmental nature of the Series 2026 Facilities. Moreover, due to the governmental nature of the Series 2026 Facilities, it is not certain whether a court would permit the exercise of the remedies to sell, relet or dispose of the Trustee's interest in the Series 2026

Facilities. Also, there is no assurance that the Trustee will be able to sell, relet or dispose of the Trustee's interest in the components of the Series 2026 Facilities.

Applicability of Securities Laws

In the event of the termination of the Master Lease, the transfer of a Series 2026 Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2026 Certificates will not be impaired following termination of the Master Lease.

Fluctuations in Discretionary Sales Surtax Revenues

The amount of Discretionary Sales Surtax revenues distributed to the School Board is subject to increase or decrease due to various factors which may be beyond the control of the School Board or the Series 2026 Certificate holders and which may have a material adverse impact on the amount of Discretionary Sales Surtax revenues distributed to the District. Such factors include: (i) increases or decreases in the dollar volume of sales within the County subject to the Discretionary Sales Surtax, (ii) legislative changes relating to the Discretionary Sales Surtax, which may include changes in the scope of taxable sales and (iii) other factors beyond the control of the District.

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. A similar bill was passed in the 2021 Florida Legislative Session 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 Discretionary Sales Surtax revenues distributed to the School Board 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, which in turn may impact the District's receipt of Discretionary Sales Surtax revenues. See also, "- State Revenues" below.

Educational Facilities Impact Fee

The Educational Facilities Impact Fee is subject to revision, suspension and repeal by the Board of County Commissioners of the County. Further, various bills have been introduced in the Florida Legislature over the past several years that would eliminate the

ability of certain governmental entities, including the County or the District, to levy impact fees for the construction or remodeling of educational facilities or restrict the ability of local governments to raise impact fees above a certain percentage in a given year. There can be no assurance that legislation will not be introduced and enacted in future legislative sessions that further restricts, or eliminates, the District's ability to receive such impact fees or increase impact fee rates.

Local Option Millage Revenues

The amount which can be realized by the School District derived from the Local Option Millage, one of the School District's primary sources of repayment of the Series 2026 Certificates, can be affected by a variety of factors not within the School Board's control including, without limitation, fluctuations in the assessed valuation of the property within the District and the amount of general business activity, growth and new construction which occurs within the District. There can therefore be no assurances that such revenues will not decrease in the event that such growth and new construction, for whatever reason, decreases or ceases altogether within the County. Moreover, the School Board is not legally required to impose the Local Option Millage. The maximum Local Option Millage levy is also subject to change pursuant to changes in applicable law. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein and "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Distribution of Local Option Millage Funds to Charter Schools" herein for information regarding legislation that requires the School Board to share Local Option Millage revenues with charter schools in the District.

Construction Cost Maximums

Section 1013.64(6)(b), Florida Statutes, prohibits a district school board from using funds from any sources (including Local Option Millage 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 (such as the Series 2026 Lease), a district school board (i) may use certain local funding sources (including local option sales surtaxes, 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 Local Option Millage revenues and certain state funding sources to pay (a) 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 (b) for certain other costs that are not included in cost per student station calculation (such as legal and administrative costs, site improvement costs and capital costs related to school security/ hardening).

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. Pursuant to CS/SB 7002, which was passed during the 2024 regular Florida legislative session, the exemption from the Maximum Cost Per Student Station limits was extended to construction projects that start on or before July 1, 2028. The Series 2026 Facilities are projects 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 2026 Facilities and the Series 2026 Facilities are exempt from the cost per student station limits of Section 1013.64(6)(b)1., Florida Statutes.

State Revenues

A large portion of the District's funding is derived from State sources. See "OPERATING REVENUES OF THE DISTRICT" herein. 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 29, 2026, Governor Ron DeSantis approved the State education budget for State Fiscal Year 2026-27, which commenced July 1, 2026, providing for an approximately $735 million or 2.51% increase in State and local FEFP funding for K-12 public schools over State Fiscal Year 2025-26, reflecting a per-pupil increase of approximately $150 per student or 1.64% over Fiscal Year 2025-26. The adopted education budget allocates approximately $4.5 billion for funding of the State's expanded voucher/scholarship programs 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 $62.59 million. Based upon the approved budget, the estimated decrease for the District is approximately $6.6 million (exclusive of charter school students and voucher/scholarship students) in State and local FEFP funds over Fiscal Year 2025-2026. However, there can be no assurance that funding for K-12 public schools will decrease exactly as provided for in the approved budget.

Additional Leases

The School Board may enter into other Schedules in addition to the Series 2026 Lease and the Prior Leases. Failure to appropriate funds to make Basic Lease Payments under any such Schedule will, or an event of default under any such Schedule may, result in the termination of all Schedules, including the Series 2026 Lease. Upon any such termination of all Schedules, the School Board must surrender all Facilities, including the

Series 2026 Facilities (other than Designated Equipment), to the Trustee for sale or lease. The proceeds of any such disposition of such Facilities will be applied only to the payment of the corresponding Series of Certificates. In no event will owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Facilities financed with the proceeds of another Series of Certificates (other than the Series 2026 Facilities, each to the extent described herein). There can be no assurance that the remedies available to the Trustee upon any such termination of all Schedules and the disposition of the Facilities (other than Designated Equipment) will produce sufficient amounts to pay the then outstanding Certificates.

Additional Indebtedness

The School Board may issue additional indebtedness other than in connection with the Master Lease secured by or payable from revenues which would otherwise be available to make Lease Payments without the consent of the Certificate holders. The incurrence of such additional indebtedness by the School Board may adversely affect the School Board's ability to make Basic Lease Payments under the Leases. See "THE SCHOOL DISTRICT OF MARION COUNTY, FLORIDA - Obligations Under Unrelated Lease-Purchase Agreements" herein.

Property Insurance

Many governmental entities including school districts in Florida are facing substantial increases in property and casualty insurance premiums for insurance policies which include substantial increases in deductibles and limitations on coverage. No assurances can be given that property and casualty insurance coverage may be obtained which will insure for the full replacement value of the School Board's facilities including the Facilities leased under its Master Lease Program.

Pursuant to the Series 2026 Lease, the School Board has covenanted to procure and maintain throughout the Lease Term, subject to the requirements of State law and subject to availability at a commercially reasonable rate, insurance against loss or damage to any part of the Series 2026 Facilities by fire or lightning, with extended coverage and vandalism and malicious mischief insurance. Such extended coverage insurance shall, as nearly as practicable, also cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the School Board and may be maintained in whole or in part in the form of self-insurance by the School Board in accordance with the requirements of the Master Lease.

Flood insurance is also required to be separately maintained by the School Board for any property included in a Facility which is located in a federally designated flood plain, in such amounts per occurrence as are available at commercially reasonable costs

and in minimum amounts necessary to qualify for federal disaster relief programs. In the event the School Board considers flood insurance to be unavailable at commercially reasonable rates, it shall so notify the Trustee and the Credit Facility Issuer(s), if any, for the Facility(s) to which such flood insurance relates. If such Credit Facility Issuer(s) identify insurance for such coverage at commercially reasonable rates, the School Board shall be obligated to obtain such insurance. In the event that such Credit Facility Issuer(s) and the School Board determine that flood insurance is unavailable at commercially reasonable rates, such flood insurance shall be maintained in whole in the form of self-insurance by the School Board in accordance with the requirements of the Master Lease.

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 inland 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 the waterfront 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, adversely affected the School Board's financial results and resulted in a federally declared "national emergency." The School Board received various disaster relief funds since March 2020, including pursuant to the Coronavirus Aid, Relief and Economic Security Act, which contained the Education Stabilization Fund; the Coronavirus Response and Relief Supplemental Appropriations Act, which included a second Education Stabilization Fund; and The American Rescue Plan Act of 2021. The District received approximately $228.6 million in federal funds under such federal programs, collectively, however many of such funds were required to be shared with charter schools and private schools in the County.

COVID-19 is ever evolving and the potential for future resurgence of COVID-19 or another virus at a pandemic level is unknown and, should there be a future resurgence of the pandemic or another pandemic, the School Board cannot predict with certainty the impacts of such an outbreak on the School Board's future operations, revenues or expenses.

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 internally. The District has had no significant cybersecurity events where information was compromised within the last three years. There is a mandatory Security and Privacy Awareness training that all District employees must take annually 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.

LITIGATION

Concurrently with the delivery of the Series 2026 Certificates, Counsel to the School Board 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 School Board, threatened against the School Board (i) that seeks to restrain or enjoin the issuance or delivery of the Series 2026 Certificates or the Series 2026 Lease or (ii) questioning or affecting the validity of the Series 2026 Certificates or the Series 2026 Lease or any proceedings of the School Board or actions of the Trustee with respect to the authorization, sale, execution or issuance of the Series 2026 Certificates or the transactions contemplated by this Offering Statement or the Trust Agreement, the Series 2026 Lease or any other agreement or instrument to which the School Board is a party in connection therewith and which is used or contemplated for use in the transactions contemplated by this Offering Statement or (iii) questioning or affecting the creation, organization or existence of the School Board and which would have an adverse effect on the actions taken by the School Board with respect to the issuance of the Series 2026 Certificates.

The School Board 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 School Board, threatened that would have a material adverse consequence on the financial condition of the District.

LEGAL OPINIONS

Certain legal matters incident to the issuance of the Series 2026 Certificates and with regard to the tax-exempt status of the interest portion of the Basic Lease Payments under the Series 2026 Lease (see "TAX TREATMENT" below) are subject to the legal

opinions of Greenberg Traurig, P.A., Tallahassee, Florida, whose legal services as Special Counsel have been retained by the School Board. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2026 Certificates, will be delivered to the Underwriters at the time of original delivery.

The proposed text of the legal opinion is set forth as APPENDIX E. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Offering Statement or otherwise shall create no implication that Special Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

While Special Counsel has reviewed certain portions of this Offering Statement, it has not been engaged by the School Board to confirm or verify, and, except as may be set forth in an opinion of Special Counsel delivered to the Underwriters, expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Offering Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the School Board or the Series 2026 Certificates that may be prepared or made available by the School Board, the Underwriters or others to the holders of the Series 2026 Certificates or other parties.

Certain legal matters will be passed on for the School Board and the Corporation by Jeremy T. Powers, Esquire, Ocala, Florida, Counsel to the School Board and by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Bryant Miller Olive P.A., Tallahassee, Florida, is serving as counsel to the Underwriters.

TAX TREATMENT

General. The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the School Board must continue to meet after the issuance of the Series 2026 Certificates in order that the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates be and remain excludable from gross income of the holders thereof for Federal income tax purposes. The School Board's failure to meet these requirements may cause the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2026 Certificate holders to be included in gross income for Federal income tax purposes retroactively to the date of execution and delivery of the Series 2026 Certificates. The School Board has covenanted to take the actions required by the Code in order to maintain the excludability from gross income for Federal income tax purposes of the interest portion of the Basic Lease Payments designated and paid as interest

to the Series 2026 Certificate holders and not to take any actions that would adversely affect that excludability.

In the opinion of Special Counsel, assuming continuing compliance by the School Board with the tax covenants referred to above and the accuracy of certain representations of the School Board, under existing statutes, regulations, rulings and court decisions, the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates will be excludable from gross income for Federal income tax purposes; and, further, the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates will not be 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), the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates is not excluded from the determination of adjusted financial statement income. No opinion is expressed with respect to the Federal income tax consequences of any payments received with respect to the Series 2026 Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder. Special Counsel expects to deliver opinions at the time of issuance of the Series 2026 Certificates substantially in the form set forth in APPENDIX E.

Special Counsel is further of the opinion that the Series 2026 Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates will not be 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; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2026 Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

Except as described above, Special Counsel will express no opinion regarding the Federal or State income tax consequences resulting from the receipt or accrual of the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2026 Certificate holders or the ownership or disposition of the Series 2026 Certificates. Prospective purchasers of Series 2026 Certificates should be aware that the ownership of Series 2026 Certificates 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 Series 2026 Certificates or, in the case of a financial institution, that portion of the owner's interest expense allocable to the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates, (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 portion of the Basic Lease Payments represented by

the Series 2026 Certificates, (iii) the inclusion of the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates 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 portion of the Basic Lease Payments represented by the Series 2026 Certificates 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 and (v) the inclusion by recipients of certain Social Security and Railroad Retirement benefits of receipts and accrual of the interest portion of the Basic Lease Payments represented by the Series 2026 Certificates in determining whether a portion of such benefits are included in gross income for Federal income tax purposes. Prospective purchasers of Series 2026 Certificates should consult their own tax advisors as to the impact of these other tax consequences and as to the status of interest on the Series 2026 Certificates under the tax laws of any state other than the State of Florida.

Special Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Special Counsel as of the date hereof. Special Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Special Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special 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 Special 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 2026 Certificates ("Discount Certificates") 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 Certificate 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 Certificate 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 Certificate (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 2026 Certificates, 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 Certificate.

Certain of the Series 2026 Certificates ("Premium Certificates") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond

premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate 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 Certificate), 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 Certificate. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner's tax basis in the Premium Certificate 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 Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate.

Owners of Discount and Premium Certificates 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 Certificates 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 2026 Certificates, adversely affect the market price or marketability of the Series 2026 Certificates, 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 2026 Certificates. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2026 Certificates. Prospective purchasers of the Series 2026 Certificates 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 2026 Certificates 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 2026 Certificates 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 2026 Certificates, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2026 Certificates and proceeds from the sale of Series 2026 Certificates. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2026 Certificates.

This withholding generally applies if the owner of Series 2026 Certificates (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 2026 Certificates 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") has assigned an underlying rating of "A1" (negative outlook) to the Series 2026 Certificates. Such rating and outlook reflects only the views of such organization and any desired explanation of the significance of such rating and outlook should be obtained from the rating agency furnishing the same, at the following address: Moody's Ratings, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0501.

Generally, a rating agency bases its rating and outlook on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating and outlook will continue for any given period of time or that such rating and/or outlook will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating and/or outlook may have an adverse effect on the market price of the Series 2026 Certificates.

MUNICIPAL ADVISOR

The School Board has retained PFM Financial Advisors LLC, Orlando, Florida, as municipal advisor (the "Municipal Advisor") in connection with the School Board's financing plans and with respect to the issuance of the Series 2026 Certificates. Fees paid to PFM Financial Advisors LLC may include fees for bidding investments on behalf of the School Board. The Municipal 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 this Offering Statement. The Municipal Advisor did not participate in the underwriting of the Series 2026 Certificates.

UNDERWRITING

The Series 2026 Certificates are being purchased by J.P. Morgan Securities LLC, on behalf of itself and the other underwriters listed on the cover page hereof (collectively,

the "Underwriters"). The Series 2026 Certificates are being purchased by the Underwriters at a price of $_____ (which represents the par amount of the Series 2026 Certificates of $_____, plus/less a net bond premium/original issue discount of $_____ and less an Underwriters' discount of $_____). The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2026 Certificates if any Series 2026 Certificates are purchased. The Series 2026 Certificates may be offered and sold to certain dealers (including dealers depositing such Series 2026 Certificates 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, municipal 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 investment banking services for the District, for which they received or will receive customary fees and expenses.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2026 Certificates, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2026 Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2026 Certificates that JPMS sells.

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.

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CONTINGENT FEES

The School Board has retained Special Counsel, Disclosure Counsel, the Municipal Advisor, the Underwriters (who in turn retained Underwriters' Counsel), the Trustee, (who in turn retained Trustee's Counsel), and the Corporation has retained Counsel to the Corporation, with respect to the authorization, sale, execution and delivery of the Series 2026 Certificates. Payment of the fees of such professionals are each contingent upon the issuance of the Series 2026 Certificates.

FORWARD LOOKING STATEMENTS

This Offering Statement contains certain "forward-looking statements" concerning the School Board's or 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 School Board or 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.

FINANCIAL STATEMENTS

The basic financial statements of the School Board as of June 30, 2025, and for the year then ended, attached hereto as a portion of "APPENDIX B," have been audited by Purvis Gray, Certified Public Accountants, independent auditors, as set forth in its report dated December 15, 2025. The auditor has not participated in the preparation or review of this Offering Statement and the financial statements are included as a publicly available record. See "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF MARION COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

The unaudited figures for Fiscal Year 2025-26 are derived from the unaudited AFR and are subject to change through the auditing process. The District's independent auditors will audit the AFR to prepare the audited financial statements that will be included in the District's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2026.

The budgeted figures set forth in this Offering Statement reflect the School Board's final budget which was adopted on September 8, 2026. The School Board may amend its final budget from time to time in accordance with applicable law.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the District make a full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to principal or interest at any time after December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to Rule 69W-400.003, Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the District, and certain additional financial information, unless the District believes in good faith that such information would not be considered material by a reasonable investor. The District is not and has not been in default on any bond or other debt obligations issued since December 31, 1975 which would be considered material by a reasonable investor.

CONTINUING DISCLOSURE

The School Board has covenanted and undertaken for the benefit of the Series 2026 Certificate holders to provide certain financial information and operating data relating to the District and the Series 2026 Certificates in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such covenant shall only apply so long as the Series 2026 Certificates remain Outstanding under the Trust Agreement or there has not occurred a non-appropriation of funds or event of default resulting in termination of the Series 2026 Lease. The agreement shall also terminate upon the termination of the continuing disclosure requirements of Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, by legislative, judicial or administration action. The Annual Report will be filed by the School Board, or its dissemination agent, with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System ("EMMA"). The Annual Report is required to be filed no later than April 1 of each year, commencing April 1, 2027. The notices of material events will be filed by the School Board, or its dissemination agent with the MSRB. The District has retained Digital Assurance Certification LLC as its dissemination agent in order to help ensure ongoing and future compliance with the Rule. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in the Disclosure Dissemination Agent Agreement attached hereto as APPENDIX F. See "APPENDIX F - FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT" hereto. These undertakings have been made in order to assist the Underwriters in complying with the Rule. Failure of the School Board to comply with its continuing disclosure obligations is not considered an event of default under the Series 2026 Lease or the Trust Agreement; however, any Series 2026 Certificate holder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the School Board to comply with its continuing disclosure obligations.

The School Board timely filed its Annual Report for the fiscal year ended June 30, 2025 with the MSRB through EMMA on March 9, 2026. However, subsequent to such filing, the School Board identified certain incomplete or inaccurate data contained in the Annual Report relating to the table entitled "Anticipated Local Option Millage Required to Cover Basic Lease Payments Represented by the LOML Portion of the Series 2024 Certificates and the Prior Certificates." The School Board corrected such information through a corrective filing filed on EMMA on November 3, 2026.

With respect to the Series 2026 Certificates, no party other than the School Board is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule.

ACCURACY AND COMPLETENESS OF OFFERING STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the School Board and the Series 2026 Facilities financed under the Master Lease 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 2026 Certificates, the security for the payment of the Series 2026 Certificates and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Offering Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Offering Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2026 Certificates.

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

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AUTHORIZATION OF OFFERING STATEMENT

The execution and delivery of this Offering Statement has been duly authorized and approved by the School Board. At the time of delivery of the Series 2026 Certificates, the undersigned will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Offering Statement (except for the information related to DTC and its book-entry only system of registration, as to all of which no view will be expressed), as of its date and as of the date of delivery of the Series 2026 Certificates, contains an untrue statement of a material fact or omits to state a material fact 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 MARION COUNTY, FLORIDA

_____

Chair

_____

Superintendent

APPENDIX A

GENERAL INFORMATION REGARDING MARION COUNTY, FLORIDA

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APPENDIX A

GENERAL INFORMATION CONCERNING MARION COUNTY, FLORIDA

THE FOLLOWING INFORMATION CONCERNING MARION COUNTY, FLORIDA (THE "COUNTY") IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE INFORMATION HAS BEEN COMPILED ON BEHALF OF THE DISTRICT AND SUCH COMPILATION INVOLVED ORAL AND WRITTEN COMMUNICATIONS WITH THE VARIOUS SOURCES INDICATED HEREIN. THE INFORMATION IS SUBJECT TO CHANGE, ALTHOUGH EFFORTS HAVE BEEN MADE TO UPDATE THE INFORMATION WHERE PRACTICABLE. CERTAIN OF THE TABLES THAT FOLLOW IN THIS APPENDIX HAVE BEEN DERIVED FROM THE STATISTICAL SECTION OF THE COUNTY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025.

History, Location, Area and Climate

The County was established in 1844 from land formerly part of Alachua, Hillsborough and Orange Counties. Since its inception, there have been no major alterations to its boundaries. The county was named in honor of General Francis Marion, widely recognized as the "Swamp Fox" for his leadership during the Revolutionary War.

Located in the north-central region of Florida, Marion County is bordered by Alachua and Putnam Counties to the north; Lake County and Lake George to the east; Sumter and Lake Counties to the south; and Levy and Citrus Counties to the west. The Atlantic Ocean is approximately 75 miles to the east, while the Gulf of America (f/k/a the Gulf of Mexico) lies about 40 miles to the west. The county encompasses five incorporated municipalities: Belleview, Dunnellon, McIntosh, Ocala, and Reddick. The county seat, Ocala, is situated approximately 37 miles south of the University of Florida in Gainesville, 80 miles west of Daytona Beach, 72 miles north of Orlando, and 107 miles northeast of Tampa-St. Petersburg.

The total land area of Marion County exceeds 1,652 square miles, with more than half designated for agricultural use. It ranks as the fifth-largest county in Florida by land area and is the eighteenth most populous county in the state. According to the 2020 Census, the population was 375,908 residents. The predominant economic sectors include healthcare and social assistance, retail trade, accommodation and food services, construction, and manufacturing.

The climate in Marion County is characterized by a predominantly warm season lasting most of the year, with a relatively short cold season. Average temperatures range from a high of 69°F and a low of 45°F in January, to a high of 93°F and a low of 72°F in July.

County Government

The County has a five member Board of County Commissioners (the "County Board") elected at-large for staggered terms of four years. The Chair and the Vice Chair are elected by the County Board. The County Board apportions and levies County taxes and controls the expenditure of all County funds, except for schools, which are controlled by The School Board of Marion County. The budget year of the County runs from October 1 to the following September 30. Operating revenue is raised mainly from ad valorem real and personal property taxes with supplements from State and federal sources for county roads, welfare and health. The County Board operates the county road system and has the power to establish, build, maintain, repair, protect and preserve these facilities. The County may issue bonds for all lawful purposes. The County Board coordinates and is responsible for various types of elections in the County. Other elected officials serving county-wide are a five member School Board, a Superintendent of Schools, a Property Appraiser, a Tax Collector, a Supervisor of Elections, a Sheriff, and a Clerk of the Circuit Court who is also ex-officio Clerk of the Board of County Commissioners. The County Board appoints a County Administrator who serves at its pleasure.

Demographic and Economic Statistics

The following table shows the demographic and economic statistics of the County from 2016 through 2025.

Fiscal Year	Population	Per Capita Personal Income	Personal Income (in thousands)	School Enrollment	Unemployment Rate
2016	350,449	$34,331	$12,031,265	42,474	6.00%
2017	356,842	35,661	12,725,343	42,893	4.90
2018	362,918	36,817	13,361,552	42,881	4.20
2019	369,683	38,425	14,205,069	42,818	3.80
2020	377,472	40,887	15,433,698	43,008	7.50
2021	385,135	44,712	17,220,156	41,324	4.70
2022	396,437	44,355	17,583,963	42,863	3.50
2023	409,959	46,682	19,137,706	45,462	4.00
2024	419,510	47,821	20,061,388	45,879	4.40
2025	433,765	49,262	21,368,131	46,004	5.30

Source: Marion County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

Property Tax Levies and Collections
for Fiscal Years 2016-2025

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Levy
2016	$104,950,636	$100,844,671	96.1%	$953,543	$101,798,214	97.0%
2017	109,414,067	105,410,583	96.3	748,131	106,158,714	97.0
2018	117,801,974	113,496,674	96.3	769,702	114,266,376	97.0
2019	128,381,171	123,727,197	96.4	585,462	124,312,659	96.8
2020	150,509,299	144,960,218	96.3	534,204	145,494,422	96.7
2021	162,150,322	156,004,275	96.2	774,280	156,778,555	96.7
2022	176,972,917	170,589,813	96.4	768,126	171,357,939	96.8
2023	203,887,038	196,262,383	96.3	790,360	197,052,743	96.6
2024	239,173,000	230,133,582	96.2	597,051	230,730,633	96.5
2025	273,251,205	262,726,000	96.1	1,013,138	263,739,138	96.5

Source: Marion County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

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The Economy

The major components of the County's economy are retail trade, health care and social assistance, accommodation and food services, construction, manufacturing and educational services. The economy shows diversity among its various classifications.

Marion County, Florida
Employment by Major Industry Group
2025

Industry	Average Employment	Average Annual Wages
Accommodation and Food Services	12,131	$27,320
Administrative and Waste Services	5,310	45,823
Agriculture, Forestry, Fishing & Hunting	1,576	45,794
Arts, Entertainment, and Recreation	2,692	33,639
Construction	10,602	61,599
Educational Services	8,760	46,235
Finance and Insurance	2,207	81,950
Health Care and Social Assistance	19,974	66,972
Information	605	85,607
Management of Companies and Enterprises	524	77,409
Manufacturing	9,547	65,602
Mining	296	75,700
Other Services, Ex. Public Admin	3,139	42,917
Professional and Technical Services	4,278	73,538
Public Administration	7,632	66,112
Real Estate and Rental and Leasing	2,027	51,474
Retail Trade	19,173	42,698
Transportation and Warehousing	6,348	52,005
Unclassified	52	48,545
Utilities	306	99,137
Wholesale Trade	4,676	75,628
All Industries Average Employment	121,855	

Source: FloridaCommerce, Bureau of Workforce Statistics and Economic Research, Quarterly Census of Employment and Wages Program (QCEW).

In an effort to help stimulate job creation and the economy, the County is awarding Economic Development Financial Incentive Grants. Both the County and the City of Ocala are working together with the Economic Development Council to develop potential industrial parks and bring new jobs to the County.

Marion County, Florida
Principal Employers
for Fiscal Years 2025 and 2016

		Fiscal Year 2025			Fiscal Year 2016		
Employer[1]	Business	Employees	Percent of Total County Employment	Rank	Employees	Percent of Total County Employment	Rank
Marion County Public Schools	Education	6,306	4.12%	1	6,070	4.87%	1
AdventHealth Ocala	Healthcare	3,606	2.36	2	2,648	2.13	2
HCA Florida Hospitals	Healthcare	3,171	2.07	3	2,200	1.77	5
Wal-Mart	Retail Sales	2,689	1.76	4	2,370	1.90	4
State of Florida (All Depts.)	Government	2,600	1.70	5	2,600	2.09	3
Publix Supermarkets	Retail Sales	2,257	1.48	6	1,488	1.19	7
FedEx Ground	Distribution	1,500	0.98	7	-	-	-
Marion County BCC	Government	1,368	0.89	8	1,510	1.21	6
City of Ocala	Government	1,134	0.74	9	989	0.79	9
Lockheed Martin	Manufacturing	1,100	0.72	10	981	0.79	10
AT&T	Communications	-	-	-	1,000	0.80	8
Total		25,731	16.83%		21,856	17.55%	
All Others		127,164	83.17		102,707	82.45	
Total Employment[2]		152,895	100.00%		124,563	100.00%	

[1] Top ten major employers from Ocala, Marion County Economic Development Corporation (EDC) at www.ocalaedc.org.
[2] Total employment numbers from FloridaJobs.org.
Source: Marion County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2025.

Tourism

The County serves as host to over 1.4 million tourists each year. The world famous Silver Springs, a long-celebrated destination for travelers, locals, movie makers, artists and more, was inducted into the Florida Tourism Hall of Fame in 2016. The water theme park "Wild Waters" offers a special appeal to fun lovers. The Ocala National Forest (the "Forest") covers 366,000 scenic acres and includes springs, streams and over 600 natural lakes, which offer a variety of fishing. Fall hunts provide recreation for sportsmen in selected areas. Hunts are designed to keep the number of animals in balance with the food supplies produced by the Forest. The County proudly bears the nickname "Horse Capital of the World®," housing more horses and ponies than any other U.S. county, with equines grazing over 195,000 acres. The County ranks with Kentucky and California as a prime producer of prized thoroughbreds. Famous names in the equine record books of the County include Real Quiet, Silver Charm, Needles, Carryback, Affirmed, Dr. Fager, Foolish Pleasure, and Susan's Girl. The region's robust equine industry is supported by a comprehensive network of professionals and service providers, including veterinarians, feed stores, blacksmiths, equine dentists, and transportation logistics firms. Furthermore, visitors can enjoy various outdoor activities such as mountain biking on the Santos Mountain Bike Trails and zip-lining at Canyons Zip Line and Canopy Tours. These attractions, among others, play an essential role in supporting and growing the local tourism economy.

Agriculture

The County is recognized as one of the most diverse agricultural regions within the State. It benefits from fertile soil, an attractive climate, and a reliable water supply. The area produces a variety of crops, including citrus fruits, watermelons, and peanuts. Covering over one million acres, the land is well-suited for livestock operations, crop cultivation, and pasture development.

Transportation Facilities

A network of major highways serve the County. Interstate 75 and U.S. Highways 441 and 301, all four-laned throughout the County, provide excellent access for north and south traffic. U.S. highway 27 and State Roads 200 and 40 provide good east-west access.

The County is currently served by two general aviation airports. The Ocala International Airport with 7,468 and 3,010 foot runways, and the Dunnellon Airport in western Marion County, with two approximately 5,000 foot runways, offer private plane service, charter flights, air taxi, air ambulance and sightseeing. The County is also served by Greyhound bus service and two passenger trains daily.

APPENDIX B

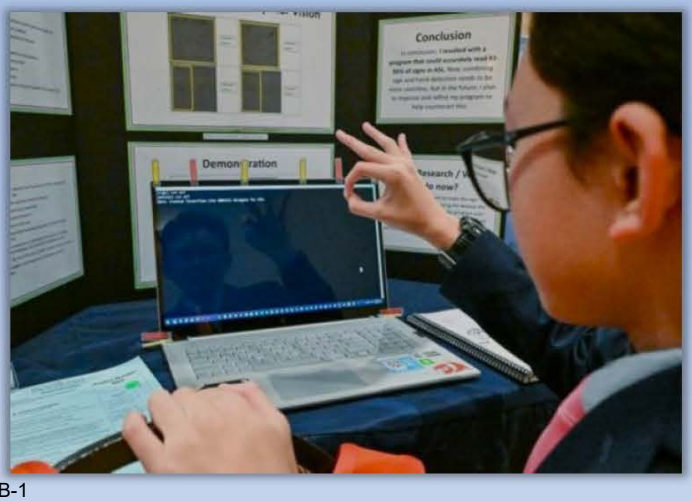
EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF MARION COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025
The School Board of Marion County, Florida

MCPS
MARION COUNTY PUBLIC SCHOOLS
"Helping Every Student Succeed"



PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

Marion County District School Board and
Superintendent
Ocala, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Marion County District School Board (the District) as of and for the fiscal year ended June 30, 2025, 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 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 and for the fiscal year ended June 30, 2025, and the respective changes in financial position 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 Marion Charter School, McIntosh Area School, and Ina A. Colen Academy, which represent 39%, -15%, and 61%, respectively, of the total assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025, and the respective changes in financial position. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these three component units, is based solely on the report 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Marion County District School Board and
Superintendent
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – for all major funds as listed on the table of contents; Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions – Pension Plans – Florida

INDEPENDENT AUDITOR'S REPORT

Retirement System; Schedule of Proportionate Share of Net Pension Liability and Schedule of District Contributions – Pension Plans – Health Insurance Subsidy; Schedule of Changes in Other Postemployment Benefit (OPEB) Plan Liability and Other Related Ratios; and Notes to Required Supplementary Information, as listed in the table of contents. 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 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 of the financial statements that collectively comprise of the District's basic financial statements. The accompanying combining and individual non-major fund financial statements and schedules, budget schedules for major capital project funds, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related 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 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budget schedules for major capital projects funds, and the schedule of expenditures of federal awards 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.

Marion County District School Board and
Superintendent
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Purvis Gray

December 15, 2025
Ocala, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Marion County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2025. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-25 fiscal year are as follows:

- Total Net Position is $502,677,384, which represents a 18.45 percent increase from the 2023-24 fiscal year.
- General revenues total $641,833,126, or 90.44 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total $67,869,668 or 9.56 percent of all revenues.
- Expenses total $629,393,497; only $67,869,668 of these expenses were offset by program revenues, with the remainder paid from general revenues. Total revenues exceed total expenses by $80,309,297.
- The total assets and deferred outflows of resources of the district is $1,337,393,264 and total liabilities and deferred inflows of resources is $834,715,880.
- The total combined assigned and unassigned fund balance of the General Fund, representing the net fund balance that is spendable and not restricted or committed totals $45,836,511 at June 30, 2025, or 9.62 percent of total General Fund revenues excluding transfer and loss recoveries. The unassigned fund balance totals $17,876,630 which represents 3.75 percent of total General Fund revenues. The restricted balance of $39,142,154 represents 8.21 percent of total General Fund Revenues and is restricted for activities related to State carry forward and referendum activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

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, its liabilities, its deferred inflows and its deferred 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, which is a measure of the District's financial health. 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 five separate legal entities in this report including the Marion Charter School, Inc.; the McIntosh Area School, Incorporated; The Clear Choice Academics, Inc., d/b/a Ocali Charter Middle School, Inc.and Ocali High School; Ina A. Colen Academy; and the Public Education Foundation of Marion County, Inc. Although the charter schools do not meet the specific financial accountability criteria, they are included in this report as component units based on the nature and significance of their relationship with the District to prevent the District's financial statements from being misleading. Financial information for these component units are reported separately from the financial information presented for the primary government.

The Marion County School Board Leasing Corporation, Inc. (Leasing Corporation), also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

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, the governmental funds utilize the current financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements.

The current financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue - Federal Education Stabilization Fund, Capital Projects – Local Capital Improvement Fund and the Capital Projects - Other Capital Projects Fund. Data from the other seven governmental funds are considered nonmajor and are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and are presented as supplementary information.

Proprietary Fund

Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains an internal service fund to report activities that provide services to support the District's other programs and functions through user charges. The District uses the internal service fund to account for the cost of the District's self-insurance risk management programs. Since these services predominantly benefit governmental functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same types of information as the government-wide financial statements, only in more detail. The internal service fund is presented in a single column in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds and the Silver River Museum. Fiduciary funds are not reflected in the government-wide statements because the resources 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 and a Private-Purpose Trust Fund to account for private funds held for the Silver River Museum.

Notes to 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.

Required Supplementary Information

The District adopts an annual budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the major Special Revenue Funds to demonstrate compliance with the budget. Additional required supplementary information is presented relating to the schedule of change in other postemployment benefit plan liability and related ratios, and net pension liabilities and contributions.

Notes to Required Supplementary Information

The notes provide additional information that is essential for a full understanding of the data provided in the required supplementary information.

Other Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2025, compared to net position as of June 30, 2024:

Net Position, End of Year

	Governmental Activities	
	6-30-25	6-30-24
Current Assets	$ 507,537,329	$ 582,586,359
Capital Assets, Net of Depreciation	732,374,075	565,598,421
Total Assets	1,239,911,404	1,148,184,780
Deferred Outflows of Resources	97,481,860	94,163,542
Total Assets and Deferred Outflows of Resources	1,337,393,264	1,242,348,322
Current Liabilities	56,318,943	40,902,784
Noncurrent Liabilities	733,502,956	752,457,733
Total Liabilities	789,821,899	793,360,517
Deferred Inflows of Resources	44,893,981	28,086,637
Total Liabilities and Deferred Inflows of Resources	834,715,880	821,447,154
Net Position:		
Net Investment in Capital Assets	541,208,592	499,041,931
Restricted	167,432,086	125,570,013
Unrestricted (Deficit)	(205,963,294)	(200,215,443)
Total Net Position	$ 502,677,384	$ 424,396,501

The largest portion of the District's net position reflects its investment in capital assets (e.g., land; buildings and fixed equipment; furniture, fixtures, right to use assets and equipment), less any related debt still outstanding net of unspent debt proceeds. Current assets increased due to amounts due to the district, additional investment balances due to investment earnings and additional funds available from property taxes. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

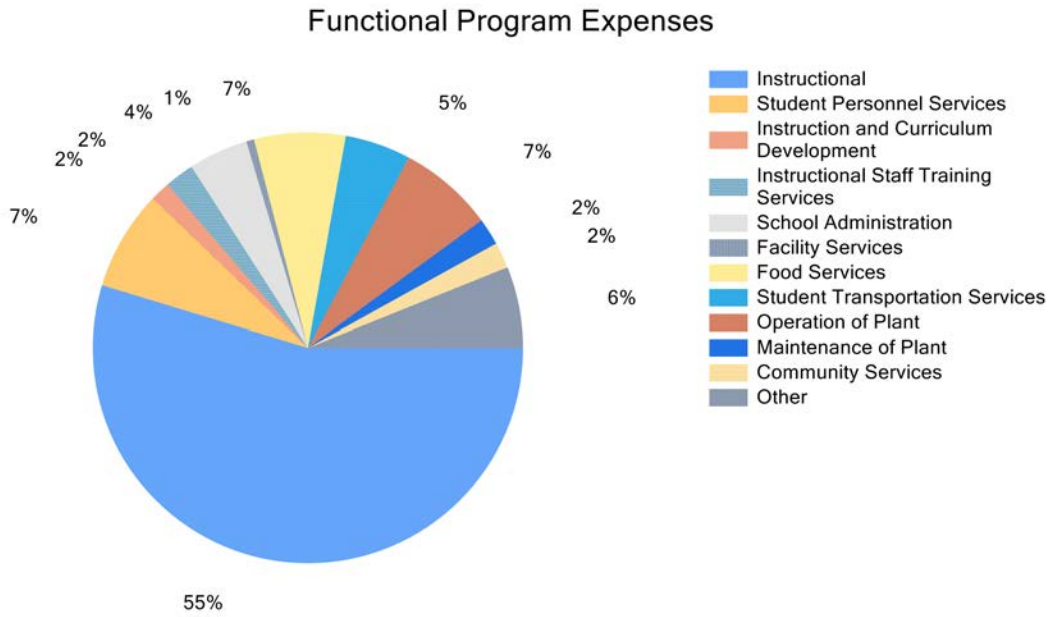
Long-term liabilities increased and deferred inflows of resources decreased primarily due to the District recognizing its proportionate share of the Florida Retirement System's net pension liability and deferred inflows of resources.

The restricted portion of the District's net position represents resources that are subject to external restrictions for capital projects, debt service, food service and other projects.

Governmental activities increased the District's net position by $80,309,297 during the 2024-25 fiscal year, detailed as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	06-30-25	06-30-24
Program Revenues:		
Charges for Services	$ 10,779,421	$ 10,034,786
Operating Grants and Contributions	42,733,484	41,694,287
Capital Grants and Contributions	14,356,763	2,173,282
General Revenues:		
Property Taxes Levied for Operational Purposes	180,661,898	165,994,835
Property Taxes Levied for Capital Projects	76,506,014	50,218,458
Grants and Contributions Not Restricted to Specific Programs	352,375,010	387,013,253
Unrestricted Investment Earnings	24,441,131	14,989,773
Miscellaneous	7,849,073	9,213,046
Total Revenues	709,702,794	681,331,720
Functions/Program Expenses:		
Instruction	334,791,204	350,178,111
Student Personnel Services	45,880,348	47,923,018
Instructional Media Services	5,006,849	5,309,857
Instruction and Curriculum Development	9,332,523	14,781,434
Instructional Staff Training Services	13,464,189	14,146,749
Instruction Related Technology	8,466,027	7,113,471
Board of Education	1,192,802	1,265,097
General Administration	4,084,550	6,400,770
School Administration	27,451,874	28,749,255
Facility Services	3,616,568	15,832,645
Fiscal Services	4,442,423	4,751,934
Food Services	42,023,763	41,390,462
Central Services	7,638,187	7,950,498
Student Transportation Services	30,260,868	30,386,370
Operation of Plant	43,891,269	46,052,943
Maintenance of Plant	12,416,376	12,817,575
Administrative Technology Services	6,428,793	5,902,200
Community Services	11,928,522	11,824,042
Other Debt Service Costs	-	-
Unallocated Interest on Long-Term Debt	17,076,362	2,426,310
Total Functions/Program Expenses	629,393,497	655,202,741
Increase (Decrease) in Net Position	80,309,297	26,128,979
Net Position - Beginning, Restated	422,368,087	398,267,522
Net Position - Ending	$ 502,677,384	$ 424,396,501

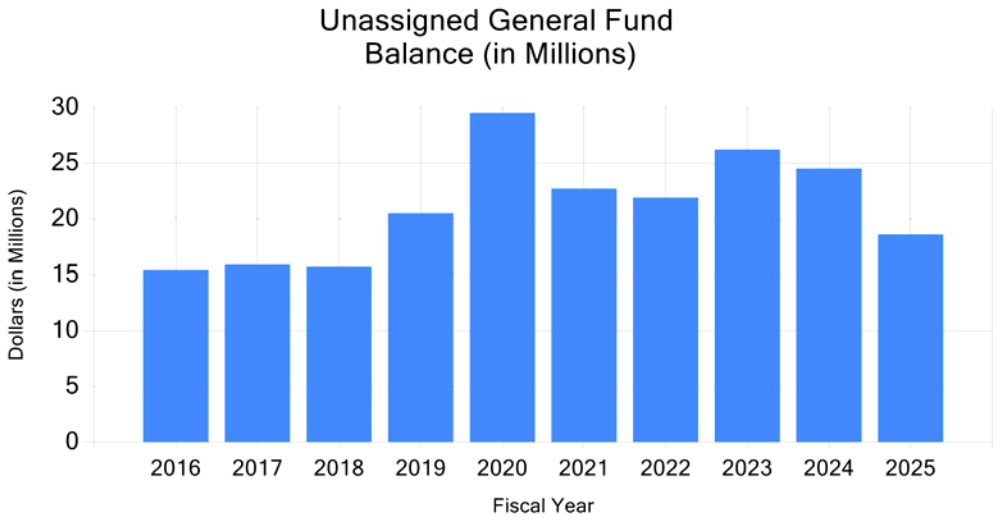


Key elements of the change in net position are as follows:

- Property values continue to rise providing increased property taxes for operations and capital projects.
- The increase in net investment in capital assets is due primarily to ongoing construction, including cafeteria improvements, electrical and HVAC upgrades, and district wide fencing and roof replacements. In addition, the District issued Certificates of Participation during 2024 to fund expansion of classrooms and other facilities on several campuses with construction beginning during 2024-25.
- The District continued to receive grants and funds from the Federal Education Stabilization Funds for academic acceleration, technology assistance, non-enrollment and lump sum to continue to offset the impact on school operations related to COVID-19 virus. It is important to note that the Federal Education Stabilization Funds ended on September 30, 2024.

Major Governmental Funds

General Fund: This fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance was $17,876,630 while the total fund balance was $104,440,541. The total fund balance decreased by $(4,817,508) during the 2024-25 fiscal year. The decrease in fund balance is primarily due to an increase in property tax revenue of $15 million that was offset by increases in expenses related to instruction, student personal services, school adminisration and capital outlay. The largest increase (approximately $30 million) was in instruction and is related to additional employee costs and materials and supplies. Other factors included higher interest earnings than in previous years and non-recurring federal stabilization funds as a result of the pandemic. In addition, in the 2024-25 fiscal year the District allocated $14,933,113 to the committed fund balance. The committed fund balance classification may include amounts that can be used only for the specific purpose determined by formal action of the District's highest level of decision making authority.



Special Revenue – Federal Education Stabilization Fund:

This fund had revenues and expenditures and transfers out of $22,610,124. Funding was mainly used for instruction and student support services as well as capital improvements. Because revenues in this fund are recognized to the extent expenditures are incurred, this fund generally does not accumulate a fund balance.

Capital Projects – Local Capital Improvement Fund:

This fund has a total fund balance of $45,864,292 all of which is restricted for the acquisition, construction, and maintenance of capital assets. The fund experienced an increase in fund balance for 2025 of $7,715,013 The District received increase property tax revenues due to increased assessed value that are driven by increased local real estate market values. During FY2025, impact fees and sales tax revenues, earmarked for capital projects, were new revenue streams for the District as well. These additional funds were offset by continuing improvements that include cafeteria improvements, electrical and HVAC upgrades, and district wide fencing and roof replacements.

Capital Projects - Other Capital Projects Fund

This fund has a total fund balance of $226,394,622, all of which is restricted for the acquisition, construction, and maintenance of capital assets. The fund experienced an decrease in fund balance for 2025 of $(96,306,871). The reason for the significant decrease in fund balance relates to proceeds from the 2024 Certificate of Participation, issued for construction of new facilities throughout the District. Construction related expenditures increased approximately $135 million in 2024-25 as compared to 2023-24.

Proprietary Fund

Unrestricted net position of the Internal Service Fund totaled $34,273,599 at June 30, 2025, an increase of $3,043,549 from the previous fiscal year. Total operating expenses were $72,297,205 comprised of salaries, employee benefits, purchased services, and expense claims. The increase in net position was due to increased revenues resulting from additional enrollees, investment income, and rebates offset by an increase in claims expense of $10,454,157 .

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2024-25 fiscal year, the District amended its General Fund budget several times due primarily to changes in estimated local and Federal through State funding levels and making corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

The District made several management decisions to curtail spending, which resulted in actual expenditures being approximately $69.4 million less than the original budget amounts.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to $732,374,075 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; leased assets; and audio-visual materials and computer software.

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

- Several heating, ventilating, and air conditioning and re-modeling projects were completed during the year.
- Cafeteria improvements.
- District wide fencing and roof replacements.
- Significant increases in Construction in Progress due to capital projects funded by the 2024 Certificates of Participation. This included construction on two new schools (Ross Prairie Elementary and Winding Oaks Elementary).
- Depreciation expense totaled $31,287,404.

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

Long-Term Liabilities

At June 30, 2025, the District has $362,319,056 total capital asset-related debt outstanding. This amount is composed of $303,845,000 of certificates of participation payable, $1,230,000 of bonds payable, $6,857,740 of notes payable, $430,836 of leases payable, subscription based technology arrangements (SBITA) of $16,519,223 and $33,436,257 of unamortized premiums. in FY2025, SBITA balances increased $14,727,357. Changes in the other asset-related debt balances relates to scheduled payments and amortization of the premium.

Other items classified as long-term liabilities, in the government-wide financial statements, include the compensated absences liability totaling $35,211,505, other postemployment benefits payable in the amount of $18,353,188, estimated insurance claims payable totaling $11,791,043, and net pension obligations totaling $305,828,164.

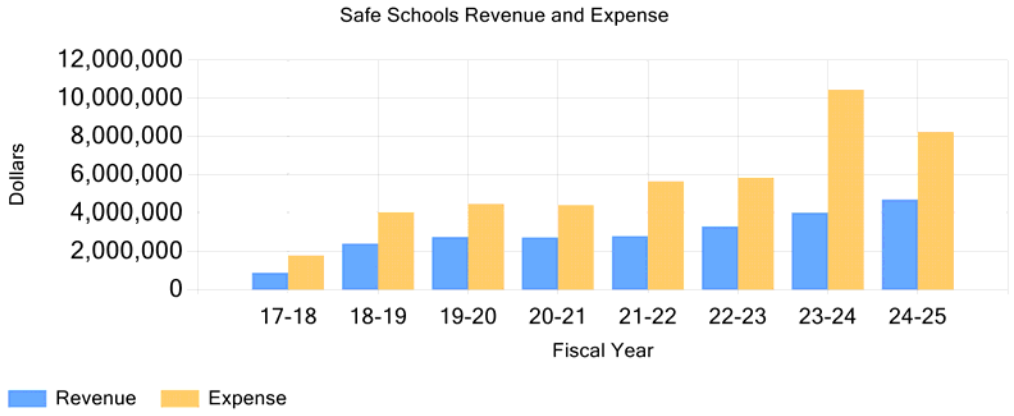
Additional information on the District's long-term liabilities can be found in Note III.K. to the financial statements.

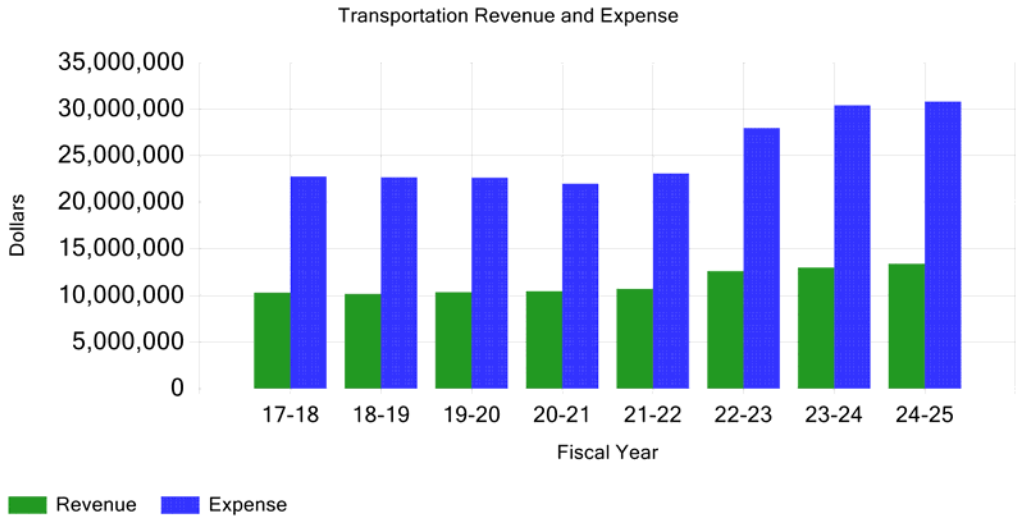
OTHER MATTERS OF SIGNIFICANCE

As a part of the State-wide educational funding formula, the District is given operational revenues through State appropriations. The District then aligns expenses to fall within those parameters.

Capital revenues are levied up to capacity based on the needs identified in the District Facilities Work Program to adequately house growth in the student population.

Transportation expenses, as well as partially funded mandates such as safe schools, continue to exceed revenues. Funding these areas from current operations continue to be challenging.





REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Marion County District School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, School District of Marion County, Florida, 1614 E. Fort King Street, Ocala, FL 34471.

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FINANCIAL

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash	$ 85,663,816	$ 3,516,619
Investments	391,751,220	1,029,735
Accounts Receivable	539,561	327,254
Leases Receivable	1,475,114	-
Accrued Interest Receivable	1,156,553	-
Deposits Receivable	140,000	34,306
Due from Other Agencies	21,230,680	264,596
Inventories	4,186,002	157,400
Prepaid Items	1,394,383	71,816
Assets Held by Others	-	2,550,575
Capital Assets:		
Capital Assets Not Being Depreciated	205,101,662	364,833
Capital Assets Being Depreciated, Net	527,272,413	6,351,627
Total Assets	1,239,911,404	14,668,761
Deferred Outflows of Resources		
Deferred Amount on Refunding	208,904	-
Deferred Amount on Other Postemployment Benefits	3,185,649	-
Deferred Amount on Pension Liability	94,087,307	446,408
Total Deferred Outflows of Resources	97,481,860	446,408
Liabilities		
Salaries and Benefits Payable	2,838,276	43,568
Payroll Deductions and Withholdings Payable	1,984,100	-
Accounts Payable	18,815,444	152,980
Sales Tax Payable	12	-
Accrued Expenses	-	72,650
Deposits Payable	173,251	-
Construction Contracts Payable	25,033,808	-
Construction Contracts Payable - Retainage	4,975,120	-
Accrued Interest Payable	1,332,050	-
Due to Other Agencies	246,655	12,570
Unearned Revenue	920,227	-
Long-term Liabilities Due Within One Year	24,297,070	271,993
Long-term Liabilities Due After One Year	709,205,886	10,880,901
Total Liabilities	789,821,899	11,434,662
Deferred Inflows of Resources		
Deferred Inflow - Leases	1,452,899	-
Deferred Amount on Other Postemployment Benefits	9,008,020	-
Deferred Amount on Pension Liability	34,433,062	161,876
Total Deferred Inflows of Resources	44,893,981	161,876
Net Position		
Net Investment in Capital Assets	541,208,592	381,701
Restricted for:		
State Required Carryover Programs	25,812,891	-
Food Service	22,322,205	-
School Internal Accounts	3,646,695	-
Capital Projects	102,321,032	1,001,702
Referendum Property Tax	13,329,263	-
Other Purposes	-	2,991,488
Permanent Endowments: Nonexpendable	-	145,568
Unrestricted (Deficit)	(205,963,294)	(1,001,828)
Total Net Position	$ 502,677,384	$ 3,518,631

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units
Primary Government						
Governmental Activities:						
Instruction	$ 334,791,204	$ 9,764,283	$ -	$ -	$ (325,026,921)	$ -
Student Personnel Services	45,880,348	-	-	-	(45,880,348)	-
Instructional Media Services	5,006,849	-	-	-	(5,006,849)	-
Instruction and Curriculum Development	9,332,523	-	-	-	(9,332,523)	-
Instructional Staff Training Services	13,464,189	-	-	-	(13,464,189)	-
Instruction Related Technology	8,466,027	-	-	-	(8,466,027)	-
Board of Education	1,192,802	-	-	-	(1,192,802)	-
General Administration	4,084,550	-	-	-	(4,084,550)	-
School Administration	27,451,874	-	-	-	(27,451,874)	-
Facility Services	3,616,568	-	-	14,245,243	10,628,675	-
Fiscal Services	4,442,423	-	-	-	(4,442,423)	-
Food Services	42,023,763	819,911	42,733,484	-	1,529,632	-
Central Services	7,638,187	-	-	-	(7,638,187)	-
Student Transportation Services	30,260,868	195,227	-	-	(30,065,641)	-
Operation of Plant	43,891,269	-	-	-	(43,891,269)	-
Maintenance of Plant	12,416,376	-	-	-	(12,416,376)	-
Administrative Technology Services	6,428,793	-	-	-	(6,428,793)	-
Community Services	11,928,522	-	-	-	(11,928,522)	-
Interest on Long-term Debt	17,076,362	-	-	111,520	(16,964,842)	-
Total Primary Government	$ 629,393,497	$ 10,779,421	$ 42,733,484	$ 14,356,763	$ (561,523,829)	$ -
Component Units						
Component Units	$ 14,951,744	$ 487,028	$ -	$ 179,489	-	(14,285,227)
General Revenues						
Taxes:						
Property Taxes, Levied for Operational Purposes					180,661,898	-
Property Taxes, Levied for Capital Projects					76,506,014	-
Grants and Contributions Not Restricted to Specific Programs					352,375,010	14,182,317
Unrestricted Investment Earnings					24,441,131	134,148
Miscellaneous					7,849,073	-
Total General Revenues					641,833,126	14,316,465
Change in Net Position					80,309,297	31,238
Net Position - Beginning, as presented					424,396,501	3,487,393
Restatement - change in accounting principle					(2,028,414)	-
Net Position - Beginning (Restated)					422,368,087	3,487,393
Net Position - Ending					$ 502,677,384	$ 3,518,631

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

MARION COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue - Federal Education Stabilization Fund
Assets		
Cash	$ 10,323,862	$ 10,173
Investments	105,375,537	-
Accounts Receivable	414,069	-
Leases Receivable	1,475,114	-
Accrued Interest Receivable	384,993	-
Due from Other Agencies	1,079,289	9,714
Due from Other Funds	-	-
Inventories	3,179,523	-
Prepaid Items	1,349,240	-
Total Assets	$ 123,581,627	$ 19,887
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Salaries and Benefits Payable	$ 2,066,255	$ -
Payroll Deductions and Withholdings Payable	1,884,046	2,783
Accounts Payable	11,412,489	-
Sales Tax Payable	12	-
Deposits Payable	169	-
Construction Contracts Payable	1,197,109	-
Construction Contracts Payable - Retainage	106,684	-
Due to Other Agencies	184,211	-
Due to Other Funds	-	-
Unearned Revenue	837,212	17,104
Total Liabilities	17,688,187	19,887
Deferred Inflows of Resources		
Deferred Inflow - Leases	1,452,899	-
Total Deferred Inflows of Resources	1,452,899	-
Fund Balances		
Nonspendable:		
Inventories	3,179,523	-
Prepaid Items	1,349,240	-
Total Nonspendable Fund Balance	4,528,763	-
Restricted for:		
State Required Carryover Programs	25,812,891	-
Referendum Property Tax	13,329,263	-
Debt Service	-	-
Capital Projects	-	-
Food Service	-	-
Internal Accounts	-	-
Total Restricted Fund Balance	39,142,154	-
Committed Fund Balance	14,933,113	-
Assigned for:		
Budget Shortfall 2024-25 Fiscal Year	27,959,881	-
Unassigned Fund Balance	17,876,630	-
Total Fund Balances	104,440,541	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 123,581,627	$ 19,887

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ 19,589,885	$ 6,448,234	$ 16,519,454	$ 52,891,608
14,373,414	244,219,075	9,723,866	373,691,892
-	-	62,079	476,148
-	-	-	1,475,114
-	771,560	-	1,156,553
69,670	15,887,997	4,184,010	21,230,680
18,327,749	-	362,966	18,690,715
-	-	1,006,479	4,186,002
-	-	16,815	1,366,055
$ 52,360,718	$ 267,326,866	$ 31,875,669	$ 475,164,767
$ -	$ -	$ 762,774	$ 2,829,029
-	-	97,271	1,984,100
1,109,657	447,738	881,875	13,851,759
-	-	-	12
-	-	173,082	173,251
4,655,278	18,026,124	1,155,297	25,033,808
731,491	4,130,633	6,312	4,975,120
-	-	62,444	246,655
-	18,327,749	362,966	18,690,715
-	-	65,911	920,227
6,496,426	40,932,244	3,567,932	68,704,676
-	-	-	1,452,899
-	-	-	1,452,899
-	-	1,006,479	4,186,002
-	-	16,815	1,366,055
-	-	1,023,294	5,552,057
-	-	-	25,812,891
-	-	-	13,329,263
-	-	905,392	905,392
45,864,292	226,394,622	1,433,445	273,692,359
-	-	21,309,322	21,309,322
-	-	3,646,695	3,646,695
45,864,292	226,394,622	27,294,854	338,695,922
-	-	-	14,933,113
-	-	-	27,959,881
-	-	(10,411)	17,866,219
45,864,292	226,394,622	28,307,737	405,007,192
$ 52,360,718	$ 267,326,866	$ 31,875,669	$ 475,164,767

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MARION COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 405,007,192
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.		732,374,075
The deferred outflows of resources and deferred inflows of resources related to pensions, other postemployment benefits and debt refundings are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred Outflows related to Debt Refundings	$ 208,904	
Deferred Outflows related to Other Post Employment Benefits	3,185,649	
Deferred Outflows related to Pensions	94,087,307	
Deferred Inflows related to Other Post Employment Benefits	(9,008,020)	
Deferred Inflows related to Pensions	(34,433,062)	
		54,040,778
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Certificates of Participation	(303,845,000)	
Bonds Payable	(1,230,000)	
Note Payable	(6,857,740)	
Lease Payable	(430,836)	
Subscription Based Payable	(16,519,223)	
Unamortized Premiums	(33,436,257)	
Unamortized Prepaid Insurance - Debt Related	25,703	
Compensated Absences Payable	(35,211,505)	
Other Postemployment Benefit Liability	(18,353,188)	
Net Pension Liability	(305,828,164)	
		(721,686,210)
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.		34,273,599
Accrued Interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(1,332,050)
Total Net Position - Governmental Activities		$ 502,677,384

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Formerly Major Fund Other Federal Programs Fund	Special Revenue - Federal Education Stabilization Fund
Revenues			
Intergovernmental:			
Federal Direct	$ 576,259	$ -	$ -
Federal Through State and Local	2,743,536	-	22,610,124
State	269,894,285	-	-
Local:			
Property Taxes	180,458,419	-	-
Other	23,023,639	-	-
Total Revenues	476,696,138	-	22,610,124
Expenditures			
Current - Education:			
Instruction	286,442,061	-	14,577,672
Student Personnel Services	35,189,184	-	1,637,790
Instructional Media Services	4,888,398	-	13,611
Instruction and Curriculum Development	4,869,853	-	140,642
Instructional Staff Training Services	5,023,167	-	90,018
Instruction Related Technology	2,608,305	-	2,645,331
Board of Education	1,190,837	-	-
General Administration	2,217,231	-	445,610
School Administration	27,043,643	-	70,972
Facility Services	1,887,297	-	-
Fiscal Services	4,421,081	-	-
Food Services	-	-	-
Central Services	7,011,825	-	34,862
Student Transportation Services	27,335,009	-	424,885
Operation of Plant	42,955,439	-	24,927
Maintenance of Plant	12,397,555	-	-
Administrative Technology Services	5,222,525	-	27,997
Community Services	6,759,194	-	38,568
Capital Outlay:			
Facilities Acquisition and Construction	3,655,755	-	2,428,113
Other Capital Outlay	17,981,464	-	9,126
Debt Service:			
Retirement of Principal	5,805,192	-	-
Interest and Fiscal Charges	242,844	-	-
Dues and Fees	-	-	-
Total Expenditures	505,147,859	-	22,610,124
Excess (Deficiency) of Revenues Over Expenditures	(28,451,721)	-	-
Other Financing Sources (Uses)			
Insurance Loss Recoveries	572,650	-	-
Issuance of Debt - Leases/SBITAs	14,727,357	-	-
Sale of Capital Assets	109,228	-	-
Transfers In	8,246,198	-	-
Transfers Out	(21,220)	-	-
Total Other Financing Sources (Uses)	23,634,213	-	-
Net Change in Fund Balances	(4,817,508)	-	-
Fund Balances - Beginning	109,258,049	-	-
Fund Balances - Ending	$ 104,440,541	$ -	$ -

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

Capital Projects - Local Capital Improvement Fund	Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,517,169	$ 2,093,428
-	-	85,354,721	110,708,381
-	5,178,112	5,660,498	280,732,895
56,114,438	-	-	236,572,857
2,089,523	45,728,751	6,174,668	77,016,581
58,203,961	50,906,863	98,707,056	707,124,142
-	-	20,351,836	321,371,569
-	-	8,946,498	45,773,472
-	-	16,450	4,918,459
-	-	4,111,218	9,121,713
-	-	8,374,855	13,488,040
-	-	720	5,254,356
-	-	-	1,190,837
-	-	1,426,561	4,089,402
-	-	378,126	27,492,741
184,882	447,735	-	2,519,914
-	-	-	4,421,081
-	-	41,716,954	41,716,954
-	-	161,116	7,207,803
-	-	316,407	28,076,301
-	-	83,646	43,064,012
-	-	3,228	12,400,783
-	-	-	5,250,522
-	-	5,164,012	11,961,774
27,966,238	135,162,830	1,796,217	171,009,153
-	-	4,120,421	22,111,011
-	-	9,416,379	15,221,571
-	-	17,254,134	17,496,978
-	-	269,693	269,693
28,151,120	135,610,565	123,908,471	815,428,139
30,052,841	(84,703,702)	(25,201,415)	(108,303,997)
-	-	60	572,710
-	-	-	14,727,357
-	-	-	109,228
-	-	26,343,659	34,589,857
(22,337,828)	(11,603,169)	(627,640)	(34,589,857)
(22,337,828)	(11,603,169)	25,716,079	15,409,295
7,715,013	(96,306,871)	514,664	(92,894,702)
38,149,279	322,701,493	27,793,073	497,901,894
$ 45,864,292	$ 226,394,622	$ 28,307,737	$ 405,007,192

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MARION COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Governmental Funds		$ (92,894,702)
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 asset activity in the current period:		
Capital Asset Additions	$ 199,896,514	
Depreciation Expense	(31,287,404)	
Loss on Disposal of Capital Assets	(1,833,456)	
		166,775,654
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt payments during the year.		16,654,093
Debt Premiums on bond issues are amortized over the life of the debt in the statement of activities but are reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.		2,097,702
Deferred amount on Refunding is amortized over the life of the debt in the statement of activities, but is reported as an expense in the fund statements when debt is issued. This is the amount of the current amortization.		(201,887)
Prepaid insurance is amortized over the life of the debt in the statement of activities but is reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.		(8,568)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.		
Florida Retirement System Pension Contribution	29,726,754	
Health Insurance Subsidy Pension Contribution	6,349,388	
Florida Retirement System Pension Expense	(30,656,946)	
Health Insurance Subsidy Pension Expense	(4,462,088)	
		957,108
The net decrease in accrued interest on long-term debt is reported in the statement of activities, but not in the fund statements.		(1,196,938)
The issuance of bonds and similar long-term liabilities provides current financial resources to the govrnmental funds and thus contribute to the change in fund balace. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in governmental funds, but reduces the liability in the Statement of Net Position. These items are:		
Proceeds from issuance of leases/SBITA	(14,727,357)	
		(14,727,357)
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 paid in excess of the amount earned in the current fiscal year.		(843,301)
Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the actuarial cost of benefits earned net of employee contributions is reported as an expense.		657,580
Deferred inflow unavailable revenue recognized in current (prior) period.		(3,636)
Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net income of internal service funds is reported with governmental activities.		3,043,549
Change in Net Position of Governmental Activities		$ 80,309,297

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Internal Service Funds
Assets	
Current Assets:	
Cash	$ 32,772,208
Investments	18,059,328
Accounts Receivable	63,413
Deposits Receivable	140,000
Prepaid Items	2,625
Total Assets	51,037,574
Liabilities	
Current Liabilities:	
Salaries and Benefits Payable	9,247
Accounts Payable	4,963,685
Estimated Insurance Claims Payable	3,807,615
Total Current Liabilities	8,780,547
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	7,983,428
Total Liabilities	16,763,975
Net Position	
Unrestricted	$ 34,273,599

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Internal Service Funds
Operating Revenues	
Charges for Services	$ 69,554,108
Total Operating Revenues	69,554,108
Operating Expenses	
Salaries	265,504
Employee Benefits	103,314
Purchased Services	9,504,135
Claim Expense	62,424,252
Total Operating Expenses	72,297,205
Operating Income	(2,743,097)
Nonoperating Revenue	
Investment Income	1,760,533
Increase in Fair Value of Investments	139,818
Other Miscellaneous Local Sources	3,886,295
Total Nonoperating Revenue	5,786,646
Change in Net Position	3,043,549
Net Position - Beginning	31,230,050
Net Position - Ending	$ 34,273,599

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Internal Service Funds
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	$ 69,499,376
Cash Payments to Suppliers for Goods and Services	(9,135,074)
Cash Payments to Employees for Services	(366,620)
Cash Received from Health Insurance Carriers	3,886,295
Cash Payments for Insurance Claim Payments	(61,757,366)
Net Cash Provided by Operating Activities	2,126,611
Cash Flows from Noncapital Financing Activities	
Cash Payment for Temporary Loan to Other Funds	-
Net Cash Used for Noncapital Financing Activities	-
Cash Flows from Investing Activities	
Purchase of Investments	5,091,202
Investment Income	1,760,533
Net Cash Provided by Investing Activities	6,851,735
Net Decrease in Cash	8,978,346
Cash, Beginning of Year	23,793,862
Cash, End of Year	$ 32,772,208
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ (2,743,097)
Miscellaneous Non-operting revenue	3,886,295
Adjustments to Reconcile Operating Income to Miscellaneous Non-operating revenue	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(54,732)
Increase in Prepaid Items	4,070
Increase in Salaries and Benefits Payable	2,198
Increase in Accounts Payable	364,991
Decrease in Estimated Insurance Claims Payable	666,886
Net Cash Provided by Operating Activities	$ 2,126,611

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash	$ -	$ 1,079,706
Investments	418,168	-
TOTAL ASSETS	$ 418,168	$ 1,079,706
NET POSITION		
Held in Trust for Silver River Museum	$ 418,168	$ -
Restricted for School Internal Accounts	-	1,079,706
TOTAL NET POSITION	$ 418,168	$ 1,079,706

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Investment Earnings:		
Investment Loss	$ (26,850)	$ -
Net Increase in Fair Value of Investments	27,221	-
Clubs, Donations and Booster Activities	-	3,737,485
Total Additions	371	3,737,485
DEDUCTIONS		
Materials, Supplies and Other Expenses	-	3,629,136
Change in Net Position	371	108,349
Net Position - Beginning	417,797	971,357
Net Position - Ending	$ 418,168	$ 1,079,706

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Marion County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Marion County School District (District) is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education, and is governed by State laws 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 Marion 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 legally separate 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 Unit Blended component units, are in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The Marion County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note III.K.6. 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.

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.

The Public Education Foundation of Marion County, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The Marion Charter School, Inc.; the McIntosh Area School, Incorporated; The Clear Choice Academics, Inc. d/b/a Ocali Middle School; The Clear Choice Academics, Inc. d/b/a Ocali High School, and the Ina A. Colen Academy are 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 charters approved by its

sponsor, the Marion County District School Board. The charter schools are considered to be a component unit of the District because the District is financially accountable for the charter schools as 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 a public school 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 Foundation's and the charter schools' audited financial statements for the fiscal year ended June 30, 2025. These audited reports are filed in the District's administrative offices at 1614 East Fort King Street, Ocala, Florida 34471.

B. 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 non-exchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's 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 is charged to the functional category that initially purchased the related asset.

C. 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 the internal service fund. 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.

D. 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 Federal funds received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- 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, including new construction, renovation and remodeling projects, new and replacement equipment, motor vehicle purchases, and debt service payments.
- Capital Projects - Other Capital Projects Fund - to account for the financial resources from other sources for educational capital outlay needs, including new construction, renovation and remodeling projects.

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

- Internal Service Fund – to account for the District's individual self-insurance programs.
- Private-Purpose Trust Fund – to account for resources provided for the benefit of the Silver River Museum.
- Custodial Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, and club activities. These assets are held for the benefit of students and the District does not have administrative involvement with the assets nor were the assets derived from the District's sources of revenue received for those students. These funds are combined and reported in one custodial fund of the District. The trusts/donations accounts for those funds collected for a specific restricted purpose that can only be expended in accordance with the donor's provisions as required by the Florida Department of Education.

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 fund) are eliminated. 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.

E. 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 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. Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have e been recognized as revenues of the current fiscal period. 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). 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 only recorded 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 and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

F. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used are those used in the actuarial assumptions for the Other Post Employment Benefits Liability, Net Pension Liability, and the Estimated Insurance Claims Payable along with depreciable useful lives of capital assets.

G. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance

1. Cash

The District's cash is considered to be cash on hand and in demand deposits.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits 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.

The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

2. Investments

Investments consist of amounts placed with the State Board of Administration (SBA) in Florida PRIME created by Section 218.405, Florida Statutes and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME and Florida Public Assets for Liquidity Management (FL Palm) meet all of the necessary criteria to elect to measure all of the investments in Florida PRIME and Florida Palm at amortized cost. Like money market funds, a participant's account balance is a share of the investment pool, not the underlying securities, and reported at amortized cost which is considered the fair value of the participant's investment. Florida Prime and FL Palm are external investment pools that are not registered with the Securities and Exchange Commission (SEC), but operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. There are no fees or restrictions to withdraw from either of these pools.

The District's investment policy established permitted investments, asset allocation limits and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. Earnings are allocated monthly to each fund based on end of month balances.

The District's investments made locally consist of investments in direct obligations of the United States Treasury, Federal instrumentalities, corporate bonds, municipal obligations, and registered investment companies (money market funds), which are reported at fair value.

Authorized investments for endowments include equities, hedged funds, and real estate. The District has a formal investment policy that allows for the following investments for governmental funds:

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement (Moody's or Standard and Poor's)	Maximum Maturity
US Treasury	100%	100%	N/A	5.50 Years
GNMA	100%	40%	N/A	5.50 Years
Other U.S. Government Guaranteed	100%	10%	N.A	5.50 Years
Federal Agency/GSE:FNMA,FHLMC, FHLB,FFCB	80%	40%	N/A	5.50 Years
Federal Agency/GSE other than those above	80%	10%	N/A	5.50 Years
Supranationals	25%	10%	A-1/P-1, AAA/Aaa or equivalent	5.50 Years
Corporates	50%	5%	A-1/P=1,A-/A3 or equivalent	5.50 Years
Municipals	25%	5%	SP-1/MIG 1, A-/A3, or equivalent	5.50 Years
Agency Mortgage-Backed Securities (MBS)	25%	40%	N/A	5.50 Years
Asset-Backed Securities (ABS)	25%	5%	A-1+/P-1,AAA/Aaa, or equivalent	5.50 Years
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%	None	None	2 Years
Commercial Paper (CP)	50%	5%	A-1/P-1, or equivalent	270 days
Banker's Acceptances (Bas)	10%	5%	A-1/P-1, or equivalent	180 days
Money Market Funds (MMF)	50%	25%	AAAm/Aaa-mf,or equivalent	N/A
Intergovenmental Investment Pool	75%	50%	AAAm/AAAf,S1, or equivalent	N/A
Florida Local Government Surplus Funds Trust Funds ("Florida Prime")	25%	N/A	AAAm/Aaa-mf, or equivalent	N/A

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

3. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories, except those for purchased food, donated foods, certain nonfood supplies, and fuel, are stated at cost on a moving-average basis.

Purchased food, nonfood supplies purchased by various food service operations, and fuel inventories are valued at last invoice cost which approximates the first-in, first-out basis. 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 costs of inventories are recorded as expenditures when used rather than purchased.

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.

4. 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, so 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 $1,000 or more; except computer software which are those costing $5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. For leases and subscription-base information technology arrangements (SBITAs), the District capitalizes intangible right-to-use lease/SBITA assets when the lease/SBITA liability is $5,000 or greater. Donated capital assets are recorded at acquisition value at the date of donation.

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

Description	Estimated Lives
Improvements Other than Buildings	7 - 20 years
Buildings and Fixed Equipment	25 - 50 years
Furniture, Fixtures, and Equipment	5 - 20 years
Motor Vehicles	7 - 12 years
Lease Assets - Equipment	2 - 20 years
Lease Assets - Building	25 - 50 years
Subscription-based Information Technology Arrangements (SBITAs)	3-5 years
Audio Visual Materials and Computer Software	3 - 5 years

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

5. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows 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. The District has three items that qualify for reporting in this category. The deferred outflows of resources related to pensions and Other Post Employment Benefits

(OPEB) are discussed in subsequent notes. A deferred amount on refunding 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.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows 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 types of items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes. Deferred Inflows - Leases are established when the District is the lessor in an arrangement under GASB Statement No 87. This offset to the lease receivable is recognized as revenue over the life of the lease term. On the fund level statement deferred unavailable revenues reflect the amounts due to the district that were not available during the revenue recognition period.

6. 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 are amortized over the life of the bonds and certificates of participation using the effective interest method.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize issuance costs during the current period. The face amount of debt issued is reported as other financing sources, while debt issuance costs 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 III.K.

7. Leases/Subscription-Based Information Technology Arrangements (SBITAs)

The District entered into noncancelable leases for the right to use equipment and facilities throughout its operations. When the District is the lessee, the contract results in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. When the District is the lessor, the contract results in recognition of a lease receivable and corresponding deferred inflows of resources. Lease intangible assets are reported with capital assets and lease liabilities are reported with long term liabilities on the government-wide statements.

At commencement of a lease when the District is the lessee, the District initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs. At commencement of a lease when the District is the lessor, the District measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is

measured as the initial amount of the lease receivable, adjusted for prepayments received prior to the lease commencement.

The District also has entered into various noncancelable Suscription-Based Technology Arrangements (SBITAs) for governmental activties. The District recognizes a liability and intangible SBITA asset in the government-wide financial statements.
At commencement of the SBITA, the liability is measured at the present value of payments expected to be made during the subscription term. In subsequent fiscal years, the liability is reduced by the principal portion of payments made. The asset is initially measured as the amount of the liability. In subsequent fiscal years the SBITA asset is amortized on a straight-line basis over its useful life which is the same as the subscription term.

Estimates and judgements are sometimes made when determining the discount rate and overall term for leases/SBITAs. The District monitors its leases/SBITAs for significant changes in circumstances that warrant a remeasurement of the lease/SBITA liability and associated intangible asset, and/or lease receivable and associated deferred inflow of resources.

8. 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.

9. Pensions

In the government-wide financial 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 III.E

10. 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.

11. 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.

12. 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 may include 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 or Board policy prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution or board policy remains in place until a similar action is taken (the adoption of another resolution or amendment of the policy) to remove or revise the limitation.

As such, the District has established a stabilization arrangement in Board Policy 6235, *Fund Balance,* to cover unforeseen events. The minimum amount to be contained in the Stabilization Account is ten percent (10%) of the most recent audited annual operating revenues excluding interfund transfers for the General Fund. The Stabilization Account includes the minimum fund balance levels required by F.S. 1011.051. An annual transfer will be made to the Stabilization Account until the desired ten percent (10%) is achieved.

Amounts held in the Stabilization Account may be expended only under specified limited circumstances. The circumstances when it is necessary to appropriate or spend required by this section, are set forth below. The existence of the circumstances must be declared by four-fifths majority vote of all of the members of the Board establishing that one (1) or more of the criteria listed below exists:

- Expenditures for emergency situations from natural disasters for life, health, or public safety issues for which no appropriation exists.

- Situations where a significant revenue decline of five percent (5%) of General Fund original budgeted estimated revenues (excluding transfers in) arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriations are not considered feasible or appropriate in maintaining existing service levels.

- Correcting the results of an inaccurate estimate, accounting error, or budgeting error in excess of five percent (5%) of General Fund original budgeted estimated revenues (excluding transfers in).

The stabilization balance and amount reported as committed fund balance was $14,933,113 at June 30, 2025.

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 may 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. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. Accordingly, the Board approved assigned amounts within the general fund for an anticipated shortfall in the 2024-2025 fiscal year.

H. Revenues and Expenditures/Expenses

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

2. State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the Florida Department of Education (Department) 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 Department. The Department 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 five months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The

Department 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 year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education (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 year to be expended for the same educational programs. The Department 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 balance of categorical and earmarked educational program resources.

A schedule of revenue from State sources for the current year is presented in Note III.M.1.

3. District Property Taxes

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

On August 28, 2018, Marion County voters approved a one mill ad valorem tax for educational enhancement. Specifically, the funds were to be used to restore programs previously affected by the recession, level funding and operating expenses associated with reading, physical education, art, music, library/media, vocational programs, meeting class size requirements, and retaining teachers and paraprofessionals. In November 2022, voters approved the request for renewal of the one-mil and valorem taxes and included safe schools into the fund uses. The renewal will expire on June 30, 2027. Unexpended funds are shown as restricted fund balance in the General Fund.

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

The Board adopted the 2024-2025 tax levy on September 9, 2024. 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 Marion County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes budgeted for the current year are presented in Note III.L.2.

4. 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. The FDOE may require adjustments to subsequent fiscal period expenditures and related revenues based upon an audit of the District's compliance with applicable Federal awards requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

5. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for workers' compensation, automobile liability, general liability, and property insurance premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. ACCOUNTING CHANGES

Governmental Accounting Standards Board Statement No. 100 and 101

Effective July 1, 2023, the District adopted GASB Statement No. 100, Accounting Changes and Error Corrections. The impact of this statement was determined to primarily related to the provisions regarding a change to or within the financial reporting entity. For the current year, the Special Revenue -Other Federal Programs Fund no longer meets the definition of a major fund. That fund has a fund balance of zero so there is no impact to fund balance or net position for fiscal 2025.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	Major Governmental Funds	Beginning Net Position
6-30-24, as Previously Reported	$ 470,108,821	$ 424,396,501
Change within Financial Reporting	-	
Implementation of GASB 101	$ -	$ (2,028,414)
.	$ 470,108,821	$ 422,368,087

Effective July 1, 2024, the District adopted GASB Statement No. 101 Compensated Absences. The impact of this statement was a reduction in beginning net position of $2,028,414.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

As of June 30, 2025, the District had the following investments and maturities:

Security Type	Duration Year	Credit Rating (1)	Fair Value	Fair Value Measurement (3)
Primary Government				
State Board of Administration (SBA):				
Florida PRIME	0.10	AAAm	$ 19,151,307	n/a
US Treasury Notes	2.02	Aa1	158,859,115	2
Agency MBS	2.01	AA+	306,849	2
Agency CMO	1.45	AA+	21,649	2
Agency CMBS	1.51	AAA	6,773,145	2
Money Market Funds:				
Regions Bank	n/a	n/a	70,435	1
US Bank		n/a	325,980	
FL FIT	n/a	n/a	873,051	n/a
FL PALM	n/a	n/a	82,754,234	n/a
FL PALM TERM		n/a	99,269,185	
Corporate Bonds	1.8	Aaa/Baa1	15,337,767	2
Municipal Obligations Asset-Backed Security	1.4	AAA/Aaa	8,008,503	2
Total Investments, Primary Government			391,751,220	
Fiduciary Funds				
Money Market Funds	n/a	AAAm	75,689	1
Other Equities	n/a	n/a	282,046	1
Fixed Income Securities - Short Term Bond Market		AAA to below B	60,433	1
Total Investments, Fiduciary Funds			418,168	
Component Units				
Public Education Foundation of Marion County, Inc. (2)			1,029,735	
Total Investments			$ 393,199,123	
Presented as Investments in the Financial Statements:				
Governmental Funds			$ 373,691,892	
Proprietary Fund			18,059,328	
Fiduciary Funds			418,168	
Component Units			1,029,735	
Total Investments			$ 393,199,123	

(1) Credit ratings provided by Standard and Poor's.

(2) Information regarding the maturities, risks, and ratings associated with investments in money market funds, bonds, and various equities made by a brokerage firm on behalf of the Public Education Foundation of Marion County, Inc., was not disclosed in the annual post audit of the Foundation filed in the District's administrative offices.
(3) The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, which is based on a matrix pricing model; Level 3 inputs are significant unobservable inputs and were evaluated using a curve-based approach.

- **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds, and in accordance with debt covenants, but should not exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes duration as a measurement of interest rate risk and as of June 30, 2025, the investment portfolio had a weighted average duration of 2.25 years.

Florida PRIME had weighted average days to maturity (WAM) of 47 days at June 30, 2025. 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, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "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 [State Board of Administration] 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." As of June 30, 2025, 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**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Board policy provides that temporarily idle funds be invested as prescribed by Section 218.415(17), Florida Statutes, and SBE rules. The District's investment policy permits investments which are limited to credit quality ratings from nationally recognized rating agencies.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Pursuant to Section 218.415(18), Florida Statutes, the District's investment policy requires securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2025 the District's investment portfolio was held with a third-party custodian as required by the District's investment policy. The endowment funds of the Silver River Museum Private-Purpose Trust Fund are held by a bank and trust company.

- **Concentration of Credit Risk**

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 has established asset allocation and issuer limits which are designed to reduce concentration of credit risk of the District's investment portfolio. The District did not have any investments in any one issuer greater than five percent.

- **Endowment Investments**

To achieve the greatest likelihood of meeting endowment investment objectives, the investment assets shall be diversified in accordance with the following asset allocation weightings: domestic equity (20%-40%); international equity (0%-30%); real estate (0%-10%); inflation hedged (10%-80%); and fixed income (10%-80%).

- **Foreign Currency Risk**

The District's investment policy does not allow for investments in foreign currency therefore the District has no exposure to foreign currency risk.

C. Receivables

1. Accounts Receivable

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered fully collectible. As such, no allowance for uncollectible accounts receivable is accrued. Accounts receivables are actual cash receipts received within 60 days of June 30, 2025, and were susceptible to accrual. Below is a schedule of Due from Other Agencies at June 30, 2025:

Funds/Source	Amount
Major Governmental Funds:	
General:	
E-Rate	$ 263,701
Medicaid	284,100
United States Department of Defense:	
Army JROTC	16,276
Navy JROTC	28,561
Air Force JROTC	15,770
Marion County Tax Collector:	
Unremitted Property Taxes	180,639
Other Agencies:	
Miscellaneous	290,242
Special Revenue - Federal Education Stabilization Fund:	
Florida Department of Education:	
Federal Grant Reimbursement	9,714
Capital Projects - Local Capital Improvement:	
Marion County Tax Collector:	
Unremitted Property Taxes	69,670
Capital Projects - Other Capital Projects	
Florida Department of Education:	
PECO Funds	2,957,429
Florida Department of Revenue:	
Sales Tax	7,895,667
City of Ocala::	
Impact Fees	240,925
Marion County Board of County Commissioners:	
Impact Fees	4,793,976.0
Nonmajor Governmental Funds:	
Special Revenue - Food Service:	
Florida Department of Agriculture and Consumer Services:	
Food Service Program	249,091
Special Revenue - Other Federal Programs:	
Florida Department of Education::	
Federal Grant Reimbursements	1,762,986
Other Agencies:	
Other grant reimbursements	152,729
Capital Projects - Capital Outlay and Debt Service:	
Florida Department of Education:	
Capital Outlay and Debt Service	2,019,204
Total Due From Other Agencies	$ 21,230,680

2. Leases Receivable

The District is the lessor in contracts with outside parties for the right to use various parcels of land and cell phone towers. The land lease for Emerald Road requires payments of $1,400 monthly with an interest rate of 0.3150% over the remain lease life of 313 months. The land lease for West Port High School requires annual payments of $20,808 with interest at 0.2180% for the remaining 180 months of the lease.

The District also has cell tower leases. Both of these have a remaining lease life of 305 months with interest at 0.2180% and monthly payments of $1,400.

The District has $1,475,114 in outstanding lease receivables at June 30, 2025.

D. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions *	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	$ 14,454,102	$ -	$ -	$ 14,454,102
Construction in Progress	52,184,413	170,330,173	31,867,026	190,647,560
Total Capital Assets Not Being Depreciated	66,638,515	170,330,173	31,867,026	205,101,662
Capital Assets Being Depreciated/Amortized:				
Improvements Other Than Buildings	18,269,926	4,741,019	564	23,010,381
Buildings and Fixed Equipment	750,853,614	35,553,847	43,775	786,363,686
Lease Assets -Buildings and Fixed Equipment	1,029,441	-	-	1,029,441
Furniture, Fixtures, and Equipment	59,645,202	4,159,114	1,239,099	62,565,217
Lease Assets-Furniture, Fixtures, and Equipment	893,352	-	876,822	16,530
Subsription Based Assets*	13,175,252	14,903,640	3,489,526	24,589,366
Motor Vehicles	41,799,129	2,075,747	756,985	43,117,891
Audio Visual Materials and Computer Software	663,615	-	-	663,615
Total Capital Assets Being Depreciated	886,329,531	61,433,367	6,406,771	941,356,127
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	5,832,297	667,267	-	6,499,564
Buildings and Fixed Equipment	318,646,554	16,135,440	43,775	334,738,219
Lease Assets-Buildings and Fixed Equipment	229,799	378,800	-	608,599
Furniture, Fixtures, and Equipment	33,081,445	5,994,634	1,176,228	37,899,851
Lease Assets-Furniture, Fixtures, and Equipment	591,100	296,843	876,822	11,121
Subsription Based Assets*	4,653,719	4,897,665	1,730,485	7,820,899
Motor Vehicles	23,671,035	2,916,135	746,005	25,841,165
Audio Visual Materials and Computer Software	663,676	620	-	664,296
Total Accumulated Depreciation	387,369,625	31,287,404	4,573,315	414,083,714
Total Capital Assets Being Depreciated, Net	498,959,906	30,145,963	1,833,456	527,272,413
Governmental Activities Capital Assets, Net	$ 565,598,421	$ 200,476,136	$ 33,700,482	$ 732,374,075

*SBITA deletions include SBITA modifications.

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	$ 20,832,703
Student Personnel Services	254,899
Instructional Media Services	104,296
Instruction and Curriculum Development	240,308
Instructional Staff Training Services	19,767
Instruction Related Technology	3,228,663
School Board	7,512
General Administration	8,274
School Administration	48,039
Facility Services	1,112,618
Fiscal Services	35,639
Food Services	442,257
Central Services	453,696
Student Transportation Services	2,275,360
Operation of Plant	966,936
Maintenance of Plant	55,695
Administrative Technology Services	1,195,312
Community Services	5,430
Total Depreciation Expense - Governmental Activities	$ 31,287,404

E. Retirement Plans

General Information about the Florida Retirement System (FRS)

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 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 the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System 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 the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A 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, Division of Retirement. The FRS Investment Plan is administered by the SBA and is reported in the SBA's annual financial statement and in the State of Florida Annual Comprehensive Financial Report.

The District's FRS and HIS pension expense totaled $35,119,034 for the fiscal year ended June 30, 2025.

Florida Retirement System (FRS) Defined Benefit 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:

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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 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 FRS Pension 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 table shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular 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 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 or more years of service	1.68
Elected County Officials	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 service credit at retirement multiplied by 3 percent. FRS Pension 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 2024-25 fiscal year were as follows:

	Percent of Gross Salary	
Class	Employee	Employer (A)
Florida Retirement System, Regular (HA)	3.00	13.63
Florida Retirement System, Elected County Officers	3.00	58.68
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	21.13
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 2.0 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 Plan.

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

The District's contributions to the Plan totaled $29,726,754 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of $197,611,754 for its proportionate share of the Plan's net pension liability. The net

pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024 , the District's proportionate share was 0.510826606 percent, which was an decrease of 0.015744071 percent from its proportionate share measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized the Plan pension expense of $30,656,946. At June 30, 2025, 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	$ 19,964,093	$ -
Change of assumptions	27,084,498	-
Net difference between projected and actual earnings on FRS pension plan investments		13,134,305
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	6,405,883	7,353,520
District FRS contributions subsequent to the measurement date	29,726,754	-
Total	$ 83,181,228	$ 20,487,825

The deferred outflows of resources related to pensions totaling $29,726,754 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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	Amortization
2026	$ (2,074,853)
2027	33,511,307
2028	1,092,692
2029	(1,070,229)
2030	1,507,732
Thereafter	-
Total	$ 32,966,649

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.5 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table varied by member category and sex, projected generationally with scale MP-2021. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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 real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.3%	3.3%	1.1%
Fixed Income	29.00%	5.7%	5.6%	3.9%
Global Equity	45.00%	8.6%	7.0%	18.2%
Real Estate (Property)	12.00%	8.1%	6.8%	16.6%
Private Equity	11.00%	12.4%	8.8%	28.4%
Strategic Investments	2.00%	6.6%	6.2%	8.7%
Total	100.00%			
Assumed inflation - Mean			2.4%	1.5%

Note: (1) 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate remained at 6.7 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 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 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's proportionate share of the net pension liability	$ 347,592,158	$ 197,611,754	$ 71,971,356

Pension Plan Fiduciary Net Position. Detailed information about pension 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 30,2025, the District reported a payable of $166,724 for the outstanding amount of contributions to the Plan required to the Plan for the fiscal year ended June 30,2025.

Health Insurance Subsidy (HIS) Defined Benefit 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 retired members of any state-administered retirement system in paying the costs of health insurance and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2025 eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $7.50. The payments are at least $45 but not more than $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Federal 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, 2025, the contribution rate was 2 percent of payroll pursuant to section 112.363, Florida Statues. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS 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 defined-benefit pension plan totaled $6,349,388 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a net pension liability of $108,216,410 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 1 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District’s proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District’s proportionate share was 0.72139575 percent, which was an decrease of 0.002314028 percent from its proportionate share measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized HIS Plan pension expense of $4,462,088. 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	$ 1,044,903	$ 207,791
Change of assumptions	1,915,176	12,811,434
Net difference between projected and actual earnings on HIS pension plan investments	-	39,138
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,596,612	886,874
District contributions subsequent to the measurement date	6,349,388	-
Total	$ 10,906,079	$ 13,945,237

The deferred outflows of resources totaling $6,349,388 was related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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	Amortization
2026	$ (1,498,786)
2027	(1,864,408)
2028	(2,611,307)
2029	(1,915,745)
2030	(1,166,694)
Thereafter	(331,606)
Total	$ (9,388,546)

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

Mortality rates were based on the PUB-2010 base table varied by member category and sex, projected generationally with scale MP-2021.

While an experience study has 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 3.93 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 HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2024 valuation was updated from 3.65 percent to 3.93 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 3.93 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 (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
District's proportionate share of the net pension liability	$ 123,190,474	$ 108,216,410	$ 95,785,516

Pension Plan Fiduciary Net Position. Detailed information about pension 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, 2025, the District reported a payable of $71,604 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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. 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 member's accounts during the 2024-25 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	14.30%
FRS, Elected County Officers	19.34%

For all membership classes, employees are immediately vested in their own contributions and are vested after one 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 five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, 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; 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 $13,579,667 for the fiscal year ended June 30, 2025.

F. Other Postemployment Benefit Obligations

The District follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for reporting the employers' OPEB Plan liability.

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical and prescription drug coverage. Retirees and their eligible dependents are offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree

healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

*Benefits Provided***.** The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. The following table provides a summary of the number of participants in the plan as of the measurement date:

Inactive Employees or Beneficiaries Currently Receiving Benefits	218
Active Employees	5,420
Total Plan Members	5,638

Changes in the Total OPEB Plan Liability. The following table shows the change in the District's OPEB Plan liability:

Description	Amount
Service Cost	$ 843,755
Interest on the Total OPEB Plan Liability	705,124
Difference on experience	-
Changes of Assumptions	(149,332)
Benefit Payments	(940,137)
Change in Total OPEB Plan Liability	459,410
Total OPEB Plan Liability, Beginning of Year	17,893,778
Total OPEB Plan Liability, End of Year	$ 18,353,188

Funded Status and Funding Progress. As of June 30, 2023 (updated for 2024) the most recent valuation date, the total OPEB Plan liability was $18,353,188, and assets held in trust were $0, resulting in a funded ratio of 0 percent. The covered-employee payroll (annual payroll of active participating employees) was $319,045,425 and the ratio of the total OPEB Plan liability to the covered-employee payroll was 5.75 percent.

The District has not advanced-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB Plan is financed on a pay-as-you-go basis.

Actuarial Valuation Date. The total OPEB liability was determined based on an actuarial valuation performed as of June 30, 2023 rolled forward to a measurement date of June 30, 2024. The reporting date is June 30, 2025.

Actuarial Valuation Methods and Assumptions. Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts

determined regarding the funded status of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Individual Entry Age Normal Cost Method with an increasing normal cost pattern consistent with the salary increase assumptions used in the July 1, 2023, actuarial valuation of the Florida Retirement (FRS) was used in the OPEB Plan liability calculation.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2023, actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OEPB Plan Actuarial Valuation. 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 in the July 1, 2023, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Mortality tables used in the July 1, 2023, actuarial valuation of the Florida Retirement System were used. They are based on the results of a statewide experience study covering the period 2013 through 2018.

The total OPEB Plan liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.4 percent to 7.8 percent, including inflation as used in the July 1, 2023 actuarial valuation of the Florida Retirement System

Healthcare cost trend rates were based on the Getzen Model, with trend starting at 4.00% followed by 6.50% for 2025 and gradually decreasing per Getzen Model to an ultimate trend rate of 4.0 % after 2050.

Aging factor expenses were based on the 2013 SOA Study “Health Care Costs – From Birth to Death”. Administrative expenses are included in the per capita health costs.

Discount Rate. There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa or higher rating as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 3.93% (based on the daily rate closest to but not later than the measurement date of the “Fidelity 20-Year Municipal GO AA Index”). The discount rate changed from 3.86 percent as of June 30, 2023, to 3.86 percent as of June 30, 2024.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30,2024, the District recognized OPEB expense of $256,830. At June 30, 2025, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	$ 2,271,239	$ (6,574,925)
Difference between actual and expected experience	-	(2,433,095)
Estimated benefits paid subsequent to the measurement date	914,410	-
Total	$ 3,185,649	$ (9,008,020)

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling $914,410 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amortization
2026	(1,292,048)
2027	(1,292,048)
2028	(1,134,628)
2029	(1,102,627)
2030	(340,667)
Thereafter	(1,574,763)
	$ (6,736,781)

Sensitivity of the District's Total OPEB Plan Liability to Changes in the Discount Rate. The following table presents the District's OPEB Plan liability calculated using the discount rate of 3.93 percent, as well as what the OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
OPEB Plan Liability	$ 20,647,683	$ 18,353,188	$ 16,410,404

Sensitivity of the Total OPEB Plan Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or one percent higher than the current healthcare cost trend rates.

	1 % Decrease	Current Healthcare Cost Trend Rate Assumption	1 % Increase
OPEB Plan Liability	$ 15,540,446	$ 18,353,188	$ 21,942,992

G. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2025.

Project	Contract Amount	Completed to Date	Balance Committed
Electric Upgrades	$ 805,077	$ 35,581	$ 769,496
Fencing	940,883	766,272	174,611.00
HVAC	12,967,260	5,670,867	7,296,393.00
Lighting System	3,845,806	2,711,165	1,134,641.00
MTC Aviation/Mechanics Building	7,616,861	4,974,564	2,642,297.00
New Central Warehouse	304,538	104,851	199,687.00
New Data Center	561,358	252,639	308,719.00
New High School - South Marion	147,890,098	42,849,672	105,040,426.00
New LMS Wing	9,282,584	7,466,215	1,816,369.00
New OMS Gym	10,286,275	5,993,003	4,293,272.00
New Elementary School - Ross Prairie	49,630,430	37,419,832	12,210,598.00
New Elementary School - Winding Oaks	49,053,269	40,365,568	8,687,701.00
New Middle School - DD	3,792,769	2,117,331	1,675,438.00
Roof Replacement	5,654,729	4,470,304	1,184,425.00
Plumbing Upgrade	583,338	245,070	338,268.00
Rennovations	12,530,996	6,644,057	5,886,939.00
Total	$ 315,746,271	$ 162,086,991	$ 153,659,280

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 year-end.

Major Funds					
General Fund	Special Revenue Federal Education Stabilization Fund	Capital Projects-Local Capital Improvement Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ 4,620,467	$ 61,837	$ 29,572,497	$ 127,829,170	$ 2,351,806	$ 164,435,777

H. Net Position - Net Investment in Capital Asset

In the government-wide Statement of Net Position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capitalassets, restricted net position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2025, is shown in the table below:

Description		Amount
Total Capital Assets, Net of Accumulated Depreciation		$ 732,374,075
Less related Debt, Net of Unspent Proceeds:		
Certificates of Participation Payable	$ (303,845,000)	
Bonds Payable	(1,230,000)	
Note Payable	(6,857,740)	
Leases Payable	(430,836)	
SBITA	(16,519,223)	
Unamortized Debt Premiums	(33,436,257)	
Unspent Proceeds	200,953,597	
Deferred Amount on Refunding	208,904	
Construction and Retainage Payable	(30,008,928)	
Total Related Debt, Net of Unspent Proceeds		(191,165,483)
Net Investment in Capital Assets		$ 541,208,592

I. 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. The District established a Risk Management Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, and general liability claims. Under the program, the Risk Management Fund provides coverage for up to $500,000 for each workers' compensation claim, $300,000 for each automobile and general liability claim and $100,000 or 2 percent named windstorm for property. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

The district provides health and hospitalization under a self-funded program administered through a commercial provider. By utilizing a self-funded model, the District assumes the claims risk directly and uses a purchased stop loss policy to mitigate those risks. The stop-loss policy covers an individual claim over $375,000, with no aggregate stop loss deductible. The District had claims in excess of the stop-loss limit of $1,430,332 in the current year. Funding levels for the program and the run-out claims were actuarily determined. The District reports the self-funded program in the Internal Service Fund. Amounts are charged to various funds to provide sufficient resources to cover claims incurred, to pay for the purchase of excess insurance, and to pay the insurance service agent's administrative fees.

A liability in the amount of $11,791,043 was actuarily determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2025.

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

Workers' Compensation, Automobile Liability, and General Liability

Fiscal Year	Fiscal-Year Liability	Claims and Changes in Estimates	Payments	Fiscal Year-End
2023-24	$ 9,313,931	$ 2,003,159	$ (2,412,933)	$ 8,904,157
2024-25	8,904,157	2,084,320	(1,710,434)	9,278,043

Heath Insurance

Fiscal Year	Fiscal-Year Liability	Claims and Changes in Estimates	Payments	Fiscal Year-End
2023-24	$ 2,117,000	$ 49,966,936	$ (49,863,936)	$ 2,220,000
2024-25	2,220,000	60,339,932	(60,046,932)	2,513,000

J. Long Term Liabilities

1. Certificates of Participation

Certificates of participation at June 30, 2025, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2015B	$ 7,915,000	3.13	2027	$ 32,860,000
Series 2024	295,930,000	5.25	2044	295,930,000
Total Certificates of Participation	$ 303,845,000			$ 328,790,000

The District entered into financing arrangements, characterized as lease-purchase agreements, with the Marion County School Board Leasing Corporation (Leasing Corporation), a blended component unit, whereby the District secured the financing of various educational facilities. The financing was accomplished through the issuance, by the Leasing Corporation to third-party investors, of certificates of participation. All the certificates issued and outstanding are subject to a master ground and facilities lease-purchase agreement between the District and the Leasing Corporation, which ends on the date that all certificates are paid in full. The lease payments, which are used to make debt service payments on the certificates, are payable from funds appropriated annually by the District for such purpose from current funds or other funds legally

available. The District is not legally required to annually appropriate funds to make the lease payments.

As a condition of the financing arrangements, the District has given a ground lease on District property acquired with proceeds from the certificates to the Leasing Corporation. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

The District properties included in the various ground leases under these arrangements include:

Certificates	Description of Properties
Series 2015B	South Ocala Elementary School, Howard Middle School, Lake Weir High School, Partial Refunding 2007B
Series 2024	New Elementary School W, New Elementary School X, New Middle School DD, New High School CCC, Liberty Middle School Additions, Horizon Academy Additions, Hammett Bowen Additions, Marion Oaks Elementary Additions, Osceola Middle School Gymnasium

The lease payments are payable by the District semiannually on June 1 and December 1 for the certificates of participation. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30, 2025:

Certificates of Participation: Fiscal Year Ending June 30	Total	Principal	Interest
2026	4,179,719	3,860,000	319,719
2027	4,181,719	4,055,000	126,719
Total Minimum Lease Payments	$ 8,361,438	$ 7,915,000	$ 446,438

Certificates of Participation: Fiscal Year Ending June 30			
2026	19,722,613	4,865,000	14,857,613
2027	19,719,362	5,105,000	14,614,362
2028	23,904,113	9,545,000	14,359,113
2029	23,901,863	10,020,000	13,881,863
2030-2040	385,894,187	266,395,000	119,499,187
	$ 473,142,138	$ 295,930,000	$ 177,212,138

2. Bonds Payable

Bonds payable at June 30, 2025, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
District Revenue Bonds from Direct Placement:				
Series 2013, Refunding	1,230,000	3.66	2031	2,725,500
Total Bonds Payable	$ 1,230,000			$ 2,725,500

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

- District Revenue Bonds, Direct Placement

These bonds are authorized by Chapters 80-550 and 89-513, Laws of Florida, which provide that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Marion County from the State's Pari-mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds were distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes (2011)). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of $1,392,538 of pari-mutuel tax proceeds in connection with the District Revenue Bonds of 2013, described above. During the 2024-25 fiscal year, the District recognized pari-mutuel tax proceeds totaling $279,063 and expended $199,800 for debt service directly collateralized by these revenues. The pledged pari-mutuel tax proceeds are committed until final maturity of the debt on December 1, 2031. Approximately 100 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2025, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
District Revenue Bonds from Direct Placement:			
2026	$ 198,163	$ 156,000	$ 42,163
2027	199,326	163,000	36,326
2028	201,213	171,000	30,213
2029	197,900	174,000	23,900
2030	595,936	566,000	29,936
Total District Revenue Bonds from Direct Placement	1,392,538	1,230,000	162,538
Total	$ 1,392,538	$ 1,230,000	$ 162,538

3. Notes Payable, Direct Placement

The notes payable from direct placement at June 30, 2025, are as follows:

Notes Payable, Direct Placement	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
Bus Purchase 2019	$ 6,857,740	2.78	2029	$ 15,839,901

The district entered into a financing arrangement in the 2018-19 fiscal year to purchase 150 buses.

Annual requirements to amortize the note payable as of June 30, 2025, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2026	$ 1,823,352	$ 1,644,132	$ 179,220
2027	1,823,351	1,690,137	133,214
2028	1,823,352	1,737,428	85,924
2029	1,823,352	1,786,043	37,309
Total Notes Payable, Direct Placement	$ 7,293,407	$ 6,857,740	$ 435,667

4. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities					
Debt Related to Capital Assets:					
Certificates of Participation Payable	$ 11,590,000	$ -	$ 3,675,000	$ 7,915,000	$ 3,860,000
Certificates of Participation Payable Direct Placement	3,880,000	-	3,880,000	-	-
Certificates of Participation Payable	295,930,000	-	-	295,930,000	4,865,000
Bond Anticipation Note	-	-	-	-	-
Bonds Payable	110,000	-	110,000	-	-
Bonds Payable Direct Placement	1,382,000	-	152,000	1,230,000	156,000
Notes Payable, Direct Placement	8,457,119	-	1,599,379	6,857,740	1,644,132
Leases Payable	1,093,490	-	662,654	430,836	370,031
Subscription Based Payable*	8,366,926	14,727,357	6,575,060	16,519,223	4,806,616
Unamortized Premiums	35,533,959	-	2,097,702	33,436,257	-
Total Capital Asset Related Debt	366,343,494	14,727,357	18,751,795	362,319,056	15,701,779
Compensated Absences Payable**	34,368,204	843,301	-	35,211,505	3,873,266
Other Postemployment Benefits Payable	17,893,778	1,548,879	1,089,469	18,353,188	914,410
Estimated Insurance Claims Payable	11,124,157	62,424,252	61,757,366	11,791,043	3,807,615
Net Pension Liability:					
Florida Retirement System	209,821,749	84,111,420	96,321,415	197,611,754	-
Health Insurance Subsidy	114,934,765	18,097,952	24,816,307	108,216,410	-
Total Governmental Activities	$ 754,486,147	$ 181,753,161	$ 202,736,352	$ 733,502,956	$ 24,297,070

* Includes reclassification, ** restated for implementation of GASB 101 - change presented "net"

For the governmental activities, pensions, and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the Internal Service Fund, as discussed in Note III.I.

5. Deferred Outflows / Inflows of Resources

The components of deferred inflows and outflows are:

Description	Beginning Balance	Change	Ending Balance
GOVERNMENTAL ACTIVITIES			
Non-pension Related Deferred Outflows:			
Deferred Amount on Refunding	$ 410,791	$ (201,887)	$ 208,904
Other Postemployment Benefits	3,495,381	(309,732)	3,185,649
Total	$ 3,906,172	$ (511,619)	$ 3,394,553
Pension Related Deferred Outflows:			
Florida Retirement System	$ 80,818,866	$ 2,362,362	$ 83,181,228
Health Insurance Subsidy	12,933,885	(2,027,806)	10,906,079
Total	$ 93,752,751	$ 334,556	$ 94,087,307
Pension Related Deferred Inflows:			
Florida Retirement System	$ 4,985,277	$ 15,502,548	$ 20,487,825
Health Insurance Subsidy	11,141,989	2,803,248	13,945,237
Total	$ 16,127,266	$ 18,305,796	$ 34,433,062
Non-pension Related Deferred Inflows:			
Other Postemployment Benefits	$ 10,434,742	$ (1,426,722)	$ 9,008,020
Deferred Inflows - Leases	1,524,629	(71,730)	1,452,899
Total	$ 11,959,371	$ (1,498,452)	$ 10,460,919

6. Lease Liability

The District is the lessee of equipment and buildings in several departments of operation. Details of the District's significant leases are outlined in the table below.

Description of Leased Item	Lease Term	Payments	Payment Frequency	Interest Rate
Clearview Copiers	48 months	$ 24,677	Monthly	.4310%
Mail Processing Equipment	60 months	840	Quarterly	.686%
Modular Buildings	36 months	1,050 - 8,700	Monthly	2.90%
Building	21 months	4,744	Monthly	1.66%

The District's lease liability at June 30, 2025 is $430,836. Future debt service payments at June 30 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	370,032	7,478	377,510
2027	60,804	477	61,281
Total	$ 430,836	$ 7,955	$ 438,791

7. SBITA Liability

The District has entered into noncancelable SBITAs for governmental activities. These arrangements have discount rates ranging from .457% - 3.305% and with amortization lives from 3-11 years.

The District's SBITA liability at June 30, 2025 is $16,519,223. Future debt service payments at June 30 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	4,806,613	393,426	5,200,039
2027	3,994,835	278,619	4,273,454
2028	3,395,433	179,923	3,575,356
2029	1,783,845	97,848	1,881,693
2030	1,772,359	58,870	1,831,229
2031	$ 766,138	$ 29,915	796,053
Total	$ 16,519,223	$ 1,038,601	$ 17,557,824

K. Fund Balance Reporting

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

- **Nonspendable Fund Balance**. Nonspendable 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.

- **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.

- **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. The General Fund is the only fund that reports a positive unassigned fund balance because it is not appropriate to report a positive unassigned fund balance in other government funds. It may be necessary to report a negative unassigned fund balance if expenditures exceed nonspendable, restricted, committed and unassigned fund balance.

L. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2024-25 fiscal year:

Source	Amount
Florida Education Finance Program	$ 215,354,369
Categorical Educational Program - Class Size Reduction	44,900,172
FLorida School Recognition Program	1,099,971
Workforce Development Program	5,429,635
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,130,972
Voluntary Prekindergarten Program	1,884,678
Food Service Supplement	432,401
Charter School Capital Outlay	627,640
State License Tax	269,702
Workforce Education Performance Incentive	357,075
Miscellaneous	8,246,280
Total	$ 280,732,895

Accounting policies relating to certain State revenue sources are described in Note I.H.2.

2. Property Taxes

The following is a summary of millages and taxes budgeted from the 2024 tax roll for the 2024-25 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payment discounts and uncollectable amounts:

GENERAL FUND	Millages	Taxes Budgeted
Nonvoted School Tax:		
Required Local Effort	3.061	$ 113,721,690
Required Local Effort - Prior Period Adjustment	0.014	520,125
Basic Discretionary Local Effort	0.748	27,789,554
Voted School Tax:		
Operating	1.000	37,151,810
CAPITAL PROJECTS FUNDS		
Nonvoted Tax:		
Local Capital Improvement	1.500	55,727,715
Total	6.323	$ 234,910,894

M. Donor-Restricted Endowments

The Silver River Museum Endowment was created to provide long-term funding for the continuation and enhancement of educational programs offered through the museum. The initial investment of $410,000 must be invested for perpetuity and cannot be spent under any circumstances. Investments are currently valued at $418,168. The Silver River Museum has sole access to the interest from the endowment.

N. Interfund Receivables, Payables, and Transfers

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund Transfers In	Interfund Transfers Out
Major:		
General	$ 8,246,198	$ 21,220
Capital Projects:		
Local Capital Improvement	-	22,337,828
Other Capital Projects	-	11,603,169
Nonmajor Governmental	26,343,659	627,640
Total	$ 34,589,857	$ 34,589,857

Transfers from the Local Capital Improvement Fund are for payments of principal and interest on certificates of participation, property insurance and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

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

Funds	Interfund Due From	Interfund Due To
Major:		
General	$ -	$ -
Special Revenue - Federal Education Stabilization	-	-
Local Capital Projects Fund	18,327,749	-
Other Capital Projects Fund	-	18,327,749
Non major Governmental	362,966	362,966
Total	$ 18,690,715	$ 18,690,715

The interfund receivables and payables are temporary in nature and were to offset pooled cash positions.

IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

The District is involved in various lawsuits arising in the ordinary course of operations. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated claims payable for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on insured risks. It is the opinion of

management, in consultation with legal counsel that the final settlements of these matters will not result in a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Federal Direct:				
Reserve Officers Training Corps	$ 445,000	$ 554,254	$ 576,259	$ 22,005
Federal Through State:				
Medicaid	1,990,000	2,489,354	2,508,508	19,154
National Forest Funds	200,000	200,000	189,289	(10,711)
Miscellaneous Federal Through State	3,100	3,100	45,739	42,639
Total Federal Through State	2,193,100	2,692,454	2,743,536	51,082
State:				
Florida Education Finance Program	249,602,667	216,231,124	215,354,369	(876,755)
Workforce Development Program	4,706,422	4,706,422	4,706,422	-
Workforce Development Capitalization Incentive Grant	1,513,447	1,513,447	723,213	(790,234)
Workforce Education Performance Incentive	263,850	598,744	357,075	(241,669)
CO&DS Withheld for Administrative Expense	26,000	26,000	30,384	4,384
Class Size Reduction - Operating Funds	44,552,166	44,900,172	44,900,172	-
School Recognition Funds	-	1,099,971	1,099,971	-
Voluntary Prekindergarten Program	2,098,074	1,983,151	1,884,678	(98,473)
Other State:				
State License Tax	250,000	250,000	269,702	19,702
Miscellaneous State Revenue	152,047	577,977	568,299	(9,678)
Total State	303,164,673	271,887,008	269,894,285	(1,992,723)
Local:				
District School Taxes	180,075,078	179,755,513	179,773,664	18,151
Tax Redemptions	450,000	549,860	684,755	134,895
Tuition	-	-	5,825	5,825
Rent	116,741	179,634	192,385	12,751
Investment Income	4,000,000	5,270,161	5,265,060	(5,101)
Net Increase in Fair Value of Investments	-	723,468	723,484	16
Gifts, Grants, and Bequests	-	221,126	221,225	99
Interest Income - Leases	-	-	3,703	3,703
Local Adult General Education Course Fees	58,000	6,110	6,110	-
Postsecondary Vocational Course Fees	1,166,884	1,192,484	1,041,014	(151,470)
Capital Improvement Fees	78,510	78,510	56,409	(22,101)
Postsecondary Lab Fees	1,814,049	1,837,794	1,625,211	(212,583)
Lifelong Learning Fees	54,000	54,000	57,023	3,023
General Education Testing	-	68	67	(1)
Financial Aid Fees	133,543	135,843	112,728	(23,115)
Other Student Fees	411,477	412,202	346,031	(66,171)
School Age Child Care Fees	5,962,586	6,485,639	6,485,158	(481)
Other Schools, Courses, and Classes Fees	7,650	7,650	4,350	(3,300)
Bus Fees	-	48,564	65,575	17,011
Transportation Services Rendered for School Activities	75,000	75,000	129,652	54,652
Sale of Junk	-	101,052	123,326	22,274
Receipt of Federal Indirect Cost Rate	1,241,000	1,304,076	1,871,776	567,700
Miscellaneous Local Revenues	2,660,256	3,899,157	4,010,899	111,742
Collection of Lost or Damaged Textbooks	-	17,668	17,493	(175)
Receipts of Food Service Indirect Costs	500,000	659,135	659,135	-
Total Local	198,804,774	203,014,714	203,482,058	467,344
Total Revenues	504,607,547	478,148,430	476,696,138	(1,452,292)

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures				
Current Education:				
Instruction:				
Salaries	$ 185,807,826	$ 181,125,527	$ 177,533,277	$ 3,592,250
Employee Benefits	72,154,352	72,349,118	70,590,808	1,758,310
Purchased Services	66,088,890	34,451,818	25,044,146	9,407,672
Energy Services	29,119	34,038	20,383	13,655
Materials and Supplies	16,610,168	16,054,826	9,394,606	6,660,220
Capital Outlay	1,590,910	2,374,689	1,256,885	1,117,804
Other	7,026,631	4,956,050	2,601,956	2,354,094
Total Instruction	349,307,896	311,346,066	286,442,061	24,904,005
Student Personnel Services:				
Salaries	26,013,689	26,018,875	24,100,122	1,918,753
Employee Benefits	10,355,778	10,695,193	9,776,467	918,726
Purchased Services	1,579,235	2,426,497	1,100,634	1,325,863
Energy Services	1,000	1,026	917	109
Materials and Supplies	135,000	120,805	80,485	40,320
Capital Outlay	251,429	382,994	124,096	258,898
Other	5,550	36,190	6,463	29,727
Total Student Personnel Services	38,341,681	39,681,580	35,189,184	4,492,396
Instructional Media Services:				
Salaries	3,328,713	3,352,979	3,333,089	19,890
Employee Benefits	1,271,575	1,288,305	1,283,134	5,171
Purchased Services	92,686	109,533	5,552	103,981
Energy Services	1,000	1,000	325	675
Materials and Supplies	38,784	39,092	21,246	17,846
Capital Outlay	575,980	587,268	243,021	344,247
Other	5,075	6,410	2,031	4,379
Total Instructional Media Services	5,313,813	5,384,587	4,888,398	496,189
Instruction and Curriculum Development:				
Salaries	3,198,199	3,439,599	3,103,487	336,112
Employee Benefits	1,080,711	1,148,928	1,116,638	32,290
Purchased Services	315,104	356,655	8,617	348,038
Energy Services	2,050	4,466	4,464	2
Materials and Supplies	54,066	65,204	28,773	36,431
Capital Outlay	29,230	20,100	11,943	8,157
Other	610,675	608,897	595,931	12,966
Total Instruction and Curriculum Development	5,290,035	5,643,849	4,869,853	773,996
Instructional Staff Training Services:				
Salaries	3,109,226	3,330,348	2,956,818	373,530
Employee Benefits	979,160	1,094,037	1,026,321	67,716
Purchased Services	994,499	1,119,514	940,198	179,316
Materials and Supplies	19,718	21,030	10,178	10,852
Capital Outlay	1,488	4,479	3,404	1,075
Other	3,055,321	1,925,425	86,248	1,839,177
Total Instructional Staff Training Services	8,159,412	7,494,833	5,023,167	2,471,666

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (continued)				
Current Education (continued):				
Instruction Related Technology:				
Salaries	$ 1,562,187	$ 1,593,170	$ 1,470,598	$ 122,572
Employee Benefits	719,663	723,439	661,801	61,638
Purchased Services	481,093	497,734	326,180	171,554
Energy Services	6,800	7,164	7,163	1
Materials and Supplies	28,500	48,819	30,617	18,202
Capital Outlay	169,500	127,067	94,696	32,371
Other	50,000	62,243	17,250	44,993
Total Instruction Related Technology	3,017,743	3,059,636	2,608,305	451,331
Board of Education:				
Salaries	621,027	717,619	629,804	87,815
Employee Benefits	388,919	388,919	394,530	(5,611)
Purchased Services	277,750	292,000	138,775	153,225
Materials and Supplies	10,262	10,262	2,663	7,599
Capital Outlay	2,640	1,290	247	1,043
Other	27,000	27,000	24,818	2,182
Total Board of Education	1,327,598	1,437,090	1,190,837	246,253
General Administration:				
Salaries	1,782,723	1,731,803	1,552,607	179,196
Employee Benefits	608,263	584,129	535,556	48,573
Purchased Services	114,812	104,766	90,867	13,899
Energy Services	4,400	2,100	1,241	859
Material and Supplies	24,836	13,746	6,424	7,322
Capital Outlay	6,700	6,775	3,684	3,091
Other	53,047	48,565	26,852	21,713
Total General Administration	2,594,781	2,491,884	2,217,231	274,653
School Administration:				
Salaries	19,548,660	19,750,250	19,509,581	240,669
Employee Benefits	7,361,367	7,396,757	7,305,250	91,507
Purchased Services	246,810	267,433	142,943	124,490
Materials and Supplies	44,525	43,029	26,693	16,336
Capital Outlay	62,592	50,587	37,129	13,458
Other	25,750	24,727	22,047	2,680
Total School Administration	27,289,704	27,532,783	27,043,643	489,140
Facility Services:				
Salaries	706,276	875,926	872,380	3,546
Employee Benefits	246,788	324,582	324,456	126
Purchased Services	207,850	248,017	32,257	215,760
Energy Services	5,500	5,783	5,782	1
Materials and Supplies	17,000	18,217	11,318	6,899
Capital Outlay	6,500	13,833	4,110	9,723
Other	581,915	649,197	636,994	12,203
Total Facility Services	1,771,829	2,135,555	1,887,297	248,258

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (continued)				
Current Education (continued):				
Fiscal Services:				
Salaries	$ 3,292,681	$ 3,268,185	$ 2,482,734	$ 785,451
Employee Benefits	1,044,639	1,042,724	615,359	427,365
Purchased Services	1,268,400	1,573,447	1,197,388	376,059
Energy Services	1,300	1,300	149	1,151
Materials and Supplies	22,352	24,768	14,346	10,422
Capital Outlay	13,026	17,090	14,918	2,172
Other	643,928	603,320	96,187	507,133
Total Fiscal Services	6,286,326	6,530,834	4,421,081	2,109,753
Central Services:				
Salaries	4,698,157	4,799,176	4,578,954	220,222
Employee Benefits	1,737,421	1,767,431	1,712,112	55,319
Purchased Services	523,490	1,084,979	211,240	873,739
Energy Services	30,405	34,206	33,266	940
Materials and Supplies	106,340	109,271	71,650	37,621
Capital Outlay	142,167	125,437	110,877	14,560
Other	442,337	438,984	293,726	145,258
Total Central Services	7,680,317	8,359,484	7,011,825	1,347,659
Student Transportation Services:				
Salaries	12,491,226	15,557,391	15,189,996	367,395
Employee Benefits	6,499,387	7,104,116	6,957,937	146,179
Purchased Services	936,390	2,925,533	1,778,739	1,146,794
Energy Services	4,056,059	4,062,278	2,444,950	1,617,328
Materials and Supplies	1,260,094	1,426,290	932,394	493,896
Capital Outlay	22,100	953,668	25,626	928,042
Other	63,000	40,350	5,367	34,983
Total Student Transportation Services	25,328,256	32,069,626	27,335,009	4,734,617
Operation of Plant:				
Salaries	12,904,506	13,059,072	12,418,379	640,693
Employee Benefits	5,677,543	5,691,728	5,424,618	267,110
Purchased Services	17,745,769	16,609,057	12,009,549	4,599,508
Energy Services	11,451,782	11,552,742	11,536,676	16,066
Materials and Supplies	2,899,691	2,099,358	1,467,740	631,618
Capital Outlay	204,978	117,674	70,781	46,893
Other	4,575,760	2,518,981	27,696	2,491,285
Total Operation of Plant	55,460,029	51,648,612	42,955,439	8,693,173
Maintenance of Plant:				
Salaries	6,201,028	6,725,876	6,238,769	487,107
Employee Benefits	2,669,440	2,671,075	2,578,019	93,056
Purchased Services	2,422,459	2,117,095	1,709,773	407,322
Energy Services	134,000	149,582	149,581	1
Materials and Supplies	1,351,089	1,834,321	1,587,033	247,288
Capital Outlay	22,743	141,202	126,884	14,318
Other	23,139	23,470	7,496	15,974
Total Maintenance of Plant	12,823,898	13,662,621	12,397,555	1,265,066

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (continued)				
Current Education (continued):				
Administrative Technology Services:				
Salaries	$ 2,105,837	$ 2,105,837	$ 2,002,226	$ 103,611
Employee Benefits	771,390	771,399	753,126	18,273
Purchased Services	3,577,683	3,638,938	2,325,814	1,313,124
Energy Services	6,500	6,500	5,731	769
Materials and Supplies	30,750	130,162	73,216	56,946
Capital Outlay	79,150	69,924	40,411	29,513
Other	30,600	36,720	22,001	14,719
Total Administrative Technology Services	6,601,910	6,759,480	5,222,525	1,536,955
Community Services:				
Salaries	4,575,634	4,596,826	4,487,681	109,145
Employee Benefits	1,757,480	1,757,966	1,595,263	162,703
Purchased Services	301,270	314,781	269,164	45,617
Materials and Supplies	107,800	117,318	104,443	12,875
Capital Outlay	31,750	48,239	45,173	3,066
Other	1,689,931	1,683,331	257,470	1,425,861
Total Community Services	8,463,865	8,518,461	6,759,194	1,759,267
Capital Outlay:				
Buildings and Fixed Equipment	2,163,808	17,301,925	1,500,897	15,801,028
Improvements Other Than Buildings	872,106	2,214,105	1,081,669	1,132,436
Remodeling and Renovations	2,088,179	3,384,601	1,073,189	2,311,412
Vehicles	165,754	255,242	191,506	63,736
Other Capital Outlay	4,204,227	5,534,368	17,789,958	(12,255,590)
Total Capital Outlay	9,494,074	28,690,241	21,637,219	7,053,022
Debt Service:				
Retirement of Principal	-	4,684,669	5,805,192	(1,120,523)
Interest and Fiscal Charges	-	-	242,844	(242,844)
Total Expenditures	574,553,167	567,131,891	505,147,859	61,984,032
Excess (Deficiency) of Revenues Over Expenditures	(69,945,620)	(88,983,461)	(28,451,721)	60,531,740
Other Financing Sources (Uses)				
Sale of Capital Assets	-	109,227	109,228	1
Insurance Loss Recoveries	-	535,914	572,650	36,736
Proceeds from Lease Agreements	-	14,727,357	14,727,357	-
Transfers In	8,659,932	8,288,125	8,246,198	(41,927)
Transfers Out	(20,000)	(50,361)	(21,220)	29,141
Total Other Financing Sources	8,639,932	23,610,262	23,634,213	23,951
Net Change in Fund Balance	(61,305,688)	(65,373,199)	(4,817,508)	60,555,691
Fund Balance - Beginning	90,008,533	90,008,533	109,258,049	19,249,516
Fund Balance - Ending	$ 28,702,845	$ 24,635,334	$ 104,440,541	$ 79,805,207

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Federal Education Stabilization Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Federal Through State				
Education Stabilization Funds - K12	$ 23,611,033	$ 23,244,274	$ 22,591,781	$ (652,493)
Federal Through Local	18,343	18,343	18,343	-
Total Revenues	23,629,376	23,262,617	22,610,124	(652,493)
Expenditures				
Current Education:				
Instruction:				
Salaries	2,132,867	1,269,222	1,061,322	207,900
Employee Benefits	867,479	350,877	338,986	11,891
Purchased Services	6,157,496	5,884,473	5,851,394	33,079
Materials and Supplies	501,366	465,669	434,542	31,127
Capital Outlay	2,025,010	6,820,305	6,817,250	3,055
Other	312,218	80,543	74,178	6,365
Total Instruction	11,996,436	14,871,089	14,577,672	293,417
Student Personnel Services:				
Salaries	1,035,169	595,037	572,618	22,419
Employee Benefits	569,280	260,261	248,168	12,093
Purchased Services	640,323	788,300	784,942	3,358
Materials and Supplies	36,527	32,091	32,062	29
Capital Outlay	47	-	-	-
Total Student Personnel Services	2,281,346	1,675,689	1,637,790	37,899
Instructional Media Services:				
Salaries	-	10,130	10,129	1
Employee Benefits	-	3,484	3,482	2
Total Instructional Media Services	-	13,614	13,611	3
Intruction and Curriculum Development:				
Salaries	39,267	34,909	34,909	-
Employee Benefits	209,426	10,041	10,037	4
Purchased Services	7,884	4,652	4,650	2
Materials and Supplies	12,951	93,246	91,046	2,200
Total Instruction and Curriculum Development	269,528	142,848	140,642	2,206
Instructional Staff Training Services:				
Salaries	19,246	22,190	22,190	-
Employee Benefits	57,628	17,717	10,297	7,420
Purchased Services	146,270	23,026	21,289	1,737
Other	142,142	61,044	36,242	24,802
Total Instructional Staff Training Services	365,286	123,977	90,018	33,959
Intruction-Related Technology:				
Salaries	81,459	28,642	28,642	-
Employee Benefits	15,915	7,133	7,131	2
Purchased Services	2,795,149	2,609,585	2,609,558	27
Total Instruction-Related Technology	2,892,523	2,645,360	2,645,331	29
General Administration:				
Other	1,912,735	601,053	445,610	155,443
Total General Administration	1,912,735	601,053	445,610	155,443
School Administration:				
Salaries	151,573	51,309	51,309	-
Employee Benefits	49,412	19,678	19,663	15
Total School Administration	200,985	70,987	70,972	15

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Federal Education Stabilization Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Concluded)				
Current Education (Concluded):				
Facility Services:				
Capital Outlay	$ 105,540	$ 100,603	$ -	$ 100,603
Total Facility Services	105,540	100,603	-	100,603
Fiscal Services:				
Salaries	33,958	-	-	-
Employee Benefits	15,138	-	-	-
Total Fiscal Services	49,096	-	-	-
Central Services:				
Salaries	85,629	3,396	3,396	-
Employee Benefits	37,574	1,841	1,567	274
Purchased Services	43,664	22,426	22,425	1
Materials and Supplies	1,847	1,220	1,219	1
Capital Outlay	2,540	2,460	2,460	-
Other	11,292	5,686	3,795	1,891
Total Central Services	182,546	37,029	34,862	2,167
Student Transportation Services:				
Salaries	126,934	213,358	213,357	1
Employee Benefits	-	72,923	72,917	6
Purchased Services	14,995	3,995	579	3,416
Energy Services	118,972	135,320	135,318	2
Materials and Supplies	43,681	2,715	2,714	1
Other	1,500	-	-	-
Total Student Transportation Services	306,082	428,311	424,885	3,426
Operation of Plant:				
Salaries	23,146	-	-	-
Employee Benefits	1,087	-	-	-
Purchased Services	25,627	25,629	24,927	702
Materials and Supplies	711	-	-	-
Total Operation of Plant	50,571	25,629	24,927	702
Maintenance of Plant				
Purchased Services	-	1	-	1
Total Maintenance of Plant	-	1	-	1
Administration Technology Services:				
Salaries	-	19,682	19,681	1
Employee Benefits	7,836	8,319	8,316	3
Total Administration Technology Services	7,836	28,001	27,997	4
Community Services:				
Salaries	-	28,303	28,303	-
Employee Benefits	-	8,753	8,751	2
Purchased Services	25,599	1,514	1,514	-
Total Community Services	25,599	38,570	38,568	2

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - FEDERAL EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Federal Education Stabilization Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget**
Capital Outlay:				
Improvements Other Than Buildings	$ 212,527	$ 210,918	$ 209,857	$ 1,061
Remodeling and Renovations	2,724,423	2,237,108	2,218,256	18,852
Vehicles	42,103	-	-	-
Other Capital Outlay	4,214	11,830	9,126	2,704
Total Capital Outlay	2,983,267	2,459,856	2,437,239	22,617
Total Expenditures	23,629,376	23,262,617	22,610,124	652,493
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System Pension Plan (1)

Fiscal Year Ending June 30	District's Proportion of FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.521988161%	67,421,772	208,929,545	32.27%	92.00%
2016	0.507447693%	128,130,941	223,856,707	57.24%	84.88%
2017	0.504575470%	149,250,038	229,899,245	64.92%	83.89%
2018	0.500254558%	150,679,266	237,064,100	63.56%	87.43%
2019	0.494246229%	170,211,520	238,892,291	71.25%	82.61%
2020	0.478667616%	207,461,599	242,094,532	85.69%	78.85%
2021	0.523306955%	39,529,893	247,669,118	15.96%	96.40%
2022	0.541300681%	201,407,353	285,476,493	70.55%	82.89%
2023	0.526570677%	209,821,749	286,869,984	73.14%	82.38%
2024	0.510826606%	197,611,754	305,559,265	64.67%	83.70%

(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule of District Contributions
Florida Retirement System Pension Plan (1)

Fiscal Year Ending June 30	FRS Contribution	Contribution	Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2016	12,450,461	(12,450,461)	-	223,856,707	5.56%
2017	13,201,646	(13,201,646)	-	229,899,245	5.74%
2018	14,269,459	(14,269,459)	-	237,064,100	6.02%
2019	15,325,199	(15,325,199)	-	238,892,291	6.42%
2020	16,106,008	(16,106,008)	-	242,094,532	6.65%
2021	20,107,233	(20,107,233)	-	247,669,118	8.12%
2022	23,098,285	(23,098,285)	-	285,476,493	8.09%
2023	25,331,436	(25,331,436)	-	286,869,984	8.83%
2024	28,926,237	(28,926,237)	-	305,559,265	9.47%
2025	29,726,754	(29,726,754)	-	317,499,533	9.36%

(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule of Proportionate Share of Net Pension Liability
Health Insurance Subsidy Pension Plan (1)

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.690189062%	70,388,427	208,929,545	33.69%	0.00%
2016	0.725308478%	84,531,698	223,856,707	37.76%	0.97%
2017	0.720509302%	77,040,179	229,899,245	33.51%	1.64%
2018	0.714200727%	75,591,807	237,064,100	31.89%	2.15%
2019	0.714222759%	79,914,379	238,892,291	33.45%	2.63%
2020	0.697511916%	85,165,069	242,094,532	35.18%	0.30%
2021	0.699610333%	85,817,726	247,669,118	34.65%	3.56%
2022	0.720705581%	76,334,232	285,476,493	26.74%	4.81%
2023	0.723709779%	114,934,765	286,869,984	40.07%	4.12%
2024	0.721395751%	108,216,410	305,559,265	34.08%	4.80%

(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule of District Contributions
Health Insurance Subsidy Pension Plan (1)

Fiscal Year Ending June 30	FRS Contribution	Contribution	Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2016	3,716,021	(3,716,021)	-	223,854,707	1.66%
2017	3,816,327	(3,816,327)	-	229,899,245	1.66%
2018	3,877,158	(3,877,158)	-	237,064,100	1.64%
2019	3,966,010	(3,966,010)	-	238,892,291	1.66%
2020	4,018,755	(4,018,755)	-	242,094,532	1.66%
2021	4,111,805	(4,111,805)	-	247,669,118	1.66%
2022	4,360,876	(4,360,876)	-	285,476,493	1.53%
2023	4,760,691	(4,760,691)	-	286,869,984	1.66%
2024	6,107,549	(6,107,549)	-	305,559,265	2.00%
2025	6,349,388	(6,349,388)	-	317,499,533	2.00%

(1) The amounts presented for each fiscal year were determined as of June 30.

Marion County District School Board
Required Supplementary Information
Schedule of Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	$ 843,755	$ 799,932	$ 1,107,358	$ 1,017,847	$ 914,478	$ 1,240,787	$ 1,261,070	$ 1,371,357
Interest on the Total OPEB Plan Liability	705,124	668,558	418,996	530,073	629,336	1,018,392	982,553	840,553
Difference between expected and actual experience	-	(2,026,725)	-	(654,598)	-	(731,300)	-	-
Changes of Assumptions	(149,332)	1,699,751	(3,783,873)	398,539	1,148,531	(7,801,466)	(162,826)	(1,766,608)
Benefit Payments	(940,137)	(1,131,842)	(1,147,430)	(1,241,147)	(1,292,245)	(1,559,524)	(1,496,366)	(1,546,160)
Net Change in Total OPEB Plan Liability	459,410	9,674	(3,404,949)	50,714	1,400,100	(7,833,111)	584,431	(1,100,858)
Total OPEB Plan Liability, Beginning	17,893,778	17,884,104	21,289,053	21,238,339	19,838,239	27,671,350	27,086,919	28,187,777
Total OPEB Plan Liability, Ending	$ 18,353,188	$ 17,893,778	$ 17,884,104	$ 21,289,053	$ 21,238,339	$ 19,838,239	$ 27,671,350	$ 27,086,919
Total OPEB Plan Liability	$ 18,353,188	$ 17,893,778	$ 17,884,104	$ 21,289,053	$ 21,238,339	$ 19,838,239	$ 27,671,350	$ 27,086,919
Covered- Employee Payroll	$ 319,045,425	$ 285,676,193	$ 274,229,015	$ 225,982,443	$ 211,342,507	$ 203,546,197	$ 208,920,616	$ 201,855,668
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	5.75%	6.26%	6.52%	9.42%	10.05%	9.75%	13.24%	13.42%

*The amounts presented for each fiscal year were determined as of June 30. The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. As a result, this schedule will present 10 years information as available.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Budgetary Compliance and Accountability

The Board follows procedures established by Florida Statutes and SBE 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 SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any School 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. Except that no budget appropriation is made for leases in the year of inception.
- 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.

Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. 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 experience study for the FRS Pension Plan was completed for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2025:

- HIS: The municipal bond rate used to determine total pension liability increased from 3.65 percent to 3.93 .

Schedule of Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

Changes in assumptions and other inputs include the change in the discount rate from 3.86 percent as of the beginning of the measurement period to 3.93 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.

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MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANAGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Local Capital Improvement Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget**
Revenues				
Local:				
District Local Capital Improvement Tax	$ 56,005,104	$ 55,883,767	$ 55,910,959	$ 27,192
Tax Redemptions	-	-	203,479	203,479
Investment Income	-	-	2,042,196	2,042,196
Net Increase in Fair Value of Investments	-	-	47,327	47,327
Total Revenues	56,005,104	55,883,767	58,203,961	2,320,194
Expenditures				
Current Education:				
Facilities Services:				
Facility Acquisition and Construction	2,725,908	4,293,167	184,882	4,108,285
Capital Outlay:				
Facilities, Acquisition and Construction:				
Buildings and Fixed Equipment	24,916,335	15,243,548	5,655,538	9,588,010
Improvements Other Than Buildings	4,336,374	4,503,993	2,811,214	1,692,779
Remodeling and Renovations	36,545,206	39,579,529	19,499,486	20,080,043
Other Capital Outlay:				
Vehicles	2,827,900	3,207,640	-	3,207,640
Furniture, Fixtures and Equipment	91,000	111,527	-	111,527
Total Expenditures	71,442,723	66,939,404	28,151,120	38,788,284
Excess of Revenues Over Expenditures	(15,437,619)	(11,055,637)	30,052,841	41,108,478
Other Financing Uses				
Transfers Out	(19,344,809)	(23,726,791)	(22,337,828)	1,388,963
Net Change in Fund Balance	(34,782,428)	(34,782,428)	7,715,013	42,497,441
Fund Balance - Beginning	26,054,705	26,054,705	38,149,279	12,094,574
Fund Balance - Ending	$ (8,727,723)	$ (8,727,723)	$ 45,864,292	$ 54,592,015

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANAGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND - Other Capital Projects Fund
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Other Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
State:				
Miscellaneous State	$ 5,534,292	$ 6,179,226	$ 5,178,112	$ (1,001,114)
Local:				
Investment Income	-	-	11,011,419	11,011,419
Net Increase in Fair Value of Investments	-	-	2,520,489	2,520,489
Miscellaneous Local Revenues	15,074,500	32,196,844	32,196,843	(1)
Total Revenues	20,608,792	38,376,070	50,906,863	12,530,793
Expenditures				
Facility Acquisition and Construction	-	447,740	447,735	5
Capital Outlay:				
Facilities, Acquisition and Construction:				
Buildings and Fixed Equipment	312,450,825	326,568,141	129,433,824	197,134,317
Furniture, Fixtures and Equipment	-	30,000	-	30,000
Improvements Other Than Buildings	190,724	190,724	187,577	3,147
Remodeling and Renovations	7,700,527	14,334,298	5,541,429	8,792,869
Total Facilities, Acquistion and Construction	320,342,076	341,123,163	135,162,830	205,960,333
Total Expenditures	320,342,076	341,570,903	135,610,565	205,960,338
Excess of Revenues Over Expenditures	(299,733,284)	(303,194,833)	(84,703,702)	218,491,131
Other Financing Sources				
Transfers Out	(15,083,394)	(11,621,845)	(11,603,169)	18,676
Total Other Financing Sources	(15,083,394)	(11,621,845)	(11,603,169)	18,676
Net Change in Fund Balance	(314,816,678)	(314,816,678)	(96,306,871)	218,509,807
Fund Balance - Beginning	4,653,856	4,653,856	322,701,493	318,047,637
Fund Balance - Ending	$ (310,162,822)	$ (310,162,822)	$ 226,394,622	$ 536,557,444

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2025

	Special Revenue			Debt Service
	Food Service Fund	Miscellaneous Special Revenue Fund	Special Revenue-Other Federal Programs Fund	State Board of Education COBI Bonds Fund
Assets				
Cash	$ 11,597,697	$ 3,653,579	$ 10	$ -
Investments	9,643,113	-	-	-
Accounts Receivable	13,777	47,584	718	-
Due from Other Agencies	249,091	-	1,915,715	-
Due from Other Funds	362,966	-	-	-
Inventories	1,006,479	-	-	-
Prepaid Items	6,404	-	10,411	-
Total Assets	$ 22,879,527	$ 3,701,163	$ 1,926,854	$ -
Liabilities and Fund Balances				
Liabilities				
Salaries and Benefits Payable	$ 79,767	$ 3,965	$ 679,042	$ -
Payroll Deductions and Withholdings Payable	14,869	-	82,402	-
Accounts Payable	149,202	4,735	727,938	-
Deposits Payable	173,082	-	-	-
Construction Contracts Payable	132,321	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-
Due to Other Agencies	8,081	-	54,363	-
Due to Other Funds	-	-	362,966	-
Unearned Revenue	-	45,768	20,143	-
Total Liabilities	557,322	54,468	1,926,854	-
Fund Balances				
Nonspendable:				
Inventories	1,006,479	-	-	-
Prepaid Items	6,404	-	10,411	-
Total Nonspendable Fund Balance	1,012,883	-	10,411	-
Restricted for:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Food Service	21,309,322	-	-	-
Internal Accounts	-	3,646,695	-	-
Total Restricted Fund Balance	21,309,322	3,646,695	-	-
Unassigned Fund Balance	-	-	(10,411)	-
Total Fund Balances	22,322,205	3,646,695	-	-
Total Liabilities and Fund Balances	$ 22,879,527	$ 3,701,163	$ 1,926,854	$ -

Debt Service	Capital Projects		
Other Debt Service Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
$ 824,989	$ 100	$ 443,079	$ 16,519,454
80,403	-	350	9,723,866
-	-	-	62,079
-	-	2,019,204	4,184,010
-	-	-	362,966
-	-	-	1,006,479
-	-	-	16,815
$ 905,392	$ 100	$ 2,462,633	$ 31,875,669
$ -	$ -	$ -	$ 762,774
-	-	-	97,271
-	-	-	881,875
-	-	-	173,082
-	-	1,022,976	1,155,297
-	-	6,312	6,312
-	-	-	62,444
-	-	-	362,966
-	-	-	65,911
-	-	1,029,288	3,567,932
-	-	-	1,006,479
-	-	-	16,815
-	-	-	1,023,294
905,392	-	-	905,392
-	100	1,433,345	1,433,445
-	-	-	21,309,322
-	-	-	3,646,695
905,392	100	1,433,345	27,294,854
-	-	-	(10,411)
905,392	100	1,433,345	28,307,737
$ 905,392	$ 100	$ 2,462,633	$ 31,875,669

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue			Debt Service
	Food Service Fund	Miscellaneous Special Revenue Fund	Special Revenue-Other Federal Programs Fund	State Board of Education COBI Bonds Fund
Revenues				
Intergovernmental:				
Federal Direct	$ -	$ -	$ 1,517,169	$ -
Federal Through State and Local	42,301,083	-	43,053,638	-
State	432,401	-	2,190,422	111,520
Local:				
Other	1,686,342	4,309,022	53,562	-
Total Revenues	44,419,826	4,309,022	46,814,791	111,520
Expenditures				
Instruction	-	5,955	20,345,881	-
Student Personnel Services	-	1,144	8,945,354	-
Instructional Media Services	-	-	16,450	-
Instruction and Curriculum Development	-	396,979	3,714,239	-
Instructional Staff Training Services	-	16,091	8,358,764	-
Instruction Related Technology	-	-	720	-
General Administration	-	-	1,426,561	-
School Administration	-	-	378,126	-
Food Services	41,716,954	-	-	-
Central Services	-	-	161,116	-
Student Transportation Services	-	1,300	315,107	-
Operation of Plant	-	10,000	73,646	-
Maintenance of Plant	-	3,228	-	-
Community Services	-	3,646,843	1,517,169	-
Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	2,556,900	1,863	1,561,658	-
Debt Service:				
Retirement of Principal	-	-	-	110,000
Interest and Fiscal Charges	-	-	-	3,300
Dues and Fees	-	-	-	468
Total Expenditures	44,273,854	4,083,403	46,814,791	113,768
Excess (Deficiency) of Revenues Over Expenditures	145,972	225,619	-	(2,248)
Other Financing Sources (Uses)				
Insurance Loss Recoveries	60	-	-	-
Transfers In	21,220	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	21,280	-	-	-
Net Change in Fund Balances	167,252	225,619	-	(2,248)
Fund Balances - Beginning, as Previously Reported	22,154,953	3,421,076	-	2,248
Changes within financial reporting entity:				
Change from major fund to nonmajor fund	-	-	-	-
Fund Balances - Beginning, as Adjusted or Restated	22,154,953	3,421,076	-	2,248
Fund Balances - Ending	$ 22,322,205	$ 3,646,695	$ -	$ -

Debt Service	Capital Projects		
Other Debt Service Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
$ -	$ -	$ -	$ 1,517,169
-	-	-	85,354,721
279,063	627,640	2,019,452	5,660,498
83,025	-	42,717	6,174,668
362,088	627,640	2,062,169	98,707,056
-	-	-	20,351,836
-	-	-	8,946,498
-	-	-	16,450
-	-	-	4,111,218
-	-	-	8,374,855
-	-	-	720
-	-	-	1,426,561
-	-	-	378,126
-	-	-	41,716,954
-	-	-	161,116
-	-	-	316,407
-	-	-	83,646
-	-	-	3,228
-	-	-	5,164,012
-	-	1,796,217	1,796,217
-	-	-	4,120,421
9,306,379	-	-	9,416,379
17,250,834	-	-	17,254,134
266,988	-	2,237	269,693
26,824,201	-	1,798,454	123,908,471
(26,462,113)	627,640	263,715	(25,201,415)
-	-	-	60
26,322,439	-	-	26,343,659
-	(627,640)	-	(627,640)
26,322,439	(627,640)	-	25,716,079
(139,674)	-	263,715	514,664
1,045,066	100	1,169,630	27,793,073
-	-	-	-
1,045,066	100	1,169,630	27,793,073
$ 905,392	$ 100	$ 1,433,345	$ 28,307,737

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Food Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Federal Through State:			
National School Lunch Act	$ 37,262,457	$ 32,686,907	$ (4,575,550)
School Breakfast Program	10,623,681	9,614,176	(1,009,505)
Total Federal Through State	47,886,138	42,301,083	(5,585,055)
State:			
Breakfast Supplement	218,590	210,812	(7,778)
School Lunch Supplement	203,488	221,589	18,101
Total State	422,078	432,401	10,323
Local:			
Investment Income	707,200	746,252	39,052
Net Increase in Fair Value of Investments	-	58,811	58,811
Charges for Services - Food Service	829,451	819,911	(9,540)
Sale of Junk	50,000	10,935	(39,065)
Other	106,928	50,433	(56,495)
Total Local	1,693,579	1,686,342	(7,237)
Total Revenues	50,001,795	44,419,826	(5,581,969)
Expenditures			
Current Education:			
Food Services:			
Salaries	12,928,250	11,849,958	1,078,292
Employee Benefits	6,363,392	5,843,185	520,207
Purchased Services	850,643	651,909	198,734
Energy Services	803,591	615,518	188,073
Materials and Supplies	27,245,382	21,602,020	5,643,362
Capital Outlay	1,163,717	352,355	811,362
Other	1,250,635	802,009	448,626
Total Food Services	50,605,610	41,716,954	8,888,656
Capital Outlay:			
Buildings and Fixed Equipment	1,194,480	-	1,194,480
Vehicles	155,000	154,328	672
Other Capital Outlay	2,342,033	2,402,572	(60,539)
Total Capital Outlay	3,691,513	2,556,900	1,134,613
Total Expenditures	54,297,123	44,273,854	10,023,269
Excess (Deficiency) of Revenues Over Expenditures	(4,295,328)	145,972	4,441,300
Other Financing Sources (Uses)			
Insurance Loss Recoveries	-	60	60
Transfers In	20,000	21,220	1,220
Net Change in Fund Balance	(4,275,328)	167,252	4,442,580
Fund Balance - Beginning	16,991,625	22,154,953	5,163,328
Fund Balance - Ending	$ 12,716,297	$ 22,322,205	$ 9,605,908

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - MISCELLANEOUS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Miscellaneous Special Revenue Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Local:			
Gifts, Grants, and Bequests	$ 709,278	$ 436,416	$ (272,862)
Other	3,900,000	3,872,606	(27,394)
Total Revenues	4,609,278	4,309,022	(300,256)
Expenditures			
Current Education:			
Instruction:			
Salaries	60,000	-	60,000
Purchased Services	2,001	953	1,048
Materials and Supplies	18,455	1,632	16,823
Capital Outlay	21,154	970	20,184
Other	4,805	2,400	2,405
Total Instruction	106,415	5,955	100,460
Student Personnel Services:			
Purchased Services	1,000	-	1,000
Materials and Supplies	2,470	1,144	1,326
Total Student Personnel Services	3,470	1,144	2,326
Instruction and Curriculum Development:			
Salaries	331,026	270,540	60,486
Employee Benefits	121,030	102,062	18,968
Purchased Services	15,576	7,564	8,012
Energy Services	1,200	221	979
Materials and Supplies	18,773	3,390	15,383
Capital Outlay	15,037	13,202	1,835
Other	13,050	-	13,050
Total Instruction and Curriculum Development:	515,692	396,979	118,713
Instructional Staff Training Services:			
Purchased Services	24,497	15,644	8,853
Materials and Supplies	450	447	3
Other	16,389	-	16,389
Total Instruction Staff Training Services	41,336	16,091	25,245
Student Transportation Services			
Salaries	1,443	-	1,443
Employee Benefits	294	-	294
Purchased Services	1,300	1,300	-
Energy Services	1,218	-	1,218
Total Student Transportation Services	4,255	1,300	2,955
Operation:			
Materials and Supplies	10,000	10,000	-
Total Operation	10,000	10,000	-
Maintenance:			
Salaries	3,054	2,200	854
Employee Benefits	488	484	4
Purchased Services	15,965	544	15,421
Total Maintenance	19,507	3,228	16,279
Community Services:			
Materials and Supplies	3,900,000	3,646,843	253,157
Total Community Services	3,900,000	3,646,843	253,157
Capital Outlay:			
Other Capital Outlay	8,603	1,863	6,740
Total Expenditures	4,609,278	4,083,403	525,875
Net Change in Fund Balance	-	225,619	225,619
Fund Balance - Beginning	3,206,072	3,421,076	215,004
Fund Balance - Ending	$ 3,206,072	$ 3,646,695	$ 440,623

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue- Other Federal Programs Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Federal Direct			
Education Stabilization Funds - Workforce	$ 1,517,169	$ 1,517,169	$ -
Total Federal Direct	1,517,169	1,517,169	-
Federal Through State and Local			
Career and Technical Education	994,418	928,704	(65,714)
Individuals with Disabilities Education Act (IDEA)	17,813,005	14,306,487	(3,506,518)
Adult General Education	729,237	696,066	(33,171)
English Literacy and Civics Education	69,699	64,864	(4,835)
Elementary and Secondary Education Act	25,257,733	20,431,208	(4,826,525)
Teacher and Principal Training and Recruiting	4,814,193	3,130,757	(1,683,436)
Language Instruction	633,420	367,943	(265,477)
Twenty-First Century Schools	1,113,803	495,653	(618,150)
Miscellaneous Federal Revenues	4,396,603	2,308,233	(2,088,370)
Federal Through Local	323,886	323,723	(163)
Total Federal Through State and Local	56,145,997	43,053,638	(13,092,359)
State			
Miscellaneous State	2,511,010	2,190,422	(320,588)
Local			
Local Adult General Education Course Fees	52,197	52,197	-
Other	1,309	1,365	56
Total Revenues	60,227,682	46,814,791	(13,412,891)
Expenditures			
Current Education:			
Instruction:			
Salaries	13,005,922	10,859,425	2,146,497
Employee Benefits	5,970,620	5,126,463	844,157
Purchased Services	3,789,937	2,122,566	1,667,371
Energy Services	4,977	477	4,500
Materials and Supplies	1,415,260	897,756	517,504
Capital Outlay	1,100,025	451,957	648,068
Other	1,006,598	887,237	119,361
Total Instruction	26,293,339	20,345,881	5,947,458
Student Personnel Services:			
Salaries	7,129,225	6,113,819	1,015,406
Employee Benefits	2,894,733	2,398,092	496,641
Purchased Services	471,419	169,480	301,939
Energy Services	4,684	442	4,242
Materials and Supplies	395,534	172,803	222,731
Capital Outlay	150,170	90,718	59,452
Total Student Personnel Services	11,045,765	8,945,354	2,100,411

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue- Other Federal Programs Fund		
	Final Budget	Actual	Variance with Final Budget
Expenditures (concluded)			
Current Education (concluded):			
Instructional Media Services:			
Purchased Services	17,010	16,450	560
Total Instructional Media Services	17,010	16,450	560
Instruction and Curriculum Development:			
Salaries	3,022,962	2,456,797	566,165
Employee Benefits	1,168,288	901,100	267,188
Purchased Services	252,274	161,739	90,535
Materials and Supplies	126,735	65,570	61,165
Capital Outlay	195,891	109,673	86,218
Other	21,610	19,360	2,250
Total Instruction and Curriculum Development	4,787,760	3,714,239	1,073,521
Instructional Staff Training Services:			
Salaries	4,720,003	4,282,325	437,678
Employee Benefits	2,191,151	1,751,443	439,708
Purchased Services	2,190,621	1,432,066	758,555
Materials and Supplies	114,049	33,006	81,043
Capital Outlay	3,000	870	2,130
Other	1,498,985	859,054	639,931
Total Instructional Staff Training Services	10,717,809	8,358,764	2,359,045
Instruction Related Technology			
Purchased Services	8,856	720	8,136
Total Instruction Related Technology	8,856	720	8,136
General Administration:			
Salaries	11,721	-	11,721
Employee Benefits	4,654	-	4,654
Energy Services	-	-	-
Other	1,716,971	1,426,561	290,410
Total General Administration	1,733,346	1,426,561	306,785
School Administration:			
Salaries	478,392	341,535	136,857
Employee Benefits	119,974	29,091	90,883
Purchased Services	68,128	7,500	60,628
Total School Administration	666,494	378,126	288,368
Facility Services			
Capital Outlay	750	-	750
Total Facility Services	750	-	750
Central Services:			
Employee Benefits	15,265	2,380	12,885
Purchased Services	146,666	129,152	17,514
Materials and Supplies	1,040	-	1,040
Other	104,166	29,584	74,582
Total Central Services	267,137	161,116	106,021
Student Transportation Services:			
Salaries	343,600	233,608	109,992
Employee Benefits	76,764	52,936	23,828
Purchased Services	16,332	4,213	12,119
Energy Services	159,858	24,350	135,508
Total Student Transportation Services	596,554	315,107	281,447
Operation of Plant			
Salaries	75,000	73,646	1,354
Purchased Services	81,651	-	81,651
Total Operation of Plant	156,651	73,646	83,005

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue- Other Federal Programs Fund		
	Final Budget	Actual	Variance with Final Budget
Community Services			
Other	1,517,169	1,517,169	-
Total Community Services	1,517,169	1,517,169	-
Capital Outlay:			
Vehicles	447,212	447,212	-
Other Capital Outlay	1,971,830	1,114,446	857,384
Total Capital Outlay	2,419,042	1,561,658	857,384
Total Expenditures	60,227,682	46,814,791	13,412,891
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND - STATE BOARD OF EDUCATION COBI BONDS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	State Board of Education COBI Bonds Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Debt Service for State Board of Education/COBI Bonds	$ 113,300	$ 111,178	$ (2,122)
State Board of Education/COBI Bond Interest	-	342	342
Total Revenues	113,300	111,520	(1,780)
Expenditures			
Debt Service:			
Retirement of Principal	110,000	110,000	-
Interest and Fiscal Charges	3,300	3,768	(468)
Total Expenditures	113,300	113,768	(468)
Net Change in Fund Balance	-	(2,248)	(2,248)
Fund Balance - Beginning	5,143	2,248	(2,895)
Fund Balance - Ending	$ 5,143	$ -	$ (5,143)

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND - OTHER DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Other Debt Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Racing Commission Funds	$ 223,250	$ 279,063	$ 55,813
Local:			
Investment Income	6,000	83,025	77,025
Total Revenues	229,250	362,088	132,838
Expenditures			
Debt Service:			
Retirement of Principal	9,306,380	9,306,379	1
Interest and Fiscal Charges	17,226,092	17,250,834	(24,742)
Other Debt Service Costs	286,139	266,988	19,151
Total Expenditures	26,818,611	26,824,201	(5,590)
Excess (Deficiency) of Revenues Over Expenditures	(26,589,361)	(26,462,113)	127,248
Other Financing Sources (Uses)			
Transfers In	26,344,092	26,322,439	(21,653)
Net Change in Fund Balance	(245,269)	(139,674)	105,595
Fund Balance - Beginning	690,825	1,045,066	354,241
Fund Balance - Ending	$ 445,556	$ 905,392	$ 459,836

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Public Education Capital Outlay Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Charter School Capital Outlay Funding	$ 627,640	$ 627,640	$ -
Total Revenues	627,640	627,640	-
Other Financing Sources (Uses)			
Transfers Out	(627,640)	(627,640)	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	100	100
Fund Balance - Ending	$ -	$ 100	$ 100

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Capital Outlay and Debt Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Capital Outlay/Debt Service Distributed	$ 1,736,715	$ 1,942,133	$ 205,418
Interest on Undistributed Capital Outlay and Debt Service	50,863	77,319	26,456
Total State	1,787,578	2,019,452	231,874
Local:			
Investment Income	-	42,717	42,717
Total Revenues	1,787,578	2,062,169	274,591
Expenditures			
Capital Outlay:			
Facilities Acquisition and Construction:			
Remodeling and Renovations	2,479,181	1,796,217	682,964
Debt Service:			
Interest and Fiscal Charges	-	2,237	(2,237)
Total Expenditures	2,479,181	1,798,454	680,727
Net Change in Fund Balance	(691,603)	263,715	955,318
Fund Balance - Beginning	1,732,538	1,169,630	(562,908)
Fund Balance - Ending	$ 1,040,935	$ 1,433,345	$ 392,410

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025

	Internal Service Funds		
	Property/Casualty and Workers' Compensation Program	Self-Funded Employee Health Insurance	Total Internal Service Funds
Assets			
Current Assets:			
Cash	$ 2,731,039	$ 30,041,169	$ 32,772,208
Investments	11,112,125	6,947,203	18,059,328
Accounts Receivable	-	63,413	63,413
Deposits Receivable	140,000	-	140,000
Prepaid Items	2,625	-	2,625
Total Assets	13,985,789	37,051,785	51,037,574
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	4,494	4,753	9,247
Accounts Payable	53,494	4,910,191	4,963,685
Estimated Insurance Claims Payable	3,807,615	-	3,807,615
Total Current Liabilities	3,865,603	4,914,944	8,780,547
Noncurrent Liabilities:			
Estimated Insurance Claims Payable	5,470,428	2,513,000	7,983,428
Total Liabilities	9,336,031	7,427,944	16,763,975
Net Position			
Unrestricted	$ 4,649,758	$ 29,623,841	$ 34,273,599

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Internal Service Funds		
	Property/Casualty and Workers' Compensation Program	Self-Funded Employee Health Insurance	Total Internal Service Funds
Operating Revenues			
Charges for Services	$ 4,610,337	$ 64,943,771	$ 69,554,108
Total Operating Revenues	4,610,337	64,943,771	69,554,108
Operating Expenses			
Salaries	135,255	130,249	265,504
Employee Benefits	47,111	56,203	103,314
Purchased Services	3,559,662	5,944,473	9,504,135
Claim Expense	2,084,320	60,339,932	62,424,252
Total Operating Expenses	5,826,348	66,470,857	72,297,205
Operating Income	(1,216,011)	(1,527,086)	(2,743,097)
Nonoperating Revenues			
Investment Income	536,510	1,224,023	1,760,533
Increase in Fair Value of Investments	95,458	44,360	139,818
Other Miscellaneous Local Sources	-	3,886,295	3,886,295
Total Nonoperating Revenues	631,968	5,154,678	5,786,646
Change in Net Position	(584,043)	3,627,592	3,043,549
Net Position - Beginning	5,233,801	25,996,249	31,230,050
Net Position - Ending	$ 4,649,758	$ 29,623,841	$ 34,273,599

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Internal Service Funds		
	Property/Casualty and Workers' Compensation Program	Self-Funded Employee Health Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Cash Received from Interfund Services	$ 4,618,488	$ 64,880,888	$ 69,499,376
Cash Payments to Vendors for Goods and Services	(3,516,427)	(5,618,647)	(9,135,074)
Cash Payments to Employees for Services	(181,214)	(185,406)	(366,620)
Cash Received from Health Insurance Carrier	-	3,886,295	3,886,295
Cash Payments for Insurance Claims	(1,710,434)	(60,046,932)	(61,757,366)
Net Cash Provided (Used) by Operating Activities	(789,587)	2,916,198	2,126,611
Cash Flows from Noncapital Financing Activities			
Cash Receipts from Temporary Loans to Other Funds	-	-	-
Net Cash Used for Noncapital Financing Activities	-	-	-
Cash Flows From Investing Activities			
Purchase (Sale) of Investments	(456,629)	5,547,831	5,091,202
Interest Income	536,510	1,224,023	1,760,533
Net Cash Provided by Investing Activities	79,881	6,771,854	6,851,735
Net Decrease in Cash and Cash Equivalents	(709,706)	9,688,052	8,978,346
Cash and Cash Equivalents, Beginning	3,440,745	20,353,117	23,793,862
Cash and Cash Equivalents, Ending	2,731,039	30,041,169	32,772,208
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:			
Operating Income (Loss)	(1,216,011)	(1,527,086)	(2,743,097)
Miscellaneous Non-operating revenue	-	3,886,295	3,886,295
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	8,151	(62,883)	(54,732)
(Increase) Decrease in Prepaid Expenses	4,070	-	4,070
Increase (Decrease) in Salaries and Benefits Payable	1,152	1,046	2,198
Increase (Decrease) in Accounts Payable	39,165	325,826	364,991
Increase (Decrease) in Due to Other Agencies	-	-	-
Increase (Decrease) in Estimated Insurance Claims Payable	373,886	293,000	666,886
Net Cash Provided (Used) by Operating Activities	$ (789,587)	$ 2,916,198	$ 2,126,611

PURVIS GRAY

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*

Marion County District School Board and
Superintendent
Ocala, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Marion County District School Board (the District) as of and for the year ended June 30, 2025, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2025. Other auditors audited the financial statements of the Marion Charter School, McIntosh Area School, and Ina A. Colen Academy, which represent 39%, -15%, and 61%, respectively, of the total assets, net position, and revenues of the aggregate discretely presented component units. This report does not include the results of the other auditor's 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 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 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 District's financial statements will not be prevented and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less 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 designated to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Marion County District School Board and
Superintendent
Ocala, Florida

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*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

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 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.

Purvis Gray

December 15, 2025
Ocala, Florida

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APPENDIX C

EXCERPTED PAGES FROM THE ANNUAL FINANCIAL REPORT (UNAUDITED) OF THE SCHOOL BOARD OF MARION COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2026

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Annual Financial Report
Fiscal Year Ended June 30, 2026
The School Board of Marion County, Florida

MCPS
MARION COUNTY PUBLIC SCHOOLS
"Helping Every Student Succeed"



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Marion County District School Board (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2026. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2025-26 fiscal year are as follows:

- Total Net Position is $592,528,629, which represents a 17.87 percent increase from the 2024-25 fiscal year.
- General revenues total $646,710,673, or 90.58 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total $67,250,136 or 9.42 percent of all revenues.
- Expenses total $624,109,564; only $67,250,136 of these expenses were offset by program revenues, with the remainder paid from general revenues. Total revenues exceed total expenses by $89,851,245.
- The total assets and deferred outflows of resources of the district is $1,347,493,614 and total liabilities and deferred inflows of resources is $754,964,985.
- The total combined assigned and unassigned fund balance of the General Fund, representing the net fund balance that is spendable and not restricted or committed totals $41,912,658 at June 30, 2026, or 8.53 percent of total General Fund revenues excluding transfer and loss recoveries. The unassigned fund balance totals $20,672,537 which represents 4.21 percent of total General Fund revenues. The restricted balance of $45,520,831 represents 9.27 percent of total General Fund Revenues and is restricted for activities related to State carry forward and referendum activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

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, its liabilities, its deferred inflows and its deferred 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, which is a measure of the District's financial health. 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 five separate legal entities in this report including the Marion Charter School, Inc.; the McIntosh Area School, Incorporated; The Clear Choice Academics, Inc., d/b/a Ocali Charter Middle School, Inc.and Ocali High School; Ina A. Colen Academy; and the Public Education Foundation of Marion County, Inc. Although the charter schools do not meet the specific financial accountability criteria, they are included in this report as component units based on the nature and significance of their relationship with the District to prevent the District's financial statements from being misleading. Financial information for these component units are reported separately from the financial information presented for the primary government.

The Marion County School Board Leasing Corporation, Inc. (Leasing Corporation), also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

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, the governmental funds utilize the current financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements.

The current financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Capital Projects – Local Capital Improvement Fund and the Capital Projects - Other Capital Projects Fund. Data from the other six governmental funds are considered nonmajor and are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and are presented as supplementary information.

Proprietary Fund

Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains an internal service fund to report activities that provide services to support the District's other programs and functions through user charges. The District uses the internal service fund to account for the cost of the District's self-insurance risk management programs. Since these services predominantly benefit governmental functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same types of information as the government-wide financial statements, only in more detail. The internal service fund is presented in a single column in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds and the Silver River Museum. Fiduciary funds are not reflected in the government-wide statements because the resources 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 and a Private-Purpose Trust Fund to account for private funds held for the Silver River Museum.

Notes to 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.

Required Supplementary Information

The District adopts an annual budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the major Special Revenue Funds to demonstrate compliance with the budget. Additional required supplementary information is presented relating to the schedule of change in other postemployment benefit plan liability and related ratios, and net pension liabilities and contributions.

Notes to Required Supplementary Information

The notes provide additional information that is essential for a full understanding of the data provided in the required supplementary information.

Other Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2026, compared to net position as of June 30, 2025:

Net Position, End of Year

	Governmental Activities	
	6-30-26	6-30-25
Current Assets	$ 399,655,299	$ 507,537,329
Capital Assets, Net of Depreciation	867,451,586	732,374,075
Total Assets	1,267,106,885	1,239,911,404
Deferred Outflows of Resources	80,386,729	94,296,211
Total Assets and Deferred Outflows of Resources	1,347,493,614	1,334,207,615
Current Liabilities	41,145,232	56,318,931
Noncurrent Liabilities	646,397,603	733,502,956
Total Liabilities	687,542,835	789,821,887
Deferred Inflows of Resources	67,422,150	44,893,981
Total Liabilities and Deferred Inflows of Resources	754,964,985	834,715,868
Net Position:		
Net Investment in Capital Assets	579,667,397	541,208,592
Restricted	208,470,608	167,432,086
Unrestricted (Deficit)	(195,609,376)	(205,963,294)
Total Net Position	$ 592,528,629	$ 502,677,384

The largest portion of the District's net position reflects its investment in capital assets (e.g., land; buildings and fixed equipment; furniture, fixtures, right to use assets and equipment), less any related debt still outstanding net of unspent debt proceeds. Current assets decreased due to amounts due to the district, and less investment earnings. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

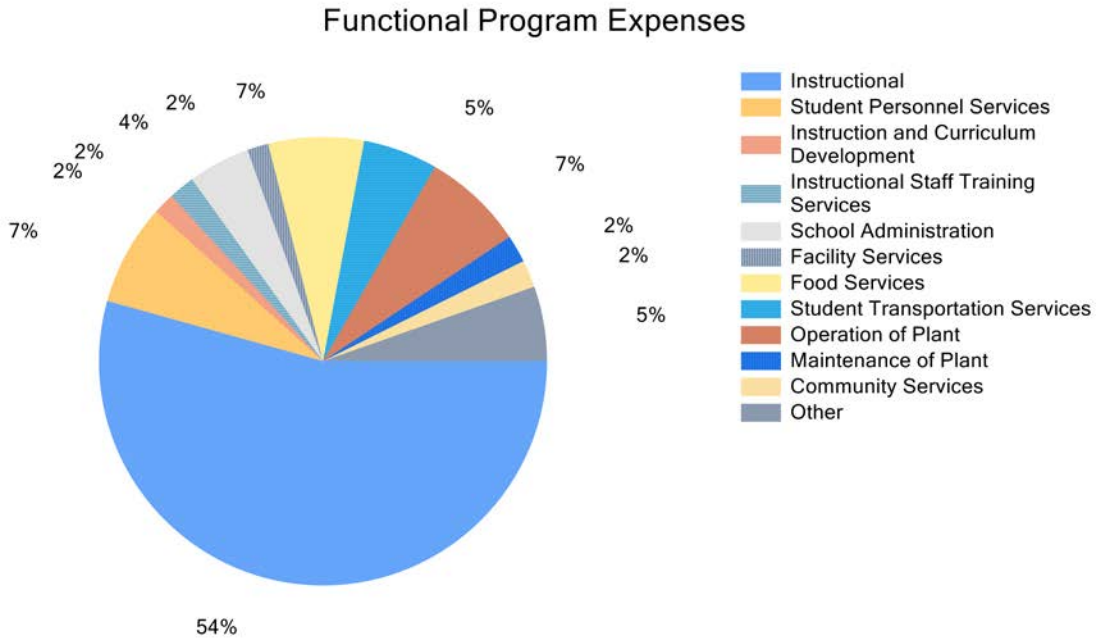
Long-term liabilities decreased and deferred inflows of resources increased primarily due to the District recognizing its proportionate share of the Florida Retirement System's net pension liability and deferred inflows of resources for Other Post Employement Benefits (OPEB).

The restricted portion of the District's net position represents resources that are subject to external restrictions for capital projects, debt service, food service and other projects.

Governmental activities increased the District's net position by $89,851,245 during the 2025-26 fiscal year, detailed as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities	
	06-30-26	06-30-25
Program Revenues:		
Charges for Services	$ 11,657,847	$ 10,779,421
Operating Grants and Contributions	40,469,660	42,733,484
Capital Grants and Contributions	15,122,629	14,356,763
General Revenues:		
Property Taxes Levied for Operational Purposes	199,137,446	180,661,898
Property Taxes Levied for Capital Projects	95,269,180	76,506,014
Grants and Contributions Not Restricted to Specific Programs	325,194,323	352,375,010
Unrestricted Investment Earnings	18,123,333	24,441,131
Miscellaneous	8,986,391	7,849,073
Total Revenues	713,960,809	709,702,794
Functions/Program Expenses:		
Instruction	331,759,931	334,791,204
Student Personnel Services	44,596,360	45,880,348
Instructional Media Services	4,929,799	5,006,849
Instruction and Curriculum Development	9,404,915	9,332,523
Instructional Staff Training Services	11,465,686	13,464,189
Instruction Related Technology	4,877,306	8,466,027
Board of Education	1,018,029	1,192,802
General Administration	3,767,736	4,084,550
School Administration	27,308,928	27,451,874
Facility Services	9,373,910	3,616,568
Fiscal Services	4,640,355	4,442,423
Food Services	42,070,999	42,023,763
Central Services	8,070,941	7,638,187
Student Transportation Services	32,903,195	30,260,868
Operation of Plant	44,702,721	43,891,269
Maintenance of Plant	12,085,075	12,416,376
Administrative Technology Services	5,615,642	6,428,793
Community Services	12,027,696	11,928,522
Other Debt Service Costs	-	-
Unallocated Interest on Long-Term Debt	13,490,340	17,076,362
Total Functions/Program Expenses	624,109,564	629,393,497
Increase (Decrease) in Net Position	89,851,245	80,309,297
Net Position - Beginning, Restated	502,677,384	422,368,087
Net Position - Ending	$ 592,528,629	$ 502,677,384

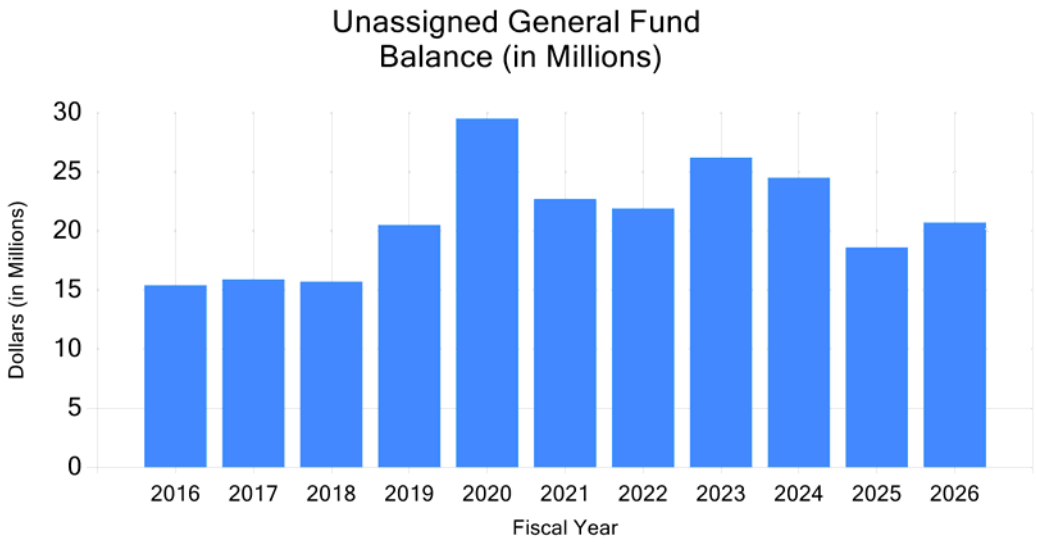


Key elements of the change in net position are as follows:

- Property values continue to rise providing increased property taxes for operations and capital projects.
- The increase in net investment in capital assets is due primarily to ongoing construction, including cafeteria improvements, electrical and HVAC upgrades, and district wide fencing and roof replacements. In addition, the District issued Certificates of Participation during 2024 to fund expansion of classrooms and other facilities on several campuses with construction continuing through 2025-26.

Major Governmental Funds

General Fund: This fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance was $20,672,537 while the total fund balance was $99,766,585. The total fund balance decreased by $(4,673,956) during the 2025-26 fiscal year. The decrease in fund balance is primarily due to an increase in property tax revenue of $18,402,684 that was offset by increases in expenses related to instruction, student personal services, school adminisration,student transportation, and operation of plant. Capital Outlay decreased $(11,613,522) as compared to the prior year. Revenue for the issuance of Leases/SBITA decreased $(13,145,741). In the 2025-26 fiscal year the District allocated $7,470,021 to the committed fund balance. The committed fund balance classification may include amounts that can be used only for the specific purpose determined by formal action of the District's highest level of decision making authority.



Capital Projects – Local Capital Improvement Fund:

This fund has a total fund balance of $57,852,681 all of which is restricted for the acquisition, construction, and maintenance of capital assets. The fund experienced an increase in fund balance for 2026 of $11,988,389. The District received increase property tax revenues due to increased assessed value that are driven by increased local real estate market values. During FY2026, impact fees and sales tax revenues, earmarked for capital projects, were new revenue streams for the District as well. These additional funds were offset by continuing improvements that include cafeteria improvements, electrical and HVAC upgrades, and district wide fencing and roof replacements.

Capital Projects - Other Capital Projects Fund:

This fund has a total fund balance of $127,755,891, all of which is restricted for the acquisition, construction, and maintenance of capital assets. The fund experienced a decrease in fund balance for 2026 of $(98,638,731). The reason for the significant decrease in fund balance relates to proceeds from the 2024 Certificate of Participation, issued for construction of new facilities throughout the District. Construction related expenditures increased approximately $9.2 million in 2025-26 as compared to 2024-25.

Proprietary Fund

Unrestricted net position of the Internal Service Fund totaled $33,499,285 at June 30, 2026, a decrease of $(774,314) from the previous fiscal year. Total operating expenses were $80,438,767 comprised of salaries, employee benefits, purchased services, and expense claims. The decrease in net position was due to increased revenues resulting from additional enrollees, investment income, and rebates offset by an increase in claims expense of $8,075,684 .

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2025-26 fiscal year, the District amended its General Fund budget several times due primarily to changes in estimated local and Federal through State funding

levels and making corresponding adjustments to planned expenditures to ensure maintenance of an adequate fund balance.

The District made several management decisions to curtail spending, which resulted in actual expenditures being approximately $99.1 million less than the original budget amounts.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2026, amounts to $867,451,586 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; leased assets; and audio-visual materials and computer software.

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

- Several heating, ventilating, and air conditioning and re-modeling projects were completed during the year.
- Cafeteria improvements.
- District wide fencing and roof replacements.
- Significant increases in Construction in Progress due to capital projects funded by the 2024 Certificates of Participation. This included construction on one new school (South Marion High School).
- Depreciation expense totaled $32,679,415.

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

Long-Term Liabilities

At June 30, 2026, the District has $336,719,970 total capital asset-related debt outstanding. This amount is composed of $295,120,000 of certificates of participation payable, $1,074,000 of bonds payable, $5,213,607 of notes payable, $475,999 of leases payable, subscription based technology arrangements (SBITA) of $3,497,809 and $31,338,555 of unamortized premiums. in FY2026, SBITA balances decreased by $13,021,414. Changes in the other asset-related debt balances relates to scheduled payments and amortization of the premium.

Other items classified as long-term liabilities, in the government-wide financial statements, include the compensated absences liability totaling $33,296,563, other postemployment benefits payable in the amount of $18,699,365, estimated insurance claims payable totaling $12,108,062, and net pension obligations totaling $245,573,643.

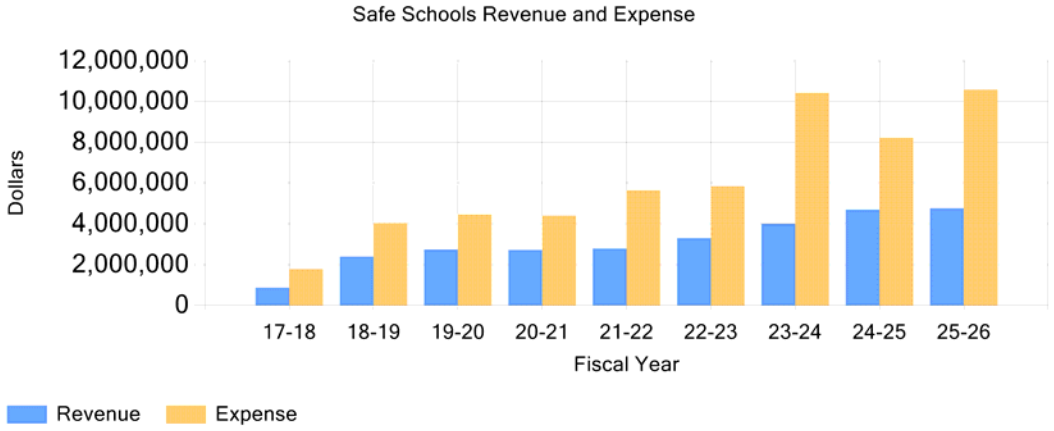
Additional information on the District's long-term liabilities can be found in Note III.K. to the financial statements.

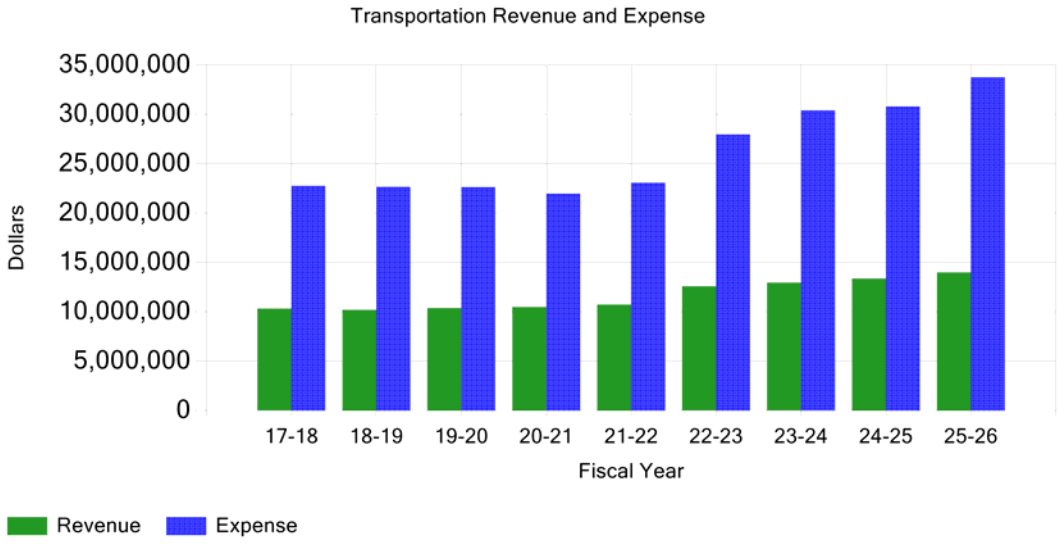
OTHER MATTERS OF SIGNIFICANCE

As a part of the State-wide educational funding formula, the District is given operational revenues through State appropriations. The District then aligns expenses to fall within those parameters.

Capital revenues are levied up to capacity based on the needs identified in the District Facilities Work Program to adequately house growth in the student population.

Transportation expenses, as well as partially funded mandates such as safe schools, continue to exceed revenues. Funding these areas from current operations continue to be challenging.





REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Marion County District School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, School District of Marion County, Florida, 1614 E. Fort King Street, Ocala, FL 34471.

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FINANCIAL

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2026

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash	$ 78,019,002	$ 3,479,453
Investments	303,627,559	2,755,579
Accounts Receivable	562,713	302,061
Leases Receivable	1,407,447	-
Accrued Interest Receivable	712,943	-
Deposits Receivable	140,000	34,306
Due from Other Agencies	8,889,254	164,522
Inventories	4,644,955	180,348
Prepaid Items	1,651,426	100,502
Assets Held by Others	-	2,680,325
Capital Assets:		
Capital Assets Not Being Depreciated	228,980,157	364,833
Capital Assets Being Depreciated, Net	638,471,429	6,567,756
Total Assets	1,267,106,885	16,629,685
Deferred Outflows of Resources		
Deferred Amount on Refunding	101,919	-
Deferred Amount on Other Postemployment Benefits	3,002,780	-
Deferred Amount on Pension Liability	77,282,030	361,820
Total Deferred Outflows of Resources	80,386,729	361,820
Liabilities		
Salaries and Benefits Payable	3,538,796	15,906
Payroll Deductions and Withholdings Payable	2,290,563	-
Accounts Payable	14,384,434	60,347
Sales Tax Payable	2,603	-
Accrued Expenses	-	30,478
Deposits Payable	183,805	-
Construction Contracts Payable	11,810,795	-
Construction Contracts Payable - Retainage	7,165,337	-
Accrued Interest Payable	1,279,991	-
Due to Other Agencies	252,635	12,090
Unearned Revenue	236,273	-
Long-term Liabilities Due Within One Year	21,096,362	336,282
Long-term Liabilities Due After One Year	625,301,241	11,002,226
Total Liabilities	687,542,835	11,457,329
Deferred Inflows of Resources		
Deferred Inflow - Leases	1,381,167	-
Deferred Amount on Other Postemployment Benefits	7,743,461	-
Deferred Amount on Pension Liability	58,297,522	276,724
Total Deferred Inflows of Resources	67,422,150	276,724
Net Position		
Net Investment in Capital Assets	579,667,397	181,698
Restricted for:		
State Required Carryover Programs	29,091,865	-
Food Service	19,753,299	-
School Internal Accounts	3,899,013	-
Capital Projects	139,251,659	1,557,136
Referendum Property Tax	16,474,772	-
Other Purposes	-	3,217,952
Permanent Endowments: Nonexpendable	-	1,678,568
Unrestricted (Deficit)	(195,609,376)	(1,377,902)
Total Net Position	$ 592,528,629	$ 5,257,452

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units
Primary Government						
Governmental Activities:						
Instruction	$ 331,759,931	$ 10,674,605	$ -	$ -	$ (321,085,326)	$ -
Student Personnel Services	44,596,360	-	-	-	(44,596,360)	-
Instructional Media Services	4,929,799	-	-	-	(4,929,799)	-
Instruction and Curriculum Development	9,404,915	-	-	-	(9,404,915)	-
Instructional Staff Training Services	11,465,686	-	-	-	(11,465,686)	-
Instruction Related Technology	4,877,306	-	-	-	(4,877,306)	-
Board of Education	1,018,029	-	-	-	(1,018,029)	-
General Administration	3,767,736	-	-	-	(3,767,736)	-
School Administration	27,308,928	-	-	-	(27,308,928)	-
Facility Services	9,373,910	-	-	15,122,629	5,748,719	-
Fiscal Services	4,640,355	-	-	-	(4,640,355)	-
Food Services	42,070,999	847,797	40,469,660	-	(753,542)	-
Central Services	8,070,941	-	-	-	(8,070,941)	-
Student Transportation Services	32,903,195	135,445	-	-	(32,767,750)	-
Operation of Plant	44,702,721	-	-	-	(44,702,721)	-
Maintenance of Plant	12,085,075	-	-	-	(12,085,075)	-
Administrative Technology Services	5,615,642	-	-	-	(5,615,642)	-
Community Services	12,027,696	-	-	-	(12,027,696)	-
Interest on Long-term Debt	13,490,340	-	-	-	(13,490,340)	-
Total Primary Government	$ 624,109,564	$ 11,657,847	$ 40,469,660	$ 15,122,629	$ (556,859,428)	$ -
Component Units						
Component Units	$ 16,306,969	$ 562,667	$ 147,735	$ 677,477		$ (14,919,090)
Instruction	-	1,533,000	-	-	-	1,533,000
General Revenues						
Taxes:						
Property Taxes, Levied for Operational Purposes					199,137,446	-
Property Taxes, Levied for Capital Projects					95,269,180	-
Grants and Contributions Not Restricted to Specific Programs					325,194,323	14,853,415
Unrestricted Investment Earnings					18,123,333	271,497
Miscellaneous					8,986,391	-
Total General Revenues					646,710,673	15,124,912
Change in Net Position					89,851,245	1,738,822
Net Position - Beginning					502,677,384	3,518,630
Net Position - Ending					$ 592,528,629	$ 5,257,452

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

MARION COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Capital Projects - Local Capital Improvement Fund
Assets		
Cash	$ 6,262,451	$ 19,906,507
Investments	98,701,725	29,140,957
Accounts Receivable	335,609	-
Leases Receivable	1,407,447	-
Accrued Interest Receivable	493,270	-
Due from Other Agencies	2,764,428	54,529
Due from Other Funds	-	14,437,525
Inventories	3,299,022	-
Prepaid Items	1,564,053	13,052
Total Assets	$ 114,828,005	$ 63,552,570
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Salaries and Benefits Payable	$ 2,603,136	$ -
Payroll Deductions and Withholdings Payable	2,203,193	-
Accounts Payable	4,732,374	1,339,753
Sales Tax Payable	2,603	-
Deposits Payable	188	-
Construction Contracts Payable	171,370	3,469,604
Construction Contracts Payable - Retainage	95,919	890,532
Due to Other Agencies	188,968	-
Due to Other Funds	3,500,000	-
Unearned Revenue	182,502	-
Total Liabilities	13,680,253	5,699,889
Deferred Inflows of Resources		
Deferred Inflow - Leases	1,381,167	-
Total Deferred Inflows of Resources	1,381,167	-
Fund Balances		
Nonspendable:		
Inventories	3,299,022	-
Prepaid Items	1,564,053	-
Total Nonspendable Fund Balance	4,863,075	-
Restricted for:		
State Required Carryover Programs	29,091,865	-
Referendum Property Tax	16,428,966	-
Debt Service	-	-
Capital Projects	-	57,852,681
Food Service	-	-
Internal Accounts	-	-
Total Restricted Fund Balance	45,520,831	57,852,681
Committed Fund Balance	7,470,021	-
Assigned for:		
Budget Shortfall 2024-25 Fiscal Year	21,240,121	-
Unassigned Fund Balance	20,672,537	-
Total Fund Balances	99,766,585	57,852,681
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 114,828,005	$ 63,552,570

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

Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ 3,392,276	$ 15,015,935	$ 44,577,169
146,979,538	10,111,781	284,934,001
-	227,104	562,713
-	-	1,407,447
219,673	-	712,943
-	6,070,297	8,889,254
-	-	14,437,525
-	1,345,933	4,644,955
636	56,169	1,633,910
$ 150,592,123	$ 32,827,219	$ 361,799,917
$ -	$ 931,176	$ 3,534,312
-	87,370	2,290,563
234,461	1,414,299	7,720,887
-	-	2,603
-	183,617	183,805
8,015,755	154,066	11,810,795
6,172,732	6,154	7,165,337
-	63,273	252,241
8,413,284	2,524,241	14,437,525
-	53,771	236,273
22,836,232	5,417,967	47,634,341
-	-	1,381,167
-	-	1,381,167
-	1,345,933	4,644,955
-	56,169	1,620,222
-	1,402,102	6,265,177
-	-	29,091,865
-	-	16,428,966
-	992,569	992,569
127,755,891	2,764,371	188,372,943
-	18,403,837	18,403,837
-	3,899,013	3,899,013
127,755,891	26,059,790	257,189,193
-	-	7,470,021
-	-	21,240,121
-	(52,640)	20,619,897
127,755,891	27,409,252	312,784,409
$ 150,592,123	$ 32,827,219	$ 361,799,917

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MARION COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balances - Governmental Funds		$ 312,784,409
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.		867,451,586
The deferred outflows of resources and deferred inflows of resources related to pensions, other postemployment benefits and debt refundings are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred Outflows related to Debt Refundings	$ 101,919	
Deferred Outflows related to Other Post Employment Benefits	3,002,780	
Deferred Outflows related to Pensions	77,282,030	
Deferred Inflows related to Other Post Employment Benefits	(7,743,461)	
Deferred Inflows related to Pensions	(58,297,522)	
		14,345,746
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Certificates of Participation	(295,120,000)	
Bonds Payable	(1,074,000)	
Note Payable	(5,213,607)	
Lease Payable	(475,999)	
Subscription Based Payable	(3,497,809)	
Unamortized Premiums	(31,338,555)	
Unamortized Prepaid Insurance - Debt Related	17,135	
Compensated Absences Payable	(33,296,563)	
Other Postemployment Benefit Liability	(18,699,365)	
Net Pension Liability	(245,573,643)	
		(634,272,406)
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.		33,499,285
Accrued Interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(1,279,991)
Total Net Position - Governmental Activities		$ 592,528,629

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	General Fund	Capital Projects - Local Capital Improvement Fund
Revenues		
Intergovernmental:		
Federal Direct	$ 581,046	$ -
Federal Through State and Local	2,122,123	-
State	266,279,740	-
Local:		
Property Taxes	198,861,103	61,881,213
Other	23,367,168	1,911,666
Total Revenues	491,211,180	63,792,879
Expenditures		
Current - Education:		
Instruction	291,483,847	-
Student Personnel Services	36,682,215	-
Instructional Media Services	5,055,784	-
Instruction and Curriculum Development	5,295,573	-
Instructional Staff Training Services	5,056,404	-
Instruction Related Technology	2,477,329	-
Board of Education	1,049,449	-
General Administration	2,672,573	-
School Administration	28,172,070	-
Facility Services	2,425,928	2,320,739
Fiscal Services	4,786,581	-
Food Services	-	-
Central Services	8,140,982	-
Student Transportation Services	30,907,045	-
Operation of Plant	45,449,862	-
Maintenance of Plant	12,473,083	-
Administrative Technology Services	5,432,235	-
Community Services	6,928,508	-
Capital Outlay:		
Facilities Acquisition and Construction	5,432,631	20,201,038
Other Capital Outlay	4,591,066	5,104,382
Debt Service:		
Retirement of Principal	3,137,762	-
Interest and Fiscal Charges	117,291	-
Dues and Fees	-	-
Total Expenditures	507,768,218	27,626,159
Excess (Deficiency) of Revenues Over Expenditures	(16,557,038)	36,166,720
Other Financing Sources (Uses)		
Insurance Loss Recoveries	217,655	-
Issuance of Debt - Leases/SBITAs	1,581,616	-
Sale of Capital Assets	1,910,580	-
Transfers In	8,201,458	-
Transfers Out	(28,227)	(24,178,331)
Total Other Financing Sources (Uses)	11,883,082	(24,178,331)
Net Change in Fund Balances	(4,673,956)	11,988,389
Fund Balances - Beginning	104,440,541	45,864,292
Fund Balances - Ending	$ 99,766,585	$ 57,852,681

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

Capital Projects - Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ 1,614,815	$ 2,195,861
-	87,454,794	89,576,917
973,530	4,821,280	272,074,550
-	-	260,742,316
54,171,650	6,393,295	85,843,779
55,145,180	100,284,184	710,433,423
-	25,951,520	317,435,367
-	9,355,126	46,037,341
-	-	5,055,784
-	4,259,852	9,555,425
-	6,802,060	11,858,464
-	-	2,477,329
-	-	1,049,449
-	1,219,761	3,892,334
-	57,196	28,229,266
3,207,027	-	7,953,694
-	-	4,786,581
-	43,033,523	43,033,523
-	199,689	8,340,671
-	543,718	31,450,763
-	74,997	45,524,859
-	7,182	12,480,265
-	-	5,432,235
-	5,513,974	12,442,482
139,805,882	764,310	166,203,861
1,815,190	2,428,284	13,938,922
-	10,525,132	13,662,894
-	15,398,715	15,516,006
-	8,542	8,542
144,828,099	126,143,581	806,366,057
(89,682,919)	(25,859,397)	(95,932,634)
-	-	217,655
-	-	1,581,616
-	-	1,910,580
-	25,749,793	33,951,251
(8,955,812)	(788,881)	(33,951,251)
(8,955,812)	24,960,912	3,709,851
(98,638,731)	(898,485)	(92,222,783)
226,394,622	28,307,737	405,007,192
$ 127,755,891	$ 27,409,252	$ 312,784,409

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MARION COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Net Change in Fund Balances - Governmental Funds		$ (92,222,783)
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 asset activity in the current period:		
Capital Asset Additions	$ 179,921,274	
Depreciation Expense	(32,679,415)	
Loss on Disposal of Capital Assets	(12,164,348)	
		135,077,511
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt payments during the year.		13,662,894
Changes in SBITA and Lease balances that result from modifications to these agreements are reflected in the long-term liability footnote but are not part of principal reduction exense or issuance of debt in the statement of activities.		11,420,106
Debt Premiums on bond issues are amortized over the life of the debt in the statement of activities but are reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.		2,097,702
Deferred amount on Refunding is amortized over the life of the debt in the statement of activities, but is reported as an expense in the fund statements when debt is issued. This is the amount of the current amortization.		(106,985)
Prepaid insurance is amortized over the life of the debt in the statement of activities but is reported as revenues in the fund statements when debt is issued. This is the amount of current amortization.		(8,568)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.		
Florida Retirement System Pension Contribution	30,909,464	
Health Insurance Subsidy Pension Contribution	6,384,919	
Florida Retirement System Pension Expense	(16,092,931)	
Health Insurance Subsidy Pension Expense	(1,616,668)	
		19,584,784
The net decrease in accrued interest on long-term debt is reported in the statement of activities, but not in the fund statements.		52,059
The issuance of bonds and similar long-term liabilities provides current financial resources to the govrnmental funds and thus contribute to the change in fund balace. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in governmental funds, but reduces the liability in the Statement of Net Position. These are:		
Proceeds from issuance of leases/SBITA	(1,581,616)	
		(1,581,616)
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 paid in excess of the amount earned in the current fiscal year.		1,914,942
Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the actuarial cost of benefits earned net of employee contributions is reported as an expense.		735,513
Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net income of internal service funds is reported with governmental activities.		(774,314)
Change in Net Position of Governmental Activities		$ 89,851,245

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2026

	Internal Service Funds
Assets	
Current Assets:	
Cash	$ 33,441,833
Investments	18,693,558
Deposits Receivable	140,000
Prepaid Items	381
Total Assets	52,275,772
Liabilities	
Current Liabilities:	
Salaries and Benefits Payable	4,484
Accounts Payable	6,663,547
Due to Other Agencies	394
Estimated Insurance Claims Payable	3,474,851
Total Current Liabilities	10,143,276
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	8,633,211
Total Liabilities	18,776,487
Net Position	
Unrestricted	$ 33,499,285

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Internal Service Funds
Operating Revenues	
Charges for Services	$ 73,029,983
Other Operating Revenue	5,235,317
Total Operating Revenues	78,265,300
Operating Expenses	
Salaries	252,803
Employee Benefits	97,203
Purchased Services	9,588,825
Claim Expense	70,499,936
Total Operating Expenses	80,438,767
Operating Income	(2,173,467)
Nonoperating Revenue	
Investment Income	1,530,455
Increase in Fair Value of Investments	(131,302)
Total Nonoperating Revenue	1,399,153
Change in Net Position	(774,314)
Net Position - Beginning	34,273,599
Net Position - Ending	$ 33,499,285

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Internal Service Funds
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	$ 73,093,396
Cash Payments to Suppliers for Goods and Services	(7,886,719)
Cash Payments to Employees for Services	(354,375)
Cash Received from Health Insurance Carriers	5,235,317
Cash Payments for Insurance Claim Payments	(70,182,917)
Net Cash Provided by Operating Activities	(95,298)
Cash Flows from Noncapital Financing Activities	
Cash Payment for Temporary Loan to Other Funds	-
Net Cash Used for Noncapital Financing Activities	-
Cash Flows from Investing Activities	
Purchase of Investments	(765,532)
Investment Income	1,530,455
Net Cash Provided by Investing Activities	764,923
Net Decrease in Cash	669,625
Cash, Beginning of Year	32,772,208
Cash, End of Year	$ 33,441,833
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$ (2,173,467)
Miscellaneous Non-operting revenue	-
Adjustments to Reconcile Operating Income to Miscellaneous Non-operating revenue	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	63,413
Increase in Prepaid Items	2,244
Increase in Salaries and Benefits Payable	(4,763)
Increase in Accounts Payable	1,699,862
Decrease in Estimated Insurance Claims Payable	317,019
Net Cash Provided by Operating Activities	$ (95,692)

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2026

	Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash	$ -	$ 1,093,276
Investments	410,677	-
TOTAL ASSETS	$ 410,677	$ 1,093,276
NET POSITION		
Held in Trust for Silver River Museum	$ 410,677	$ -
Restricted for School Internal Accounts	-	1,093,276
TOTAL NET POSITION	$ 410,677	$ 1,093,276

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

MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Investment Earnings:		
Investment Loss	$ (59,798)	$ -
Net Increase in Fair Value of Investments	52,307	-
Clubs, Donations and Booster Activities	-	3,877,490
Total Additions	(7,491)	3,877,490
DEDUCTIONS		
Materials, Supplies and Other Expenses	-	3,863,920
Change in Net Position	(7,491)	13,570
Net Position - Beginning	418,168	1,079,706
Net Position - Ending	$ 410,677	$ 1,093,276

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Marion County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Marion County School District (District) is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education, and is governed by State laws 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 Marion 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 legally separate 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 Unit Blended component units, are in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the District. The Marion County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note III.K.6. 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.

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.

The Public Education Foundation of Marion County, Inc. (Foundation), is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The Marion Charter School, Inc.; the McIntosh Area School, Incorporated; The Clear Choice Academics, Inc. d/b/a Ocali Middle School; The Clear Choice Academics, Inc. d/b/a Ocali High School, and the Ina A. Colen Academy are 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 charters approved by its

sponsor, the Marion County District School Board. The charter schools are considered to be a component unit of the District because the District is financially accountable for the charter schools as 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 a public school 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 Foundation's and the charter schools' audited financial statements for the fiscal year ended June 30, 2026. These audited reports are filed in the District's administrative offices at 1614 East Fort King Street, Ocala, Florida 34471.

B. 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 non-exchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's 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 is charged to the functional category that initially purchased the related asset.

C. 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 the internal service fund. 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.

D. 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.
- 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, including new construction, renovation and remodeling projects, new and replacement equipment, motor vehicle purchases, and debt service payments.
- Capital Projects - Other Capital Projects Fund - to account for the financial resources from other sources for educational capital outlay needs, including new construction, renovation and remodeling projects.

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

- Internal Service Fund – to account for the District's individual self-insurance programs.
- Private-Purpose Trust Fund – to account for resources provided for the benefit of the Silver River Museum.
- Custodial Funds – to account for resources of the school internal funds, which are used to administer moneys collected at several schools in connection with school, student athletic, and club activities. These assets are held for the benefit of students and the District does not have administrative involvement with the assets nor were the assets derived from the District's sources of revenue received for those students. These funds are combined and reported in one custodial fund of the District. The trusts/donations accounts for those funds collected for a specific restricted purpose that can only be expended in accordance with the donor's provisions as required by the Florida Department of Education.

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 fund) are eliminated. 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.

E. 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 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. Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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). 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 only recorded 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 and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates used are those used in the actuarial assumptions for the Other Post Employment Benefits Liability, Net Pension Liability, and the Estimated Insurance Claims Payable along with depreciable useful lives of capital assets.

G. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance

1. Cash

The District's cash is considered to be cash on hand and in demand deposits.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits 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.

The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

2. Investments

Investments consist of amounts placed with the State Board of Administration (SBA) in Florida PRIME created by Section 218.405, Florida Statutes and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME and Florida Public Assets for Liquidity Management (FL Palm) meet all of the necessary criteria to elect to measure all of the investments in Florida PRIME and Florida Palm at amortized cost. Like money market funds, a participant's account balance is a share of the investment pool, not the underlying securities, and reported at amortized cost which is considered the fair value of the participant's investment. Florida Prime and FL Palm are external investment pools that are not registered with the Securities and Exchange Commission (SEC), but operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. There are no fees or restrictions to withdraw from either of these pools.

The District's investment policy established permitted investments, asset allocation limits and issuer limits, credit rating requirements, and maturity limits to protect the District's cash and investment assets. The District maintains a common cash and investment pool for the use of all funds. Earnings are allocated monthly to each fund based on end of month balances.

The District's investments made locally consist of investments in direct obligations of the United States Treasury, Federal instrumentalities, corporate bonds, municipal obligations, and registered investment companies (money market funds), which are reported at fair value.

Authorized investments for endowments include equities, hedged funds, and real estate. The District has a formal investment policy that allows for the following investments for governmental funds:

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement (Moody's or Standard and Poor's)	Maximum Maturity
US Treasury	100%	100%	N/A	5.50 Years
GNMA	100%	40%	N/A	5.50 Years
Other U.S. Government Guaranteed	100%	10%	N.A	5.50 Years
Federal Agency/GSE:FNMA,FHLMC, FHLB,FFCB	80%	40%	N/A	5.50 Years
Federal Agency/GSE other than those above	80%	10%	N/A	5.50 Years
Supranationals	25%	10%	A-1/P-1, AAA/Aaa or equivalent	5.50 Years
Corporates	50%	5%	A-1/P=1,A-/A3 or equivalent	5.50 Years
Municipals	25%	5%	SP-1/MIG 1, A-/A3, or equivalent	5.50 Years
Agency Mortgage-Backed Securities (MBS)	25%	40%	N/A	5.50 Years
Asset-Backed Securities (ABS)	25%	5%	A-1+/P-1,AAA/Aaa, or equivalent	5.50 Years
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%	None	None	2 Years
Commercial Paper (CP)	50%	5%	A-1/P-1, or equivalent	270 days
Banker's Acceptances (Bas)	10%	5%	A-1/P-1, or equivalent	180 days
Money Market Funds (MMF)	50%	25%	AAAm/Aaa-mf,or equivalent	N/A
Intergovenmental Investment Pool	75%	50%	AAAm/AAAf,S1, or equivalent	N/A
Florida Local Government Surplus Funds Trust Funds ("Florida Prime")	25%	N/A	AAAm/Aaa-mf, or equivalent	N/A

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

3. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories, except those for purchased food, donated foods, certain nonfood supplies, and fuel, are stated at cost on a moving-average basis. Purchased food, nonfood supplies purchased by various food service operations, and fuel inventories are valued at last invoice cost which approximates the first-in, first-out basis. 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 costs of inventories are recorded as expenditures when used rather than purchased.

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.

4. 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, so 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 $1,000 or more; except computer software which are those costing $5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. For leases and subscription-base information technology arrangements (SBITAs), the District capitalizes intangible right-to-use lease/SBITA assets when the lease/SBITA liability is $5,000 or greater. Donated capital assets are recorded at acquisition value at the date of donation.

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

Description	Estimated Lives
Improvements Other than Buildings	7 - 20 years
Buildings and Fixed Equipment	25 - 50 years
Furniture, Fixtures, and Equipment	5 - 20 years
Motor Vehicles	7 - 12 years
Lease Assets - Equipment	2 - 20 years
Lease Assets - Building	25 - 50 years
Subscription-based Information Technology Arrangements (SBITAs)	3-5 years
Audio Visual Materials and Computer Software	3 - 5 years

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

5. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows 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. The District has three items that qualify for reporting in this category. The deferred outflows of resources related to pensions and Other Post Employment Benefits (OPEB) are discussed in subsequent notes. A deferred amount on refunding 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.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows 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 types of items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes. Deferred Inflows - Leases are established when the District is the lessor in an arrangement under GASB Statement No 87. This offset to the lease receivable is recognized as revenue over the life of the lease term. On the fund level statement deferred unavailable revenues reflect the amounts due to the district that were not available during the revenue recognition period.

6. 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 are amortized over the life of the bonds and certificates of participation using the effective interest method.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize issuance costs during the current period. The face amount of debt issued is reported as other financing sources, while debt issuance costs 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 III.K.

7. Leases/Subscription-Based Information Technology Arrangements (SBITAs)

The District entered into noncancelable leases for the right to use equipment and facilities throughout its operations. When the District is the lessee, the contract results in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. When the District is the lessor, the contract results in recognition of a lease receivable and corresponding deferred inflows of resources. Lease intangible assets are reported with capital assets and lease liabilities are reported with long term liabilities on the government-wide statements.

At commencement of a lease when the District is the lessee, the District initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs. At commencement of a lease when the District is the lessor, the District measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepayments received prior to the lease commencement.

The District also has entered into various noncancelable Suscription-Based Technology Arrangements (SBITAs) for governmental activties. The District recognizes a liability and intangible SBITA asset in the government-wide financial statements.
At commencement of the SBITA, the liability is measured at the present value of payments expected to be made during the subscription term. In subsequent fiscal years, the liability is reduced by the principal portion of payments made. The asset is initially measured as the amount of the liability. In subsequent fiscal years the SBITA asset is amortized on a straight-line basis over its useful life which is the same as the subscription term.

Estimates and judgements are sometimes made when determining the discount rate and overall term for leases/SBITAs. The District monitors its leases/SBITAs for significant changes in circumstances that warrant a remeasurement of the lease/SBITA liability and associated intangible asset, and/or lease receivable and associated deferred inflow of resources.

8. 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.

9. Pensions

In the government-wide financial 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 III.E

10. 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.

11. 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.

12. 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 may include 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 or Board policy prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution or board policy remains in place until a similar action is taken (the adoption of another resolution or amendment of the policy) to remove or revise the limitation.

As such, the District has established a stabilization arrangement in Board Policy 6235, *Fund Balance,* to cover unforeseen events. The minimum amount to be contained in the Stabilization Account is ten percent (10%) of the most recent audited annual operating revenues excluding interfund transfers for the General Fund. The Stabilization Account includes the minimum fund balance levels required by F.S. 1011.051. An annual transfer will be made to the Stabilization Account until the desired ten percent (10%) is achieved.

Amounts held in the Stabilization Account may be expended only under specified limited circumstances. The circumstances when it is necessary to appropriate or spend required by this section, are set forth below. The existence of the circumstances must be declared

by four-fifths majority vote of all of the members of the Board establishing that one (1) or more of the criteria listed below exists:

- Expenditures for emergency situations from natural disasters for life, health, or public safety issues for which no appropriation exists.

- Situations where a significant revenue decline of five percent (5%) of General Fund original budgeted estimated revenues (excluding transfers in) arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriations are not considered feasible or appropriate in maintaining existing service levels.

- Correcting the results of an inaccurate estimate, accounting error, or budgeting error in excess of five percent (5%) of General Fund original budgeted estimated revenues (excluding transfers in).

The stabilization balance and amount reported as committed fund balance was $7,470,021 at June 30, 2026.

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 may 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. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. Accordingly, the Board approved assigned amounts within the general fund for an anticipated shortfall in the 2025-2026 fiscal year.

H. Revenues and Expenditures/Expenses

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

2. State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the Florida Department of Education (Department) 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 Department. The Department 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 five months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department 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 year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. State Board of Education (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 year to be expended for the same educational programs. The Department 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 balance of categorical and earmarked educational program resources.

A schedule of revenue from State sources for the current year is presented in Note III.M.1.

3. District Property Taxes

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

On August 28, 2018, Marion County voters approved a one mill ad valorem tax for educational enhancement. Specifically, the funds were to be used to restore programs previously affected by the recession, level funding and operating expenses associated with reading, physical education, art, music, library/media, vocational programs, meeting class size requirements, and retaining teachers and paraprofessionals. In November 2022, voters approved the request for renewal of the one-mil and valorem taxes and included safe schools into the fund uses. The renewal will expire on June 30, 2027. Unexpended funds are shown as restricted fund balance in the General Fund.

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

The Board adopted the 2025-2026 tax levy on September 9, 2025. 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 Marion County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes budgeted for the current year are presented in Note III.L.2

4. 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. The FDOE may require adjustments to subsequent fiscal period expenditures and related revenues based upon an audit of the District's compliance with applicable Federal awards requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

5. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges for workers' compensation, automobile liability, general liability, and property insurance premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. ACCOUNTING CHANGES

During fiscal year 2026, the District implemented the provisions of GASB Statement No. 103 *Financial Reporting Model Improvements.* The impact to the District was minimal and included moving the analysis of budgetary amendments from Management's Discussion and Analysis to the Notes to the RSI section as well as reclassification of Other Miscellaneous Local Sources from Nonoperting to Operating Revenue for the Internal Service Funds.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk-Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

As of June 30, 2026, the District had the following investments and maturities:

Security Type	Duration Year	Credit Rating (1)	Fair Value	Fair Value Measurement (3)
Primary Government				
State Board of Administration (SBA):				
Florida PRIME	0.10	AAAm	$ 70,701,913	n/a
US Treasury Notes	2.02	Aa1	82,438,296	2
Agency MBS	2.01	AA+	187,633	2
Agency CMO	1.45	AA+	10,085	2
Agency CMBS	1.51	AAA	5,854,453	2
Money Market Funds:				
Regions Bank	n/a	n/a	33,120	1
US Bank		n/a	113,655	
FL FIT	n/a	n/a	909,608	n/a
FL PALM	n/a	n/a	81,224,494	n/a
FL PALM TERM		n/a	27,687,100	
Corporate Bonds (US Credit)	1.8	Aaa/Baa1	22,288,776	2
Municipal Obligations Asset-Backed Security	1.4	AAA/Aaa	12,178,427	2
Total Investments, Primary Government			303,627,559	
Fiduciary Funds				
Money Market Funds	n/a	AAAm	42,448	1
Other Equities	n/a	n/a	328,071	1
Fixed Income Securities - Short Term Bond Market		AAA to below B	40,158	1
Total Investments, Fiduciary Funds			410,677	
Component Units				
Public Education Foundation of Marion County, Inc. (2)			2,755,579	
Total Investments			$ 306,793,815	
Presented as Investments in the Financial Statements:				
Governmental Funds			$ 284,934,001	
Proprietary Fund			18,693,558	
Fiduciary Funds			410,677	
Component Units			2,755,579	
Total Investments			$ 306,793,815	

(1) Credit ratings provided by Standard and Poor's.
(2) Information regarding the maturities, risks, and ratings associated with investments in money market funds, bonds, and various equities made by a brokerage firm on behalf of the Public Education Foundation of Marion County, Inc., was not disclosed in the annual post audit of the Foundation filed in the District's administrative offices.
(3) The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, which is based on a matrix pricing model; Level 3 inputs are significant unobservable inputs and were evaluated using a curve-based approach.

➢ Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds (core funds) shall have a term appropriate to the need for funds, and in accordance with debt covenants, but should not exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The District utilizes duration as a measurement of interest rate risk and as of June 30, 2026, the investment portfolio had a weighted average duration of 1.18 years.

Florida PRIME had weighted average days to maturity (WAM) of 53 days at June 30, 2026. 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, with regard to redemption gates, Section 218.409(8)(a), Florida Statutes, states, "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 [State Board of Administration] 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." As of June 30, 2026, 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**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Board policy provides that temporarily idle funds be invested as prescribed by Section 218.415(17), Florida Statutes, and SBE rules. The District's investment policy permits investments which are limited to credit quality ratings from nationally recognized rating agencies.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Pursuant to Section 218.415(18), Florida Statutes, the District's investment policy requires securities, with the exception of certificates of deposit, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the District should be properly designated as an asset of the District. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2026 the District's investment portfolio was held with a third-party custodian as required by the District's investment policy. The endowment funds of the Silver River Museum Private-Purpose Trust Fund are held by a bank and trust company.

- **Concentration of Credit Risk**

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 has established asset allocation and issuer limits which are designed to reduce concentration of credit risk of the District's investment portfolio. The District did not have any investments in any one issuer greater than five percent.

- **Endowment Investments**

To achieve the greatest likelihood of meeting endowment investment objectives, the investment assets shall be diversified in accordance with the following asset allocation weightings: domestic equity (20%-40%); international equity (0%-30%); real estate (0%-10%); inflation hedged (10%-80%); and fixed income (10%-80%).

- **Foreign Currency Risk**

The District's investment policy does not allow for investments in foreign currency therefore the District has no exposure to foreign currency risk.

C. Receivables

1. Accounts Receivable

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered fully collectible. As such, no allowance for uncollectible accounts receivable is accrued. Accounts receivables are actual cash receipts received within 60 days of June 30, 2026, and were susceptible to accrual. Below is a schedule of Due from Other Agencies at June 30, 2026:

Funds/Source	Amount
Major Governmental Funds:	
General:	
E-Rate	$ 320,342
Medicaid	579,584
United States Department of Defense:	
Army JROTC	15,026
Navy JROTC	28,561
Air Force JROTC	48,225
Marion County Tax Collector:	
Unremitted Property Taxes	96,717
Other Agencies:	
Miscellaneous	1,675,973
Special Revenue - Federal Education Stabilization Fund:	
Florida Department of Education:	
Federal Grant Reimbursement	
Capital Projects - Local Capital Improvement:	
Marion County Tax Collector:	
Unremitted Property Taxes	54,529
Capital Projects - Other Capital Projects	
Florida Department of Education:	
PECO Funds	69,314
Florida Department of Revenue:	
Sales Tax	
City of Ocala::	
Impact Fees	
Marion County Board of County Commissioners:	
Impact Fees	
Nonmajor Governmental Funds:	
Special Revenue - Food Service:	
Florida Department of Agriculture and Consumer Services:	
Food Service Program	556,250
Special Revenue - Other Federal Programs:	
Florida Department of Education::	
Federal Grant Reimbursements	3,288,321
Other Agencies:	
Other grant reimbursements	
Capital Projects - Capital Outlay and Debt Service:	
Florida Department of Education:	
Capital Outlay and Debt Service	2,156,412
Total Due From Other Agencies	$ 8,889,254

2. Leases Receivable

The District is the lessor in contracts with outside parties for the right to use various parcels of land and cell phone towers. The land lease for Emerald Road requires payments of $1,591 monthly with an interest rate of 0.3150% over the remain lease life of 301 months. The land lease for West Port High School requires annual payments of $20,122 with interest at 0.2180% for the remaining 168 months of the lease.

The District also has cell tower leases. Both of these have a remaining lease life of 293 months with interest at 0.2180% and monthly payments of $1,5977.

The District has $1,407,447 in outstanding lease receivables at June 30, 2026.

D. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions *	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	$ 14,454,102	$ -	$ 138,696	$ 14,315,406
Construction in Progress	190,647,560	165,912,252	141,895,061	214,664,751
Total Capital Assets Not Being Depreciated	205,101,662	165,912,252	142,033,757	228,980,157
Capital Assets Being Depreciated/Amortized:				
Improvements Other Than Buildings	23,010,381	5,848,555	32,973	28,825,963
Buildings and Fixed Equipment	786,363,686	133,322,461	462,562	919,223,585
Lease Assets -Buildings and Fixed Equipment	1,029,441	679,425	195,243	1,513,623
Furniture, Fixtures, and Equipment	62,565,217	8,444,305	2,684,054	68,325,468
Lease Assets-Furniture, Fixtures, and Equipment	16,530	-	-	16,530
Subsription Based Assets*	24,589,366	1,214,079	15,448,357	10,355,088
Motor Vehicles	43,117,891	6,395,258	3,143,991	46,369,158
Audio Visual Materials and Computer Software	663,615	-	210,124	453,491
Total Capital Assets Being Depreciated	941,356,127	155,904,083	22,177,304	1,075,082,906
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	6,499,564	851,219	-	7,350,783
Buildings and Fixed Equipment	334,738,219	18,605,762	391,939	352,952,042
Lease Assets-Buildings and Fixed Equipment	608,599	650,881	195,243	1,064,237
Furniture, Fixtures, and Equipment	37,899,851	6,200,373	2,572,946	41,527,278
Lease Assets-Furniture, Fixtures, and Equipment	11,121	3,306	-	14,427
Subsription Based Assets*	7,820,899	3,337,306	4,963,236	6,194,969
Motor Vehicles	25,841,165	3,029,948	1,818,164	27,052,949
Audio Visual Materials and Computer Software	664,296	620	210,124	454,792
Total Accumulated Depreciation	414,083,714	32,679,415	10,151,652	436,611,477
Total Capital Assets Being Depreciated, Net	527,272,413	123,224,668	12,025,652	638,471,429
Governmental Activities Capital Assets, Net	$ 732,374,075	$ 289,136,920	$ 154,059,409	$ 867,451,586

*SBITA deletions include SBITA modifications.

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	$ 24,250,244
Student Personnel Services	105,979
Instructional Media Services	43,901
Instruction and Curriculum Development	170,574
Instructional Staff Training Services	5,694
Instruction Related Technology	2,483,221
School Board	478
General Administration	6,193
School Administration	28,230
Facility Services	1,465,969
Fiscal Services	14,614
Food Services	483,501
Central Services	10,536
Student Transportation Services	2,509,250
Operation of Plant	707,602
Maintenance of Plant	24,176
Administrative Technology Services	365,943
Community Services	3,310
Total Depreciation Expense - Governmental Activities	$ 32,679,415

E. Retirement Plans

General Information about the Florida Retirement System (FRS)

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 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 the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System 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 the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A 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, Division of Retirement. The FRS Investment Plan is administered by the SBA and is reported in the SBA's annual financial statement and in the State of Florida Annual Comprehensive Financial Report.

The District's FRS and HIS pension expense totaled $17,709,599 for the fiscal year ended June 30, 2026.

Florida Retirement System (FRS) Defined Benefit 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:

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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 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 FRS Pension 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 table shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular 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 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 or more years of service	1.68
Elected County Officials	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 service credit at retirement multiplied by 3 percent. FRS Pension 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 2025-26 fiscal year were as follows:

	Percent of Gross Salary	
Class	Employee	Employer (A)
Florida Retirement System, Regular (HA)	3.00	14.03
Florida Retirement System, Elected County Officers	3.00	54.57
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	22.02
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 2.0 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 Plan.

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

The District's contributions to the Plan totaled $30,909,464 for the fiscal year ended June 30, 2026.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2026, the District reported a liability

of $154,517,104 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District's proportionate share of the net pension liability was based on the District's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.497878043 percent, which was an decrease of 0.012948563 percent from its proportionate share measured as of June 30, 2024.

For the year ended June 30, 2026, the District recognized the Plan pension expense of $16,092,931. At June 30, 2026, 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	$ 16,504,054	$ -
Change of assumptions	17,943,450	-
Net difference between projected and actual earnings on FRS pension plan investments		25,798,190
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	3,060,235	8,203,727
District FRS contributions subsequent to the measurement date	30,909,464	-
Total	$ 68,417,203	$ 34,001,917

The deferred outflows of resources related to pensions totaling $30,909,464 resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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	Amortization
2026	$ 25,033,442
2027	(6,618,229)
2028	(8,723,697)
2029	(6,185,694)
2030	-
Thereafter	-
Total	$ 3,505,822

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.5 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table varied by member category and sex, projected generationally with scale MP-2021. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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 real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.2%	3.3%	1.1%
Fixed Income	29.00%	5.5%	5.4%	4.0%
Global Equity	45.00%	8.5%	6.9%	18.3%
Real Estate (Property)	12.00%	8.4%	7.1%	16.8%
Private Equity	11.00%	12.4%	8.8%	28.4%
Strategic Investments	2.00%	6.5%	6.1%	8.7%
Total	100.00%			
Assumed inflation - Mean			2.4%	1.5%

Note: (1) 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate remained at 6.7 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 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 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
District's proportionate share of the net pension liability	$ 303,237,433	$ 154,517,104	$ 29,832,132

Pension Plan Fiduciary Net Position. Detailed information about pension 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 30,2026, the District reported a payable of $163,411 for the outstanding amount of contributions to the Plan required to the Plan for the fiscal year ended June 30,2026.

Health Insurance Subsidy (HIS) Defined Benefit 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 retired members of any state-administered retirement system in paying the costs of health insurance and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2026 eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $7.50. The payments are at least $45 but not more than $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Federal 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, 2026, the contribution rate was 2 percent of payroll pursuant to section 112.363, Florida Statues. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS 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 defined-benefit pension plan totaled $6,384,919 for the fiscal year ended June 30, 2026.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2026, the District reported a net pension liability of $91,056,539 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 1 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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The District’s proportionate share of the net pension liability was based on the District's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the District’s proportionate share was 0.710411050 percent, which was an decrease of 0.010984701 percent from its proportionate share measured as of June 30, 2024.

For the year ended June 30, 2026, the District recognized HIS Plan pension expense of $1,616,668. 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	$ 543,547	$ 144,443
Change of assumptions	805,952	22,024,241
Net difference between projected and actual earnings on HIS pension plan investments	-	75,787
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	1,130,409	2,051,134
District contributions subsequent to the measurement date	6,384,919	-
Total	$ 8,864,827	$ 24,295,605

The deferred outflows of resources totaling $6,384,919 was related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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	Amortization
2026	$ (4,763,065)
2027	(5,495,905)
2028	(4,813,831)
2029	(4,079,049)
2030	(2,663,847)
Thereafter	-
Total	$ (21,815,697)

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	5.20 percent

Mortality rates were based on the PUB-2010 base table varied by member category and sex, projected generationally with scale MP-2021.

While an experience study has 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 5.2 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 HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2025 valuation was updated from 3.93 percent to 5.20 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 5.20 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 (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
District's proportionate share of the net pension liability	$ 102,680,907	$ 91,056,539	$ 81,307,391

Pension Plan Fiduciary Net Position. Detailed information about pension 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, 2026, the District reported a payable of $77,677 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2026.

FRS – Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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. 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 member's accounts during the 2025-26 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	11.30%
FRS, Elected County Officers	16.34%

For all membership classes, employees are immediately vested in their own contributions and are vested after one 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 five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2026, 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; 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 $15,106,137 for the fiscal year ended June 30, 2026.

F. Other Postemployment Benefit Obligations

The District follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for reporting the employers' OPEB Plan liability.

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical and prescription drug coverage. Retirees and their eligible dependents are offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree

healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Employees Covered by Benefit Terms. The following table provides a summary of the number of participants in the plan as of the measurement date:

Inactive Employees or Beneficiaries Currently Receiving Benefits	140
Active Employees	5,230
Total Plan Members	5,370

Changes in the Total OPEB Plan Liability. The following table shows the change in the District's OPEB Plan liability:

Description	Amount
Service Cost	$ 864,737
Interest on the Total OPEB Plan Liability	737,296
Difference on experience	(320,637)
Changes of Assumptions	(20,809)
Benefit Payments	(914,410)
Change in Total OPEB Plan Liability	346,177
Total OPEB Plan Liability, Beginning of Year	18,353,188
Total OPEB Plan Liability, End of Year	$ 18,699,365

Funded Status and Funding Progress. As of June 30, 2025 the most recent valuation date, the total OPEB Plan liability was $18,699,365, and assets held in trust were $0, resulting in a funded ratio of 0 percent. The covered-employee payroll (annual payroll of active participating employees) was $325,745,290 and the ratio of the total OPEB Plan liability to the covered-employee payroll was 5.74 percent.

The District has not advanced-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB Plan is financed on a pay-as-you-go basis.

Actuarial Valuation Date. The total OPEB liability was determined based on an actuarial valuation performed as of June 30, 2025 rolled forward to a measurement date of June 30, 2025. The reporting date is June 30, 2026.

Actuarial Valuation Methods and Assumptions. Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts

determined regarding the funded status of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Individual Entry Age Normal Cost Method with an increasing normal cost pattern consistent with the salary increase assumptions used in the July 1, 2025, actuarial valuation of the Florida Retirement (FRS) was used in the OPEB Plan liability calculation.

Demographic assumptions employed in the actuarial valuation were the same as those employed in the July 1, 2025, actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OEPB Plan Actuarial Valuation. 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 in the July 1, 2025, actuarial valuation of the FRS Defined Benefit Pension Plan. Assumptions used in valuation of benefits for participants of the FRS Investment plan are the same as for similarly situated participants of the FRS Defined Benefit Pension Plan.

Mortality tables used in the July 1, 2025, actuarial valuation of the Florida Retirement System were used. They are based on the results of a statewide experience study covering periods 2018-2023.

The total OPEB Plan liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.65 percent to 6.35 percent, including inflation as used in the July 1, 2025 actuarial valuation of the Florida Retirement System

Healthcare cost trend rates were based on the Getzen Model, with trend starting at 7.00% followed by 6.75% for 2027 and gradually decreasing per Getzen Model to an ultimate trend rate of 4.00 % after 2050.

Aging factor expenses were based on the 2013 SOA Study “Health Care Costs – From Birth to Death”. Administrative expenses are included in the per capita health costs.

Discount Rate. There are no invested plan assets held in trust to finance the OPEB Plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA as of the measurement date. For the purpose of the OPEB Plan valuation, the municipal bond rate was 5.20% (based on the daily rate closest to but not later than the measurement date of the “Fidelity 20-Year Municipal GO AA Index”). The discount rate changed from 3.93 percent as of June 30, 2024, to 5.20 percent as of June 30, 2025.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2026, the District recognized OPEB expense of $280,033. At June 30, 2026, the District reported deferred outflows and inflows of resources related to the OPEB Plan liability from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	$ 1,987,234	$ (5,308,257)
Difference between actual and expected experience	-	(2,435,204)
Estimated benefits paid subsequent to the measurement date	1,015,546	-
Total	$ 3,002,780	$ (7,743,461)

The deferred outflows of resources related to OPEB resulting from benefits paid subsequent to the measurement date, totaling $1,015,546 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2027. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amortization
2027	(1,322,000)
2028	(1,164,578)
2029	(1,132,582)
2030	(370,624)
2031	(388,483)
Thereafter	(1,377,960)
	$ (5,756,227)

Sensitivity of the District's Total OPEB Plan Liability to Changes in the Discount Rate. The following table presents the District's OPEB Plan liability calculated using the discount rate of 5.20 percent, as well as what the OPEB Plan liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
OPEB Plan Liability	$ 20,813,874	$ 18,699,365	$ 16,890,132

Sensitivity of the Total OPEB Plan Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or one percent higher than the current healthcare cost trend rates.

	1 % Decrease	Current Healthcare Cost Trend Rate Assumption	1 % Increase
OPEB Plan Liability	$ 16,314,121	$ 18,699,365	$ 21,670,412

G. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2026.

Project	Contract Amount	Completed to Date	Balance Committed
Fencing	$ 1,034,741	$ 864,610	$ 170,131
HVAC	8,140,124	6,551,793	1,588,331
New Data Center	11,455,413	2,745,878	8,709,535
New Elementary School - Belleview	2,499,674	869,216	1,630,458
New High School - South Marion	171,456,200	153,283,841	18,172,359
New Middle School - DD	58,388,100	9,371,017	49,017,083
Plumbing Upgrades	2,561,469	889,800	1,671,669
Renovation	8,576,117	2,305,045	6,271,072
Roof Replacement	519,713	515,466	4,247
Total	$ 264,631,551	$ 177,396,666	$ 87,234,885

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 year-end.

Major Funds				
General Fund	Capital Projects-Local Capital Improvement Fund	Other Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ 258,253	$ 24,464,843	$ 61,979,136	$ 532,653	$ 87,234,885

H. Net Position - Net Investment in Capital Asset

In the government-wide Statement of Net Position, the difference between total assets and total liabilities is net position. Generally accepted accounting principles require that net position be subdivided into the following three components: Net investment in capital assets, restricted net position, and unrestricted net position. The composition of net investment in capital assets as of June 30, 2026, is shown in the table below:

Description		Amount
Total Capital Assets, Net of Accumulated Depreciation		$ 867,451,586
Less related Debt, Net of Unspent Proceeds:		
Certificates of Participation Payable	$ (295,120,000)	
Bonds Payable	(1,074,000)	
Note Payable	(5,213,607)	
Leases Payable	(475,999)	
SBITA	(3,497,809)	
Unamortized Debt Premiums	(31,338,555)	
Unspent Proceeds	67,809,994	
Deferred Amount on Refunding	101,919	
Construction and Retainage Payable	(18,976,132)	
Total Related Debt, Net of Unspent Proceeds		(287,784,189)
Net Investment in Capital Assets		$ 579,667,397

I. 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. The District established a Risk Management Internal Service Fund to account for and finance its uninsured risks of loss related to workers' compensation, automobile liability, and general liability claims. Under the program, the Risk Management Fund provides coverage for up to $500,000 for each workers' compensation claim, $300,000 for each automobile and general liability claim and $100,000 or 2 percent named windstorm for property. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

The district provides health and hospitalization under a self-funded program administered through a commercial provider. By utilizing a self-funded model, the District assumes the claims risk directly and uses a purchased stop loss policy to mitigate those risks. The stop-loss policy covers an individual claim over $400,000, with no aggregate stop loss deductible. The District had claims in excess of the stop-loss limit of $2,954,885 in the current year. Funding levels for the program and the run-out claims were actuarily determined. The District reports the self-funded program in the Internal Service Fund. Amounts are charged to various funds to provide sufficient resources to cover claims incurred, to pay for the purchase of excess insurance, and to pay the insurance service agent's administrative fees.

A liability in the amount of $12,108,062 was actuarily determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2026.

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

Workers' Compensation, Automobile Liability, and General Liability

Fiscal Year	Fiscal-Year Liability	Claims and Changes in Estimates	Payments	Fiscal Year-End
2024-25	$ 8,904,157	$ 2,084,320	$ (1,710,434)	$ 9,278,043
2025-26	9,278,043	3,239,617	(3,059,598)	9,458,062

Heath Insurance

Fiscal Year	Fiscal-Year Liability	Claims and Changes in Estimates	Payments	Fiscal Year-End
2024-25	$ 2,220,000	$ 60,339,932	$ (60,046,932)	$ 2,513,000
2025-26	2,513,000	67,260,319	(67,123,319)	2,650,000

J. Long Term Liabilities

1. Certificates of Participation

Certificates of participation at June 30, 2026, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2015B	$ 4,055,000	3.13	2027	$ 32,860,000
Series 2024	291,065,000	5.25	2044	295,930,000
Total Certificates of Participation	$ 295,120,000			$ 328,790,000

The District entered into financing arrangements, characterized as lease-purchase agreements, with the Marion County School Board Leasing Corporation (Leasing Corporation), a blended component unit, whereby the District secured the financing of various educational facilities. The financing was accomplished through the issuance, by the Leasing Corporation to third-party investors, of certificates of participation. All the certificates issued and outstanding are subject to a master ground and facilities lease-purchase agreement between the District and the Leasing Corporation, which ends on the date that all certificates are paid in full. The lease payments, which are used to make debt service payments on the certificates, are payable from funds appropriated annually by the District for such purpose from current funds or other funds legally

available. The District is not legally required to annually appropriate funds to make the lease payments.

As a condition of the financing arrangements, the District has given a ground lease on District property acquired with proceeds from the certificates to the Leasing Corporation. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates for a period of time specified by the arrangements which may be up to 30 years from the date of inception of the arrangement.

The District properties included in the various ground leases under these arrangements include:

Certificates	Description of Properties
Series 2015B	South Ocala Elementary School, Howard Middle School, Lake Weir High School, Partial Refunding 2007B
Series 2024	New Elementary School W, New Elementary School X, New Middle School DD, New High School CCC, Liberty Middle School Additions, Horizon Academy Additions, Hammett Bowen Additions, Marion Oaks Elementary Additions, Osceola Middle School Gymnasium

The lease payments are payable by the District semiannually on June 1 and December 1 for the certificates of participation. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30, 2026:

Certificates of Participation: Fiscal Year Ending June 30	Total	Principal	Interest
2027	4,181,719	4,055,000	126,719
Total Minimum Lease Payments	$ 4,181,719	$ 4,055,000	$ 126,719

Certificates of Participation: Fiscal Year Ending June 30			
2027	19,719,362	5,105,000	14,614,362
2028	23,904,113	9,545,000	14,359,113
2029	23,901,863	10,020,000	13,881,863
2030-2040	385,898,188	266,395,000	119,503,188
	$ 453,423,526	$ 291,065,000	$ 162,358,526

2. Bonds Payable

Bonds payable at June 30, 2026, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
District Revenue Bonds from Direct Placement:				
Series 2013, Refunding	1,074,000	3.66	2031	2,725,500
Total Bonds Payable	$ 1,074,000			$ 2,725,500

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

- District Revenue Bonds, Direct Placement

These bonds are authorized by Chapters 80-550 and 89-513, Laws of Florida, which provide that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Marion County from the State's Pari-mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds were distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes (2001), now Section 212.20(6)(d)6.a., Florida Statutes (2011)). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

The District has pledged a total of $1,194,375 of pari-mutuel tax proceeds in connection with the District Revenue Bonds of 2013, described above. During the 2025-26 fiscal year, the District recognized pari-mutuel tax proceeds totaling $223,250 and expended $198,163 for debt service directly collateralized by these revenues. The pledged pari-mutuel tax proceeds are committed until final maturity of the debt on December 1, 2031. Approximately 100 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2026, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
District Revenue Bonds from Direct Placement:			
2027	199,326	163,000	36,326
2028	201,213	171,000	30,213
2029	197,900	174,000	23,900
2030	198,403	181,000	17,403
2031	197,789	188,000	9,789
2032	199,744	197,000	2,744
Total District Revenue Bonds from Direct Placement	1,194,375	1,074,000	120,375
Total	$ 1,194,375	$ 1,074,000	$ 120,375

3. Notes Payable, Direct Placement

The notes payable from direct placement at June 30, 2026, are as follows:

Notes Payable, Direct Placement	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
Bus Purchase 2019	$ 5,213,607	2.78	2029	$ 15,839,901

The district entered into a financing arrangement in the 2018-19 fiscal year to purchase 150 buses.

Annual requirements to amortize the note payable as of June 30, 2026, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2027	1,823,351	1,690,136	133,214
2028	1,823,352	1,737,428	85,924
2029	1,823,352	1,786,043	37,309
Total Notes Payable, Direct Placement	$ 5,470,055	$ 5,213,607	$ 256,447

4. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities					
Debt Related to Capital Assets:					
Certificates of Participation Payable	$ 7,915,000	$ -	$ 3,860,000	$ 4,055,000	$ 4,055,000
Certificates of Participation Payable Direct Placement	-	-	-	-	-
Certificates of Participation Payable	295,930,000	-	4,865,000	291,065,000	5,105,000
Bond Anticipation Note	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Bonds Payable Direct Placement	1,230,000	-	156,000	1,074,000	163,000
Notes Payable, Direct Placement	6,857,740	-	1,644,133	5,213,607	1,690,136
Leases Payable	430,836	670,086	624,923	475,999	277,284
Subscription Based Payable*	16,519,223	1,226,396	14,247,810	3,497,809	1,652,923
Unamortized Premiums	33,436,257	-	2,097,702	31,338,555	-
Total Capital Asset Related Debt	362,319,056	1,896,482	27,495,568	336,719,970	12,943,343
Compensated Absences Payable**	35,211,505	-	1,914,942	33,296,563	3,662,622
Other Postemployment Benefits Payable	18,353,188	1,602,033	1,255,856	18,699,365	1,015,546
Estimated Insurance Claims Payable	11,791,043	70,499,936	70,182,917	12,108,062	3,474,851
Net Pension Liability:					
Florida Retirement System	197,611,754	53,600,670	96,695,320	154,517,104	-
Health Insurance Subsidy	108,216,410	4,267,692	21,427,563	91,056,539	-
Total Governmental Activities	$ 733,502,956	$ 131,866,813	$ 218,972,166	$ 646,397,603	$ 21,096,362

* Includes reclassification, ** restated for implementation of GASB 101 - change presented "net"

For the governmental activities, pensions, and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the Internal Service Fund, as discussed in Note III.I.

5. Deferred Outflows / Inflows of Resources

The components of deferred inflows and outflows are:

Description	Beginning Balance	Change	Ending Balance
GOVERNMENTAL ACTIVITIES			
Non-pension Related Deferred Outflows:			
Deferred Amount on Refunding	$ 208,904	$ (106,985)	$ 101,919
Other Postemployment Benefits	3,185,649	(182,869)	3,002,780
Total	$ 3,394,553	$ (289,854)	$ 3,104,699
Pension Related Deferred Outflows:			
Florida Retirement System	$ 83,181,228	$ (14,764,025)	$ 68,417,203
Health Insurance Subsidy	10,906,079	(2,041,252)	8,864,827
Total	$ 94,087,307	$ (16,805,277)	$ 77,282,030
Pension Related Deferred Inflows:			
Florida Retirement System	$ 20,487,825	$ 13,514,092	$ 34,001,917
Health Insurance Subsidy	13,945,237	10,350,368	24,295,605
Total	$ 34,433,062	$ 23,864,460	$ 58,297,522
Non-pension Related Deferred Inflows:			
Other Postemployment Benefits	$ 9,008,020	$ (1,264,559)	$ 7,743,461
Deferred Inflows - Leases	1,452,899	(71,732)	1,381,167
Total	$ 10,460,919	$ (1,336,291)	$ 9,124,628

6. Lease Liability

The District is the lessee of equipment and buildings in several departments of operation. Details of the District's significant leases are outlined in the table below.

Description of Leased Item	Lease Term	Payments	Payment Frequency	Interest Rate
Clearview Copiers	48 months	$ 24,677	Monthly	.4310%
Mail Processing Equipment	60 months	840	Quarterly	.686%
Modular Buildings	36 months	1,050 - 8,700	Monthly	2.90%
Building	21 months	4,744	Monthly	1.66%

The District's lease liability at June 30, 2026 is $475,999. Future debt service payments at June 30 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2027	277,285	8,695	285,980
2028	198,714	2,886	201,600
Total	$ 475,999	$ 11,581	$ 487,580

7. SBITA Liability

The District has entered into noncancelable SBITAs for governmental activities. These arrangements have discount rates ranging from .457% - 3.305% and with amortization lives from 3-11 years.

The District's SBITA liability at June 30, 2026 is $3,497,809. Future debt service payments at June 30 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2027	1,652,920	84,086	1,737,006
2028	1,101,279	46,978	1,148,257
2029	359,238	17,806	377,044
2030	248,176	9,310	257,486
2031	120,753	3,634	124,387
2032	$ 15,443	$ 507	15,950
Total	$ 3,497,809	$ 162,321	$ 3,660,130

K. Fund Balance Reporting

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

- **Nonspendable Fund Balance**. Nonspendable 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.

- **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.

- **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. The General Fund is the only fund that reports a positive unassigned fund balance because it is not appropriate to report a positive unassigned fund balance in other government funds. It may be necessary to report a negative unassigned fund balance if expenditures exceed nonspendable, restricted, committed and unassigned fund balance.

L. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2025-26 fiscal year:

Source	Amount
Florida Education Finance Program	$ 212,048,915
Categorical Educational Program - Class Size Reduction	44,779,829
FLorida School Recognition Program	981,667
Workforce Development Program	5,647,297
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,066,242
Voluntary Prekindergarten Program	1,759,239
Food Service Supplement	449,592
Charter School Capital Outlay	788,881
State License Tax	258,787
Workforce Education Performance Incentive	208,109
Miscellaneous	3,085,992
Total	$ 272,074,550

Accounting policies relating to certain State revenue sources are described in Note I.H.2.

2. Property Taxes

The following is a summary of millages and taxes budgeted from the 2025 tax roll for the 2025-26 fiscal year; taxes budgeted are stated at 96 percent of the actual tax roll levy to allow for early payment discounts and uncollectable amounts:

GENERAL FUND	Millages	Taxes Budgeted
Nonvoted School Tax:		
Required Local Effort	3.058	$ 126,524,755
Basic Discretionary Local Effort	0.748	30,807,460
Voted School Tax:		
Operating	1.000	41,186,444
CAPITAL PROJECTS FUNDS		
Nonvoted Tax:		
Local Capital Improvement	1.500	61,779,666
Total	6.306	$ 260,298,325

M. Donor-Restricted Endowments

The Silver River Museum Endowment was created to provide long-term funding for the continuation and enhancement of educational programs offered through the museum. The initial investment of $410,000 must be invested for perpetuity and cannot be spent under any circumstances. Investments are currently valued at $410,677. The Silver River Museum has sole access to the interest from the endowment.

N. Interfund Receivables, Payables, and Transfers

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund Transfers In	Interfund Transfers Out
Major:		
General	$ 8,201,458	$ 28,227
Capital Projects:		
Local Capital Improvement	-	24,178,331
Other Capital Projects	-	8,955,812
Nonmajor Governmental	25,749,793	788,881
Total	$ 33,951,251	$ 33,951,251

Transfers from the Local Capital Improvement Fund are for payments of principal and interest on certificates of participation, property insurance and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

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

Funds	Interfund Due From	Interfund Due To
Major:		
General	$ -	$ 3,500,000
Local Capital Projects Fund	14,437,525	-
Other Capital Projects Fund	-	8,413,284
Non major Governmental	-	2,524,241
Total	$ 14,437,525	$ 14,437,525

The interfund receivables and payables are temporary in nature and were to offset pooled cash positions.

IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

The District is involved in various lawsuits arising in the ordinary course of operations. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated claims payable for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on insured risks. It is the opinion of management, in consultation with legal counsel that the final settlements of these matters will not result in a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

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MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
Revenues					
Federal Direct:					
Reserve Officers Training Corps	$ 445,000	$ 466,372	$ 21,372	$ 581,046	$ 114,674
Federal Through State:					
Medicaid	1,990,000	1,990,000	-	1,730,070	(259,930)
National Forest Funds	200,000	200,000	-	386,842	186,842
Miscellaneous Federal Through State	2,400	2,400	-	5,211	2,811
Total Federal Through State	2,192,400	2,192,400	-	2,122,123	(70,277)
State:					
Florida Education Finance Program	265,435,122	212,048,915	(53,386,207)	212,048,915	-
Workforce Development Program	4,813,692	4,813,692	-	4,813,692	-
Workforce Development Capitalization Incentive Grant	710,456	981,043	270,587	833,605	(147,438)
Workforce Education Performance Incentive	334,800	208,105	(126,695)	208,109	4
CO&DS Withheld for Administrative Expense	30,000	30,000	-	-	(30,000)
Class Size Reduction - Operating Funds	45,548,995	44,779,829	(769,166)	44,779,829	-
School Recognition Funds	-	981,667	981,667	981,667	-
Voluntary Prekindergarten Program	2,518,340	2,518,340	-	1,759,239	(759,101)
Other State:					
State License Tax	250,000	250,000	-	258,787	8,787
Miscellaneous State Revenue	216,014	163,304	(52,710)	595,897	432,593
Total State	319,857,419	266,774,895	(53,082,524)	266,279,740	(495,155)
Local:					
District School Taxes	198,518,659	198,047,333	(471,326)	197,956,957	(90,376)
Tax Redemptions	450,000	450,000	-	904,146	454,146
Tuition	-	-	-	(45)	(45)
Rent	116,741	116,741	-	191,721	74,980
Investment Income	4,000,000	4,000,000	-	5,850,724	1,850,724
Net Increase in Fair Value of Investments	-	-	-	4,158	4,158
Gifts, Grants, and Bequests	-	78,446	78,446	355,696	277,250
Interest Income - Leases	-	-	-	3,541	3,541
Local Adult General Education Course Fees	75,000	75,000	-	26,346	(48,654)
Postsecondary Vocational Course Fees	1,238,761	1,238,761	-	1,182,426	(56,335)
Capital Improvement Fees	66,789	66,789	-	66,679	(110)
Postsecondary Lab Fees	2,177,163	2,177,163	-	1,832,727	(344,436)
Lifelong Learning Fees	109,000	118,500	9,500	68,475	(50,025)
Financial Aid Fees	137,818	137,818	-	133,942	(3,876)
Other Student Fees	421,815	421,815	-	395,688	(26,127)
School Age Child Care Fees	6,086,505	6,289,278	202,773	6,930,865	641,587
Other Schools, Courses, and Classes Fees	7,880	7,880	-	7,275	(605)
Bus Fees	-	-	-	22,842	22,842
Transportation Services Rendered for School Activities	75,000	75,000	-	112,603	37,603
Sale of Junk	-	-	-	70,984	70,984
Receipt of Federal Indirect Cost Rate	1,241,000	1,241,000	-	1,405,840	164,840
Miscellaneous Local Revenues	2,651,156	3,199,572	548,416	4,111,515	911,943
Collection of Lost or Damaged Textbooks	-	14,239	14,239	15,515	1,276
Receipts of Food Service Indirect Costs	500,000	500,000	-	577,651	77,651
Total Local	217,873,287	218,255,335	382,048	222,228,271	3,972,936
Total Revenues	540,368,106	487,689,002	(52,679,104)	491,211,180	3,522,178

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Original Budget	Final Budget	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
Expenditures					
Current Education:					
Instruction:					
Salaries	$ 188,137,890	$ 188,527,013	$ 389,123	$ 178,571,714	$ (9,955,299)
Employee Benefits	73,654,999	74,047,589	392,590	72,830,953	(1,216,636)
Purchased Services	81,256,389	36,038,274	(45,218,115)	31,481,021	(4,557,253)
Energy Services	28,055	44,662	16,607	26,565	(18,097)
Materials and Supplies	13,416,150	14,669,642	1,253,492	3,932,128	(10,737,514)
Capital Outlay	1,251,776	3,084,667	1,832,891	1,709,697	(1,374,970)
Other	16,035,160	8,993,525	(7,041,635)	2,931,769	(6,061,756)
Total Instruction	373,780,419	325,405,372	(48,375,047)	291,483,847	(33,921,525)
Student Personnel Services:					
Salaries	25,962,880	26,032,165	69,285	24,912,621	(1,119,544)
Employee Benefits	10,520,681	10,536,257	15,576	10,422,271	(113,986)
Purchased Services	2,024,060	2,107,926	83,866	1,231,666	(876,260)
Energy Services	1,500	1,550	50	929	(621)
Materials and Supplies	117,936	115,405	(2,531)	84,345	(31,060)
Capital Outlay	39,859	45,061	5,202	28,014	(17,047)
Other	2,143	4,064	1,921	2,369	(1,695)
Total Student Personnel Services	38,669,059	38,842,428	173,369	36,682,215	(2,160,213)
Instructional Media Services:					
Salaries	3,622,608	3,632,221	9,613	3,467,024	(165,197)
Employee Benefits	1,407,710	1,408,506	796	1,372,167	(36,339)
Purchased Services	94,163	110,073	15,910	9,691	(100,382)
Energy Services	500	500	-	292	(208)
Materials and Supplies	34,842	43,717	8,875	22,698	(21,019)
Capital Outlay	572,240	888,641	316,401	183,552	(705,089)
Other	5,250	5,175	(75)	360	(4,815)
Total Instructional Media Services	5,737,313	6,088,833	351,520	5,055,784	(1,033,049)
Instruction and Curriculum Development:					
Salaries	3,617,576	3,658,222	40,646	3,240,312	(417,910)
Employee Benefits	1,240,009	1,261,698	21,689	1,195,774	(65,924)
Purchased Services	316,414	323,943	7,529	108,851	(215,092)
Energy Services	4,100	6,179	2,079	5,573	(606)
Materials and Supplies	54,500	50,319	(4,181)	21,829	(28,490)
Capital Outlay	14,880	20,123	5,243	10,536	(9,587)
Other	610,250	718,859	108,609	712,698	(6,161)
Total Instruction and Curriculum Development	5,857,729	6,039,343	181,614	5,295,573	(743,770)
Instructional Staff Training Services:					
Salaries	3,584,809	3,596,396	11,587	3,156,494	(439,902)
Employee Benefits	1,172,721	1,176,580	3,859	1,163,409	(13,171)
Purchased Services	815,365	900,988	85,623	617,793	(283,195)
Materials and Supplies	10,285	12,785	2,500	8,259	(4,526)
Capital Outlay	1,500	1,500	-	90	(1,410)
Other	2,787,045	2,230,052	(556,993)	110,359	(2,119,693)
Total Instructional Staff Training Services	8,371,725	7,918,301	(453,424)	5,056,404	(2,861,897)

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Original Budget	Final Budget	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
Expenditures (continued)					
Current Education (continued):					
Instruction Related Technology:					
Salaries	$ 1,662,847	$ 1,663,977	$ 1,130	$ 1,424,100	$ (239,877)
Employee Benefits	733,006	733,100	94	654,681	(78,419)
Purchased Services	517,520	522,020	4,500	342,318	(179,702)
Energy Services	5,500	7,400	1,900	7,274	(126)
Materials and Supplies	20,000	23,041	3,041	13,160	(9,881)
Capital Outlay	62,300	50,304	(11,996)	23,443	(26,861)
Other	20,000	23,500	3,500	12,353	(11,147)
Total Instruction Related Technology	3,021,173	3,023,342	2,169	2,477,329	(546,013)
Board of Education:					
Salaries	619,761	619,761	-	561,962	(57,799)
Employee Benefits	393,784	393,784	-	345,519	(48,265)
Purchased Services	336,250	389,686	53,436	110,957	(278,729)
Materials and Supplies	10,262	10,016	(246)	1,027	(8,989)
Capital Outlay	3,140	3,685	545	724	(2,961)
Other	29,000	31,700	2,700	29,260	(2,440)
Total Board of Education	1,392,197	1,448,632	56,435	1,049,449	(399,183)
General Administration:					
Salaries	1,548,693	1,548,693	-	1,780,851	232,158
Employee Benefits	493,341	493,341	-	574,068	80,727
Purchased Services	102,757	158,939	56,182	82,366	(76,573)
Energy Services	5,400	5,400	-	1,933	(3,467)
Material and Supplies	20,036	18,934	(1,102)	3,145	(15,789)
Capital Outlay	4,600	5,753	1,153	2,062	(3,691)
Other	63,055	247,373	184,318	228,148	(19,225)
Total General Administration	2,237,882	2,478,433	240,551	2,672,573	194,140
School Administration:					
Salaries	20,308,493	20,360,746	52,253	20,086,136	(274,610)
Employee Benefits	7,778,419	7,801,011	22,592	7,809,343	8,332
Purchased Services	227,093	263,070	35,977	203,046	(60,024)
Materials and Supplies	31,118	31,057	(61)	23,776	(7,281)
Capital Outlay	22,167	32,662	10,495	25,765	(6,897)
Other	21,894	24,006	2,112	24,004	(2)
Total School Administration	28,389,184	28,512,552	123,368	28,172,070	(340,482)
Facility Services:					
Salaries	1,144,033	1,144,033	-	1,044,930	(99,103)
Employee Benefits	426,802	426,802	-	403,856	(22,946)
Purchased Services	256,100	301,144	45,044	102,229	(198,915)
Energy Services	5,500	5,586	86	5,585	(1)
Materials and Supplies	18,500	18,500	-	8,983	(9,517)
Capital Outlay	7,500	90,919	83,419	68,582	(22,337)
Other	655,537	828,803	173,266	791,763	(37,040)
Total Facility Services	2,513,972	2,815,787	301,815	2,425,928	(389,859)

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Original Budget	Final Budget	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
Expenditures (continued)					
Current Education (continued):					
Fiscal Services:					
Salaries	$ 2,952,588	$ 2,652,588	$ (300,000)	$ 2,544,974	$ (107,614)
Employee Benefits	925,258	925,258	-	913,666	(11,592)
Purchased Services	1,545,889	1,550,882	4,993	1,182,121	(368,761)
Energy Services	850	850	-	70	(780)
Materials and Supplies	24,750	28,674	3,924	12,241	(16,433)
Capital Outlay	9,435	19,791	10,356	17,757	(2,034)
Other	775,491	595,265	(180,226)	115,752	(479,513)
Total Fiscal Services	6,234,261	5,773,308	(460,953)	4,786,581	(986,727)
Central Services:					
Salaries	4,924,862	4,924,862	-	4,801,996	(122,866)
Employee Benefits	1,839,946	1,840,162	216	1,851,722	11,560
Purchased Services	627,986	1,310,093	682,107	859,690	(450,403)
Energy Services	32,330	40,376	8,046	38,602	(1,774)
Materials and Supplies	95,673	133,342	37,669	96,170	(37,172)
Capital Outlay	171,020	95,007	(76,013)	81,884	(13,123)
Other	444,124	447,962	3,838	410,918	(37,044)
Total Central Services	8,135,941	8,791,804	655,863	8,140,982	(650,822)
Student Transportation Services:					
Salaries	13,315,436	13,330,829	15,393	15,365,816	2,034,987
Employee Benefits	6,870,037	6,878,093	8,056	7,255,130	377,037
Purchased Services	3,252,160	4,440,361	1,188,201	3,235,614	(1,204,747)
Energy Services	3,154,100	3,163,547	9,447	3,018,045	(145,502)
Materials and Supplies	1,290,062	1,616,871	326,809	1,106,566	(510,305)
Capital Outlay	37,100	1,061,536	1,024,436	914,058	(147,478)
Other	64,600	59,045	(5,555)	11,816	(47,229)
Total Student Transportation Services	27,983,495	30,550,282	2,566,787	30,907,045	356,763
Operation of Plant:					
Salaries	13,842,279	13,906,449	64,170	12,827,472	(1,078,977)
Employee Benefits	6,029,985	6,033,457	3,472	5,779,676	(253,781)
Purchased Services	16,254,717	17,541,880	1,287,163	13,810,139	(3,731,741)
Energy Services	11,038,188	11,045,215	7,027	10,682,001	(363,214)
Materials and Supplies	3,535,771	2,864,746	(671,025)	2,200,698	(664,048)
Capital Outlay	211,242	180,115	(31,127)	117,908	(62,207)
Other	5,486,904	649,205	(4,837,699)	31,968	(617,237)
Total Operation of Plant	56,399,086	52,221,067	(4,178,019)	45,449,862	(6,771,205)
Maintenance of Plant:					
Salaries	6,596,264	6,596,264	-	6,359,888	(236,376)
Employee Benefits	2,831,235	2,831,235	-	2,686,394	(144,841)
Purchased Services	2,741,936	2,228,643	(513,293)	1,594,432	(634,211)
Energy Services	134,000	182,847	48,847	182,830	(17)
Materials and Supplies	1,583,439	1,902,691	319,252	1,567,713	(334,978)
Capital Outlay	26,206	90,787	64,581	71,497	(19,290)
Other	22,000	24,000	2,000	10,329	(13,671)
Total Maintenance of Plant	13,935,080	13,856,467	(78,613)	12,473,083	(1,383,384)

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Original Budget	Final Budget	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
Expenditures (continued)					
Current Education (continued):					
Administrative Technology Services:					
Salaries	$ 2,344,797	$ 2,344,797	$ -	$ 2,376,462	$ 31,665
Employee Benefits	843,422	843,422	-	911,478	68,056
Purchased Services	3,891,330	3,762,253	(129,077)	1,855,906	(1,906,347)
Energy Services	5,000	8,420	3,420	6,905	(1,515)
Materials and Supplies	48,050	77,581	29,531	40,487	(37,094)
Capital Outlay	246,000	260,955	14,955	229,564	(31,391)
Other	16,575	33,305	16,730	11,433	(21,872)
Total Administrative Technology Services	7,395,174	7,330,733	(64,441)	5,432,235	(1,898,498)
Community Services:					
Salaries	4,762,575	4,762,608	33	4,528,804	(233,804)
Employee Benefits	1,796,160	1,796,167	7	1,718,109	(78,058)
Purchased Services	314,770	345,353	30,583	309,964	(35,389)
Energy Services	-	290	290	285	(5)
Materials and Supplies	114,742	102,057	(12,685)	89,982	(12,075)
Capital Outlay	33,750	31,525	(2,225)	19,753	(11,772)
Other	730,180	1,278,548	548,368	261,611	(1,016,937)
Total Community Services	7,752,177	8,316,548	564,371	6,928,508	(1,388,040)
Capital Outlay:					
Buildings and Fixed Equipment	2,379,002	3,286,474	907,472	3,897,047	610,573
Improvements Other Than Buildings	1,143,483	2,053,703	910,220	440,990	(1,612,713)
Remodeling and Renovations	2,362,855	1,796,042	(566,813)	1,094,594	(701,448)
Vehicles	-	248,364	248,364	75,386	(172,978)
Other Capital Outlay	3,172,091	5,889,144	2,717,053	4,515,680	(1,373,464)
Total Capital Outlay	9,057,431	13,273,727	4,216,296	10,023,697	(3,250,030)
Debt Service:					
Retirement of Principal	-	-	-	3,137,762	3,137,762
Interest and Fiscal Charges	-	-	-	117,291	117,291
Total Expenditures	606,863,298	562,686,959	(44,176,339)	507,768,218	(54,918,741)
Excess (Deficiency) of Revenues Over Expenditures	(66,495,192)	(74,997,957)	(8,502,765)	(16,557,038)	58,440,919
Other Financing Sources (Uses)					
Sale of Capital Assets	-	1,910,580	1,910,580	1,910,580	-
Insurance Loss Recoveries	-	152,780	152,780	217,655	64,875
Proceeds from Lease Agreements	-	-	-	1,581,616	1,581,616
Transfers In	8,971,322	9,197,576	226,254	8,201,458	(996,118)
Transfers Out	(20,000)	(76,241)	(56,241)	(28,227)	48,014
Total Other Financing Sources	8,951,322	11,184,695	2,233,373	11,883,082	698,387
Net Change in Fund Balance	(57,543,870)	(63,813,262)	(6,269,392)	(4,673,956)	59,139,306
Fund Balance - Beginning	90,008,533	90,008,533	-	104,440,541	14,432,008
Fund Balance - Ending	$ 32,464,663	$ 26,195,271	$ (6,269,392)	$ 99,766,585	$ 73,571,314

Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System Pension Plan (1)

Fiscal Year Ending June 30	District's Proportion of FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.507447693%	128,130,941	223,856,707	57.24%	84.88%
2017	0.504575470%	149,250,038	229,899,245	64.92%	83.89%
2018	0.500254558%	150,679,266	237,064,100	63.56%	87.43%
2019	0.494246229%	170,211,520	238,892,291	71.25%	82.61%
2020	0.478667616%	207,461,599	242,094,532	85.69%	78.85%
2021	0.523306955%	39,529,893	247,669,118	15.96%	96.40%
2022	0.541300681%	201,407,353	285,476,493	70.55%	82.89%
2023	0.526570677%	209,821,749	286,869,984	73.14%	82.38%
2024	0.510826606%	197,611,754	305,559,265	64.67%	83.70%
2025	0.497878043%	154,517,105	317,499,533	48.67%	87.26%

(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule of District Contributions
Florida Retirement System Pension Plan (1)

Fiscal Year Ending June 30	FRS Contribution	Contribution	Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2017	13,201,646	(13,201,646)	-	229,899,245	5.74%
2018	14,269,459	(14,269,459)	-	237,064,100	6.02%
2019	15,325,199	(15,325,199)	-	238,892,291	6.42%
2020	16,106,008	(16,106,008)	-	242,094,532	6.65%
2021	20,107,233	(20,107,233)	-	247,669,118	8.12%
2022	23,098,285	(23,098,285)	-	285,476,493	8.09%
2023	25,331,436	(25,331,436)	-	286,869,984	8.83%
2024	28,926,237	(28,926,237)	-	305,559,265	9.47%
2025	29,726,754	(29,726,754)	-	317,499,533	9.36%
2026	30,909,464	(30,909,464)	-	325,745,290	9.49%

(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule of Proportionate Share of Net Pension Liability
Health Insurance Subsidy Pension Plan (1)

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.725308478%	84,531,698	223,856,707	37.76%	0.97%
2017	0.720509302%	77,040,179	229,899,245	33.51%	1.64%
2018	0.714200727%	75,591,807	237,064,100	31.89%	2.15%
2019	0.714222759%	79,914,379	238,892,291	33.45%	2.63%
2020	0.697511916%	85,165,069	242,094,532	35.18%	0.30%
2021	0.699610333%	85,817,726	247,669,118	34.65%	3.56%
2022	0.720705581%	76,334,232	285,476,493	26.74%	4.81%
2023	0.723709779%	114,934,765	286,869,984	40.07%	4.12%
2024	0.721395751%	108,216,410	305,559,265	34.08%	4.80%
2025	0.710411050%	91,056,539	317,499,533	28.68%	6.36%

(1) The amounts presented for each fiscal year were determined as of June 30.

Schedule of District Contributions
Health Insurance Subsidy Pension Plan (1)

Fiscal Year Ending June 30	FRS Contribution	Contribution	Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2017	3,816,327	(3,816,327)	-	229,899,245	1.66%
2018	3,877,158	(3,877,158)	-	237,064,100	1.64%
2019	3,966,010	(3,966,010)	-	238,892,291	1.66%
2020	4,018,755	(4,018,755)	-	242,094,532	1.66%
2021	4,111,805	(4,111,805)	-	247,669,118	1.66%
2022	4,360,876	(4,360,876)	-	285,476,493	1.53%
2023	4,760,691	(4,760,691)	-	286,869,984	1.66%
2024	6,107,549	(6,107,549)	-	305,559,265	2.00%
2025	6,349,388	(6,349,388)	-	317,499,533	2.00%
2026	6,384,919	(6,384,919)	-	325,745,290	2.00%

(1) The amounts presented for each fiscal year were determined as of June 30.

Marion County District School Board
Required Supplementary Information
Schedule of Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	$ 864,737	$ 843,755	$ 799,932	$ 1,107,358	$ 1,017,847	$ 914,478	$ 1,240,787	$ 1,261,070	$ 1,371,357
Interest on the Total OPEB Plan Liability	737,296	705,124	668,558	418,996	530,073	629,336	1,018,392	982,553	840,553
Difference between expected and actual experience	(320,637)	-	(2,026,725)	-	(654,598)	-	(731,300)	-	-
Changes of Assumptions	(20,809)	(149,332)	1,699,751	(3,783,873)	398,539	1,148,531	(7,801,466)	(162,826)	(1,766,608)
Benefit Payments	(914,410)	(940,137)	(1,131,842)	(1,147,430)	(1,241,147)	(1,292,245)	(1,559,524)	(1,496,366)	(1,546,160)
Net Change in Total OPEB Plan Liability	346,177	459,410	9,674	(3,404,949)	50,714	1,400,100	(7,833,111)	584,431	(1,100,858)
Total OPEB Plan Liability, Beginning	18,353,188	17,893,778	17,884,104	21,289,053	21,238,339	19,838,239	27,671,350	27,086,919	28,187,777
Total OPEB Plan Liability, Ending	$ 18,699,365	$ 18,353,188	$ 17,893,778	$ 17,884,104	$ 21,289,053	$ 21,238,339	$ 19,838,239	$ 27,671,350	$ 27,086,919
Total OPEB Plan Liability	$ 18,699,365	$ 18,353,188	$ 17,893,778	$ 17,884,104	$ 21,289,053	$ 21,238,339	$ 19,838,239	$ 27,671,350	$ 27,086,919
Covered- Employee Payroll	$ 325,745,290	$ 319,045,425	$ 285,676,193	$ 274,229,015	$ 225,982,443	$ 211,342,507	$ 203,546,197	$ 208,920,616	$ 201,855,668
Total OPEB Plan Liability as a Percentage of Covered-Employee Payroll	5.74%	5.75%	6.26%	6.52%	9.42%	10.05%	9.75%	13.24%	13.42%

*The amounts presented for each fiscal year were determined as of June 30. The District implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018. As a result, this schedule will present 10 years information as available.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

1. Budgetary Compliance and Accountability

The Board follows procedures established by Florida Statutes and SBE 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 SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student personnel services, and school administration) and may be amended by resolution at any School 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. Except that no budget appropriation is made for leases in the year of inception.
- 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.

Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. 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 experience study for the FRS Pension Plan was completed for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The following changes in actuarial assumptions occurred in 2025:

- HIS: The municipal bond rate used to determine total pension liability increased from 3.93 percent to 5.2 .

Schedule of Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

Changes in assumptions and other inputs include the change in the discount rate from 3.93 percent as of the beginning of the measurement period to 5.2 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.

2. Budgetary Comparison Schedule - General Fund

BUDGETARY REVENUES

Differences - Original budget to Final budget

The District experienced a decrease of $53,386,207 or 20% in Florida Education Finance Program due to the Florida Empowerment Scholarship.

Differences - Final budget to Actual

Actual amounts of interest revenue exceeded budgeted amounts as the District saw higher interest rates than expected by $1,850,724 or 46%.

MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

BUDGETARY EXPENSES

Differences - Original budget to Final budget

The District saw increased expenses in furniture and equipment related to the building/furnishing of the new South Marion High School and the aviations program at Marion Technical College. The District also saw an increase in expenses for Safe Schools due to adding surveillance cameras to the buses and portable metal detectors.

Tranportation- Capital Outlay increase of $1,024,436
Transportation- Purchased Services increase of $1,188,201
Operation -Purchase Services increase of $1,287,163
Instruction- Capital Outlay increase of $1,832,891
Other Capital Outlay increase of $2,717,053

Differences - Final budget to Actual

The District saw a decrease in salaries and benefits due to current vacancies. The District also has many programs that have appropriated funds that carry over from year to year. These funds must be used for specific programs.

Instruction_Salaries decrease of $9,955,299
Training_Other decrease of $2,119,693
Instruction_Employee Benefis decrease of $1,216,636
Personnel_Salaries decrease of $1,119,544
Operation_Salaries decrease of $1,078,977
Improvements Other than Buildings decrease of $1,612,713
Admin Tech_Purchased Services decrease of $1,906,347- licenses less than expected
Transportation_Salaries increase of $2,034,987 - bus drivers

Appropriated Program Funds:

Instruction_Materials and Supplies decrease of $10,737,514 - textbooks
Instruction_Other decrease of $6,061,756 - magnet programs
Instruction_Purchased Services decreae of $4,557,253 - ACE, IB, Advanced Placement
Operation_Purchased Services decrease of $3,731,741 - Safe Schools
Instruction_Capital Outlay decrease of $1,374,970 - CAPE
Other Capital Outlay decrease of $1,373,464 - MTC and CAPE
Transportation_Purchased Services decrease of $1,204,747 - Safe Schools
Community_Other decrease of $1,016,937 - MAP

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MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANAGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Local Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local:				
District Local Capital Improvement Tax	$ 61,779,666	$ 61,633,148	$ 62,818,651	$ 1,185,503
Investment Income	-	-	1,018,508	1,018,508
Net Increase in Fair Value of Investments	-	-	(44,280)	(44,280)
Total Revenues	61,779,666	61,633,148	63,792,879	2,159,731
Expenditures				
Current Education:				
Facilities Services:				
Facility Acquisition and Construction	3,173,553	5,754,815	2,320,739	3,434,076
Capital Outlay:				
Facilities, Acquisition and Construction:				
Buildings and Fixed Equipment	38,467,275	43,046,707	4,137,935	38,908,772
Improvements Other Than Buildings	5,081,712	5,548,479	2,649,642	2,898,837
Remodeling and Renovations	23,970,898	21,726,387	13,413,461	8,312,926
Other Capital Outlay:				
Vehicles	6,119,606	6,177,149	4,187,913	1,989,236
Furniture, Fixtures and Equipment	58,503	1,153,886	916,469	237,417
Total Expenditures	76,871,547	83,407,423	27,626,159	55,781,264
Excess of Revenues Over Expenditures	(15,091,881)	(21,774,275)	36,166,720	57,940,995
Other Financing Uses				
Transfers Out	(25,085,372)	(24,895,728)	(24,178,331)	717,397
Net Change in Fund Balance	(40,177,253)	(46,670,003)	11,988,389	58,658,392
Fund Balance - Beginning	26,054,705	26,054,705	45,864,292	19,809,587
Fund Balance - Ending	$ (14,122,548)	$ (20,615,298)	$ 57,852,681	$ 78,467,979

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANAGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND - Other Capital Projects Fund
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Other Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
State:				
Miscellaneous State	$ 1,638,351	$ 1,914,829	$ 973,530	$ (941,299)
Local:				
Investment Income	-	-	8,547,278	8,547,278
Net Increase in Fair Value of Investments	-	-	(281,333)	(281,333)
Miscellaneous Local Revenues	48,553,053	51,485,853	45,905,705	(5,580,148)
Total Revenues	50,191,404	53,400,682	55,145,180	1,744,498
Expenditures				
Facility Acquisition and Construction	1,486,669	3,814,631	3,207,027	607,604
Capital Outlay:				
Facilities, Acquisition and Construction:				
Buildings and Fixed Equipment	234,542,280	235,352,993	134,182,690	101,170,303
Furniture, Fixtures and Equipment	319,000	1,815,244	1,815,190	54
Improvements Other Than Buildings	33,147	33,147	-	33,147
Remodeling and Renovations	9,792,869	11,170,205	5,623,192	5,547,013
Total Facilities, Acquistion and Construction	244,687,296	248,371,589	141,621,072	106,750,517
Total Expenditures	246,173,965	252,186,220	144,828,099	107,358,121
Excess of Revenues Over Expenditures	(195,982,561)	(198,785,538)	(89,682,919)	109,102,619
Other Financing Sources				
Transfers Out	(8,991,854)	(8,996,828)	(8,955,812)	41,016
Total Other Financing Sources	(8,991,854)	(8,996,828)	(8,955,812)	41,016
Net Change in Fund Balance	(204,974,415)	(207,782,366)	(98,638,731)	109,143,635
Fund Balance - Beginning	4,653,856	4,653,856	226,394,622	221,740,766
Fund Balance - Ending	$ (200,320,559)	$ (203,128,510)	$ 127,755,891	$ 330,884,401

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2026

	Special Revenue		
	Food Service Fund	Miscellaneous Special Revenue Fund	Special Revenue-Other Federal Programs Fund
Assets			
Cash	$ 9,169,369	$ 3,899,161	$ 344,236
Investments	9,997,677	-	-
Accounts Receivable	(182)	186,709	40,577
Due from Other Agencies	556,250	-	3,288,320
Inventories	1,345,933	-	-
Prepaid Items	3,529	-	52,640
Total Assets	$ 21,072,576	$ 4,085,870	$ 3,725,773
Liabilities and Fund Balances			
Liabilities			
Salaries and Benefits Payable	$ 116,022	$ 5,338	$ 809,816
Payroll Deductions and Withholdings Payable	21,789	-	65,581
Accounts Payable	944,966	6,450	393,568
Deposits Payable	183,617	-	-
Construction Contracts Payable	43,475	-	-
Construction Contracts Payable - Retainage	-	-	-
Due to Other Agencies	9,408	-	53,865
Due to Other Funds	-	144,226	2,380,015
Unearned Revenue	-	30,843	22,928
Total Liabilities	1,319,277	186,857	3,725,773
Fund Balances			
Nonspendable:			
Inventories	1,345,933	-	-
Prepaid Items	3,529	-	52,640
Total Nonspendable Fund Balance	1,349,462	-	52,640
Restricted for:			
Debt Service	-	-	-
Capital Projects	-	-	-
Food Service	18,403,837	-	-
Internal Accounts	-	3,899,013	-
Total Restricted Fund Balance	18,403,837	3,899,013	-
Unassigned Fund Balance	-	-	(52,640)
Total Fund Balances	19,753,299	3,899,013	-
Total Liabilities and Fund Balances	$ 21,072,576	$ 4,085,870	$ 3,725,773

Debt Service	Capital Projects		
Other Debt Service Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
$ 878,465	$ -	$ 724,704	$ 15,015,935
114,104	-	-	10,111,781
-	-	-	227,104
-	69,315	2,156,412	6,070,297
-	-	-	1,345,933
-	-	-	56,169
$ 992,569	$ 69,315	$ 2,881,116	$ 32,827,219
$ -	$ -	$ -	$ 931,176
-	-	-	87,370
-	69,315	-	1,414,299
-	-	-	183,617
-	-	110,591	154,066
-	-	6,154	6,154
-	-	-	63,273
-	-	-	2,524,241
-	-	-	53,771
-	69,315	116,745	5,417,967
-	-	-	1,345,933
-	-	-	56,169
-	-	-	1,402,102
992,569	-	-	992,569
-	-	2,764,371	2,764,371
-	-	-	18,403,837
-	-	-	3,899,013
992,569	-	2,764,371	26,059,790
-	-	-	(52,640)
992,569	-	2,764,371	27,409,252
$ 992,569	$ 69,315	$ 2,881,116	$ 32,827,219

MARION COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Special Revenue		
	Food Service Fund	**Miscellaneous Special Revenue Fund**	**Special Revenue-Other Federal Programs Fund**
Revenues			
Intergovernmental:			
Federal Direct	$ -	$ -	$ 1,614,815
Federal Through State and Local	40,020,068	-	47,434,726
State	449,592	-	1,267,204
Local:			
Other	1,590,561	4,702,539	25,532
Total Revenues	42,060,221	4,702,539	50,342,277
Expenditures			
Instruction	-	116,019	25,835,501
Student Personnel Services	-	-	9,355,126
Instruction and Curriculum Development	-	400,933	3,858,919
Instructional Staff Training Services	-	14,996	6,787,064
General Administration	-	-	1,219,761
School Administration	-	-	57,196
Food Services	43,033,523	-	-
Central Services	-	-	199,689
Student Transportation Services	-	1,700	542,018
Operation of Plant	-	-	74,997
Maintenance of Plant	-	7,182	-
Community Services	-	3,899,159	1,614,815
Capital Outlay:			
Facilities Acquisition and Construction	-	2,970	-
Other Capital Outlay	1,623,831	7,262	797,191
Debt Service:			
Retirement of Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Dues and Fees	-	-	-
Total Expenditures	44,657,354	4,450,221	50,342,277
Excess (Deficiency) of Revenues Over Expenditures	(2,597,133)	252,318	-
Other Financing Sources (Uses)			
Transfers In	28,227	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	28,227	-	-
Net Change in Fund Balances	(2,568,906)	252,318	-
Fund Balances - Beginning, as Previously Reported	22,322,205	3,646,695	-
Changes within financial reporting entity:			
Change from major fund to nonmajor fund	-	-	-
Fund Balances - Beginning, as Adjusted or Restated	22,322,205	3,646,695	-
Fund Balances - Ending	$ 19,753,299	$ 3,899,013	$ -

Debt Service	Capital Projects		
Other Debt Service Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Total
$ -	$ -	$ -	$ 1,614,815
-	-	-	87,454,794
223,250	788,881	2,092,353	4,821,280
74,650	-	13	6,393,295
297,900	788,881	2,092,366	100,284,184
-	-	-	25,951,520
-	-	-	9,355,126
-	-	-	4,259,852
-	-	-	6,802,060
-	-	-	1,219,761
-	-	-	57,196
-	-	-	43,033,523
-	-	-	199,689
-	-	-	543,718
-	-	-	74,997
-	-	-	7,182
-	-	-	5,513,974
-	-	761,340	764,310
-	-	-	2,428,284
10,525,132	-	-	10,525,132
15,398,715	-	-	15,398,715
8,442	100	-	8,542
25,932,289	100	761,340	126,143,581
(25,634,389)	788,781	1,331,026	(25,859,397)
25,721,566	-	-	25,749,793
-	(788,881)	-	(788,881)
25,721,566	(788,881)	-	24,960,912
87,177	(100)	1,331,026	(898,485)
905,392	100	1,433,345	28,307,737
-	-	-	-
905,392	100	1,433,345	28,307,737
$ 992,569	$ -	$ 2,764,371	$ 27,409,252

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	Food Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Federal Through State:			
National School Lunch Act	$ 38,916,602	$ 30,526,750	$ (8,389,852)
School Breakfast Program	11,428,959	9,493,318	(1,935,641)
Total Federal Through State	50,345,561	40,020,068	(10,325,493)
State:			
Breakfast Supplement	220,434	222,869	2,435
School Lunch Supplement	229,903	226,723	(3,180)
Total State	450,337	449,592	(745)
Local:			
Investment Income	955,000	672,166	(282,834)
Net Increase in Fair Value of Investments	-	(55,142)	(55,142)
Charges for Services - Food Service	1,001,922	847,797	(154,125)
Sale of Junk	50,000	4,457	(45,543)
Other	47,500	121,283	73,783
Total Local	2,054,422	1,590,561	(463,861)
Total Revenues	52,850,320	42,060,221	(10,790,099)
Expenditures			
Current Education:			
Food Services:			
Salaries	13,334,412	12,272,078	1,062,334
Employee Benefits	6,699,185	6,306,029	393,156
Purchased Services	915,141	772,731	142,410
Energy Services	758,570	698,067	60,503
Materials and Supplies	28,289,598	21,863,209	6,426,389
Capital Outlay	5,177,680	401,388	4,776,292
Other	1,129,825	720,021	409,804
Total Food Services	56,304,411	43,033,523	13,270,888
Capital Outlay:			
Vehicles	200,000	145,591	54,409
Other Capital Outlay	3,994,724	1,478,240	2,516,484
Total Capital Outlay	4,194,724	1,623,831	2,570,893
Total Expenditures	60,499,135	44,657,354	15,841,781
Excess (Deficiency) of Revenues Over Expenditures	(7,648,815)	(2,597,133)	5,051,682
Other Financing Sources (Uses)			
Transfers In	20,000	28,227	8,227
Net Change in Fund Balance	(7,628,815)	(2,568,906)	5,059,909
Fund Balance - Beginning	12,716,297	22,322,205	9,605,908
Fund Balance - Ending	$ 5,087,482	$ 19,753,299	$ 14,665,817

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - MISCELLANEOUS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Miscellaneous Special Revenue Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Local:			
Gifts, Grants, and Bequests	$ 797,200	$ 551,062	$ (246,138)
Other	4,000,000	4,151,477	151,477
Total Revenues	4,797,200	4,702,539	(94,661)
Expenditures			
Current Education:			
Instruction:			
Salaries	108,621	56,990	51,631
Employee Benefits	12,811	12,809	2
Purchased Services	2,029	825	1,204
Materials and Supplies	38,455	24,330	14,125
Capital Outlay	44,509	21,065	23,444
Other	-	-	-
Total Instruction	206,425	116,019	90,406
Student Personnel Services:			
Purchased Services	1,000	-	1,000
Materials and Supplies	1,326	-	1,326
Total Student Personnel Services	2,326	-	2,326
Instruction and Curriculum Development:			
Salaries	354,101	279,378	74,723
Employee Benefits	128,863	111,208	17,655
Purchased Services	13,616	8,283	5,333
Energy Services	2,179	247	1,932
Materials and Supplies	7,296	1,817	5,479
Capital Outlay	1,500	-	1,500
Other	7,806	-	7,806
Total Instruction and Curriculum Development:	515,361	400,933	114,428
Instructional Staff Training Services:			
Purchased Services	12,772	12,326	446
Other	23,782	2,670	21,112
Total Instruction Staff Training Services	36,554	14,996	21,558
Student Transportation Services			
Salaries	1,443	-	1,443
Employee Benefits	294	-	294
Purchased Services	1,700	1,700	-
Energy Services	1,218	-	1,218
Total Student Transportation Services	4,655	1,700	2,955
Operation:			
Materials and Supplies	5,000	-	5,000
Total Operation	5,000	-	5,000
Maintenance:			
Salaries	2,200	2,200	-
Employee Benefits	485	482	3
Purchased Services	9,491	4,500	4,991
Total Maintenance	12,176	7,182	4,994
Community Services:			
Materials and Supplies	4,000,000	3,899,159	100,841
Total Community Services	4,000,000	3,899,159	100,841
Capital Outlay:			
Buildings and Fixed Equipment	5,940	2,970	2,970
Other Capital Outlay	8,763	7,262	1,501
Total Expenditures	4,797,200	4,450,221	346,979
Net Change in Fund Balance	-	252,318	252,318
Fund Balance - Beginning	3,206,072	3,646,695	440,623
Fund Balance - Ending	$ 3,206,072	$ 3,899,013	$ 692,941

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Special Revenue- Other Federal Programs Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Federal Direct			
Education Stabilization Funds - Workforce	$ 1,500,000	$ 1,614,815	$ 114,815
Total Federal Direct	1,500,000	1,614,815	114,815
Federal Through State and Local			
Career and Technical Education	1,188,381	1,047,819	(140,562)
Individuals with Disabilities Education Act (IDEA)	16,954,432	14,690,112	(2,264,320)
Adult General Education	762,396	693,978	(68,418)
English Literacy and Civics Education	74,534	61,883	(12,651)
Elementary and Secondary Education Act	28,824,481	23,838,813	(4,985,668)
Teacher and Principal Training and Recruiting	4,517,479	3,607,626	(909,853)
Language Instruction	618,458	484,792	(133,666)
Twenty-First Century Schools	1,142,169	527,074	(615,095)
Miscellaneous Federal Revenues	3,235,233	2,482,629	(752,604)
Total Federal Through State and Local	57,317,563	47,434,726	(9,882,837)
State			
Miscellaneous State	1,470,124	1,267,204	(202,920)
Local			
Local Adult General Education Course Fees	-	25,507	25,507
Other	28	25	(3)
Total Revenues	60,287,715	50,342,277	(9,945,438)
Expenditures			
Current Education:			
Instruction:			
Salaries	14,180,363	11,931,139	2,249,224
Employee Benefits	6,401,503	5,567,241	834,262
Purchased Services	2,751,021	2,220,796	530,225
Energy Services	7,568	1,033	6,535
Materials and Supplies	2,560,884	1,877,465	683,419
Capital Outlay	3,732,904	3,633,955	98,949
Other	636,868	603,872	32,996
Total Instruction	30,271,111	25,835,501	4,435,610
Student Personnel Services:			
Salaries	7,283,007	6,275,723	1,007,284
Employee Benefits	2,997,456	2,482,786	514,670
Purchased Services	338,501	268,519	69,982
Energy Services	496	197	299
Materials and Supplies	468,474	316,364	152,110
Capital Outlay	21,135	11,537	9,598
Personnel_Other	6,500	-	6,500
Total Student Personnel Services	11,115,569	9,355,126	1,760,443

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Special Revenue- Other Federal Programs Fund		
	Final Budget	Actual	Variance with Final Budget
Expenditures (concluded)			
Current Education (concluded):			
Instructional Media Services:			
Purchased Services	-	-	-
Total Instructional Media Services	-	-	-
Instruction and Curriculum Development:			
Salaries	3,772,135	2,579,789	1,192,346
Employee Benefits	1,378,260	941,174	437,086
Purchased Services	330,027	193,375	136,652
Materials and Supplies	99,530	47,980	51,550
Capital Outlay	84,631	72,491	12,140
Other	24,110	24,110	-
Total Instruction and Curriculum Development	5,688,693	3,858,919	1,829,774
Instructional Staff Training Services:			
Salaries	4,288,443	4,092,125	196,318
Employee Benefits	1,894,765	1,705,761	189,004
Purchased Services	860,515	474,445	386,070
Materials and Supplies	85,163	31,175	53,988
Capital Outlay	25,170	24,560	610
Other	794,939	458,998	335,941
Total Instructional Staff Training Services	7,948,995	6,787,064	1,161,931
Instruction Related Technology			
Purchased Services	4,881	-	4,881
Total Instruction Related Technology	4,881	-	4,881
General Administration:			
Other	1,513,066	1,219,761	293,305
Total General Administration	1,513,066	1,219,761	293,305
School Administration:			
Salaries	55,081	52,591	2,490
Employee Benefits	15,760	4,605	11,155
Purchased Services	52,912	-	52,912
Total School Administration	123,753	57,196	66,557
Facility Services			
Capital Outlay	800	-	800
Total Facility Services	800	-	800
Central Services:			
Employee Benefits	5,480	1,483	3,997
Purchased Services	195,508	179,998	15,510
Other	62,459	18,208	44,251
Total Central Services	263,447	199,689	63,758
Student Transportation Services:			
Salaries	531,139	391,160	139,979
Employee Benefits	124,727	91,010	33,717
Purchased Services	36,800	30,800	6,000
Energy Services	208,144	29,048	179,096
Transportation_Other	500	-	500
Total Student Transportation Services	901,310	542,018	359,292
Operation of Plant			
Salaries	75,000	74,997	3
Purchased Services	16,045	-	16,045
Total Operation of Plant	91,045	74,997	16,048

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL REVENUE - OTHER FEDERAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Special Revenue- Other Federal Programs Fund		
	Final Budget	Actual	Variance with Final Budget
Community Services			
Other	1,500,000	1,614,815	(114,815)
Total Community Services	1,500,000	1,614,815	(114,815)
Capital Outlay:			
Other Capital Outlay	865,045	797,191	67,854
Total Capital Outlay	865,045	797,191	67,854
Total Expenditures	60,287,715	50,342,277	9,945,438
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND - OTHER DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Other Debt Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Racing Commission Funds	$ 223,250	$ 223,250	$ -
Local:			
Investment Income	6,000	74,650	68,650
Total Revenues	229,250	297,900	68,650
Expenditures			
Debt Service:			
Retirement of Principal	10,525,132	10,525,132	-
Interest and Fiscal Charges	15,398,716	15,398,715	1
Other Debt Service Costs	8,443	8,442	1
Total Expenditures	25,932,291	25,932,289	2
Excess (Deficiency) of Revenues Over Expenditures	(25,703,041)	(25,634,389)	68,652
Other Financing Sources (Uses)			
Transfers In	25,733,544	25,721,566	(11,978)
Transfers Out	(7,336)	-	7,336
Net Change in Fund Balance	23,167	87,177	64,010
Fund Balance - Beginning	445,556	905,392	459,836
Fund Balance - Ending	$ 468,723	$ 992,569	$ 523,846

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Public Education Capital Outlay Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Charter School Capital Outlay Funding	$ 788,881	$ 788,881	$ -
Total Revenues	788,881	788,881	-
Expenditures			
Other Debt Service Costs	-	100	(100)
Total Expenditures	-	100	(100)
Excess (Deficiency) of Revenues Over Expenditures	788,881	788,781	(100)
Other Financing Sources (Uses)			
Transfers Out	(788,881)	(788,881)	-
Net Change in Fund Balance	-	(100)	(100)
Fund Balance - Beginning	-	100	100
Fund Balance - Ending	$ -	$ -	$ -

MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2026
(Continued)

	Capital Outlay and Debt Service Fund		
	Final Budget	Actual	Variance with Final Budget
Revenues			
State:			
Capital Outlay/Debt Service Distributed	$ 1,736,715	$ 2,066,242	$ 329,527
Interest on Undistributed Capital Outlay and Debt Service	50,863	26,111	(24,752)
Total State	1,787,578	2,092,353	304,775
Local:			
Investment Income	-	13	13
Total Revenues	1,787,578	2,092,366	304,788
Expenditures			
Capital Outlay:			
Facilities Acquisition and Construction:			
Remodeling and Renovations	2,470,543	761,340	1,709,203
Debt Service:			
Total Expenditures	2,470,543	761,340	1,709,203
Net Change in Fund Balance	(682,965)	1,331,026	2,013,991
Fund Balance - Beginning	1,040,935	1,433,345	392,410
Fund Balance - Ending	$ 357,970	$ 2,764,371	$ 2,406,401

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APPENDIX D

CERTAIN LEGAL DOCUMENTS

Master Lease Purchase Agreement

Form of Schedule No. 2026

Master Trust Agreement

Form of Series 2026 Supplemental Trust Agreement

Form of Series 2026 Ground Lease

Form of Series 2026 Assignment Agreement

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MASTER LEASE PURCHASE AGREEMENT

Between

MARION COUNTY SCHOOL BOARD LEASING CORPORATION,
a Florida not-for-profit corporation
as Lessor

AND

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA
acting as the governing body of
the School District of Marion County, Florida
as Lessee

Dated as of August 1, 1992

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MASTER LEASE PURCHASE AGREEMENT

This Master Lease Purchase Agreement dated as of August 1, 1992 (this "Master Lease"), between THE SCHOOL BOARD OF MARION COUNTY, FLORIDA, acting as the governing body of the School District of Marion County, Florida (the "District"), a body corporate pursuant to Article IX, Section 4(a), Florida Constitution (1968), and Chapter 230, Florida Statutes, as lessee (the "School Board"), and MARION COUNTY SCHOOL BOARD LEASING CORPORATION, a Florida not-for-profit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as amended, as lessor (the "Corporation").

W I T N E S S E T H:

WHEREAS, the School Board has the power, under Section 230.23(2) Florida Statutes, to receive, purchase, acquire, lease sell, hold, transmit and convey title to real and personal property for educational purposes, and under Section 230.23(9) Florida Statutes, to enter into leases or lease purchase agreements of grounds and educational facilities, or of educational facilities, including equipment built, installed or established therein or attached thereto for school purposes in accordance with the provisions of Chapter 235, Florida Statutes; and

WHEREAS, the Corporation is a "private corporation" within the meaning of Section 230.23(9) (b) 5., Florida Statutes, and is a "non-profit educational organization" within the meaning of Section 235.056(3) (a), Florida Statutes; and

WHEREAS, the School Board is or shall be the owner of certain real property located in Marion County, Florida (which, together with all buildings, structures and improvements now or hereafter erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions, alterations or replacements thereto, now or hereafter located in, on or used in connection with or attached or made to such land, to the extent title thereto may vest in the School Board, is hereinafter referred to as a "Facility Site"); and

WHEREAS, pursuant to a resolution duly adopted by the School Board on July 21, 1992, the School Board has determined that it is in the best interest of the District for the School Board to enter into and execute this Master Lease and certain related documents thereto for the purpose of lease purchasing certain real property, facilities, and equipment relating thereto as above provided ("Facilities") from the Corporation from time to time, which Facilities must, to the extent required by Florida law, be listed on the Educational Plant Survey for Marion County Schools conducted from time to time by the State Department of Education; and

WHEREAS, Facilities approved by the State Department of Education may be lease-purchased from time to time pursuant to Schedules substantially in the form of Exhibit A hereto (individually, a "Schedule"), each such Schedule upon execution and delivery by the School Board and the Corporation together with the provisions of the Master Lease to constitute a separate lease agreement (a "Lease"); and

WHEREAS, the School Board as lessor and the Corporation as lessee may enter into one or more ground leases from time to time with respect to one or more Facility Sites (individually, a "Ground Lease"); and

WHEREAS, the ground leasing of a Facility Site, the sub-leasing of a Facility Site back to the School Board and the lease-purchase financing of the Facilities set forth on a particular Schedule, are herein collectively referred to as a "Project;" and

WHEREAS, at the direction of the School Board, the Corporation will provide for the payment of the cost of acquiring, constructing and installing Facilities from time to time by entering into a Master Trust Agreement dated as of August 1, 1992 (as the same may be amended or supplemented from time to time, the "Trust Agreement") with Sun Bank, National Association, Orlando, Florida, as Trustee (the "Trustee") pursuant to which the Corporation shall (a) direct the Trustee to establish a trust and assign to the Trustee all of said Corporation's right, title and interest in and to this Master Lease and all Schedules hereto, except as otherwise provided herein, (b) direct the Trustee to execute and deliver to the public from time to time, Series of Certificates of Participation evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board, as lessee, pursuant to each Lease relating thereto and (c) deposit the proceeds of each Series of Certificates with the Trustee and direct the Trustee to hold the proceeds of the sale of such Certificates in trust subject to application only to pay the costs of acquisition, construction and installation of the Facilities to be financed under the Lease relating thereto and identified on a Schedule, and related costs including, without limitation, capitalized interest, accrued interest and costs of issuance; and to make lease payments with respect thereto; and

WHEREAS, each Certificate of a Series shall represent an undivided proportionate interest in the principal portion of the Basic Lease Payments due and payable under one or more particular Leases relating to such Series on the maturity date or earlier prepayment date of such Certificate, and in the interest portion of such Basic Lease Payments due and payable semiannually, to and including such maturity date or earlier prepayment date; and

WHEREAS, the relationship between the Corporation and the School Board under this Master Lease shall be a continuing one and Facilities may, from time to time, be added to or deleted from this Master Lease in accordance with the terms hereof and of the Schedule describing such Facilities; and

WHEREAS, the School Board intends for this Master Lease to remain in full force and effect until the last Lease Payment Date for any Project, unless sooner terminated in accordance with the terms provided herein; and

WHEREAS, Section 230.23(9), Florida Statutes (the "Act"), provides that the provisions of this Master Lease shall be subject to approval by the Florida Department of Education, which approval has been received; and

WHEREAS, Section 235.056(3) (b) 3, Florida Statutes, provides that no lease purchase agreement entered into pursuant thereto shall constitute a debt, liability or obligation of the State of Florida or the School Board or shall be a pledge of the faith and credit of the State or the School Board, all as further provided in Section 3.1 hereof;

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. The terms set forth in this section shall have the meanings ascribed to them for all purposes of this Master Lease unless the context clearly indicates some other meaning, or unless otherwise provided in a particular Schedule. Terms used herein and not otherwise defined shall have the meaning given to them in the Trust Agreement.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Additional Lease Payment" shall mean any amounts payable by the School Board under the terms of this Master Lease, other than a Basic Lease Payment, as set forth in a Schedule to this Master Lease and so designated.

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

"Asbestos Operations and Maintenance Plan" shall mean that written plan for the Facilities relating to monitoring and maintaining all Asbestos Containing Materials used in or located on such Facilities.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Corporation shall have assigned to the Trustee all of its right, title and interest in and to the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments thereunder and the applicable Ground Lease.

"Authorized Corporation Representative" shall mean the President, any Vice President, Secretary or Assistant Secretary or any other person or persons designated by a resolution of the Corporation and identified in a certificate of the Secretary of the Corporation signed by any two of the above-named officers and filed with the Trustee, which certificate contains the specimen signature of each such designated person.

"Authorized School Board Representative" shall mean the Assistant Superintendent for Business and Facilities and any person or persons designated by the Assistant Superintendent for Business and Facilities and authorized to act on behalf of the School Board by a written certificate signed on behalf of the School Board by the Chairman containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease, or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth in a Schedule to this Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule.

"Business Day" shall mean a day other than Saturday, Sunday or day on which banks in the State of New York or State of Florida are authorized or required to be closed, or a day on which the New York Stock Exchange is closed.

"Certificate" or "Certificates" shall mean the Certificates of Participation, executed and delivered from time to time by the Trustee pursuant to the Trust Agreement. Each Series of Certificates issued under the Trust Agreement shall bear a Series designation to identify such Series of Certificates to a particular Schedule to this Master Lease.

"Certificate holder" or "Holder of Certificates" shall mean the registered owner of any Certificate or Certificates.

"Certificate of Acceptance" shall mean the certificate of the School Board substantially in the form of Exhibit B to this Master Lease to be delivered pursuant to the provisions of Section 2.3 hereof.

"Chairman" shall mean the Chairman of the School Board and any person or persons designated by the School Board and authorized to act on behalf of the Chairman.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Commencement Date" shall mean the date set forth in each Schedule hereto which is the effective date of such Schedule.

"Completion Date" shall mean, with respect to the Facilities described in a particular Schedule, the date specified by the School Board in a Certificate of Acceptance, pursuant to Section 2.3 hereof, as the date of completion of acquisition, construction and installation of such Facilities.

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the School Board for the performance of the work with respect to any Facilities described by the Instructions to Bidders and General Conditions.

"Corporation" shall mean the Marion County School Board Leasing Corporation, a Florida not-for-profit corporation organized and existing under the laws of the State of Florida, its successors and assigns.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including lease-hold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Corporation under the terms of a Ground Lease until the expected acceptance of the Facilities related thereto as described herein, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors, for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be advisable or necessary prior to completion of any of the Facilities which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation of equipment or machinery that comprise part of the Facilities, (vi) all costs which the School Board or Corporation shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the School Board or the Corporation shall be required to pay to provide improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including roads, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the School Board or Corporation for advances made by either of them for any of the above items or for other costs incurred and for work done by either of them in connection with Facilities, (ix) deposits into any Reserve Account required pursuant to a Supplemental Trust Agreement, (x) fees, expenses and liabilities of the School Board or Corporation, if any, incurred in connection with the acquisition, construction and installation of Facilities, (xi) Costs of Issuance, and (xii) interest during construction and for a reasonable period of time up to six (6) months thereafter.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of each Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee and any Credit Facility Issuer or provider of a Reserve Account Letter of Credit/Insurance Policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established pursuant to the Trust Agreement and a Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the School Board to make Basic Lease Payments relating to such Series of Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"Designated Equipment" means that portion of the Facilities which is movable personal property, which is not included in the construction contract for the construction of the Facilities, and which is designated on the applicable Lease Schedule.

"District" shall mean the School District of Marion County, Florida.

"Environmental Regulations" shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA") and the Toxic Substances Control Act, as amended 915 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, "TSCA"), and any state or local similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

"Event of Extraordinary Prepayment" shall mean one or more of the events so designated in Section 7.2 hereof.

"Excess Earnings" shall mean, with respect to each Series of Certificates, (i) the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of

the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code, and (ii) amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

"Facility" or "Facilities" shall mean the real property, buildings, improvements, equipment, fixtures, furnishings, built, installed or established therein, and all appurtenances thereto and interests therein, set forth on a Schedule.

"Facility Site" shall mean the real property upon which a Facility is to be located within the District, and more particularly described in a Ground Lease.

"Fiscal Year" shall mean the twelve month fiscal period of the School Board which under current law commences on July 1 in every year and ends on June 30 of the succeeding year.

"General Conditions" shall mean the General Conditions and Supplementary General Conditions of the School Board as in effect from time to time with respect to any Project.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case as provided in the Code, (i) amounts received by or on behalf of the Corporation from the sale of such Certificates; (ii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease (which amounts are limited in accordance with Sections 235.056(3) and 236.25(2) (e), Florida Statutes; (vi) amounts received with respect to obligations acquired with Gross Proceeds; (vii) amounts used to pay the principal and interest portions of Basic Lease Payments represented by such Certificates; (viii) amounts in any Reserve Account established pursuant to a Supplemental Trust Agreement; and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases between the School Board and the Corporation, as amended and supplemented from time to time, pursuant to which the School Board shall ground lease one or more Facility Sites to the Corporation.

"Hazardous Materials" shall have the meaning given in Section 5.12(a).

"Insurance Consultant" shall mean a nationally recognized independent insurance company or broker, selected by the School Board, that has actuarial personnel experienced in the

area of insurance for which the School Board is to be self-insured and shall include the School Board's current Insurance Consultant.

"Laws and Regulations" shall have the meaning given in Section 5.12(a).

"Lease" shall mean each separate Schedule to this Master Lease executed and delivered by the School Board and the Corporation, together with the terms and provisions of the Master Lease.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease.

"Lease Payments" shall mean all amounts payable by the School Board pursuant to the terms of a Lease, including Basic Lease Payments, Additional Lease Payments and Supplemental Payments. Once established under the first Schedule entered into hereunder, the Lease Payment Dates shall be the same under all future Schedules.

"Lease Term" shall mean the period during which a Lease is in effect as specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean this Master Lease Purchase Agreement dated as of August 1, 1992, between the Corporation and the School Board and any and all modifications, alterations, amendments and supplements thereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance, or any other financial guaranty paid with respect to such Facilities remaining after payment therefrom of all reasonable expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the School Board elects to self-insure under Section 5.3 hereof, shall include any moneys payable from any appropriation made by the School Board and moneys payable under any excess coverage insurance policy in connection with such self-insurance.

"Opinion of Counsel" shall mean an opinion signed by an attorney or firm of attorneys of recognized standing and who are qualified to pass on the legality of the particular matter (who may be counsel to the School Board or Special Tax Counsel) selected by the School Board.

"Outstanding", when used with reference to the Certificates and except as provided in Section 702 of the Trust Agreement, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under the Trust Agreement except:

(i) Certificates canceled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under the Trust Agreement and set aside for such payment or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of the Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III of the Trust Agreement; and

(iv) Certificates deemed to have been paid as provided in subsection 2 of Section 801 of the Trust Agreement.

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is payable to Certificate holders pursuant to the terms of such Certificates.

"Permitted Encumbrances" shall mean in regard to a Facility Site:

(1) the Lease relating thereto and any liens and encumbrances created or permitted thereby;

(2) the Assignment Agreement relating thereto and any liens and encumbrances created or permitted thereby;

(3) the Trust Agreement and liens and encumbrances created or permitted thereby;

(4) any Ground Lease applicable thereto and any liens and encumbrances created or permitted thereby;

(5) subject to the provisions of Section 6.2 of the Master Lease, any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if

payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of the Master Lease;

(6) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed; (c) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which, in the Opinion of Counsel, do not materially impair the use of such property or materially and adversely affect the value thereof or materially adversely affect the benefits enjoyed by Certificate holders in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement; and (d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner that do not in the Opinion of Counsel, materially affect the use of the Facility Site for educational purposes or the benefits enjoyed by Certificate holders in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement; and

(7) any other liens or encumbrances permitted by the Schedule relating to such Facility Site, provided such lien or encumbrance shall not, as expressed in an Opinion of Counsel, materially adversely affect the intended use of such Facility Site by the School Board for educational purposes or the benefits enjoyed by Certificate holders in the Facility Site under the Ground Lease, the Assignment Agreement and the Trust Agreement, and such liens and encumbrances are approved by the Credit Facility Issuer for the Series of Certificates relating to such Facility Site.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment, extraordinary prepayment or sinking fund prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made pursuant to the Trust Agreement and any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof (together with the premium, if any, applicable upon an optional prepayment) payable upon prepayment thereof pursuant to such Certificate and the Trust Agreement and any Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease purchase financing and construction of the Facilities set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing of the related Facility Site by the School Board to the Corporation and the subleasing of such Facility Site back to the School Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 of the Trust Agreement.

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated and set forth on the Schedule for such Facility as the Remaining Principal minus any credits pursuant to the provisions of Section 3.2 hereof, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates, unless such prepayment shall occur on such Lease Payment Date, plus an amount equal to a pro rata portion of any Additional Lease Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the Certificates prepaid.

"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated based on such credit support; or (ii) which collateralizes its obligations at all times at levels in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Corporation, Moody's Investors Service and any other nationally recognized rating service which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean any reimbursement agreement between the School Board and any Credit Facility Issuer.

"Release" shall have the meaning given in Section 5.12(a).

"Reserve Account" shall mean any Reserve Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" shall mean the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a Reserve Account in order to fulfill the Reserve Requirements relating thereto.

"Reserve Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Requirement shall not exceed the lesser of (i) the maximum Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) one hundred twenty-five percent (125%) of the average Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Years, and (iii) ten percent (10%) of the proceeds of such Series of Certificates.

"Schedule" shall mean a schedule to this Master Lease to be executed and delivered by the School Board and the Corporation for each Project, as amended and supplemented from time to time substantially in the form of Exhibit A hereto.

"School Board" shall mean The School Board of Marion County, Florida, a body corporate and the governing body of the District.

"Series" or "Series of Certificates" shall mean the aggregate amount of each Series of Certificates evidencing an undivided proportionate interest of the owners thereof in one or more particular Leases and the Basic Lease Payments thereunder, issued pursuant to the Trust Agreement and a Supplemental Trust Agreement.

"Special Counsel" shall mean Squire, Sanders & Dempsey or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for Federal income tax purposes of the 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.

"State" shall mean the State of Florida.

"Superintendent" shall mean the Superintendent of Schools of the District.

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of the Master Trust Agreement.

"Trust Agreement" shall mean the Master Trust Agreement dated as of August 1, 1992 entered into by and between the Corporation and the Trustee, and any Supplemental Trust Agreement.

"Trustee" shall mean Sun Bank, National Association, Orlando, Florida and its successors or assigns which may at any time be substituted in its place pursuant to the provisions of the Trust Agreement.

SECTION 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Master Lease, refer to this Master Lease.

(END OF ARTICLE I)

ARTICLE II

LEASE OF FACILITIES

SECTION 2.1. Lease of Facilities. The Corporation hereby agrees to demise and lease to the School Board, "as is", and the School Board hereby agrees to hire, take and lease from the Corporation, the right, title and interest of the Corporation in and to the Facilities, listed on each Schedule hereto, on the terms and conditions set forth in this Master Lease.

SECTION 2.2. Lease Term. This Master Lease shall be for an original Term commencing on the date hereof through and including June 30, 1993, and automatically renewable annually thereafter through the last date set forth on any Schedule hereto (or the last date on which Certificates are Outstanding under the Trust Agreement, if later), unless sooner terminated in accordance with the provisions hereof, including in particular Sections 3.5 and 4.1 hereof. Upon expiration or termination of the Lease Term, the Trustee, the School Board and the Corporation, at the expense of the School Board, shall execute and deliver such documents, if any, as shall be necessary to evidence such termination. The useful life of the Facilities shall extend beyond the last date set forth on the particular Schedule relating to such Facilities.

SECTION 2.3. Acquisition of Facilities. The School Board shall be responsible for acquisition, construction and installation of the Facilities, as agent for the Corporation, pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction and installation of the Facilities and for supervising the acquisition, construction and installation of the Facilities.

Contracts in connection with the acquisition, construction and installation of the Facilities shall be let in accordance with the competitive bidding policies of the School Board and laws applicable to school boards, including where applicable the requirements of Sections 235.056(3) and 235.26 Florida Statutes, Chapters 234 and 237, Florida Statutes, and regulations promulgated by the State Department of Education thereunder, including Rule 6A-2 FAC, and 6A - 1.013 FAC regarding pool purchases, and in accordance with the General Conditions. All rules and regulations of the State Department of Education applicable to acquisition and construction of educational facilities by the School Board shall apply to the same extent to the acquisition and construction of the Facilities by the School Board acting in its capacity as agent for the Corporation.

Moneys deposited in the Acquisition Account established with respect to particular Facilities shall be disbursed from time to time to pay the Costs of such Facilities, all as provided in Section 402 of the Trust Agreement and the applicable

provisions of the related Supplemental Trust Agreement. The School Board agrees that it will deliver to the Trustee completed requisitions in the form attached to the Trust Agreement as Exhibit B, and upon completion of acquisition, construction and installation of the Facilities, will deliver a Certificate of Acceptance in the form attached hereto as Exhibit B in order for the Trustee to make the final advances therefor in accordance with the provisions of the Trust Agreement. The School Board further agrees to deliver the items described in said Section 402 of the Trust Agreement with respect to the acquisition of each portion of a Facility constituting land or an interest therein, to be financed hereunder.

The School Board shall be responsible for, and shall use its best efforts to effect the completion of acquisition, construction and installation of, the Facilities, whether or not amounts in the Acquisition Account relating to such Facilities are sufficient to pay the costs thereof. If it is determined upon audit or other review that moneys were improperly drawn from the Acquisition Account, the School Board upon proper notification thereof shall deposit an amount sufficient to restore the balance therein with the Trustee, no later than thirty (30) days following receipt of such notification.

Upon determination by the School Board prior to delivery of a Certificate of Acceptance that amounts on deposit in the Acquisition Account for particular Facilities will exceed the actual costs of such Facilities, the School Board may amend the related Lease and Ground Lease for the purpose of financing additional Facilities or portions of Facilities from such funds on deposit in such Acquisition Account.

SECTION 2.4. School Board's Liability. As between the Corporation (and any assignee of the Corporation, including the Trustee) and the School Board, the School Board assumes liability for all risks of loss with respect to the Facilities. The School Board shall maintain in force during the entire acquisition, construction and installation period of any Facilities, property damage insurance as required by Section 5.3 hereof and (for the benefit of Certificate holders), as assignee of the Corporation, the Trustee shall be named as an additional insured and loss payee thereon. In the event the School Board or Corporation receives any damages or other moneys from any contractor, manufacturer or supplier of any portion of the Facilities or its surety pursuant to this Section 2.4 or 5.3, such moneys shall be paid to the Trustee for disposition in accordance with Section 5.4 hereof.

SECTION 2.5. Possession and Enjoyment. From and after the acceptance by the School Board of any Facilities in accordance with the terms of this Master Lease, the Corporation agrees that it will not interfere with the quiet use and enjoyment of the Facilities by the School Board during the Lease Term set forth in the Schedule relating to such Facilities, and

that the School Board shall during such Lease Term, peaceably and quietly have and hold and enjoy such Facilities, without hindrance or molestation from the Corporation, except as expressly set forth herein. At the request of the School Board and at the School Board's expense, the Corporation shall join in any legal action in which the School Board asserts its right to such possession and enjoyment to the extent the Corporation lawfully may do so. Upon expiration or termination of the Lease Term other than as a result of nonappropriation or default, the School Board shall enjoy full right, title and interest in and to the Facilities, unless the Facilities are otherwise disposed of in accordance with the terms of this Master Lease.

SECTION 2.6. Trustee Access to Facilities. During the Lease Term, the School Board agrees that the Trustee, as assignee of the Corporation, or its agents, shall have the right during the School Board's normal working hours on the School Board's normal working days to examine and inspect the Facilities for the purpose of assuring that the Facilities are being properly maintained, preserved, and kept in good repair and condition; provided, however, that the Trustee is under no obligation to examine and inspect any Facilities.

SECTION 2.7. Disclaimer of Warranties. The School Board acknowledges that each of the Corporation, the Trustee, the Certificate holders and any Credit Facility Issuer or issuer of a Reserve Account Letter of Credit/Insurance Policy MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO, VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY FACILITIES OR ANY PORTION THEREOF, OR AS TO THE QUALITY, CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES; OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATORS OR SPECIAL METHODS; OR ANY OTHER WARRANTY OF ANY KIND WHATSOEVER. In no event shall the Corporation, the Trustee, the Certificate holders or any Credit Facility Issuer or issuer of a Reserve Account Letter of Credit/Insurance Policy be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Master Lease or the existence, furnishing, functioning or School Board's use of the Facilities, or any item, product or service provided for in this Master Lease.

SECTION 2.8. Warranties of the Facilities. The Corporation hereby appoints the School Board its agent and attorney-in-fact during the Lease Term to assert from time to time whatever claims and rights, including warranties of the Facilities, which the Corporation or the School Board may have against the contractor, manufacturer or supplier of any Facilities or portion thereof.

SECTION 2.9. Compliance with Law. The School Board represents, warrants and covenants that it has complied and will comply throughout the Term of this Master Lease with the requirements of Sections 235.056(3) and 286.011, as well as Chapter 119, Florida Statutes relating to public access to its records and the openness of its meetings to the public.

SECTION 2.10. Representations, Covenants and Warranties of the School Board. The School Board represents, covenants and warrants as follows:

(a) The School Board is the governing body of the District, a body corporate pursuant to Article IX, Section 4(a), the Florida Constitution (1968), and Chapter 230, Florida Statutes, has power to enter into this Master Lease and each Schedule hereto and has duly authorized and taken the necessary acts required prior to (including all required approvals) the execution and delivery of this Master Lease. The School Board warrants that this Master Lease, upon the execution and delivery thereof, is a valid, legal and binding limited obligation of the School Board, payable from current or other funds authorized by law and appropriated for such purpose as provided in Section 3.1 hereof.

(b) Neither the execution and delivery of this Master Lease nor the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions hereof conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the School Board is now a party or by which the School Board is bound; or constitutes a default under any of the foregoing; nor conflicts with or results in a violation of any provision of law governing the School Board; and no representation, covenant and warranty herein is false, misleading or erroneous in any material respect.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the School Board nor to the best of the knowledge of the School Board is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially and adversely affect the transactions contemplated by the School Board or which would adversely affect, in any way, the validity or enforceability of this Master Lease or any material agreement or instrument to which the School Board is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

(d) The estimated Cost of any Facilities shall not be less than the amount set forth on each Schedule relating to such Facilities. The Facilities will be designed and constructed so as to comply with all applicable building and zoning ordinances and regulations, if any, and any and all applicable judicial and state standards and requirements relating to the Facilities.

(e) The moneys in each Acquisition Account and any investment earnings thereon will be used only for payment of Cost of the Facilities, or payment of Basic Lease Payments.

(f) The School Board shall have fee simple title to all Facility Sites, subject only to Permitted Encumbrances, prior to entering into any Ground Lease with respect to such Facility Sites, or amending any Ground Lease to add such Facility Sites.

(g) In its use of the Facilities, the School Board shall comply with all applicable Federal, State and local governmental laws, regulations, ordinances, rules, orders, standards and codes and with all hazard insurance underwriters' standards applicable to the Facilities.

(h) Amounts sufficient to pay the current Fiscal Year's Lease Payments, if any, have been appropriated and are available therefor, taking into account amounts to be available therefor in the Lease Payment Account and the Capitalized Interest Account created under the Trust Agreement.

(i) Information supplied and statements made by the School Board in any financial statement or current budget delivered prior to or contemporaneously with this Master Lease present such information fairly and accurately, in accordance with generally accepted accounting principles.

(j) The Facilities comply or, upon acceptance by the School Board, will comply in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

(k) The School Board has complied with all open meeting laws and all other State and Federal laws applicable to this Master Lease, the Ground Lease, and the acquisition, construction, renovation and installation of the Facilities through the lease-purchase hereunder by the School Board.

(l) The Lessee currently intends, subject to the provisions of Section 3.5 hereof, to continue this Master Lease for its entire Term and to pay all Lease Payments required hereunder. The School Board's Authorized Representative will include in his or her budget request as a separate and specific line item for each Fiscal Year the Lease Payments to become due in such Fiscal Year, and will use all reasonable and lawful means to secure the appropriation of moneys for such Fiscal Year sufficient to pay the Lease Payments coming due therein. The School Board reasonably believes that moneys in an amount sufficient to pay all such Lease Payments can and will lawfully be appropriated and made available for this purpose.

(m) In any Fiscal Year within the Term of any Lease that sufficient funds are appropriated to make Lease Payments, the School Board shall not transfer from the budget line item any amount designated for the payments of Lease Payments and shall make such Lease Payments and in a timely manner.

(n) No legislation has been enacted which in any way adversely affects the issuance or delivery of the Certificates or the execution and delivery of this Master Lease or the Ground Lease or the creation, organization or existence of the School Board or the titles to office of any officers thereof, or the powers of the School Board to carry out their respective obligations under this Master Lease or the Ground Lease.

(o) The officers of the School Board executing this Master Lease have been duly authorized to execute and deliver this Master Lease.

SECTION 2.11. Representations, Covenants and Warranties of Corporation. The Corporation represents, covenants and warrants as follows:

(a) The Corporation is a Florida not-for-profit corporation duly created, existing and in good standing under the laws of the State, is duly qualified to do business in the State, has all necessary power to enter into this Master Lease and each Schedule hereto, is possessed of full power to own, lease and hold real and personal property and to lease and sell the same as lessor, and has duly authorized the execution and delivery of this Master Lease.

(b) Neither the execution and delivery of the Trust Agreement hereof nor any document or agreement related thereto, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby,

conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Facilities, except Permitted Encumbrances.

(c) To the knowledge of the Corporation, there is no litigation or proceeding pending or threatened against the Corporation or any other person affecting the right of the Corporation to execute or deliver this Master Lease or to comply with its obligations under this Master Lease. Neither the execution and delivery of this Master Lease by the Corporation, nor compliance by the Corporation with its obligations under this Master Lease, require the approval of any regulatory body, any parent company, or any other entity, which approval has not been obtained.

(d) No member of the Board of Directors of the Corporation or any other officer of the Corporation has any significant or conflicting interest, financial, employment or otherwise, in the Facilities or in the transactions contemplated hereby.

(END OF ARTICLE II)

ARTICLE III

LEASE PAYMENTS

SECTION 3.1. Payment of Lease Payments. Subject to the conditions stated herein, the School Board agrees to pay the Basic Lease Payments stated on each particular Schedule hereto and agrees to pay and discharge Additional Lease Payments, including all other amounts, liabilities and obligations which the School Board assumes or agrees to pay to the Corporation or to others as provided herein and on each Schedule hereto, together with interest on any overdue amount; PROVIDED, HOWEVER, THAT NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF, SHALL BE OBLIGATED TO PAY, EXCEPT FROM SCHOOL BOARD APPROPRIATED FUNDS, ANY SUMS DUE TO THE CORPORATION HEREUNDER FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE HEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE CORPORATION, THE TRUSTEE, NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY THE LEASE PAYMENTS HEREUNDER. All Basic Lease Payments and Additional Lease Payments and all Supplemental Payments shall be made from current or other funds authorized by law and appropriated for such purpose by the School Board.

On each Lease Payment Date, the School Board shall pay to the Trustee, in lawful money of the United States of America, the Basic Lease Payments for such Lease Payment Date, less any credits as contemplated by Section 3.2 hereof, and less any reductions as contemplated by Section 4.2 hereof. The School Board agrees to deposit such amounts with the Trustee on each Lease Payment Date in order to assure that sufficient moneys will be available to the Trustee to make timely distribution thereof to the Certificate holders, or to reimburse any Credit Facility Issuer as provided in the following paragraph, all in accordance with the Trust Agreement. In the event that the Trustee has not received such Basic Lease Payments prior to such Lease Payment Date, the Trustee shall notify the School Board on the Business Day following the day payment was due that such Basic Lease Payments have not been received; provided, however, that such notice is for the purpose of convenience only and the School Board's obligation to make such payments shall in no way be conditioned by the giving or receipt of such notice.

The School Board shall also pay, when due, directly to the party entitled thereto, Additional Lease Payments and Supplemental Payments in accordance with the terms of this Master Lease and each Schedule hereto and the Trust Agreement. Additional Lease Payments for each separate Lease entered into under this Master Lease include, without limitation, optional prepayment premiums, Trustee fees and expenses, Corporation and

Credit Facility Issuer fees and expenses, if any, and all other amounts due the Trustee under the Trust Agreement or under this Master Lease and all other amounts due a Credit Facility Issuer under any Reimbursement Agreement, all as set forth on a particular Schedule hereto or otherwise in the Trust Agreement. Supplemental Payments for each separate Lease hereunder include, without limitation, amounts required to be paid under Sections 5.6 and 5.10 hereof, and amounts necessary to restore the balance in a Reserve Account for a particular Series of Certificates to the Reserve Requirement for such Series as provided in Section 405(a) of the Trust Agreement.

The School Board hereby authorizes the Trustee, as assignee of the Corporation, (i) to create a Reserve Account to be held by the Trustee under the Trust Agreement for each Series of Certificates if so provided for by the Schedule relating thereto, (ii) to deposit in each Reserve Account either a portion of the proceeds from the sale of the Series of Certificates relating thereto or a Reserve Account Letter of Credit/Insurance Policy equal to the Reserve Requirement relating to such Series or combination thereof, and (iii) to use such moneys or amounts drawn on the Reserve Account Letter of Credit/Insurance Policy deposited in each subaccount of the Reserve Account as set forth in Section 405 of the Trust Agreement; provided, however, that the prior written consent of the applicable Credit Facility Issuer shall be a condition precedent to the use of a Reserve Account Letter of Credit/Insurance Policy in lieu of a cash deposit into the Debt Service Reserve Fund. In the event the aggregate amount of any cash, the value of any Investment Securities and the stated amount of any Reserve Account Letter of Credit/Insurance Policy in a Reserve Account shall be less than the Reserve Requirement provided therefor, the School Board shall pay to the Trustee from moneys budgeted and appropriated as Basic Lease Payments during the current Fiscal Year as Supplemental Payments an amount equal to such deficiency within thirty (30) days of receipt of notice of the deficiency from the Trustee. In the event the Trustee makes a draw on a Reserve Account Letter of Credit/Insurance Policy to pay all or a portion of the amounts equal to Basic Lease Payments represented by a Series of Certificates, the School Board shall cause the amount which the Trustee has drawn under such Reserve Account Letter of Credit/Insurance Policy to be reinstated. In the event a Reserve Account Letter of Credit/Insurance Policy on deposit in a Reserve Account expires or is terminated, the School Board shall, simultaneously with such expiration or termination, either replace such Letter of Credit/Insurance Policy with a subsequent Reserve Account Letter of Credit/Insurance Policy with a stated amount equal to that of the expired or terminated Letter of Credit/Insurance Policy, or transfer to the Trustee, for deposit in such Reserve Account in which such Policy had been deposited, an amount of cash equal to the stated amount of such expired or terminated Letter of Credit/Insurance Policy; provided, however, that the School Board shall only be required to provide a replacement Reserve Account Letter of Credit/Insurance Policy or

to deposit an amount of cash with the Trustee so that the Reserve Requirement is met with respect to the particular Series of Certificates.

SECTION 3.2. Credits to Lease Payments. The Lease Payments due hereunder shall be reduced when applicable by the amounts credited as follows:

(a) The Trustee shall deposit into the Lease Payment Account established with respect to each Lease, interest income in accordance with the Trust Agreement and apply such amounts as provided therein.

(b) Unless otherwise provided in the Schedule relating thereto, upon the completion of acquisition and construction of the Facilities financed under a particular Lease and payment of all Costs of such Facilities or upon the termination of the Lease Term of a particular Lease pursuant to Section 4.1 hereof, the amounts, if any, on deposit in the Acquisition Account for the related Series of Certificates shall be transferred to the Lease Payment Account for such Series, to be applied to Basic Lease Payments next coming due under the Lease; provided, however, that if, upon delivery by the School Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Facilities financed under a particular Lease (including the failure of the School Board to acquire any component of such Facilities), there shall remain in the related Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, such remaining amount in excess of next Fiscal Year's payments shall be transferred to the related Prepayment Account in accordance with Section 7.2(B) hereof.

(c) There shall be deposited in the Lease Payment Account or the Prepayment Account for a Series of Certificates, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation to be applied to Basic Lease Payments under the related Lease, or to the Prepayment Price of such Series of Certificates, all as provided for in Section 5.4 (b) hereof.

(d) With respect to the payment of the interest portion of Basic Lease Payments, there shall be credited against amounts due by the School Board the amounts available for such purpose in the related Capitalized Interest Account and the related Lease Payment Account (including investment earnings thereon).

SECTION 3.3. Basic Lease Payment Components. A portion of each Basic Lease Payment is paid as and represents the payment of interest, and the balance of each Basic Lease Payment is paid as and represents the payment of principal. Each Schedule hereto shall set forth such components of each Basic Lease Payment for each Facility or Facilities financed hereunder.

SECTION 3.4. Lease Payments to be Unconditional. Subject to Sections 3.1 and 3.5 hereof, the obligations of the School Board to make Lease Payments and to pay all other amounts provided for herein and in each Schedule and to perform its obligations under this Master Lease and each Schedule, shall be absolute and unconditional, and such Lease Payments and other amounts shall be payable without abatement or any rights of set-off, recoupment, counterclaim or defense the School Board might have against any supplier, contractor, the Corporation, the Trustee or any other person and whether or not the Facilities are accepted for use or used by the School Board or available for use by the School Board, whether as a result of damage, destruction, condemnation, defect in title or failure of consideration or otherwise. This Master Lease shall be deemed and construed to be a "net lease".

SECTION 3.5. Non-appropriation. Notwithstanding anything in this Master Lease to the contrary, the cost and expense of the performance by the School Board of its obligations under this Master Lease and each Schedule hereto and the incurrence of any liabilities of the School Board hereunder and under each Schedule hereto including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under this Master Lease and each Schedule hereto, shall be subject to and dependent upon appropriations being duly made from time to time by the School Board for such purposes. Under no circumstances shall the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased hereunder.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, shall give notice of its intent not to appropriate the funds necessary to make all Lease Payments coming due in the following Fiscal Year under this Master Lease and each Schedule hereto, the Superintendent shall include, as a separate line item, in the Superintendent's tentative budget proposal the funds necessary to make such Lease Payments, and the Lease Term of all Leases shall be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final official budget. If no such appropriation is made in the final official budget, or if no official budget is adopted as of the last day upon which a final budget is required to have been adopted under Chapter 237, Florida Statutes, and

applicable regulations thereunder, the Lease Term of all Leases shall terminate as of the date of adoption of the final official budget, or such last day, whichever is earlier.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year, not to appropriate the funds, the Lease Term of all Leases shall not be automatically renewed for the following Fiscal Year, but shall terminate on June 30 of the current Fiscal Year.

The School Board shall provide written notice of any nonappropriation of funds described herein to the Trustee, any Credit Facility Issuer and any issuer of a Reserve Account Letter of Credit/Insurance Policy within three (3) Business Days thereafter.

SECTION 3.6. Surrender of Facilities. (A) Upon the termination of the Lease Term of all Leases prior to the payment of all Lease Payments scheduled therefor or without the payment of the then applicable Purchase Option Price of the Facilities financed under such Lease, or (B) as provided in Section 8.2 hereof upon the occurrence of an event of default, the School Board shall immediately surrender its leasehold estate created hereunder and deliver use, possession and control of all the Facilities then subject to this Master Lease to the Trustee as assignee of the Corporation or any person designated by the Trustee, in the condition, state of repair and appearance required under this Master Lease, in accordance with the instructions of the Trustee, except with respect to Designated Equipment, as hereinafter provided. The School Board agrees to execute and deliver any and all instruments necessary to accomplish such surrender, in recordable form.

Upon such surrender, the transferee shall sell or re-let its interest in the Facilities in a commercially reasonable manner and to such person or persons for any lawful purpose or purposes, as it shall, in its sole discretion, determine to be appropriate. The proceeds derived by such transferee from any such sale or reletting of the School Board's leasehold interest in the Facilities shall be applied as provided in Section 504 of the Trust Agreement. Any excess after all such payments shall be paid to the School Board.

If the School Board shall refuse or fail to voluntarily surrender its leasehold estate or deliver possession of the Facilities to the Corporation or its assignee as above provided, the Corporation or its assignee may enter into and upon the Facilities, or any part thereof, and repossess the same and thereby restore the Corporation or its assignee to its former possessory estate as lessee under the related Ground Lease and lessor hereunder, and expel the School Board and remove its effects forcefully, if necessary, without being taken or deemed to be guilty in any manner of trespass in order that the Trustee may sell or re-let such leasehold interest in the Facilities,

subject to Permitted Encumbrances, for any lawful purpose or purposes, for the remainder of the term of the related Ground Lease, if applicable, and the School Board shall have no further possessory right whatsoever in the Facilities, for the remainder of the term of the respective Ground Lease; the Trustee may exercise all available remedies at law or in equity to evict the School Board and to enjoy its possessory rights to all Facility Sites under one or more Ground Leases; and the School Board shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any period during which the School Board fails to surrender the Facilities or for any other loss suffered by the Corporation or its assignee as a result of the School Board's failure to surrender the Facilities, all without prejudice to any remedy which might otherwise be available to the Corporation or its assignee for arrears of Lease Payments or for any breach of the School Board's covenants herein contained.

Upon the termination of the Lease Term of all Leases as a result of a default by the School Board, the Trustee, the Corporation or its assignee shall have, in addition to the rights and remedies described above, the right to sue for compensatory damages, including upon failure of the School Board to surrender possession of the Facilities to the Trustee or other assignee of the Corporation, damages for any loss suffered by the Trustee, the Corporation or its assignee as a result of the School Board's failure to take such actions as required, including reasonable legal fees.

Prior to the termination of the Lease Term for any particular Facility Site and related Facilities, the School Board, as owner of the Facility Sites, may voluntarily and in cooperation with the Corporation or its assignee sell the Facility Sites and the Facilities, the proceeds of such sale to be applied by the Trustee in the manner described above in this section. The sale of any particular Facility Site and Facility thereon shall require the consent of the Credit Facility Issuer, if any, insuring the Series of Certificates relating to such Facility Site and Facility thereon. If applicable, such sale shall be conducted in accordance with the requirements of Section 235.04(1) Florida Statutes, and the rules of the State Department of Education promulgated thereunder. No such sale shall entitle the School Board to any reimbursement of any Lease Payment, nor shall the School Board be entitled to any abatement or diminution in Lease Payments hereunder except as specifically provided in Section 7.2 hereof.

Notwithstanding anything in this Section or elsewhere in this Agreement, if any Lease is terminated prior to the payment in full of the applicable Lease Payments, all Lease Payments made with respect to such Lease prior to such termination shall be allocated first to any Designated Equipment with respect to such Lease. Neither the Corporation, the Trustee, nor any Certificate

Holder shall have any rights or remedies with respect to the Designated Equipment, and the School Board shall not be required to surrender any such Designated Equipment under the provisions of this Section.

(END OF ARTICLE III)

ARTICLE IV

TERMINATION

SECTION 4.1. Termination of Lease Term. The Lease Term will terminate upon the earliest of any of the following events:

(a) with respect to all Leases, on the latest Lease Payment Date set forth in any Schedule attached to this Master Lease;

(b) with respect to all Leases, in the event of nonappropriation of funds for payment of Lease Payments as provided in Sections 3.1, 3.4 and 3.5 of this Master Lease;

(c) with respect to all Leases, upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to Section 8.2(1) of this Master Lease;

(d) with respect to a particular Lease, upon payment by the School Board of the Purchase Option Price of the particular Facilities leased under such Lease, or upon provision for such payment pursuant to Section 7.3 hereof; provided, however, that upon such provision for payment, the obligation to make Lease Payments under such Lease shall continue to be payable solely from such provision for payment.

SECTION 4.2. Effect of Termination. (a) Upon the termination of the Lease Term for the reason referred to in Section 4.1(b) or (c) hereof, the provisions of Section 3.6 shall be applicable. Upon such termination for the reason referred to in Section 4.1(c) hereof, the provisions of Sections 8.2 and 8.3 shall also be applicable.

(b) In the event of termination of the Lease Term for the reason referred to in Section 4.1(d) hereof, there shall be applied solely from the amounts deposited pursuant to Section 7.3 hereof as a reduction against such Basic Lease Payments to become due after such termination, an amount equal to the Basic Lease Payments applicable to the particular Facilities so purchased.

(c) Notwithstanding the termination of the Lease Term pursuant to Section 4.1 hereof, the representations of the School Board set forth in Section 2.10 hereof and the provisions of Section 5.7 hereof shall survive such termination.

(d) Upon termination of the Lease Term for the reason referred to in Section 4.1(b) or 4.1(c) hereof, the Corporation or the Trustee, as assignee of the Corporation, shall declare the Purchase Option Price under any particular Lease Schedule due and payable in whole or in part if directed to do so by the related Credit Facility Issuer and, in such event, such Purchase Option

Price (or portion thereof) shall be deemed payable hereunder; provided, however, that no such declaration shall be construed to create any obligation or liability of the School Board for the payment of any such Purchase Option Price, and the School Board shall be obligated to pay and be liable for only Lease Payments which, under the related Lease Schedule, were due and payable by the School Board prior to the termination of the related Lease hereunder and for which an appropriation has been made by the School Board in accordance with Section 3.5 hereof. If, at the direction of the related Credit Facility Issuer, only a portion of the Purchase Option Price is declared due, such Credit Facility Issuer may, from time to time thereafter direct the Trustee to declare any remaining portion due.

(END OF ARTICLE IV)

ARTICLE V

COVENANTS OF SCHOOL BOARD

SECTION 5.1. Maintenance of the Facilities by the School Board. The School Board agrees that at all times during each Lease Term, the School Board will, at the School Board's own cost and expense, maintain, preserve and keep the Facilities in good repair and condition, and that School Board will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals, interior and exterior, thereto. The Corporation shall have no obligation in any of these matters, or for the making of repairs, improvements or additions to the Facilities.

SECTION 5.2. Taxes, Other Governmental Charges and Utility Charges. In the event that the ownership, leasing, use, possession or acquisition of the Facilities or Facility Sites are found to be subject to taxation in any form, the School Board will pay during each Lease Term, as the same come due, all ad valorem or other taxes, special assessments, imposts and other governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities or Facility Sites and any facilities or other property acquired by the School Board as permitted under this Master Lease in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Facilities or Facility Sites, as well as all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facllities and Facility Sites; provided, that, with respect to any governmental charges described above that may lawfully be paid in installments over a period of years, the School Board shall be obligated to pay only such installments as have accrued during the time the Lease Term is in effect.

SECTION 5.3. Provisions Regarding Insurance. During acquisition, construction and installation of the Facilities, the School Board shall require any contractor to provide Worker's Compensation, Comprehensive General Liability Insurance, Builders Risk Insurance, Automobile Liability Insurance, Property Insurance, Professional Liability Insurance and other insurance pursuant to the terms of the General Conditions of the School Board. Contractors shall be required to provide builders' all risk property damage insurance in an amount not less than the full value of all work in place and materials and equipment provided or delivered by each supplier. The Trustee and the Corporation shall be named as additional insureds and loss payees wherever the School Board is to be so named, and shall be entitled to written notice of cancellation to the same extent as the School Board.

Subject to the provisions of the following paragraph, the School Board shall, during the Lease Term, purchase and maintain property insurance coverage in an amount not less than

$500,000 per occurrence, covering the replacement cost of its property including the Facilities insuring against the perils of FIRE, LIGHTNING, WINDSTORM, HAIL, HURRICANE, WINDBLOWN RAIN, DAMAGE FROM WATER, EXPLOSION, AIRCRAFT, VEHICLES, SMOKE, VANDALISM AND MALICIOUS MISCHIEF, TRANSPORTATION HAZARDS, THEFT AND BURGLARY. The School Board shall also purchase and maintain, or cause to be purchased and maintained, combined general and automobile liability insurance coverage in an amount not less than $1,000,000 per occurrence with $1,000,000 excess coverage and a deductible not greater than $5,000. The School Board shall also purchase and maintain, or cause to be purchased and maintained boiler & machinery insurance coverage (including air conditioning equipment) in an amount not less than $500,000 per accident.

The School Board may elect to self insure for any such damage or liability, as provided above, upon the following terms and conditions:

(a) the self-insurance program shall be approved by the Insurance Consultant;

(b) The self-insurance program includes an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an Insurance Consultant; and any deficiencies in any self-insured claims reserve fund will be remedied in accordance with the recommendation of the Insurance Consultant;

(c) The self-insured claims reserve fund shall be held in a separate trust fund by an independent trustee; and

(d) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by an Insurance Consultant, shall be maintained.

Amounts payable out of the claims reserve fund with respect to self insurance programs shall not be subject to appropriation.

Flood insurance shall be separately maintained for its property, including any of the Facilities, located in a federally designated flood plain, in such amounts per occurrence recommended by the Insurance Consultant as being available at commercially reasonable costs and in minimum amounts necessary to qualify for the Federal disaster relief programs. If such minimum amounts are not available at commercially reasonable costs in the opinion of the Insurance Consultant, the School Board shall self-insure for such amounts as will qualify for the Federal disaster relief program.

The sufficiency of the School Board's flood insurance coverage shall be reviewed at least annually by the Insurance Consultant, and the School Board shall follow the recommendations of the Insurance Consultant so long as the recommended insurance meets the criteria set forth in the preceding paragraph.

Any insurance policy issued pursuant to this Section 5.3 shall provide that the Corporation and the Trustee shall be notified of any proposed cancellation of such policy thirty (30) days prior to the date set for cancellation.

If required by Florida law, the School Board shall carry or cause to be carried worker's compensation insurance covering all employees on, in, near or about the Facilities, and upon request, shall furnish or cause to be furnished to the Corporation and the Trustee certificates evidencing such coverage.

In the event of any loss, damage, injury, accident, theft or condemnation involving the Facilities, the School Board shall promptly provide or cause to be provided to the Corporation and the Trustee written notice thereof, and make available or cause to be made available to the Corporation and the Trustee all information and documentation relating thereto.

Any insurance policy maintained pursuant to this Section 5.3 shall be so written or endorsed to provide that the Trustee (on behalf of the Certificate holders), the Corporation and the School Board are named as loss payees as their interests may appear and the Net Proceeds of any payment made in connection with a self-insurance election shall be payable to the School Board, the Corporation and the Trustee (on behalf of the Certificate holders) as their respective interests may appear. The Net Proceeds of the insurance required in this Section 5.3 or the Net Proceeds of any payment in connection with a self-insurance election shall be applied as provided in Section 5.4(a) and Section 5.4(b) hereof.

The insurance required by this Section 5.3 shall be provided by carriers rated at least "A" by Standard & Poor's Corporation (a "Qualified Insurer") unless the Credit Facility Issuer shall approve an insurer with a lower rating. If an insurer's rating falls below "A" (or, with respect to an insurer approved by the Credit Facility Issuer with a rating lower than "A", falls below the rating such insurer had when approved by the Credit Facility Issuer), such insurer shall be replaced with a Qualified Insurer unless the Credit Facility Issuer shall approve an insurer with a lower rating. Failure to comply with the above requirements shall constitute an Event of Default under the Trust Agreement.

SECTION 5.4. Damage, Destruction or Condemnation. If prior to the termination of the Lease Term under a particular Lease, the Facilities financed under such Lease or any portion thereof are destroyed or are damaged by fire or other casualty, or title to, or the temporary use of such Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain, the School Board shall, within sixty (60) days after such damage, destruction or condemnation elect one of the following two options by written notice from an Authorized School Board Representative of such election to the Corporation and the Trustee:

(a) Option A - Repair, Restoration or Replacement. Except as provided below, the School Board will cause the Net Proceeds of any insurance or the Net Proceeds of any appropriation made in connection with a self-insurance election, or the Net Proceeds of any claim or condemnation award to be applied to the prompt repair, restoration, or replacement (in which case such replacement shall become subject to the provisions of the related Lease as fully as if it were the originally leased Facilities) of such Facilities. Any such Net Proceeds received by the Trustee shall be deposited in the related Acquisition Account and be applied by the Trustee toward the payment of the Cost of such repair, restoration or replacement, utilizing the same requisition process set forth in the Trust Agreement for the payment of the Cost of the Facilities from such Acquisition Account.

(b) Option B - Partial Prepayment. Provided, however, if the School Board has determined that its operations have not been materially affected and that it is not in the best interest of the School Board to repair, restore or replace that portion of the Facilities so damaged, destroyed or condemned, then the School Board shall not be required to comply with the provisions of subparagraph (a) set forth above. If the Net Proceeds are equal to less than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Lease Payment Account for the Series of Certificates relating to such Facilities to be credited against Basic Lease Payments next coming due in accordance with Section 3.2 (C) hereof. If the Net Proceeds are equal to or greater than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Facilities, such Net Proceeds shall be deposited in the Prepayment Account for the Series of Certificates relating to such Facilities to be applied to the prepayment in part of the principal portion and accrued interest portion of Basic Lease Payments relating to such Facilities represented by the Certificates in accordance with Section 7.2 hereof.

The School Board assumes all risk or loss of or damage to or liabilities in respect of the Facilities during the term of this Master Lease.

SECTION 5.5. Insufficiency of Net Proceeds. If the School Board elects to repair, restore or replace the Facilities under the terms of Section 5.4(a) hereof and the Net Proceeds therefor are insufficient to pay in full the Cost of such repair, restoration or replacement, the School Board shall complete the work and pay any Cost in excess of the amount of the Net Proceeds, and the School Board agrees that, if by reason of any such insufficiency of the Net Proceeds the School Board shall make any payments pursuant to the provisions of this Section, the School Board shall not be entitled to any reimbursement therefor from the Corporation or the Trustee nor shall the School Board be entitled to any diminution of the amounts payable under the related Lease.

SECTION 5.6. Advances. In the event the School Board shall not elect to self-insure any risk that would otherwise require the maintenance of insurance coverage hereunder, and shall fail to maintain the full insurance coverage required hereunder, the Corporation or its assignee shall purchase the required policies of insurance and pay the premiums on the same; provided, however, that with respect to the Trustee, as assignee of the Corporation, such purchase shall only be made to the extent adequate funds are available therefor under the Trust Agreement for such purpose, or if the School Board shall fail to keep the Facilities in good repair and operating condition, the Corporation or its assignee may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Corporation or its assignee shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Facilities, which amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments applicable to such Facilities, expressed as an annual interest rate) until paid, the School Board agrees to pay.

SECTION 5.7. Release and Indemnification; Warranties. To the extent permitted by Florida law, including the provisions of Section 768.28, Florida Statutes, the School Board shall indemnify and save the Corporation and the Trustee harmless from and against any and all liability, obligations, claims and damages, including consequential damages and reasonable legal fees and expenses, arising out of, or in connection with, the transactions contemplated by this Master Lease, all Schedules hereto, any Ground Lease, any Assignment Agreement and the Trust Agreement including, without limitation, the issuance of Certificates, except in the case of liability, obligations, claims and damages arising out of their own negligence or willful misconduct.

Furthermore, any warranties by the School Board contained in this Master Lease are subject to the provisions of Section 768.28, Florida Statutes.

SECTION 5.8. Payment and Performance Bonds and other Guaranty. The School Board agrees to cause any contractor to provide performance, payment and guarantee and any additional bonds or surety bonds, if and when required pursuant to the General Conditions and the provisions of Section 255.05 Florida Statutes, and other applicable provisions of Florida law or by the Credit Facility Issuer. Such bonds or other sureties shall be in dual obligee form, naming the School Board and the Trustee as dual obligees.

SECTION 5.9. Essential Governmental Functions. The School Board represents and warrants that the services to be provided by or from the Facilities are essential to the delivery of the School Board's essential governmental services, and covenants that during the Lease Term it will use the Facilities to perform essential governmental functions relating to its statutory responsibility of providing for public education throughout the District. The School Board represents and covenants that it has an immediate need for the Facilities, that it does not expect such need to diminish during the Lease Term and that it intends to use the Facilities for public school educational purposes throughout the Lease Term.

SECTION 5.10. Tax Exemption; Rebates. In order to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the Basic Lease Payments paid to the Certificate holders, the School Board shall comply with the provisions of the Code applicable to this Master Lease and each Schedule thereto, and each Series of Certificates issued under the Trust Agreement, including without limitation the provisions of the Code relating to the computation of the yield on investments of the Gross Proceeds of each Series of Certificates, reporting of earnings on the Gross Proceeds of each Series of Certificates, and rebating Excess Earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the School Board shall comply with the Tax Compliance Certificate as to compliance with the Code with respect to each Lease and each Series of Certificates, to be delivered by the School Board at the time each Series of Certificates is issued, as such certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code.

The School Board shall not take any action or fail to take any action which would cause a Lease and the Series of Certificates relating thereto to be "arbitrage bonds" within the meaning of Section 148(a) of the Code or which would otherwise cause the portion of Basic Lease Payments under such Lease

representing the payment of interest as set forth in Section 3.3 hereof to be includable in the gross income of the Certificate holders.

In the event that the School Board shall fail to rebate such Excess Earnings when due, the Corporation or its assignee may, but shall be under no obligation to, pay amounts due to the Treasury; and all amounts so advanced by the Corporation or its assignee shall become immediately due and payable as a Supplemental Payment under the Lease relating to such Series of Certificates, which amounts, together with interest thereon (at an annual interest rate equal to the interest portion of the Basic Lease Payments relating thereto expressed as an annual interest rate) until paid, the School Board agrees to pay.

SECTION 5.11. Budget and Tax Levy. The School Board covenants that it shall cause the Superintendent to prepare and submit the budget recommendation in accordance with Section 3.5 hereof including provision for discretionary capital outlay millage under Section 236.25, Florida Statutes, and that the School Board will act on such recommendation, will hold public hearings, will adopt tentative and final official budgets, and will submit such budgets to the Department of Education for approval, all pursuant to the requirements of the laws of Florida and the regulations of the Department of Education as in effect from time to time.

Subject to the right of non-appropriation set forth in Sections 3.1 and 3.5 hereof, the School Board expects that its Available Revenues will be sufficient to meet its Lease Payment obligations under the Master Lease in each Fiscal Year.

SECTION 5.12. Compliance with Law, Regulations, Etc.

(a) The School Board has, after due inquiry, no knowledge and has not given or received any written notice indicating that its Facilities or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facilities (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the School Board nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any of the Facilities has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported

or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the School Board, any of the Facilities or the business operations conducted by the School Board thereon (collectively, "Hazardous Materials") on, from or beneath its Facilities, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any material amount of Hazardous Materials on, from or beneath its Facilities, or (iii) stored any material amount of petroleum products at its Facility Sites in underground storage tanks.

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials in those amounts ordinarily found in the inventory of or used in the maintenance of public schools and related facilities, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) No Facilities located in an area of high potential incidence of radon has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the improvements to such Facilities.

(d) The School Board has not received any notice from any insurance company which has issued a policy with respect to the Facilities or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other word, which repairs, alterations or other word have not been completed at the Facilities. The School Board has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting its Facilities which is to be performed or complied with by it.

SECTION 5.13. Environmental Compliance.

(a) The School Board shall not use or permit the Facilities or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Facilities and then, only in compliance with all Environmental Regulations, and any state equivalent laws and

regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from or beneath the Facilities or onto any other property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of or used in the maintenance of public schools and related facilities, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the School Board shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Corporation, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Facilities or other property, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements on the Facilities.

(b) The School Board shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Facility Sites free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The School Board shall cause each tenant under any lease, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Facilities; provided, however, that notwithstanding that a portion of this covenant is limited to the School Board's use of its best efforts, the School Board shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the School Board's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice form any Person with regard to the Release of Hazardous Materials on, from or beneath the Facilities, the School Board shall give prompt written notice thereof to the Trustee, the Corporation and the Credit Facility Issuer (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(c) Irrespective of whether any representation or warranty contained in Section 5.12 is not true or correct, the School Board shall defend, indemnify and hold harmless the Corporation, the Trustee and the Credit Facility Issuer, its partners, depositors and each of its and their employees, agents,

officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including, without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 5.14, consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Corporation, the Trustee or the Credit Facility Issuer, as appropriate, shall have delivered to the School Board), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath the Facilities, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Corporation, the Trustee or the Credit Facility Issuer, as appropriate, shall have delivered to the School Board, or governmental order relating to Hazardous Materials on, from or beneath any of the Facilities, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the School Board is strictly liable under any Environmental Regulation, its obligation to the Corporation, the Trustee and the Credit Facility Issuer and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 5.13(c) shall survive any foreclosure of the security interest in the Facilities or the delivery of any instrument in lieu of foreclosure, and the satisfaction of all Bonds.

(d) The School Board shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

SECTION 5.14. Additional Covenants with Respect to Credit Facility Issuers. For so long as any Certificates, as to which a Credit Facility is provided, are outstanding under the Trust Agreement, the School board hereby covenants and agrees as follows:

(a) The Credit Facility Issuer shall be provided with the following information:

(i) Annual unaudited financial statements when available, annual audited financial statements of the School

Board promptly upon receipt thereof from the Auditor General of the State of Florida, and the annual budget within 30 days after the approval thereof;

(ii) Upon delivery of the annual audited financial statements of the School Board, a certificate of the chief financial officer of the School Board stating that, to the best of such individual's knowledge following reasonable inquiry, no Event of Default or event of nonappropriation has occurred, or if an Event of Default or event of nonappropriation has occurred, specifying the nature thereof and, if the School Board has a right to cure pursuant to Section 8.1(b), stating in reasonable detail the steps, if any, being taken by the School Board to cure such Event of Default;

(iii) The Official Statement, if any, prepared in connection with the issuance of additional indebtedness of the School Board within 30 days of the incurrence thereof;

(iv) Notice of any failure of the School Board to make any payment required hereunder within two Business Days after knowledge thereof;

(v) Copies of all reports, certificates and notices required to be delivered by the School board hereunder; and

(vi) Such additional information as the Credit Facility Issuer from time to time may reasonably request.

(END OF ARTICLE V)

ARTICLE VI

TITLE

SECTION 6.1. Title to Facility Sites and Facilities. Throughout the term of each Ground Lease, fee title to the Facility Sites described therein shall be in the name of the School Board, subject to Permitted Encumbrances. Upon acquisition and acceptance of any component of the Facilities by the School Board, title to such Facilities shall be vested in the School Board, subject to Permitted Encumbrances. At such time as payment, or provision for payment as provided in Section 7.2 or 7.3 hereof, of all Lease Payments or the then applicable Purchase Option Price of one or more Facilities has been made in full, the School Board shall be deemed to have exercised an option to purchase such Facilities and fee simple title to such Facilities free and clear of all encumbrances, including the Corporation's interest in the Facilities as lessor hereunder and as lessee under the Ground Lease, except Permitted Encumbrances, shall vest in the School Board. Upon substitution of other Facilities for Facilities financed under a Lease as herein provided, fee simple title to the Facilities for which substitution has been made, shall vest in the School Board free and clear of all encumbrances, including the Corporation's interest in the Facilities as lessor hereunder and as lessee under the Ground Lease, except Permitted Encumbrances. The Corporation hereby appoints the School Board as its agent to prepare and file or record in appropriate offices such documents as may be necessary to cause record title to such Facilities to vest in the School Board. The Corporation agrees to immediately execute a written surrender and release and an assignment without recourse or warranty of all its right, title, and interest under the related Lease and Ground Lease to the School Board, or shall execute amendments to the Lease Schedule, if appropriate in the case of the purchase of portions of the Facilities financed under a Lease, as well as all other instruments necessary to vest good and marketable fee simple title to the Facilities in the School Board and relinquish the Corporation's interest therein, subject only to Permitted Encumbrances. The related Ground Lease shall then be terminated, or modified, as provided therein. The Corporation shall request the execution of such instruments by the Trustee as may be necessary to effect the conveyances described herein.

There shall be no merger of a Lease or of the leasehold estate thereby created in any Facilities or Facility Sites with the fee simple estate in such Facilities or Facility Sites by reason of the fact that the same person may acquire or hold, directly or indirectly, a Lease or leasehold estate therein created or any interest therein, and the fee simple estate in the Facilities or Facility Sites relating to such Lease or any interest in such fee simple estate.

If required by a Credit Facility Issuer, the School Board shall provide one or more policies of leasehold title insurance, in form satisfactory to the Trustee as insureds, as their interests may appear, in amounts as required by such Credit Facility Issuer. Proceeds of any payment under a title insurance policy shall be paid to the Trustee and held for application (at the direction of the School board prior to the occurrence of an Event of Default or a nonappropriation hereunder) first, to cure any defect in title, and second, in accordance with the priorities set forth in Section 504(a) of the Trust Agreement. The execution of each Ground Lease and each amendment thereto adding or modifying a Facility Site shall be subject to the approval of the related Credit Facility Issuer, if any, and at the time of such execution of each amendment, there shall be delivered by the School Board to the Trustee an appropriate endorsement to the title insurance policy for the particular Ground Lease, if required by the Credit Facility Issuer. There shall be delivered by the School Board to the Trustee an Opinion of Counsel with respect to each Facility Site to the effect that (a) there are no liens or encumbrances on any Facility Site that are not Permitted Encumbrances under the Master Lease, and (b) there shall be no merger of the fee simple estate of the School Board in the Facility Sites with the leasehold estates created therein by a Ground Lease or this Master Lease, notwithstanding the fact that the same person may hold one or more leasehold estates and such fee simple estate.

SECTION 6.2. Liens. Except as permitted under this Master Lease, during the Lease Term each of the Corporation and the School Board shall not, directly or indirectly, create, incur, assume or suffer to exist any security interest, pledge, lien, charge, encumbrance or claim on any of the Facilities or Facility Sites or leasehold interests therein, other than the respective rights of the Trustee, the Corporation and the School Board as herein provided. The School Board shall reimburse the Corporation or the Trustee for any expense incurred by the Corporation or the Trustee in order to discharge or remove any such security interest, pledge, lien, charge, encumbrance or claim; provided, however, that neither the Corporation nor the Trustee is under any obligation to incur such expense without having been provided, in advance, with any amounts needed to pay such expense.

SECTION 6.3. Use of the Facilities. The School Board will not use, or maintain the Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to their use as educational facilities as contemplated by this Master Lease. The School Board shall provide all permits and licenses, if any, necessary for the acquisition, construction and installation of the Facilities. In addition, the School Board agrees to comply in all respects (including, without limitation, with respect to the use and maintenance of the Facilities) with all applicable laws of the jurisdictions in which the Facilities are located and with all applicable regulations, orders and

decrees of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities; provided, however, that the School Board may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not adversely affect the interest or rights of the Corporation or the Trustee under this Master Lease.

SECTION 6.4. Substitution of Facilities. To the extent permitted by law, the School Board may substitute for any Facilities other facilities owned by the School Board, provided such substituted facilities (a) have the same or a greater remaining useful life, (b) have a fair market value equal to or greater than the Facilities for which they are substituted, (c) are of substantially equal utility as the Facilities to be replaced and meet the requirement of Section 5.9 hereof, (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances, and (e) are approved for substitution by the State Department of Education. Such substitution must also be approved by the Credit Facility Issuer, if any, for the Series of Certificates from which the Facilities to be replaced were originally financed. In order to effect such substitution, the Facilities to be replaced shall be released from the encumbrance of the related Lease and Ground Lease by appropriate instrument executed by the School Board and the Corporation (or Trustee as assignee of the Corporation) in form sufficient to leave good and marketable fee simple title to such Facilities in the School Board, subject only to Permitted Encumbrances, and the facilities to be substituted shall likewise be incorporated in the appropriate Lease and Ground Lease modifications. The related Schedule shall be appropriately amended, and the related Ground Lease shall be amended or cancelled and replaced, to reflect such substitution.

There shall also be delivered at the time of substitution, an Opinion of Counsel addressed to the School Board, the Corporation, the Trustee and any Credit Facility Issuer as to the legality and validity of such substitution under the laws of the State, a policy of leasehold title insurance (if required by the applicable Credit Facility Issuer) and an Opinion of Counsel as described in Section 6.1 hereof with respect to the substitute Facility Site.

For purposes hereof, "fair market value" shall be determined on the basis of an MAI appraisal performed by an appraiser jointly selected by the School Board and the Trustee.

SECTION 6.5 Title to Designated Equipment. Title to Designated Equipment shall vest in the School Board upon acquisition thereof. In the event of a termination of any Lease under which Designated Equipment is leased prior to the payment in full of all Lease Payments under such Lease, the School Board shall be deemed to have exercised its option to purchase such Designated Equipment at an option price equal to the lower of (i) the fair market value thereof or (ii) the amount of Base Lease

Payments made under such Lease prior to the termination thereof. Title to the Designated Equipment shall vest in the School Board free and clear of all encumbrances, including the Corporation's interest in the Designated Equipment as lessor hereunder and as lessee under the Ground Lease, except Permitted Encumbrances. The Corporation hereby appoints the School Board as its agent to prepare and file or record in appropriate offices, such documents as may be necessary to cause record title to such Designated Equipment to vest in the School Board. The Corporation agrees to immediately execute a written surrender and release, and an assignment without recourse or warranty, of all its right, title, and interest in such Designated Equipment under the related Lease and Ground Lease, to the School Board, as well as all other instruments necessary to vest good and marketable fee simple title to the Designated Equipment in the School Board and relinquish the Corporation's interest therein, subject only to Permitted Encumbrances.

(END OF ARTICLE VI)

ARTICLE VII

ASSIGNMENT, OPTION TO PURCHASE, AND PREPAYMENT

SECTION 7.1. Assignment; Subleasing. (A) It is understood that all right, title and interest of the Corporation in and to each Lease including the right to receive Basic Lease Payments thereunder, is to be absolutely and unconditionally assigned by the Corporation to the Trustee for the benefit of the holders of the Series of Certificates relating thereto, pursuant to the Assignment Agreement relating to such Lease. The School Board consents to such assignment and agrees that upon such assignment the Trustee shall have all of the rights of the Corporation thereunder, and shall be deemed to be the Corporation for all purposes of such Lease hereunder, and the School Board agrees to pay to the Trustee at its principal corporate trust office, all payments payable by the School Board to the Corporation pursuant to such Lease, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of the Lease or otherwise) that the School Board may from time to time have against the Corporation or any person or entity associated or affiliated therewith.

(B) This Master Lease and each Schedule hereto may not be assigned by the School Board for any reason. However, Facilities may be subleased, as a whole or in part, by the School Board, without the necessity of obtaining the consent of the Corporation or its assignee, subject, however, to each of the following conditions:

(a) Such Facilities may be subleased for educational or other purposes, in whole or in part, subject to the rules and regulations of the Department of Education, only to an agency or department or political subdivision of the State, or to another entity or entities if, in the opinion of Special Counsel, such sublease will not impair the exclusion from gross income for Federal income tax purposes of the designated interest component of Basic Lease Payments payable by the School Board under the Lease relating to such Facilities;

(b) This Master Lease, and the obligations of the School Board hereunder and under each Schedule hereto, shall, at all times during each Lease Term, remain obligations of the School Board, and the School Board shall maintain its direct relationships with the Corporation and its assignee, notwithstanding any sublease;

(c) The School Board shall furnish or cause to be furnished to the Corporation and its assignee a copy of any sublease agreement;

(d) No sublease by the School Board shall cause the Facilities to be used for any purpose which would adversely affect the exclusion from gross income for Federal income tax purposes of the designated interest component of the Basic Lease Payments payable by the School Board under the Lease relating to such Facilities, or which would violate the Constitution, statutes or laws of the State, or the rules and regulations of the Department of Education;

(e) The term of any sublease cannot extend beyond the end of the then current Lease Term, and shall be subject to immediate cancellation upon the occurrence of a non-appropriation or event of default hereunder; and

(f) No sublessee shall be permitted to encumber or dispose of the Facilities.

SECTION 7.2. Prepayment. (A) Optional. The principal portion of the Basic Lease Payments due under a particular Lease represented by a Series of Certificates shall be subject to prepayment at the option of the School Board by the payment by the School Board of the Purchase Option Price set forth on the related Schedule, in the manner and at the times set forth in the Schedule to this Master Lease relating to such Series.

(B) Extraordinary. In the event that:

(a) there shall remain in the Acquisition Account relating to a particular Series of Certificates, upon delivery by the School Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Facilities financed under a Lease relating to such Series of Certificates (including the failure of the School Board to acquire any component of such Facilities), an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, or

(b) there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to Facilities financed under a particular Lease, as a result of damage to or destruction or condemnation of such Facilities, in accordance with Section 5.4(b) hereof;

then, in each case, same shall constitute an "Event of Extraordinary Prepayment".

Upon the occurrence of an Event of Extraordinary Prepayment, the School Board shall pay such Net Proceeds to the Trustee, and the Trustee shall deposit such funds or transfer

remaining funds in the Acquisition Account, as the case may be, in the respective Prepayment Accounts applicable to each Series of Certificates relating to such Leases, to be used to prepay such Series of Certificates in the manner provided in the Trust Agreement. Such deposit with or transfer by the Trustee shall constitute a prepayment of the Basic Lease Payments by the School Board in the amount of such deposit or transfer.

In the event of prepayment in part under a particular Lease, the School Board will provide the Trustee a revised Schedule of Lease Payments reflecting said partial prepayment.

In the event of a payment in full of the Purchase Option Price of all Facilities financed hereunder, all covenants, agreements and other obligations of the School Board under this Master Lease shall cease, terminate and become void and be discharged and satisfied except as otherwise provided in Section 4.2(c) hereof. In such event the Trustee and the Corporation shall execute and deliver to the School Board all such instruments in recordable form at the School Board's expense as may be desirable to evidence such discharge and satisfaction.

In addition to the foregoing, in the event of a termination of the Leases under Section 4.1(b) or 4.1(c) hereof, if all or a portion (and if a portion, then from time to time thereafter) of the Purchase Option Price is declared due and payable or if the Trustee has moneys available under Section 504 of the Trust Agreement such events shall constitute an "Event of Mandatory Prepayment" hereunder subject to and in accordance with Section 4.1(d) hereof.

SECTION 7.3. Prepayment Deposit. Notwithstanding any other provision of this Master Lease, the School Board may on any date secure the payment of the Purchase Option Price of all Facilities under a particular Schedule hereto and the related Series of Certificates, or, with the prior consent of the Credit Facility Issuer, if any, for a particular Series of Certificates from which the related Facilities were originally financed, the Purchase Option Price under a Schedule relating to one or more particular Facilities set forth on such Schedule and a corresponding amount of Certificates of the Series relating thereto, by a deposit with the Trustee as escrow holder under an escrow deposit agreement of amounts as set forth in Section 801 of the Trust Agreement. Such deposit shall be made at least 40 days prior to the earliest practical prepayment date for the related Series of Certificates. Additionally such deposit shall be accompanied by a notice specifying the Facilities to be purchased, the date on which such purchase shall occur (which must be a permissible prepayment date for the corresponding Certificates) and identifying the applicable Schedules under which the Facilities to be purchased were leased.

In such event all covenants, agreements and other obligations of the School Board under the related Lease, or with respect to one or more particular Facilities financed under such Lease with the consent of the Credit Facility Issuer, shall cease, terminate and become void and be discharged and satisfied in accordance with the provisions of Section 4.1(d) hereof, except the obligation of the School Board to make or cause to be made, Basic Lease Payments and any Additional Lease Payments under such Lease from the deposit made by the School Board pursuant to this Section, and except as provided in Section 4.2(c) hereof. In such event, the Trustee shall provide statements for such period or periods as shall be requested by the School Board to be prepared and filed with the School Board and, upon the request of the School Board, the Corporation or the Trustee, as appropriate, shall execute and deliver to the School Board all such instruments in recordable form at the School Board's expense as may be desirable to evidence such discharge and satisfaction. No such release with respect to less than all of the Facilities identified on any particular Lease Schedule shall be made unless (1) all of the corresponding series of Certificates shall have been paid and are no longer outstanding under the Trust Agreement or (2) the Credit Facility Issuer with respect to such series of Certificates shall have consented in writing to such release.

SECTION 7.4. Refunding Certificates. The Corporation shall direct the Trustee, when directed to do so by the School Board, to issue one or more Series of refunding Certificates under a Supplemental Trust Agreement for the purpose of providing for the payment of all or a portion of Outstanding Series of Certificates. Simultaneously with the issuance and delivery of such Series of refunding Certificates, the proceeds thereof shall be deposited and applied in accordance with Section 7.3 hereof. Upon the deposit as aforesaid, the Trustee and the School Board shall enter into an amendment to the related Lease Schedule at the School Board's expense, in order to adjust the Lease Payments to be made under such Lease to an amount sufficient to pay, as and when the same mature and become due, the principal and interest portions of the Basic Lease Payments represented by the Series of refunding Certificates and by the original Series of Certificates to the extent that such Series has not been refunded (except to such extent as the same may be payable out of moneys or Defeasance Securities (as defined in the Trust Agreement) deposited pursuant to Section 7.3 hereof).

(END OF ARTICLE VII)

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default Defined. The following shall be "events of default" under this Master Lease and the terms "event of default" and "default" shall mean, whenever they are used in this Master Lease, any one or more of the following events:

(a) Failure by the School Board to pay in full any Basic Lease Payment with respect to any Lease at the time and in the manner specified herein;

(b) Failure by the School Board to pay in full any Additional Lease Payment or Supplemental Payment with respect to any Lease at the time and in the manner specified herein, and such failure shall continue for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the School Board by the Corporation, the Trustee or the related Credit Facility Issuer, if any, provided, however, that if the Authorized School Board Representative certifies to the Corporation, the Trustee or the related Credit Facility Issuer, if any, in writing that such default cannot with due diligence be cured within such thirty (30) day period and that the School Board has diligently commenced to cure such default within such period, the School Board shall have a reasonable period not exceeding sixty (60) days after written notice (unless further extended by the Credit Facility Issuer) to cure such default;

(c) Failure by the School Board to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Section 8.1(a) or (b) for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied is given to the School Board by the Corporation, the Trustee or the related Credit Facility Issuer or any representation of the School Board in this Lease Purchase Agreement shall have been untrue when made; provided, however, that if the Authorized School Board Representative certifies to the Corporation and the Trustee in writing that such default cannot with due diligence be cured within such sixty (60) day period and that the School Board has diligently commenced to cure such default within such period, the School Board shall, with the consent of the Credit Facility Issuer, have a reasonable period to cure such default; or

(d) The filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding by or against the School Board under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect, and, in the case of involuntary proceedings, the failure of the same to be dismissed within one hundred eighty (180) days of the filing thereof.

If by reason of force majeure the School Board is unable in whole or in part to carry out the agreements on its part herein contained, other than the obligations on the part of the School Board contained in Article III hereof, the School Board shall not be deemed in default during the continuance of such inability. The Term "force majeure" as used herein shall mean, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

Notwithstanding anything contained in this Section 8.1 to the contrary, a failure by the School Board to pay when due any payment required to be made under this Master Lease and any Schedule hereto or a failure by the School Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Master Lease, resulting from a failure by the School Board to appropriate moneys as contemplated by Sections 3.5 and 5.11 hereof, shall not constitute an event of default under this Section 8.1.

SECTION 8.2. Remedies on Default. Whenever any event of default referred to in Section 8.1 shall have happened and be continuing, the Trustee shall have the right, without any further demand or notice except as hereinafter provided, to take one or any combination of the following remedial steps:

(1) upon written notice to the School Board, terminate the Lease Term of all Leases and, whether or not the Lease Term is terminated, exercise all available remedies at law or in equity as described in Section 3.6 hereof; or

(2) take whatever action at law or in equity as may appear necessary or desirable to collect all Lease Payments or other payments then due and thereafter to become due for the remainder of the then current Lease Term, or to enforce performance and observance of any obligation, agreement or covenant of the School Board under this Master Lease.

SECTION 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Lease or now or hereafter existing at law or in equity, subject to any limitations set forth in Section 3.6 hereof.

(END OF ARTICLE VIII)

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Notices. All notices, certificates, requests or other communications (other than payments by the School Board) hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or three (3) Business Days after being mailed by first class mail, postage prepaid, to the parties at their respective places of business as follows (or to such other address as shall be designated by any party in writing to all other parties):

Corporation: Marion County School Board Leasing Corporation
512 S.E. Third Street
Ocala, Florida 32671

School Board: 512 S.E. Third Street
Ocala, Florida 32671
Attention: Superintendent of Schools

Trustee: Sun Bank, National Association
225 East Robinson Street
Suite 350
Orlando, Florida 32801
Attention: Corporate Trust Division

Copies of any notices shall be provided to all Credit Facility Issuers at the addresses provided in one or more Schedules.

Notice shall also be given by the School Board to the Rating Agencies of the occurrence of any one or more of the following: (i) the appointment of a Successor Trustee, (ii) the expiration or termination of a Credit Facility, (iii) the prepayment or defeasance of any of the Outstanding Certificates in accordance with Section 801 or 802 of the Trust Agreement or (iv) a material modification of or amendment to the Trust Agreement, this Master Lease, any Ground Lease, any Assignment Agreement, and Lease Schedule or any Credit Facility.

SECTION 9.2. Binding Effect. This Master Lease shall inure to the benefit of and shall be binding upon the Corporation and the School Board and their respective successors and assigns, including without limitation the Trustee pursuant to each Assignment Agreement. Each Credit Facility Issuer shall be deemed to be a third party beneficiary hereunder.

SECTION 9.3. Severability. In the event any provision of this Master Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.4. Amendments. The terms of this Master Lease shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Corporation and the School Board and, if required under the terms of the Trust Agreement, by the Trustee, and consented to by each Credit Facility Issuer. Copies of amendments shall be provided to the Rating Agencies.

SECTION 9.5. Execution in Counterparts. This Master Lease 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.

SECTION 9.6. Captions. The captions or headings in this Master Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Master Lease.

SECTION 9.7. Interest. All interest calculations hereunder shall be made on the basis of a 360-day year consisting of twelve 30-day months (unless otherwise provided with respect to Additional Lease Payments on a Schedule hereto).

SECTION 9.8. Compliance with Trust Agreement. The School Board hereby approves and agrees to the provisions of the Trust Agreement. The Corporation hereby agrees not to amend or modify the Trust Agreement in any way without the written consent of the School Board so long as this Master Lease shall be in effect. The School Board agrees to do all things within its power in order to enable the Corporation to comply with all requirements and to fulfill all covenants of the Trust Agreement which require the Corporation to comply with requests or obligations so that the Corporation will not be in default in the performance of any covenant, condition, agreement or provision of the Trust Agreement, and the School Board further agrees to comply with and perform any obligations to be complied with or performed by the School Board pursuant to the Trust Agreement.

SECTION 9.9. Memorandum of Lease. Simultaneously with the execution of this Master Lease and each Schedule hereto, and thereafter simultaneously with the execution of any Schedule, the School Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Lease with respect to the Master Lease and such Schedule. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of such instrument.

SECTION 9.10. Applicable Law. This Master Lease shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 9.11. Nonrecourse Obligation of Corporation. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of

the transactions contemplated hereby, the obligations, liabilities and responsibilities of the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Corporation shall be payable solely out of the proceeds derived by the Corporation from the Project (excluding any indemnities, reimbursements, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payment) and the Corporation shall have no other or further liability hereunder or arising herefrom.

(END OF ARTICLE IX

IN WITNESS WHEREOF, the Corporation has caused this Master Lease to be executed in its corporate name by its duly authorized officers, and the School Board has caused this Master Lease to be executed in its name by its duly authorized members and officers on the date set forth below their respective signatures and all as of the day and year first written above.

[SEAL]

MARION COUNTY SCHOOL BOARD LEASING CORPORATION

Attest:

By: _____
Ralph S. Archibald, III
Secretary/Treasurer
Marion County School Board Leasing Corporation
512 S.E. Third Street
Ocala, Florida 32671

Date: August 18, 1992

By: Sharlene Perry
Sharlene Perry
President
Marion County School Board Leasing Corporation
512 S.E. Third Street
Ocala, Florida 32671

Date: August 18, 1992

[SEAL]

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

Attest:

By: _____
Ralph S. Archibald, III
Superintendent/Secretary
School Board of Marion County
512 S.E. Third Street
Ocala, Florida 32671

Date: August 18, 1992

By: Sharlene Perry
Sharlene Perry
Chairman
School Board of Marion County
512 S.E. Third Street
Ocala, Florida 32671

Date: August 18, 1992

STATE OF FLORIDA)
) SS:
COUNTY OF MARION)

I, CLAUDIA M. CASEY, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Ralph S. Archibald, III and Sharlene Perry, known to me to be the same persons whose names are, respectively, as Secretary/Treasurer and President of Marion County School Board Leasing Corporation, a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

Such persons are personally known to me or provided identification in the form of _____ and did not take an oath in connection with the foregoing acknowledgment.

GIVEN under my hand and notarial seal this 18 day of August, 1992.

Claudia M. Casey
Name: CLAUDIA M. CASEY
Notary Public

[NOTARIAL SEAL]

My commission expires:

NOTARY PUBLIC STATE OF FLORIDA OFFICIAL NOTARY SEAL CLAUDIA M CASEY COMMISSION NUMBER CC120716 MY COMMISSION EXP. JUNE 24,1995

STATE OF FLORIDA)
) SS:
COUNTY OF MARION)

I, CLAUDIA M. CASEY, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Sharlene Perry and Ralph S. Archibald, III, known to me to be the same persons whose names are, respectively, as Chairman and Superintendent of the School Board of Marion County, Florida, the governing body of the SCHOOL DISTRICT OF MARION COUNTY, FLORIDA, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said School Board, and delivered the said instrument as the free and voluntary act of said School Board and as their own free and voluntary act, for the uses and purposes therein set forth.

Such persons are personally known to me or provided identification in the form of _____ and did not take an oath in connection with the foregoing acknowledgment.

GIVEN under my hand and notarial seal this 18 day of August, 1992.

Claudia M. Casey
Name: CLAUDIA M. CASEY
Notary Public

[NOTARIAL SEAL]

My commission expires:

NOTARY PUBLIC STATE OF FLORIDA OFFICIAL NOTARY SEAL CLAUDIA M CASEY COMMISSION NUMBER CC120716 MY COMMISSION EXP. JUNE 24,1995

EXHIBIT A

FORM OF SCHEDULE TO MASTER LEASE PURCHASE AGREEMENT

SCHEDULE NO. _____
dated _____
to
Master Lease Purchase Agreement dated as of August 1, 1992 between Marion County School Board Leasing Corporation as Lessor (the "Corporation")

and

The School Board of Marion County, Florida as Lessee (the "School Board")

THIS SCHEDULE NO. ___ (the "Schedule") is hereby entered into under and pursuant to that certain Master Lease Purchase Agreement dated as of August 1, 1992, as amended and supplemented (the "Master Lease") pursuant to which the Corporation has agreed to lease purchase unto the School Board and the School Board has agreed to lease purchase from the Corporation, subject to the terms and conditions of the Master Lease incorporated herein, the Series _____ Facilities herein described. The Master Lease with respect to this Schedule and as amended, modified and supplemented hereby, is referred to herein as the "Series ____ Lease". All terms not otherwise defined herein shall have the respective meanings set forth in the Master Lease, or in the Trust Agreement, including the Series ____ Supplemental Trust Agreement. All terms and conditions contained in the Master Lease, unless otherwise amended or superseded hereby are incorporated herein by reference.

SECTION 1. Definitions. For purposes of the Series ____ Lease the following terms have the meaning set forth below.

"Assignment Agreement" shall mean the Series ____ Assignment Agreement dated as of _____ between the Corporation and the Trustee.

"Certificates" or "Series of Certificates" shall mean the $_____ Certificates of Participation, Series ____ dated as of _____, issued under the Trust Agreement and evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board pursuant to the Master Lease.

"Commencement Date" for the Series _____ Lease is _____.

"Series _____ Credit Facility" shall mean _____.

"Series _____ Credit Facility Issuer" shall mean _____.

"Series _____ Facilities" shall mean the Facilities described in this Schedule No. _____.

"Series _____ Facility Sites" shall mean the Facility Sites described in this Schedule No. _____ to be ground leased by the School Board to the Corporation, as the same may be amended or supplemented from time to time.

"Series _____ Ground Lease" shall mean the Series _____ Ground Lease dated as of ____ between the School Board as Lessor and the Corporation as Lessee.

"Series _____ Supplemental Trust Agreement" shall mean the Series _____ Supplemental Trust Agreement dated as of _____ 1992 between the Corporation and the Trustee.

SECTION 2. Lease Term. The total of all Lease Terms of the Lease are expected to be approximately _____ years consisting of an "Original Term" of approximately _____ months from _____, through and including _____, __ and _____ ___ Renewal Terms, the first _____ (___ Renewal Terms of twelve (12) months, each from _____ through and including _____, of the next succeeding calendar year, and the _____ ( ) Renewal Term of approximately _____ _____ (____ months from _____, ___ through and including _____ _____. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article III of the Master Lease.

SECTION 3. Series Facilities to be Lease Purchased. The Series ____ Facilities to be lease purchased under the Series _____ Lease are described as follows:

A. General Description of the Series ____ Facilities to be Lease Purchased:

B. Estimated Costs of the Series ____ Facilities [and Facility Sites] to be Lease Purchased:

Facility	Facility Site	Planning	Construction	Project Cost

SECTION 4. Series Facility Site(s) to be Ground Leased to the Corporation and Permitted Encumbrances. The legal description of the Series ____ Facility Site(s) to be ground leased to the Corporation and Permitted Encumbrances in addition to those specified in the Master Lease is (are) as follows:

SECTION 5. Application of Certain Proceeds of Series Certificates. The Trustee shall deposit the following sums in the following accounts from the proceeds of the Series _____ Certificates:

Amount	Account
$_____	Series _____ Acquisition Account
$_____	Series ____ Cost of Issuance Subaccount
$_____	Series ____ Reserve Account
$_____*	Series ____ Lease Payment Account

*Represents accrued interest.

SECTION 6. Basic Lease Payments. The principal portion and the interest portion of the Basic Lease Payments, the Payment Dates and the Remaining Principal Portion with respect to the Series ____ Facilities to be lease purchased and the Series _____ Certificates attributable to such Facilities are set forth below. If, upon delivery of the Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Series _____ Facilities, it is determined that the cost of, and consequently the actual amount of Basic Lease Payments for a Series _____ Facility is different from the amount set forth herein at closing, this Section shall be revised as necessary to reflect the adjusted Schedule of Basic Lease Payments for all Series _____ Facilities to be lease purchased, and for each individual Series _____ Facility or group of Series _____ Facilities.

The Interest portion of the Basic Lease Payments represented by the Series _____ Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the Series _____ Certificates are rated within the three highest rating categories by a nationally recognized rating service.

SERIES _____ FACILITIES (COMPOSITE)

PAYMENT DATE	BASIC LEASE PAYMENT	PRINCIPAL PORTION	INTEREST PORTION	REMAINING PRINCIPAL

[Provide Basic Lease Payment Schedule for each Facility or group of Facilities financed hereunder]

SECTION 7. Additional Lease Payments. Additional Lease Payments with respect to the Series ____ Certificates consist of the following

1. Trustee Fees:

2. Trustee Expenses:

[3. Credit Facility Issuer fees and/or payment provisions:]

SECTION 8. Prepayment Provisions. In addition to [or in lieu of] the prepayment provisions of Section 7.2 of the Master Lease, the principal portion of the Basic Lease Payments due as provided in Section 6 of this Schedule No. _____ are subject to the following prepayment provisions:

A. Optional Prepayment

B. Extraordinary Prepayment Provisions

SECTION 9. Other Special Provisions.

A. Representations. The School Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule No. 1992A, and except as otherwise provided below. The Corporation hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule No. 1992A, and except as otherwise provided below.

B. Notices. Copies of all matters required to be given to a Credit Facility Issuer pursuant to the Master Lease shall be given to the Series _____ Credit Facility Issuer at the following address:

IN WITNESS WHEREOF, the Corporation has caused this Schedule No. ___ to be executed in its corporate name by its duly authorized officers, and the School Board has caused this Schedule No. ___ to be executed in its name by its duly authorized members or officers on the date set forth below their respective signatures and all of the day and year first written above.

[SEAL]	MARION COUNTY SCHOOL BOARD LEASING CORPORATION
Attest:	
By: _____ Name: Title: Address:	By: _____ Name: Title: Address:
Date: _____, ____	Date: _____, ____
[SEAL]	THE SCHOOL BOARD OF MARION COUNTY, FLORIDA
Attest:	
By: _____ Ralph S. Archibald, III Superintendent/Secretary School Board of Marion County 512 S.E. Third Street Ocala, Florida 32671	By: _____ Sharlene Perry Chairman School Board of Marion County 512 S.E. Third Street Ocala, Florida 32671
Date: _____, ____	Date: _____, ____

EXHIBIT B

SCHOOL BOARD'S CERTIFICATE

I the undersigned Chairman of the School Board of Marion County, Florida (the "School Board") do hereby certify pursuant to the terms of the Master Lease Purchase Agreement between the School Board and the _____ (the "Corporation") dated as of _____ __, 1992 and Schedule No. _____ thereto dated _____ (collectively the "Lease")1 as follows:

1. The School Board has acquired the Series _____ Facilities described in Schedule No. ____.

2. Such Series _____ Facilities meet the School Board's specifications therefor, and have been acquired to the School Board's satisfaction. This certificate constitutes the acceptance certificate for such Series _____ Facilities required by Section 2.3 of the Master Lease and Section 402 of the Master Trust Agreement dated as of _____ __, 1992 between the Corporation and _____, Florida, as Trustee.

3. The actual cost of such Series _____ Facilities is as follows: $_____.

4. The Completion Date for such Series _____ Facilities is _____.

5. Terms defined in the Master Lease and Schedule No. _____ thereto and used in this Certificate have the same meanings in this certificate as are ascribed to such terms in the Master Lease and Schedule No. _____ thereto.

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

Date:_____

_____
Name: Sharlene Perry
Title: Chairman

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SCHEDULE NO. 2026

dated as of December 1, 2026
to
Master Lease Purchase Agreement dated as of
August 1, 1992, between
Marion County School Board Leasing Corporation
as Lessor (the "Corporation")
and
The School Board of Marion County, Florida
as Lessee (the "School Board")

THIS SCHEDULE NO. 2026 (the "Schedule") is hereby entered into under and pursuant to that certain Master Lease Purchase Agreement dated as of August 1, 1992, as amended and supplemented (the "Master Lease"), pursuant to which the Corporation has agreed to lease purchase to the School Board, and the School Board has agreed to lease purchase from the Corporation, subject to the terms and conditions of the Master Lease incorporated herein, the Series 2026 Facilities herein described. The Master Lease with respect to this Schedule and as amended, modified and supplemented hereby, is referred to herein as the "Series 2026 Lease".

SECTION 1. DEFINITIONS.

For purposes of this Schedule, all terms not otherwise defined herein shall have the respective meanings set forth in the Master Lease, or in the Trust Agreement, including the Series 2026 Supplemental Trust Agreement. All terms and conditions contained in the Master Lease, unless otherwise amended or superseded hereby are incorporated herein by reference. The following terms have the meaning set forth below.

"Commencement Date" for the Series 2026 Lease is [December __, 2026].

"Series 2026 Assignment Agreement" shall mean the Series 2026 Assignment Agreement dated as of December 1, 2026, between the Corporation and the Trustee.

"Series 2026 Certificates" shall mean the $[principal] Certificates of Participation, Series 2026 Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be Made by the School Board of Marion County, Florida, as Lessee, Pursuant to a Master Lease Purchase Agreement with the Marion County School Board Leasing Corporation, as Lessor.

"Series 2026 Facilities" shall mean the Facilities described in this Schedule.

"Series 2026 Facility Sites" shall mean the Facility Sites described in this Schedule to be ground leased by the School Board to the Corporation pursuant to the Series 2026 Ground Lease,

as the same may be amended or supplemented from time to time.

"Series 2026 Ground Lease" shall mean the Series 2026 Ground Lease dated as of December 1, 2026, between the School Board as Lessor and the Corporation as Lessee.

"Series 2026 Supplemental Trust Agreement" shall mean the Series 2026 Supplemental Trust Agreement dated as of December 1, 2026, between the Corporation and the Trustee.

"Underwriters" means J.P. Morgan Securities LLC, Jefferies LLC, and Raymond James & Associates, Inc.

SECTION 2. LEASE TERM. The total of all Lease Terms of the Series 2026 Lease is expected to be approximately 20 years from each July 1 through the following June 30, including, however, an "Original Term" commencing as of the Commencement Date, through and including June 30, 2027 and a final renewal term from [July 1, 20__ through and including May 15, 20__. Each Lease Term shall be subject to annual renewal pursuant to the provisions of Article III of the Master Lease.

SECTION 3. SERIES FACILITIES TO BE LEASE PURCHASED. The Series 2026 Facilities to be lease purchased under the Series 2026 Lease, and their estimated cost, are described and specified in attached Exhibit A. The cost of the Series 2026 Facilities not financed with proceeds of the sale of the Series 2026 Certificates shall be paid from other legally available funds of the School Board.

SECTION 4. SERIES 2026 FACILITY SITES TO BE GROUND LEASED TO THE CORPORATION AND PERMITTED ENCUMBRANCES. The legal description of the Series 2026 Facility Sites to be ground leased to the Corporation pursuant to the Series 2026 Ground Lease, and Permitted Encumbrances in addition to those specified in the Master Lease, are set forth in attached Exhibit B.

SECTION 5. APPLICATION OF CERTAIN PROCEEDS OF CERTIFICATES.

The Trustee shall deposit the following sums in the following accounts from the proceeds of the Series 2026 Certificates:

$_____ Series 2026 Acquisition Account; and

$_____ Series 2026 Cost of Issuance Subaccount.

The remainder of the proceeds from the Series 2026 Certificates shall be used as follows: the Underwriters' discount of $_____ shall be retained by the Underwriters.

SECTION 6. BASIC LEASE PAYMENTS. The principal portion and the interest portion of the Basic Lease Payments, the Payment Dates and the remaining principal portion with respect to the Series 2026 Facilities to be lease purchased and the Series 2026 Certificates attributable to such Facilities are set forth below.

The interest portion of the Basic Lease Payments represented by the Series 2026 Certificates, expressed as an annual interest rate, is exempt from the limitations on interest rates set forth in Section 215.84, Florida Statutes, since the Series 2026 Certificates are rated within the three highest rating categories by a nationally recognized rating service.

The Basic Lease Payments payable by the School Board to the Corporation with respect to the Series 2026 Facilities under the Series 2026 Lease shall be due each November 15 and May 15, commencing May 15, 2027. The interest component of the Basic Lease Payments shall be due each May 15 and November 15 for the period ending on the following June 1 and December 1, respectively, and shall be computed by the Trustee on the basis of a 360-day year based on twelve 30-day months. The principal component shall be due each May 15 in the amounts shown on Exhibit C hereto.

SECTION 7. ADDITIONAL LEASE PAYMENTS. Additional Lease Payments with respect to the Series 2026 Certificates consist of the following:

1. Trustee Fees: Trustee annual fee of $_____ due each year the Series 2026 Supplemental Trust Agreement is in effect.

2. Trustee Expenses: The reasonable costs and expenses incurred by the Trustee and payable pursuant to the Master Lease or the Trust Agreement.

3. All other payments other than Basic Lease Payments provided by the Master Lease and the Series 2026 Supplemental Trust Agreement to be paid by the School Board.

SECTION 8. PREPAYMENT PROVISIONS. The principal portions of the Basic Lease Payments, due as provided in Section 6 of this Schedule, are subject to optional and extraordinary

prepayment provisions that correspond to the optional and extraordinary prepayment provisions of the Series 2026 Certificates, except as provided in the next sentence. For the purpose of relating Basic Lease Payments to Payment Dates for the Series 2026 Certificates, Basic Lease Payments due on May 15 and November 15 shall correspond to those Series 2026 Certificates payments due on the immediately succeeding June 1 and December 1, respectively. The prepayment provisions of Sections 5.4(b) and 7.2(B) of the Master Lease shall not apply to the Series 2026 Certificates.

SECTION 9. OTHER SPECIAL PROVISIONS.

A. Representations. The School Board hereby confirms its representations, covenants and warranties set forth in Section 2.10 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule. The Corporation hereby confirms its representations, covenants and warranties set forth in Section 2.11 of the Master Lease, except that all references therein to the Master Lease shall be deemed to refer to the Master Lease as supplemented by this Schedule. The School Board and the Corporation hereby jointly represent that the Series 2026 Facilities are essential facilities.

B. Property Insurance. Notwithstanding the provisions of the second paragraph of Section 5.3 of the Master Lease, the School Board shall purchase and maintain property insurance coverage in amounts and with deductibles and co-insurance provisions that comply with state law and that are commercially reasonable to protect the Facilities.

C. Florida Department of Education. Any provision of the Master Lease requiring consent or approval of the Department of Education shall be amended and deemed to require consent or approval of the Department of Education only to the extent such consent or approval is a requirement of the laws of Florida and the regulations of the Department of Education as in effect from time to time.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Schedule No. 2026 to be executed in its corporate name by its duly authorized officers, and the School Board has caused this Schedule No. 2026 to be executed in its name by its duly authorized members or officers, all as of the day and year first written above.

[SEAL]

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

By: _____
Dr. Sarah James, Board Chair

Attest:

By: _____
Danielle Brewer, Ed.D.
Superintendent of Schools,
ex officio Secretary to

[SEAL]

MARION COUNTY SCHOOL BOARD LEASING CORPORATION

By: _____
Dr. Sarah James, President

ATTEST:

By: _____
Danielle Brewer, Ed.D.
Secretary

EXHIBIT A

SERIES 2026 FACILITIES DESCRIPTION

Facilities Description	Planning/Design	Furniture, Fixtures & Equipment	Construction/ Acquisition	Total Project Cost
Dunnellon Middle/High School				
North End Elementary School				
Booster Stadium				
Total				

(1) Constitutes Designated Equipment under the Master Lease.

EXHIBIT B

The legal description of the Series 2026 Facility Sites
to be ground leased to the Corporation, and Permitted
Encumbrances in addition to those specified in the Master Lease

LEGAL DESCRIPTION

[See Attached Schedule 1]

PERMITTED ENCUMBRANCES

Permitted Encumbrances shall include, for each parcel the following:

(1) the Series 2026 Ground Lease and any liens and encumbrances created or permitted thereby;

(2) subject to the provisions of Section 6.2 of the Master Lease, any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of the Master Lease;

(3) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed; (c) easements, rights of way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which do not materially impair the

use of such property or materially and adversely affect the value thereof or materially adversely affect the benefits enjoyed by Series 2026 Certificate holders in the Series 2026 Facility Sites under the Series 2026 Ground Lease, the Series 2026 Assignment Agreement and the Trust Agreement; and (d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner that do not materially affect the use of the Series 2026 Facility Sites for educational purposes or the benefits enjoyed by Series 2026 Certificate holders in the Series 2026 Facility Sites under the Series 2026 Ground Lease, the Series 2026 Assignment Agreement and the Trust Agreement; and

(4) any other liens or encumbrances permitted by the Series 2026 Lease relating to such Series 2026 Facility Sites; provided, such lien or encumbrance shall not materially adversely affect the intended use of such Series 2026 Facility Sites by the School Board for educational purposes or the benefits enjoyed by Series 2026 Certificate holders in the Series 2026 Facility Sites under the Series 2026 Ground Lease, the Series 2026 Assignment Agreement and the Trust Agreement.

(5) the following Permitted Encumbrances relate solely to Dunnellon Middle/High School:

[To Come]

(6) the following Permitted Encumbrances relate solely to North End Elementary School:

[To Come]

(7) the following Permitted Encumbrances relate solely to Booster Stadium:

[To Come]

SCHEDULE 1

The following land is situated in the County of Marion, State of Florida

EXHIBIT C - BASIC LEASE PAYMENTS

Date	Principal	Interest	Total Debt Service
5/15/2027			
11/15/2027			
5/15/2028			
11/15/2028			
5/15/2029			
11/15/2029			
5/15/2030			
11/15/2030			
5/15/2031			
11/15/2031			
5/15/2032			
11/15/2032			
5/15/2033			
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5/15/2040			
11/15/2040			
5/15/2041			
11/15/2041			
5/15/2042			
11/15/2042			
5/15/2043			
11/15/2043			
5/15/2044			
11/15/2044			
5/15/2045			
11/15/2045			
5/15/2046			

MASTER TRUST AGREEMENT

by and between

MARION COUNTY SCHOOL BOARD LEASING CORPORATION,
a Florida non-for-profit corporation

and

SUN BANK, NATIONAL ASSOCIATION
as Trustee

Dated as of August 1, 1992

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MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT is dated as of August 1, 1992 (as the same may be amended or supplemented from time to time, this "Trust Agreement"), and is between SUN BANK, NATIONAL ASSOCIATION, a national banking association with principal corporate trust offices in Orlando, Florida (the "Trustee"), and MARION COUNTY SCHOOL BOARD LEASING CORPORATION, a Florida not-for-profit corporation, duly organized and existing under the laws of the State of Florida, as lessor under the within mentioned Master Lease (the "Corporation");

W I T N E S S E T H:

WHEREAS, The School Board of Marion County, Florida (the "School Board") desires to lease purchase certain real property, educational facilities and equipment to be built, installed or established therein for educational purposes ("Facilities") by entering into a Master Lease Purchase Agreement dated as of August 1, 1992 (as the same may be amended or supplemented from time to time, the "Master Lease") between the Corporation, as lessor, and the School Board, as lessee; and

WHEREAS, pursuant to Section 2 of the Master Lease, the Lessee may from time to time, by execution of a Schedule to the Master Lease (each hereinafter referred to as a "Schedule"), direct the Lessor to acquire and lease purchase to Lessee the Facilities described in such Schedule to the Master Lease; and

WHEREAS, Facilities may be added to the Master Lease by execution of Schedules thereto from time to time; and

WHEREAS, the Master Lease and the terms and conditions thereof with respect to the particular Facilities described on a Schedule are sometimes referred to herein as a "Lease" and the Schedule describing such Facilities is sometimes referred to as "Schedule No. _____"; and

WHEREAS, certain of the Facilities will be located on certain real property located within the School District of Marion County, Florida (the "District") (each such location, or all locations on a single Schedule, a "Facility Site") to be leased by the School Board to the Corporation pursuant to a ground lease; and

WHEREAS, the relationship between the Corporation and School Board under the Master Lease is to be a continuing one and Facilities may be added to or deleted from the Master Lease from time to time in accordance with the terms thereof and of the Schedule describing such Facilities; and

3460/MAZ10006/A11

WHEREAS, pursuant to Section 7.1 of the Master Lease, the Corporation, with the consent of the School Board, has the right to assign all of its right, title and interest in and to a particular Lease (except for its right to indemnification under Section 5.7 of the Master Lease and its right to receive notices under the Master Lease) to the Trustee including the rights to receive Basic Lease Payments (as hereinafter defined) due under such Lease; and

WHEREAS, the Corporation has requested the Trustee to issue from time to time separate series of Certificates of Participation substantially in the form of Appendix A hereto (the "Certificates") to third parties to whom such Certificates are sold and for whose benefit and for the benefit of any corresponding Credit Facility Issuer (as hereinafter defined) an Assignment Agreement will be executed and delivered to the Trustee, each such Certificate of a particular Series (as hereinafter defined) evidencing an undivided proportionate interest of the registered owner thereof in the Basic Lease Payments to be made under one or more Leases created by one or more particular Schedules and certain rights of the Corporation under such Lease or Leases; and

WHEREAS, upon receipt by the Trustee from the Corporation of the corresponding Assignment Agreement and satisfaction of the conditions set forth in Section 304 hereof, the Trustee shall issue a Series of Certificates that shall correspond to the Lease or Leases created by a particular Schedule or Schedules; and

WHEREAS, the Trustee has agreed to hold the proceeds corresponding to such Series of Certificates and to disburse such proceeds in accordance herewith and with the Master Lease, and to receive Basic Lease Payments due under the Lease or Leases created by a particular Schedule or Schedules and apply and disburse same in accordance herewith; and

WHEREAS, by this Trust Agreement, the Corporation agrees to direct the School Board to forward the Basic Lease Payments due under the Lease created by a particular Schedule to the Trustee from and after the execution of the corresponding Assignment Agreement by the Corporation;

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 101. Definitions. The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Trust Agreement unless the context clearly indicates some other meaning, or unless otherwise provided in a Supplemental Trust Agreement. Terms used herein and not otherwise defined shall have the meaning given to them in the Master Lease.

"Acquisition Account" shall mean any Acquisition Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Additional Lease Payment" shall mean any amount payable by the School Board under the terms of the Master Lease, other than a Basic Lease Payment, as set forth in a Schedule to the Master Lease and so designated as Additional Lease Payments.

"Assignment Agreement" shall mean any assignment agreement pursuant to which the Corporation shall have assigned to the Trustee all of its right, title and interest in and to the Lease or Leases created by one or more particular Schedules, including its right to receive Lease Payments thereunder.

"Authorized Corporation Representative" shall mean the President, any Vice-President, Secretary or Assistant Secretary or any person or persons designated by a resolution of the Corporation signed by any two of the above-named officers and filed with the Trustee, containing the specimen signature of each such designated person.

"Authorized Newspaper" shall mean a newspaper containing financial matters, customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language, and of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized School Board Representative" shall mean the Assistant Superintendent for Business and Facilities and any person or persons designated by the Assistant Superintendent for Business and Facilities and authorized to act on behalf of the School Board by a written certificate signed on behalf of the School Board by the Chairman containing the specimen signature of each such person.

"Basic Lease Payment" shall mean, with respect to each Lease or each Facility financed under such Lease, as of each Lease Payment Date, the amount set forth on the appropriate Schedule of the Master Lease corresponding to such Lease Payment Date and designated as a Basic Lease Payment in such Schedule.

"Business Day" shall mean a day other than a Saturday, Sunday or other day on which banks in the State of New York or the State of Florida are authorized or required by law to be closed, or a day on which the New York Stock Exchange is closed.

"Certificate or Certificates" shall mean the certificates of participation, executed and delivered from time to time by the Trustee pursuant to this Trust Agreement. Each Series of Certificates issued under this Trust Agreement shall bear a Series designation to identify such Series of Certificates with a particular Schedule to the Master Lease.

"Certificate holder" or "Holder of Certificates" shall mean the registered owner of any Certificate or Certificates as shown on the register kept by the Trustee.

"Chairman" shall mean the Chairman of the School Board and any person or persons designated by the School Board and authorized to act on behalf of the Chairman.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

"Contractor" shall mean the person, firm, corporation or joint venture authorized to do business in Florida with whom a contract has been made directly with the School Board for the performance of the work with respect to any Facilities.

"Corporation" shall mean Marion County School Board Leasing Corporation, a Florida not-for-profit corporation organized and existing under the laws of the State of Florida, its successors and assigns.

"Cost" shall mean costs and expenses related to the acquisition, construction and installation of any Facilities including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including leasehold interests, easements, rights-of-way and licenses, including, without limitation, lease payments to be made by the Corporation under the terms of a Ground Lease until the expected acceptance of the Facilities related thereto as described herein, (ii) cost and expenses incurred for labor and materials and payments to contractors, builders, materialmen and vendors for the acquisition, construction and installation of the Facilities, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be advisable or necessary prior to completion of any of the Facilities, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction and installation of Facilities, (v) costs and expenses required for the acquisition and installation

of equipment or machinery that comprise part of the Facilities, (vi) all costs which the School Board or Corporation shall be required to pay for or in connection with additions to, and expansions of Facilities, (vii) all costs which the School Board shall be required to pay to provide improvements, including offsite improvements, necessary for the use and occupancy of Facilities, including road, walkways, water, sewer, electric, fire alarms and other utilities, (viii) any sums required to reimburse the School Board or Corporation for advances made by either of them for any of the above items or for other costs incurred and for work done by them in connection with Facilities, (ix) deposits into any Reserve Account required pursuant to a Supplemental Trust Agreement, (x) fees, expenses and liabilities of the School Board, if any, incurred in connection with the acquisition, construction and installation of Facilities (xi) Costs of Issuance and (xii) interest during construction and for a reasonable period of time up to six (6) months thereafter.

"Costs of Issuance" shall mean the items of expense incurred in connection with the authorization, sale and delivery of a Series of Certificates, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee and any Credit Facility Issuer or provider of a Reserve Account Letter of Credit/Insurance Policy, legal fees and charges, professional consultants' fees, fees and charges for execution, delivery, transportation and safekeeping of Certificates, premiums, costs and expenses of refunding Certificates and other costs, charges and fees in connection with the foregoing.

"Costs of Issuance Subaccount" shall mean a Costs of Issuance Subaccount within an Acquisition Account established pursuant hereto and a Supplemental Trust Agreement in connection with the issuance of a Series of Certificates.

"Credit Facility" shall mean, with respect to a Series of Certificates, the letter of credit, insurance policy, guaranty, surety bond or other irrevocable security device, if any, supporting the obligations of the School Board to make Basic Lease Payments relating to and guaranteeing the payment of principal of and interest in respect of such Certificates.

"Credit Facility Issuer" shall mean, with respect to a Series of Certificates, the issuer of the Credit Facility, if any, for such Series of Certificates.

"Defeasance Securities", except as otherwise provided in a Supplemental Trust Agreement, shall mean direct, non-callable obligations of the United States of America or obligations, full and timely payment of the principal of and interest on which are guaranteed by the full faith and credit of the United States of America.

"District" shall mean the School District of Marion County, Florida.

"Event of Extraordinary Prepayment" shall mean with respect to the School Board's obligations under the Lease one or more of the events so designated in Section 7.2 of the Master Lease and with respect to a series of Certificates, the events set forth in the related Supplemental Trust Agreement, including any option given to a Credit Facility Issuer to have all or a portion of such Certificates prepaid pursuant to and subject to the conditions of Section 4.2 of the Master Lease.

"Excess Earnings" shall mean, with respect to each Series of Certificates, (i) the amount by which the earnings on the Gross Proceeds of such Certificates exceeds the amount which would have been earned thereon if such Gross Proceeds were invested at a yield equal to the yield on the interest portion of the Basic Lease Payments represented by such Certificates, as such yield is determined in accordance with the Code, and (ii) amounts earned on the investment of earnings on the Gross Proceeds of such Certificates.

"Facility" or "Facilities" shall mean the real property, buildings, improvements, equipment, fixtures, furnishings built, installed or established therein, and all appurtenances thereto and interests therein, set forth on a Schedule.

"Facility Site" shall mean the real property upon which a Facility is to be located within the District and more particularly described in a Ground Lease.

"Fiscal Year" shall mean the twelve month fiscal period of the School Board which under current law commences on July 1 in every year and ends on June 30 of the succeeding year.

"General Conditions" shall mean the General Conditions and Supplementary General Conditions of the School Board as in effect from time to time with respect to any Project.

"Gross Proceeds" shall mean, with respect to each Series of Certificates, unless inconsistent with the provisions of the Code, in which case the meaning shall be as provided in the Code, (i) amounts received by or on behalf of the Corporation from the sale of such Certificates; (ii) amounts received as a result of investments of amounts described in (i); (iii) amounts treated as transferred proceeds of such Certificates in accordance with the Code; (iv) amounts treated as proceeds under the provisions of the Code relating to invested sinking funds; (v) securities or obligations pledged, if any, as security for payment of Basic Lease Payments under the Master Lease (which amounts are limited in accordance with Sections 235.056(3) and 236.25(2) (e) Florida Statutes, as amended); (vi) amounts received with respect to obligations acquired with Gross Proceeds; (vii) amounts used to pay principal and interest portions of the Basic Lease Payments

represented by such Certificates; (viii) amounts in any Reserve Account established pursuant to a Supplemental Trust Agreement; and (ix) amounts received as a result of the investment of Gross Proceeds not described in (i) above.

"Ground Lease" shall mean one or more ground leases between the School Board and the Corporation, as amended and supplemented from time to time, pursuant to which the School Board shall ground lease one or more Facility Sites to the Corporation.

"Investment Agreement", except as otherwise provided in a Supplemental Trust Agreement, shall mean an agreement for the investment of moneys entered into by the Trustee with a Qualified Financial Institution, which agreement shall have been approved by the Credit Facility Issuer insuring the Series of Certificates relating to the moneys invested.

"Investment Securities", except as otherwise provided in a Supplemental Trust Agreement, shall mean any of the following securities, if and to the extent the same are at the time legal under State law for investment of the School Board's funds:

(1) direct obligations of or obligations unconditionally guaranteed as to timely payment of principal and interest by the United States of America;

(2) time or demand deposits in "qualified public depositories" fully secured in the manner provided by the laws of the State of Florida;

(3) the Local Government Surplus Funds Trust Fund as described in Section 218.405, Florida Statutes.

"Lease" shall mean each separate Schedule to the Master Lease executed and delivered by the School Board and the Corporation, together with the terms and provisions of the Master Lease.

"Lease Payment Account" shall mean any Lease Payment Account established pursuant to Section 401 hereof by any Supplemental Trust Agreement.

"Lease Payment Date" shall mean, with respect to a Lease, each date set forth on the corresponding Schedule designated as a Lease Payment Date for such Lease.

"Lease Payments" shall mean all amounts payable by the School Board pursuant to the terms of a Lease, including Basic Lease Payments, Additional Lease Payments and Supplemental Payments.

"Lease Term" shall mean the period during which a Lease is in effect, as specified in the Schedule corresponding to such Lease.

"Master Lease" shall mean the Master Lease Purchase Agreement dated as of August 1, 1992, between the Corporation and the School Board, and any and all modifications, alterations, amendments and supplements thereto.

"Net Proceeds" shall mean, with respect to one or more Facilities financed under a Lease, proceeds from any insurance, condemnation, performance bond, Federal or State flood disaster assistance or any other financial guaranty paid with respect to such Facilities, remaining after payment therefrom of all reasonable expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent that the School Board elects to self-insure under Section 5.3 of the Master Lease, shall include any moneys payable from any appropriation made by the School Board in connection with such self-insurance.

"Notice by Mail" shall mean a written notice meeting the requirements of this Trust Agreement mailed by first-class mail to the Certificate holders, at the addresses shown on the register maintained by the Trustee.

"Opinion of Counsel" shall mean an opinion signed by an attorney or firm of attorneys of recognized standing and who are qualified to pass on the legality of the particular matter (who may be counsel to the School Board or Special Tax Counsel) selected by the School Board.

"Outstanding" when used with reference to the Certificates and except as provided in Section 702 hereof, shall mean, as of any date, Certificates theretofore or thereupon being authenticated and delivered under this Trust Agreement except:

(i) Certificates cancelled by, or duly surrendered for cancellation to, the Trustee at or prior to such date;

(ii) Certificates (or portions of Certificates) for the payment or prepayment of which moneys, equal to the principal portion or Prepayment Price thereof, as the case may be, with interest to the date of maturity or Prepayment Date, shall be held in trust under this Trust Agreement and set aside for such payment or prepayment, (whether at or prior to the maturity or Prepayment Date), provided that if such Certificates (or portions of Certificates) are to be prepaid, notice of such prepayment shall have been given as provided in Article III of this Trust Agreement;

(iii) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered pursuant to Article III hereof; and

(iv) Certificates deemed to have been paid as provided in subsection 2 of Section 801 hereof.

Certificates paid from proceeds of a Credit Facility shall not be deemed paid hereunder until the Credit Facility Issuer has been reimbursed in full therefor.

"Payment Date" shall mean a date on which the principal portion or the interest portion of Basic Lease Payments is scheduled to be paid to Certificate holders pursuant to the terms of such Certificates.

"Prepayment Account" shall mean any Prepayment Account established pursuant to Section 401 hereof and in any Supplemental Trust Agreement.

"Prepayment Date" shall mean the date on which optional prepayment, extraordinary prepayment or sinking fund prepayment of Basic Lease Payments represented by a Series of Certificates Outstanding shall be made pursuant to Section 306 hereof and any Supplemental Trust Agreement.

"Prepayment Price" shall mean, with respect to any Certificate, the principal amount thereof (together with the premium, if any, applicable upon an optional prepayment) payable upon prepayment thereof pursuant to such Certificate and this Trust Agreement and any Supplemental Trust Agreement, together with accrued interest represented by such Certificate to the Prepayment Date.

"Project" shall mean the lease purchase financing and construction of the Facilities set forth on a particular Schedule and, if all or a portion of such Facilities shall be comprised of real property, the ground leasing of the related Facility Site by the School Board to the Corporation and the subleasing of such Facility Site back to the School Board.

"Project Fund" shall mean the trust fund designated as the "Project Fund" created and established in Section 401 hereof.

"Purchase Option Price" shall mean, with respect to any Facility financed under a Lease, as of each Lease Payment Date, the Basic Lease Payment then due plus the amount so designated and set forth on the Schedule for such Facility as the Remaining Principal minus any credits pursuant to the provisions of Section 3.2 of the Master Lease, plus, an amount equal to the interest to accrue with respect to the Certificates to be prepaid as a result of the release of such Facility from the Lease, from such Lease Payment Date to the next available date for prepaying such Certificates, unless such prepayment shall occur on such Lease

Payment Date, plus an amount equal to a pro-rata portion of any Additional Lease Payments then due and owing under the Lease relating to such Facility, including any prepayment premiums payable on the corresponding Certificates prepaid.

"Qualified Financial Institution" shall mean a bank, trust company, national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or the Federal National Mortgage Association or any insurance company or other corporation (i) whose unsecured obligations or uncollateralized long term debt obligations have been assigned a rating by a Rating Agency which is not lower than AA/Aa, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated based upon such credit support; or (ii) which collateralizes its obligations at all times at levels in compliance with the requirements of the Rating Agencies for ratings not lower than AA/Aa.

"Rating Agency" shall mean each of Standard & Poor's Corporation, Moody's Investors Service and any other nationally recognized rating service which shall have provided a rating on any Outstanding Certificates.

"Reimbursement Agreement" shall mean any reimbursement agreement between the School Board and any Credit Facility Issuer.

"Reserve Account" shall mean any Reserve Account established pursuant to Section 401 of the Trust Agreement and in any Supplemental Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" shall mean the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by a Qualified Financial Institution in favor of the Trustee which is to be deposited into a Reserve Account in order to fulfill the Reserve Requirement relating thereto.

"Reserve Requirement" shall mean, in regard to a Reserve Account to secure a Series of Certificates, such amounts, if any, as shall be provided in the Supplemental Trust Agreement Authorizing the issuance of such Series and in the Schedule relating thereto, provided such Reserve Requirement shall not exceed the lesser of (i) the maximum Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Year, (ii) one hundred twenty-five percent (125%) of the average Principal Portion and Interest Portion of Basic Lease Payments represented by Certificates of the Series secured by such Reserve Account in the current or any subsequent Fiscal Years, and (iii) ten percent (10%) of the proceeds of such Series of Certificates.

"Schedule" shall mean a schedule to the Master Lease to be executed and delivered by the School Board and the Corporation for each Project, as amended and supplemented from time to time, substantially in the form of Exhibit A to the Master Lease.

"School Board" shall mean The School Board of Marion County, Florida, a body corporate and the governing body of the District.

"Series" or "Series of Certificates" shall mean the aggregate amount of each series of Certificates evidencing an undivided proportionate interest of the owners thereof in one or more particular Leases and the Basic Lease Payments thereunder, issued pursuant to this Trust Agreement and a Supplemental Trust Agreement.

"Special Counsel" shall mean Squire, Sanders & Dempsey, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for Federal income tax purposes of the 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.

"State" shall mean the State of Florida.

"Superintendent" shall mean the Superintendent of Schools of the District.

"Supplemental Payments" shall mean all amounts due under a Lease other than Basic Lease Payments and Additional Lease Payments.

"Supplemental Trust Agreement" shall mean any agreement supplemental or amendatory of this Trust Agreement.

"Trust Agreement" shall mean this Master Trust Agreement dated as of August 1, 1992 entered into by and between the Corporation and the Trustee, as supplemented or amended from time to time and shall include any Supplemental Trust Agreement.

"Trust Estate" shall mean all estate, right, title and interest of the Trustee in and to (a) the Basic Lease Payments, the Master Lease and each Assignment Agreement, and (b) (i) all amounts from time to time deposited in the funds and accounts created pursuant to this Trust Agreement and any Supplemental Trust Agreement in accordance with the provisions of the Master Lease and this Trust Agreement, including investment earnings thereon not required to be rebated to the United States Government; and (ii) any and all monies received by the Trustee pursuant to the provisions hereof and not required to be remitted to the School Board, the Corporation or the Trustee pursuant to the Master Lease or this Trust Agreement including any and all

proceeds received pursuant to Sections 3.6 or 8.2 of the Master Lease and any amounts received pursuant to the Ground Lease.

"Trustee" shall mean Sun Bank, National Association, and its successors or assigns which may at any time be substituted in its place pursuant to the provisions hereof.

SECTION 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof ", "hereto", "herein", "hereunder" and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

SECTION 103. Exhibits. The following Exhibits are attached hereto and by this reference made a part of this Trust Agreement:

Exhibit A. FORM OF CERTIFICATE

Exhibit B. FORM OF REQUISITION

Exhibit C. FORM OF REQUISITION (COSTS OF ISSUANCE)

(END OF ARTICLE I)

ARTICLE II
ASSIGNMENT; DECLARATION OF TRUST;
REPRESENTATIONS

SECTION 201. Assignment Agreements. The Corporation shall assign and transfer to the Trustee its rights under each Lease pursuant to and to the extent described in the corresponding Assignment Agreement, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee shall execute and deliver each Series of Certificates, evidencing an undivided proportionate interest of the Certificate holders in Basic Lease Payments under the corresponding Lease.

SECTION 202. Declaration of Trust by Trustee. The Trustee hereby declares that it holds and will hold the Trust Estate conferred on it by the Corporation hereunder and apply the amounts as hereinafter set forth for the use and benefit of the Certificate holders, as more particularly set forth in Section 305 hereof.

SECTION 203. Representations. In the Master Lease, the School Board has agreed to acquire, construct and install the Facilities as agent for the Corporation pursuant to specifications prepared by the School Board and that the School Board will be responsible for the letting of contracts for the acquisition, construction and installation of the Facilities and supervising the acquisition, construction and installation of the Facilities.

SECTION 204. Description and Estimated Costs of Facilities. The description of the Facilities to be acquired, constructed and installed and leased by the School Board from the Corporation pursuant to the Master Lease and each Schedule and the estimated Costs of such Facilities, shall be set forth in the related Schedule to the Master Lease.

SECTION 205. Conditions Precedent Satisfied. Each party hereto, represents with respect to itself that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and delivery of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto each represents as to itself that it is now duly empowered to execute and deliver this Trust Agreement.

(END OF ARTICLE II)

ARTICLE III

CERTIFICATES; TERMS AND PROVISIONS

SECTION 301. Authorization of Certificates.

(a) The number of Series of Certificates which may be issued under this Trust Agreement is not limited. The aggregate principal amount of Certificates of each Series which may be issued, authenticated and delivered under this Trust Agreement is not limited except as set forth in the Supplemental Trust Agreement providing for the issuance of such Series.

(b) The Certificates issuable under this Trust Agreement shall be issued in such Series as may from time to time be created in connection with one or more Schedules. Each Series shall be designated "Certificates of Participation, Series ____, Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be Made by the School Board of Marion County, Florida as Lessee, Pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor". The Certificates shall, if and when authorized by this Trust Agreement and any Supplemental Trust Agreement, be designated by Series and with such further appropriate particular designations added to or incorporated in such title for the Certificates of any particular Series as the Board may determine and as may be necessary to distinguish such Certificates from the Certificates of any other Series.

SECTION 302. Execution and Delivery of Certificates. Each Series of Certificates shall be authorized by the Corporation at the request of the School Board and executed and delivered by the Trustee subject to the provisions of this Trust Agreement for the purpose of (a) financing the cost of acquisition, construction and equipping of any Facilities, (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities, (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates theretofore executed and delivered, (e) funding a Reserve Account in an amount equal to the Reserve Requirement applicable thereto, (f) capitalizing the interest portion of Basic Lease Payments during construction and (g) paying the Costs of Issuance applicable thereto.

Each Series of Certificates shall be substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as necessary to conform to the provisions of this Trust Agreement and the related Supplemental Trust Agreement with respect to any particular Series of Certificates, including any use of a book entry only

systems as described in Section 317 hereof. All Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rule and regulations of any governmental authority or of any securities exchange on which the Certificates may be listed or any usage or requirement of law with respect thereto.

SECTION 303. Terms of Series of Certificates. Certificates may be executed and delivered at any time and from time to time in one or more Series, upon such terms and conditions as may then be permitted by law and as shall be determined by the Corporation and provided in the respective Supplemental Trust Agreement under which such Series of Certificates are authorized. Certificates of any Series:

(a) shall be dated, shall represent interest at a rate not in excess of the maximum rate then permitted by applicable law, and shall be payable and mature in such amounts and at such time or times, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(b) shall be payable, as to the principal portion, Prepayment Price, if applicable, and interest portion of such Series of Certificates, at such place or places in lawful money of the United States of America and may have such registration privileges and such exchange privileges as may be provided in the Supplemental Trust Agreement creating such Series of Certificates and allowable under then existing law;

(c) shall have such particular designations added to their title, and shall be in such form and denominations, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(d) shall be limited as to the maximum principal amount thereof which may be delivered by the Trustee or which may be at any time Outstanding, as provided in the Supplemental Trust Agreement creating such Series of Certificates;

(e) may contain provisions for the prepayment thereof at such Prepayment Price or Prices, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease, as may be provided in the Supplemental Trust Agreement creating such Series of Certificates;

(f) may have provisions requiring mandatory payments for the purchase and sinking fund prepayment of such Series of Certificates, in such amounts, at such time or times, upon such notice, in such manner, and upon such other terms and conditions, not inconsistent with the provisions hereof and the terms of the Master Lease as shall be set forth in such Supplemental Trust Agreement;

(g) may contain such other provisions and such other special terms and conditions, not contrary to the provisions hereof, as may be provided in such Supplemental Trust Agreement;

(h) shall be payable from and secured by the Trust Estate, but solely to the extent provided in and subject to the limitations of Section 305 hereof.

SECTION 304. Conditions Precedent to Delivery of a Series of Certificates. The Trustee shall execute and deliver one or more Series of Certificates for the purposes set forth in Section 302 hereof to the purchaser or purchasers thereof as requested and authorized by the Corporation in accordance with the provisions of this Section 304.

Prior to the delivery by the Trustee of any Series of Certificates there shall have been received by the Trustee:

(a) A Supplemental Trust Agreement providing for the terms and conditions upon which such Series of Certificates shall be executed and delivered by the Trustee;

(b) An executed counterpart of a corresponding Schedule to the Master Lease (or amended Schedule in the case of Certificates issued for the purposes as described in Section 302(b) above) effective on or before the date of execution and delivery of such Series of Certificates, providing for (i) Lease Payments payable under such Schedule at least equal to the principal portion of, Prepayment Price, if applicable, and interest portion represented by such Series of Certificates, and (ii) the disposition of the proceeds of the sale of such Series of Certificates, including the acquisition, construction, equipping or improvement of the Facilities to be financed from the proceeds of such Series of Certificates or the payment or refunding of the Series of Certificates to be paid or refunded;

(c) An executed counterpart of an Assignment Agreement, effective on or before the date of execution and delivery of such Series of Certificates, assigning and transferring to the Trustee all of the rights of the Corporation under the Lease relating to such Series of Certificates, except for the provisions with respect to release and indemnity of the Corporation and the right of the Corporation to receive its servicing fee and notices under the Master Lease;

(d) An Opinion of Special Counsel to the effect that the interest portion of the Basic Lease Payments represented by the Series of Certificates being issued is excludable from gross income for Federal income tax purposes, and, in the case of refunding Certificates, that the exclusion from gross income for Federal income tax purposes of the interest portion of the Basic Lease Payments represented by the Certificates being refunded

will not be adversely affected by the issuance of the refunding Certificates being issued;

(e) A written order to the Trustee by an Authorized Corporation Representative to execute and deliver the Series of Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified sum;

(f) Certified copies of authorizing resolutions of the Corporation and the School Board;

(g) Evidence of approval of the related Lease by the State Department of Education, or an opinion of Special Counsel to the effect that such approval is not required;

(h) Such other documents and opinions as may be provided for in the Supplemental Trust Agreement referred to in subparagraph (a) hereof, including one or more Ground Leases (or amended Ground Leases in the case of Certificates issued for the purposes described in Section 302(b) above), or as may be required under Section 6.1 of the Master Lease; and

(i) One or more Opinions of Counsel in form and substance satisfactory to each Credit Facility Issuer to the effect that the issuance of such Series of Certificates for the purposes set forth in Section 302 is authorized by law, and the execution and delivery thereof and of the other documents described in this Section have been duly authorized by the School Board and the Corporation, all conditions precedent to the delivery thereof have been fulfilled and to the further effect that the execution of the Supplemental Trust Agreement is authorized or permitted hereunder.

The proceeds of such Series of Certificates shall be held and disbursed as provided herein and in the Supplemental Trust Agreement providing for such Series of Certificates. The Trustee shall execute and deliver such Series of Certificates to the purchaser or purchasers thereof as directed and authorized in writing by an Authorized Corporation Representative.

Notwithstanding anything herein to the contrary, no Series of Certificates shall be issued pursuant to this Section unless the Trustee shall have received a certificate signed by an Authorized Corporation Representative to the effect that the Master Lease is in effect and to its knowledge there are no defaults, nor have any events of nonappropriation occurred, at the time of issuance under any Lease or this Trust Agreement and that the School Board has not declared its intent not to appropriate funds pursuant to Section 3.5 of the Master Lease.

SECTION 305. Payments from Trust Estate Only; Distribution of Trust Estate.

1. Unless otherwise set forth in the Supplemental Trust Agreement authorizing the issuance of more than one Series of Certificates, each Certificate within a Series of Certificates executed and delivered pursuant to this Section shall rank pari passu and be equally and ratably secured under this Trust Agreement with each other Certificate of such Series, but not with any Certificates of any other Series issued pursuant to this Trust Agreement and Outstanding, without preference, priority or distinction of any such Certificate over any other such Certificate of such Series, except that to the extent that Basic Lease Payments available for payment to all Certificate holders are less than all amounts owed with respect to all Series of Certificates on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificate holders of all Series in accordance with the ratio that the principal balance of each Series of Certificates outstanding bears to the total amount of Certificates outstanding under this Trust Agreement.

2. Except as otherwise expressly provided in the immediately preceding paragraph and elsewhere herein, all amounts payable by the Trustee with respect to interest portions and principal portions of a Series of Certificates or to any Credit Facility Issuer who shall have issued a Credit Facility, if any, securing such Series pursuant to this Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Lease Payments made pursuant to the Lease corresponding to such Series and only to the extent that the Trustee shall have actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments. Each Certificate holder agrees, and each such Credit Facility Issuer, by its execution and delivery of a Credit Facility shall be deemed to have agreed, except as otherwise expressly provided herein, to look solely to the income of and the proceeds from such portion of the Trust Estate to the extent available for distribution to such holder and each such Credit Facility Issuer as herein provided and that the Trustee is not personally liable to any Certificate holder or any such Credit Facility Issuer for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except liability under this Trust Agreement as a result of negligence or willful misconduct by the Trustee.

3. So long as the Master Lease or related Ground Leases shall be in effect, all amounts of (a) Lease Payments, (b) insurance proceeds, (c) indemnity payments and (d) other payments of any kind which constitute, or upon deposit with the Trustee would constitute, a part of the Trust Estate, payable to the Trustee under this Trust Agreement or the Lease corresponding to such Series, shall be paid directly to the Trustee for distribution, in accordance with Articles III, V, VI and VII of this Trust Agreement, to or for the Certificate holders or the related Credit Facility Issuer, as the case may be.

SECTION 306. Execution.

1. The Certificates shall be executed in the name of, and by, the Trustee, as trustee under the Trust Agreement, by the manual signature of any authorized signatory of the Trustee. In case any officer whose signature shall appear on any Certificates shall cease to be such officer before the delivery of such Certificates, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Any Certificates may be signed by such officer who as of the actual time of the execution of such Certificates would be the proper officer to sign such Certificates although at the dated date of such Certificates such officer may not have been an authorized officer.

2. Certificates, upon surrender thereof at the principal corporate trust office of the Trustee with a written instruction satisfactory to the Trustee, duly executed by the Certificate holder or his/her attorney duly authorized in writing, may, at the option of the Certificate holder and upon payment by such Certificate holder of any charges which the Trustee may make as provided in Section 308 hereof, be exchanged for an equal aggregate principal amount of registered Certificates of the same Series and maturity of any other authorized denominations.

SECTION 307. Negotiability Transfer and Registration.

1. The Trustee shall maintain, at its principal corporate trust office, a register of the names and addresses of all Certificate holders as of any particular time, and the Trustee shall, upon request of the School Board, furnish such information to the School Board.

2. Each Certificate shall be transferable only upon the register maintained by the Trustee, by the Certificate holder in person or by his/her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate holder or his/her attorney duly authorized in writing. Upon the registration of transfer of any such Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same Series, aggregate principal amount and maturity as the surrendered Certificate.

3. The person in whose name any Certificate shall be registered upon the books of the Trustee shall be treated as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal portion or Prepayment Price, if applicable, and interest portion represented by such Certificate and for all other purposes, and all such payments so made to any

such Certificate holder or upon his/her order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee, the Corporation and the School Board shall not be affected by any notice to the contrary.

4. Certificates, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Certificate holder or his/her attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Certificate holder thereof, be exchanged for an equal aggregate principal amount of Certificates of the same maturity and Series, of any denomination or denominations authorized by this Trust Agreement, representing interest at the same rate, and in the same form as the Certificates surrendered for exchange.

SECTION 308. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Certificates or registering the transfer of Certificates is exercised, the Trustee shall execute and deliver Certificates in accordance with the provisions of this Trust Agreement. All Certificates surrendered in any such exchanges or registrations of transfer shall forthwith be cancelled by the Trustee. For every such exchange or registration of transfer of Certificates, whether temporary or definitive, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Trustee shall not be required (a) to register the transfer of or exchange Certificates for a period of fifteen (15) days preceding any Payment Date until such Payment Date, or for a period of fifteen (15) days preceding any selection of Certificates to be prepaid until after the mailing of any notice of prepayment; or (b) to register the transfer of or exchange any Certificates called for prepayment.

SECTION 309. Certificates Mutilated, Destroyed, Stolen or Lost. In case any Certificates shall become mutilated or be destroyed, stolen or lost, the Trustee shall execute and deliver a new Certificate of the same Series and of like maturity and principal amount as the Certificate so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Certificate, or in lieu of and substitution for the Certificate destroyed, stolen or lost, upon surrender of such mutilated Certificate or filing with the Trustee of evidence satisfactory to the Trustee that such Certificate has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Trustee with indemnity satisfactory to the Trustee and the Credit Facility Issuer and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Trustee may incur. All Certificates so surrendered to the Trustee shall be cancelled by it. Any such new Certificates executed and delivered pursuant to this Section in substitution for Certificates alleged to be destroyed, stolen or lost shall be

equally secured by and entitled to equal and proportionate benefits, with all other Certificates of such Series delivered under the Trust Agreement and Outstanding.

SECTION 310. Temporary Certificates. Until the definitive Certificates are prepared, the Trustee may execute and deliver, in the same manner as is provided in Section 306, in lieu of definitive Certificates, one or more temporary Certificates of the same Series and substantially of the tenor of the definitive Certificates in lieu of which such temporary Certificate or Certificates are issued, in denominations of $5,000 or any multiples thereof, and with such omissions, insertions and variations as may be appropriate for temporary Certificates. The Trustee, at the expense and direction of the School Board, shall prepare and execute and, upon the surrender of such temporary Certificates, and the cancellation of such surrendered temporary Certificates, the Trustee shall without charge to the Holder thereof, in exchange therefor, deliver definitive Certificates of the same series, of the same aggregate principal amount and maturity as the temporary Certificates surrendered. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefits and security as definitive Certificates of the same Series executed and delivered pursuant to the Trust Agreement.

SECTION 311. Privilege of Prepayment and Prepayment Price. Certificates subject to prepayment prior to maturity pursuant to this Trust Agreement may be prepaid, upon notice given as provided in this Article III, at such times, at such Prepayment Prices and upon such terms as specified in this Article III and in the Supplemental Trust Agreement authorizing the issuance of such Certificate.

SECTION 312. Prepayment. Whenever by the terms of this Trust Agreement, the Certificates are required to be prepaid, the Trustee shall select the Certificates to be prepaid in accordance with the provisions of Section 313 hereof. The Trustee shall, at the direction of the School Board or the Credit Facility Issuer, as the case may be, designate a Prepayment Date, and give the notice of prepayment and pay the Prepayment Price thereof, but only from the sources provided herein and in the applicable Supplemental Trust Agreement, plus interest accrued and unpaid to the Prepayment Date, in accordance with the terms of this Article III and the related Supplemental Trust Agreement. The Trustee shall not give any such notice with respect to any extraordinary prepayment (other than with respect to a prepayment to be made at the direction of a Credit Facility Issuer pursuant to the related Supplemental Trust Agreement or in the event of a current or advance refunding of a series of Certificates) unless there has been deposited with the Trustee sufficient funds to pay the applicable Prepayment Price of the Certificates to be prepaid.

SECTION 313. Selection of Certificates to be Prepaid. If less than all of the Certificates of a Series shall be called

for prepayment, the particular Certificates or portions of Certificates to be prepaid shall be in multiples of $5,000 and, except as otherwise provided in a Supplemental Trust Agreement with respect to any particular Series of Certificates, such Certificates or portions of Certificates shall be prepaid in such order of maturity as shall correspond to the due dates of the principal portions of Basic Lease Payments due under the Lease by the School Board in connection with its prepayment of the Principal Portion of Basic Lease Payments represented by such Certificates or portions thereof. If less than all of the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than $5,000 to be prepaid shall be in the principal amount of $5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates of $5,000 denomination which is obtained by dividing the principal amount of such Certificate to be prepaid in part by $5,000.

SECTION 314. Notice of Prepayment. When prepayment of Certificates is required pursuant to Section 312 hereof, the Trustee shall give notice of the prepayment of such Certificates, at the expense of the School Board, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice), the prepayment date and the place or places where amounts due upon such prepayment will be payable and, if less than all of the Certificates of a Series are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amounts thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable with respect to each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof to be prepaid in part only, together with the interest portion accrued to the Prepayment Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 days nor more than 60 days before the Prepayment Date in the case of optional prepayment or extraordinary prepayment resulting from damage, destruction or condemnation of Facilities or excess moneys in the Acquisition Account pursuant to paragraph 5. of Section 402 hereof or Sinking Fund Prepayment, and not less than 5 days nor more than 10 days before the Prepayment Date in the case of extraordinary prepayment after termination of all Leases as a result of nonappropriation or default by the School Board, to the Holders of any Certificates or portions of Certificates which are to be prepaid, at their last addresses appearing upon the registry

books, but any defect in the notice to a particular Certificate holder shall not affect the validity of the proceedings for the prepayment of other Certificates. Notwithstanding anything in this Section 314 to the contrary, the Trustee shall not give notice that the Certificates are subject to optional prepayment pursuant to a Supplemental Trust Agreement unless and until the School Board shall have deposited with the Trustee to the credit of the related Prepayment Account an amount sufficient to pay in full the principal of the Certificates subject to prepayment, plus accrued interest and premium, if any, on such Certificates to the date established for such prepayment. Notice of such prepayment shall be provided to any depository not less than two days prior to mailing of such notice.

SECTION 315. Payment of Prepaid Certificates. Notice having been given in the manner provided in Section 314, the Prepayment Price of the Certificates or portions thereof so called for prepayment shall become due and payable on the Prepayment Date so designated at the Prepayment Price, plus the interest portion accrued and unpaid to the Prepayment Date, and, upon presentation and surrender thereof at the office specified in such notice such Prepayment Price of the Certificates, or portions thereof shall be paid. If there shall be selected for prepayment less than all of the Certificates, the Trustee shall execute and deliver, upon the surrender of such Certificates, without charge to the owner thereof, for the aggregate balance of the principal amount of the Outstanding Certificates so surrendered, at the option of the owner thereof, Certificates of like maturity in any of the authorized denominations. If, on the Prepayment Date, moneys for the payment of the Prepayment Price of all the Certificates of a Series or portions thereof of any like maturity to be prepaid, shall be held by the Trustee so as to be available therefor on the Prepayment Date and if notice of prepayment shall have been given as aforesaid, then, from and after the Prepayment Date the interest portion of the Certificates or portions thereof of such maturity so called for prepayment shall cease to accrue and become payable. If said moneys shall not be so available on the Prepayment Date, the principal portion represented by such Certificates or portions thereof shall continue to bear interest until paid at the same rate as would have accrued had it not been called for prepayment.

SECTION 316. Cancellation of Certificates. All Certificates paid or prepaid, either at or before maturity, shall be delivered to the Trustee when such payment or prepayment is made, and such Certificates shall thereupon be promptly cancelled and destroyed within six months. Upon the cancellation and destruction of any Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in triplicate by the signature of one of its authorized officers describing the Certificates so cancelled, and executed certificates shall be filed with the School Board and the Corporation and the other executed certificate shall be retained by the Trustee.

SECTION 317. Qualification for The Depository Trust Company. The Trustee is hereby authorized at the direction of the School Board to take such actions as may be necessary from time to time to qualify any Series of Certificates for deposit with The Depository Trust Company of New York, as provided in the Supplemental Trust Agreement providing for such qualification provided, however, that the Trustee shall not be liable with respect to any such arrangements it may make pursuant to this Section.

(END OF ARTICLE III)

ARTICLE IV

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS; PREPAYMENT OF CERTIFICATES

SECTION 401. Establishment of Project Fund. There is hereby established with the Trustee a special trust fund to be designated as the "Project Fund". The Trustee shall keep the Fund separate and apart from all other funds and moneys held by it. Within the Fund, the Trustee shall establish pursuant to each Supplemental Trust Agreement the following accounts and subaccounts for each Series of Certificates: (a) an Acquisition Account and a Cost of Issuance Subaccount therein, more particularly described in Section 402 hereof; (b) a Capitalized Interest Account more particularly described in Section 403 hereof; (c) a Lease Payment Account, more particularly described in Section 404 hereof; (d) a Reserve Account, more particularly described in Section 405 hereof; and (e) a Prepayment Account, more particularly described in Section 406 hereof. The Trustee shall establish separate Acquisition Accounts, Cost of Issuance Subaccounts, Lease Payment Accounts, Reserve Accounts and Prepayment Accounts for each Project. Each such account and subaccount shall be designated by the Trustee with the Series of the Certificates to which they relate.

On the date of delivery of each Series of Certificates the Trustee shall deposit the proceeds thereof as provided in the Schedule or Schedules and the Supplemental Trust Agreement authorizing such Series of Certificates.

SECTION 402. Acquisition Account.

1. There shall be paid into each Acquisition Account the amounts required to be so paid by the provisions of the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

2. Pursuant to an election by the School Board under Section 5.4(a) of the Master Lease, Net Proceeds with respect to any Facilities, may be deposited into the Acquisition Account established under the Supplemental Trust Agreement authorizing the issuance of the Series of Certificates to which such Acquisition Account relates.

3. The Cost (other than the Costs of Issuance) of the Facilities comprising each Project shall be paid from the amounts on deposit in the related Acquisition Account. Actual amounts paid for particular Facilities may be more or less than the estimated amounts set forth initially in a Schedule, so long as the certifications provided below can be made. The Trustee shall make such payments upon receipt of a requisition substantially in the form of Exhibit B hereto, signed by an Authorized School Board Representative certifying with respect to each payment to be made: (1) the requisition number, (2) the name

and address of the person, firm, corporation or agency to whom payment is due or has been made, (3) the amount to be paid, (4) that each obligation, item of cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities comprising the related Project and has not been the basis of any previous withdrawal, and (5) that the payment of the Cost of the Facilities comprising such Project will not cause the balance remaining in such Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from such account or that sufficient other moneys are available therefor. Payments may be made from such Acquisition Account in order to reimburse the School Board for payments previously made to pay the Costs of the Facilities comprising such Project. The Trustee shall be fully protected in relying on the assertions contained in requisitions submitted pursuant to Section 603 hereof.

Payments shall be made by the Trustee from the Acquisition Account for Costs of land in accordance with the following:

(i) Receipt by the Trustee and the related Credit Facility Issuer of a title insurance policy and Opinion of Counsel, if required by such Credit Facility Issuer pursuant to Section 6.1 of the Master Lease or any particular Schedule or Supplemental Trust Agreement (the Trustee shall be notified in writing of such requirement);

(ii) An executed Schedule or Amendment to the related Schedule describing the land and the cost thereof;

(iii) An executed Ground Lease or amendment to the related Ground Lease adding such parcel of land thereto and evidence of the School Board's compliance with Section 235.056(2)(a), Florida Statutes, with respect thereto;

(iv) A "Phase I" environmental audit relating to the land prepared by an independent engineer or other qualified consultant acceptable to the applicable Credit Facility Issuer and the Corporation;

(v) A copy of a recent survey plat of the land in question prepared, sealed and certified to the School Board and the Trustee by a licensed Florida surveyor, in form satisfactory to the School Board;

(vi) A report on soil conditions and an engineer's certification in form and substance acceptable

to the School Board confirming the feasibility of the proposed construction; and

(vii) Certification by the School Board that adequate water, sanitary sewer and storm sewer utilities, electric power, telephone and other utilities are available to the land, or the cost of making them available is included in the School Board's acquisition and construction budget.

Before payment is made pursuant to requisition for real estate improvements, regardless of whether the underlying land was previously owned by the School Board or is being acquired with Certificate proceeds, there shall be provided to the Trustee items (i) through (vii) above with respect to the land underlying such real estate improvements.

4. Costs of Issuance of Certificates shall be paid from the related Cost of Issuance Subaccount in the related Acquisition Account upon receipt by the Trustee of a requisition substantially in the form of Exhibit C hereto, signed by an Authorized School Board Representative stating with respect to each payment to be made: (1) the requisition number, (2) the name and address of the person, firm, corporation or agency to whom payment is due, (3) the amount to be paid and (4) that such payment obligation has been properly incurred, is a Cost of Issuance for the related Project and has not been the basis of a previous withdrawal.

5. The completion of the acquisition, construction and installation of the Facilities comprising each Project financed under a particular Lease shall be evidenced by a certificate of the School Board in the form attached as Exhibit B to the Master Lease, which certificate shall be filed with the Trustee upon completion of acquisition of such Facilities. Upon the filing of such certificate any amounts remaining in the related Acquisition Account shall be transferred to the related Lease Payment Account and applied as a credit to Basic Lease Payments due under the particular Schedule with respect to which such surplus is applicable, in accordance with Section 3.2(B) of the Master Lease or if there shall remain in the related Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease, transferred to the related Prepayment Account and utilized to prepay the related Series of Certificates at a price of par plus interest accrued to the date of prepayment, in the manner provided in the related Supplemental Trust Agreement.

6. In the event that a Lease Term terminates under Section 4.1 of the Master Lease prior to certification by the School Board of the completion of the acquisition, construction and installation of the Facilities comprising the

related Project as provided in paragraph 5. above, the Trustee shall transfer all amounts remaining in the related Acquisition Account as provided in paragraph 5. above.

SECTION 403. Capitalized Interest Accounts. Funds in each Capitalized Interest Account relating to a Series of Certificates shall be transferred to the related Lease Payment Account in an amount necessary to pay the interest portion of Lease Payments coming due during construction represented by such Series of Certificates on the dates set forth in the applicable Supplemental Trust Agreement. Such transfer shall be made on each Payment Date for such Series, until the amounts in such Capitalized Interest Account are exhausted.

SECTION 404. Lease Payment Accounts.

1. In addition to the moneys required to be deposited in a Lease Payment Account pursuant to Sections 401, 402 and 408 hereof and except as provided in Section 406.2 hereof, all Basic Lease Payments for the Facilities financed under a Lease shall be deposited by the Trustee in the related Lease Payment Account immediately upon their receipt. The Trustee shall pay out of such Lease Payment Account, (i) on each Payment Date, the amount required for the interest portion of the Basic Lease Payments for such Facilities payable on such date to the related Certificate holders, (ii) on each Payment Date the amount required for the principal portion of the Basic Lease Payments for such Facilities payable on such date to the related Certificate holders, and (iii) in the event of the termination of the related Lease Term pursuant to Section 4.1(d) of the Master Lease, for deposit in the related Prepayment Account to be applied to the prepayment of the related Certificates pursuant to Section 315 hereof, amounts on deposit in the related Lease Payment Account sufficient to pay the Prepayment Price of the related Certificates.

2. Pursuant to an election by the School Board under Section 5.4(b) of the Master Lease, Net Proceeds with respect to Facilities in an amount equal to less than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to such Facilities shall be deposited in the related Lease Payment Account to be credited against Basic Lease Payments next coming due under the related Lease in accordance with Section 3.2(c) of the Master Lease.

SECTION 405. Reserve Accounts. Pursuant to the Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal or interest portion of the Basic Lease Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established.

(a) If on any Payment Date, the amounts in any Lease Payment Account are less than the interest and principal portions of Basic Lease Payments then due in relation to a Series of Certificates for which a Reserve Account was established, the Trustee shall transfer, from the related Reserve Account established in relation to such Series of Certificates to such Lease Payment Account an amount sufficient to make up any deficiency therein. In the event of any such transfer, the Trustee, shall, within five (5) days after making such transfer, provide written notice to the School Board of the amount and date of such transfer and the School Board shall, within thirty (30) days of receipt of such written notice, pay from moneys budgeted and appropriated as Basic Lease Payments during the current Fiscal Year as Supplemental Payments to the Trustee for deposit into the appropriate Reserve Account an amount necessary to cause the moneys in each such Reserve Account to be equal to the Reserve Requirement applicable thereto.

(b) The Trustee is hereby authorized to accept a Reserve Account Letter of Credit/Insurance Policy and any subsequent Reserve Account Letter of Credit/Insurance Policy provided by the School Board in satisfaction of the Reserve Requirement for a Reserve Account pursuant to Section 3.1 of the Master Lease. To the extent necessary to comply with this Section, the Trustee is hereby directed to take any and all actions required to draw on the Reserve Account Letter of Credit/Insurance Policy and any subsequent Reserve Account Letter of Credit/Insurance Policy deposited in the related Reserve Account.

(c) Moneys and/or draws under a Reserve Account Letter of Credit/Insurance Policy in each Reserve Account shall only be used for the purpose of making up for deficiencies in the Lease Payment Account relating thereto in the event that moneys therein are less than the principal and interest portion of Basic Lease Payments relating thereto then due on any Payment Date.

(d) If on any Payment Date, the amount of all payments due and payable on a Series of Certificates exceeds the amount on hand in the Lease Payment Account relating to such Series, taking into account any transfers made from the related Reserve Account which was established for the benefit of such Series pursuant to paragraphs (a) and (b) above, the Trustee shall apply the moneys on hand therein first to the payment of all past due interest portions of Basic Lease Payments represented by such Series of Certificates, and, second, to the payment of that portion of the unpaid principal portions of Basic Lease Payments represented by such Series of Certificate which is then past due. All such payments shall be applied on a pro rata basis.

(e) Whenever the moneys in the related Lease Payment Account and Reserve Account (exclusive of any amounts available to be drawn under a Reserve Account Letter of

Credit/Insurance Policy) shall be sufficient to pay the principal and interest portions of all Basic Lease Payments represented by a Series of Certificates, moneys in the related Reserve Account shall be deposited to the appropriate Lease Payment Account as required to pay the Series of Certificates, and no further Basic Lease Payments shall be required under the Lease relating to such Series of Certificates.

(f) If, after the date Certificates are prepaid pursuant to the provisions of Article III and Section 406 hereof, the moneys in a Reserve Account established for a Series of Certificates exceed the Reserve Requirement applicable thereto then in effect, adjusted to reflect such prepayment, or the Reserve Requirement is decreased for any other reason, the Trustee shall deposit any such excess to the Lease Payment Account relating to such Series of Certificates.

SECTION 406. Prepayment Accounts.

1. Except as may be otherwise provided in the Supplemental Trust Agreement authorizing the issuance of a Series of Certificates, the Trustee shall apply moneys in each Prepayment Account as provided in this Section 406. Amounts in a Prepayment Account shall be applied as soon as practicable and in any event within 13 months after deposit therein, to the prepayment of Certificates of the related Series.

2. The Trustee shall deposit in each Prepayment Account as received, all moneys, if any, paid to it for such purpose by the School Board pursuant to provisions of Section 7.2 of the Master Lease. In the event of the occurrence of an Event of Extraordinary Prepayment pursuant to an election under Section 5.4(b) of the Master Lease, the Trustee shall deposit in the related Prepayment Account the Net Proceeds certified for deposit to the Prepayment Account by the School Board. Also, in the event of an extraordinary prepayment of all or a portion of the Certificates, the Trustee shall deposit in the related Prepayment Account the moneys received by it pursuant to and in accordance with Section 504 hereof and the moneys paid to it by the related Credit Facility Issuer for such purpose, and shall transfer to the related Prepayment Account from moneys on hand in the related Lease Payment Account which are not needed to pay the principal portion and interest portion due or past due represented by the related Series of Certificates, an amount sufficient to pay the Prepayment Price of such Certificates to be prepaid. All of said moneys deposited in or transferred to the Prepayment Account shall be set aside in the corresponding Prepayment Account for the purpose of prepaying a principal amount of the related Series of Certificates corresponding to the principal portion of Basic Lease Payments prepaid or to the principal portion of the Purchase Option Price of all or a portion of the related Facilities, as the case may be, and shall be applied on or after the Prepayment Date to the payment of such principal amount of the related Series of Certificates, together with the accrued

interest relating thereto, upon presentation and surrender of such Certificates.

SECTION 407. Deposits of Money.

1. All moneys deposited under the provisions of this Trust Agreement with the Trustee shall be held in trust and applied only in accordance with the provisions of this Trust Agreement, and the Project Fund established by this Trust Agreement shall be a trust fund for the purposes thereof.

2. All moneys held under this Trust Agreement by the Trustee shall be invested in accordance with Section 408 hereof, provided, however, that it shall not be necessary for the Trustee to give or obtain security for the deposit of any moneys held in trust and set aside by it for the payment of the principal portion or Prepayment Price of or interest portion of the Basic Lease Payments represented by any Certificates, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

3. All moneys deposited with the Trustee shall be credited to the particular account to which such moneys belong.

SECTION 408. Investment of Certain Accounts.

1. Moneys held in each Acquisition Account, Capitalized Interest Account, Lease Payment Account, and Prepayment Account shall be invested and reinvested by the Trustee, solely as directed by an Authorized School Board Representative, to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts, provided that moneys in each Acquisition Account shall not be invested in Investment Agreements maturing more than three (3) years after the date of investment, and provided, further, that moneys in each Reserve Account shall be invested in Investment Securities with maturities not longer than five (5) years. The Trustee shall make all such investments of moneys held by it only as directed in accordance with instructions (which may be standing instructions) confirmed in writing, received from an Authorized School Board Representative.

2. Subject to the first sentence of Section 409, interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investments and net of amounts deemed Excess Earnings) earned on any moneys or investments in an Acquisition Account shall be either (a) at the direction of an Authorized School Board Representative retained in such account until delivery of a Certificate of Acceptance under a Lease, or (b) automatically transferred to the related Lease Payment Account without need for any requisition or other direction and, together with interest earnings on investments in such Lease Payment Account, applied on the next

occurring Lease Payment Date as a credit against the Basic Lease Payment then due on such date under the related Lease and deemed to be payment of the interest portion thereof. Interest earned on any moneys or investments in each Cost of Issuance Subaccount shall be deposited in the related Acquisition Account. Interest and other income received by the Trustee from investments of moneys on deposit in each Reserve Account and the related Capitalized Interest Account, if any, shall, prior to the date of delivery of a Certificate of Acceptance under a Lease, be deposited in the Acquisition Account, and after such date, be deposited in the related Lease Payment Account; provided, however, that all interest and other income received by the Trustee on investment of a Reserve Account shall be retained therein in the event that amounts on deposit in such Reserve Account are less than the Reserve Requirements applicable thereto. Interest earned on moneys and investments in a Prepayment Account shall be applied on the next ensuing Prepayment Date toward payment of amounts due to the related Certificate holders, in accordance with the provisions of Article III hereof.

3. Nothing in this Trust Agreement shall prevent any Investment Securities acquired as investments of funds held under this Trust Agreement from being issued or held in book-entry form on the books of the Department of the Treasury of the United States of America.

SECTION 409. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Account created under the provisions of this Trust Agreement shall be deemed at all times to be a part of such Account and any profit realized from the liquidation of such investment shall be credited to, and any loss resulting from the liquidation of such investment shall be charged to, the computation of net interest earned on the moneys and investments of such Account.

In computing the amount in any Account created under the provisions of this Trust Agreement for any purpose provided in this Trust Agreement, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations plus accrued interest. Such computation shall be determined as and when needed. Investments in a Reserve Account shall be valued annually.

The Trustee shall sell at the best price reasonably obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever it shall be requested in writing by the Authorized School Board Representative so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account or subaccount held by it. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any Account mentioned in the preceding sentence, transfer such investment obligations or

interest appertaining thereto if such investment obligations shall mature or be collectible at or prior to the time the proceeds thereof shall be needed and such transfer of investment obligations may be made in book entry form. The Trustee shall not be liable or responsible for any loss occasioned by the investment of moneys pursuant to the direction of an Authorized School Board Representative in the manner provided above.

If at any time after investment therein the Trustee has actual knowledge that an investment ceases to meet the criteria set forth in the definition of Investment Securities and such obligation, aggregated with other non-conforming investments, exceeds ten percent (10%) of invested funds, such investment shall be sold or liquidated unless otherwise approved by the Credit Facility Issuer.

Investments (except investment agreements) in funds and accounts hereunder shall be valued at the market value thereof, exclusive of accrued interest, by the Trustee as frequently as deemed necessary by the Credit Facility Issuer, but no less often than semi-annually nor more often than monthly.

Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored within one year of the valuation date.

Investments purchased with funds on deposit in the Lease Payment Account and Prepayment Account shall mature not later than the payment date or redemption date, as appropriate, immediately succeeding the investment. Investments purchased with funds on deposit in the Acquisition Account shall mature not later than the dates upon which such funds shall need to be expended for such construction.

If the investment in repurchase agreements is authorized in any Supplemental Trust Agreement, the Trustee shall terminate any such repurchase agreement in which funds are invested hereunder upon a failure of the counterparty thereto to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

If investment in Investment Agreements is authorized in any Supplemental Trust Agreement, the Trustee shall give notice to any provider of an Investment Agreement in which funds are invested hereunder in accordance with the terms of the Investment Agreement so as to receive funds thereunder with no penalty or premium paid.

The Trustee shall, upon actual knowledge of a default under a repurchase or investment agreement or the withdrawal or suspension of either of the ratings of an investment agreement provider in which funds are invested hereunder or a drop in the

ratings thereon below "A", so notify the Credit Facility Issuer, and, if so directed by the Credit Facility Issuer, shall demand further collateralization of the agreement or liquidation thereof.

(END OF ARTICLE IV)

ARTICLE V
COVENANTS, DEFAULT AND LIMITATIONS OF LIABILITY

SECTION 501. Trustee to Perform each Lease. The Trustee covenants and agrees with the Certificate holders and each Credit Facility Issuer, if any, subject to the provisions of this Trust Agreement to perform or cause to be performed all obligations and duties imposed on it as assignee of the Corporation of each Lease, and to enforce each Lease against the School Board.

SECTION 502. Notice of Non-Payment. In the event of delinquency in the payment when due of Basic Lease Payments by the School Board pursuant to a Lease, the Trustee shall give notice to the School Board on the Business Day following the day payment was due, that such Basic Lease Payments have not been received. In the event of a delinquency in the payment when due of Additional Lease Payments or Supplemental Payments by the School Board pursuant to a Lease, the Trustee shall give notice to the School Board on the Business Day following the day payment was due (if payment was due to the Trustee) or on the Business Day following the date of receipt of notice of nonpayment from the party to whom such Additional Lease Payment or Supplemental Payment was due (if payment was due to a payee other than the Trustee).

SECTION 503. Events of Default. Each of the following events is hereby declared to be an event of default hereunder:

(a) Payment of any installment of interest represented by any Certificate shall not be made when the same shall become due and payable; or

(b) Payment of any principal, whether at maturity or upon call for prepayment, or any prepayment premium with respect to any Certificate shall not be made when the same shall become due and payable; or

(c) An "Event of Default" shall occur and be continuing under Section 8.1 of the Master Lease.

(d) Failure by the Corporation to observe and perform any covenant on its part to be performed hereunder, other than as referred to in (a), (b), or (c) above for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Corporation, by the Trustee, provided that if the Corporation certifies that such default cannot with due diligence be cured within such thirty (30) day period and that the Corporation has diligently commenced to cure such default within such period, the Corporation shall have a reasonable period (not to exceed sixty (60) days without the consent of the Credit Facility Issuer) to cure such default.

In determining whether an Event of Default under paragraph (a) or (b) has occurred, no effect shall be given to payments made under a Credit Facility to the holders of Certificates of the Series secured thereby.

SECTION 504. Remedies on Default or Nonappropriation. Upon the occurrence of an event of default or upon termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee, with the consent or at the direction of each Credit Facility Issuer insuring a Series of Certificates, and upon receipt of indemnity as provided in Article VI hereof, shall be entitled to enforce the rights and exercise the remedies provided in the Master Lease, as appropriate and shall, upon receipt of indemnity as provided in Article VI hereof, pursue one or more of such remedies at the direction of the Holders of a majority in aggregate principal amount of each Series of Certificates then Outstanding which is affected by such remedies, subject to the provisions of Section 707 hereof.

The Holders' direction or institution of remedies upon default shall be subject to the prior written consent of the Credit Facility Issuer with respect to any series of Certificates for which a Credit Facility is in place. Such Credit Facility Issuer, acting alone, shall have the right to direct all remedies upon default or nonappropriation with respect to the respective Lease. Such Credit Facility Issuer may be provided the right in a Supplemental Trust Agreement to direct the prepayment of such Certificates in whole or in part, and, if in part, then from time to time, at any time after such termination of such Lease.

If any remedial action is discontinued or abandoned, the Trustee, Holders and Credit Facility Issuer shall be restored to their former positions.

Any amounts collected following an event of default or nonappropriation shall be applied in accordance with the provisions of this Section and if all amounts due on the Certificates or otherwise hereunder (including the reasonable costs of the Trustee incurred hereunder in the collection of such amounts or otherwise) have been fully paid (or provision for payment thereof has been made), such amounts shall be paid to the School Board.

(a) All such moneys collected in connection with a particular Lease (and all moneys on deposit in the respective Lease Payment Account) shall be deposited into a special account established by the Trustee for the Series of Certificates relating thereto and applied:

First: To the payment of the reasonable costs of the Trustee related to such Lease, including counsel fees, any disbursements of the Trustee and its reasonable compensation;

Second: To the payments related to such Lease, if any, required to be paid to the Treasury Department of the United States under the Code; and

Third: To the payment to the persons entitled thereto of all installments of the interest then due represented by the Series of Certificates related to such Lease in the order of such maturity of the installments of such interest portion, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due represented by such installment, to the persons entitled thereto, without any discrimination or preference;

Fourth: To the payment to the persons entitled thereto of the unpaid principal portion or Prepayment Price of the Series of Certificates related to such Lease which shall have become due whether at maturity or by call for prepayment in the order of their due dates and, if the amount available shall not be sufficient to pay in full all Certificates due on any date, then to the payment thereof ratably, according to the amount of principal portion, or Prepayment Price due on such date, to the persons entitled thereto, without any discrimination or preference;

Fifth: To the payment of any Additional Lease Payments (including amounts due a Credit Facility Issuer) due under a Lease or any amounts due to a Credit Facility Issuer pursuant to a Supplemental Trust Agreement.

Sixth: To the payment of any ground rent or other amounts then due and payable under the corresponding Ground Lease, if any.

(b) If any Event of Extraordinary Prepayment at the election of a Credit Facility Issuer shall have occurred pursuant to a Supplemental Trust Agreement, the Trustee shall send notice of such extraordinary prepayment as required under Section 314 and shall apply all such moneys in accordance herewith and with the applicable Supplemental Trust Agreement.

(c) Except as otherwise provided in Section 305.1 hereof, in the case of partial payment of Basic Lease Payments, whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, at the direction of the related Credit Facility Issuer. The Trustee shall incur no liability for acting in accordance with the prior sentence. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be on a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date.

SECTION 505. Account and Reports.

1. The Trustee shall keep a copy of this Trust Agreement and all Supplemental Trust Agreements and proper books of record and account in which complete and correct entries shall be made of its transactions relating to each Project and each Account established under the Trust Agreement, which shall be subject to the inspection of the Corporation and the School Board during normal business hours and upon reasonable notice and which shall be maintained by the Trustee at the expense of the School Board for a period of six (6) years following termination of this Trust Agreement.

2. The Trustee shall advise the Corporation and the School Board promptly after the end of each month of its transactions during such month relating to each Account held by it under this Trust Agreement.

SECTION 506. Liability to Certificate Holders for Payment. Except as otherwise provided in this Trust Agreement, the Trustee shall have no obligation or liability to the Certificate holders with respect to the School Board's obligation to pay Basic Lease Payments when due, or with respect to the performance by the School Board of any other covenants made by it in the Master Lease. The Trustee shall not be liable or responsible because of the failure of the Corporation or the School Board or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Corporation or the School Board or because of the loss of any money arising through the insolvency or the act or default or omission of any depositary other than a trustee depositary in which such money shall have been deposited under the provisions of this Trust Agreement. The Trustee shall not be responsible for the application of any of the proceeds of Certificates or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemption from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 507. Possession and Enjoyment. With respect to each Project, from and after the acceptance by the School Board of the Facilities comprising such Project in accordance with the terms of the Master Lease, the Trustee hereby agrees that it will not interfere with the Lease Terms and that the School Board shall, during such Lease Terms, peaceably and quietly have and hold and enjoy such Facilities, without suit, trouble or hindrance from the Trustee, except as expressly set forth in such Leases and herein.

SECTION 508. Warranties. THE TRUSTEE, BY ACCEPTANCE OF THE TRUST AGREEMENT, AND THE CORPORATION, BY DELIVERY OF THE

LEASES, MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO, VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY OF THE FACILITIES OR PORTION THEREOF, OR AS TO THE QUALITY, CAPACITY OF THE MATERIAL OR WORKMANSHIP IN SUCH FACILITIES OR ANY WARRANTY THAT SUCH FACILITIES WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATORS OR SPECIAL METHODS OR ANY OTHER WARRANTY OF ANY HIND WHATSOEVER. In no event shall the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of any Lease or the existence, furnishing, functioning or the School Board's use of any item or products or services provided for in any Lease.

(END OF ARTICLE V)

ARTICLE VI

CONCERNING THE TRUSTEE

SECTION 601. Employment of Trustee. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Trustee hereby agrees to receive, hold, invest and disburse the moneys to be paid to it pursuant to the Master Lease for credit to the various funds and accounts established by this Trust Agreement, to prepare, execute, deliver and deal with the Certificates, and to apply and disburse the Trust Estate and other moneys received pursuant to the Master Lease to the Certificate holders subject to the limitations set forth in this Trust Agreement; and to perform certain other functions, all as expressly provided in and subject to the express terms and conditions of this Trust Agreement.

SECTION 602. Trustee Acceptance of Duties.

1. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Trust Agreement by executing and delivering this Trust Agreement, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Certificates thereafter to be delivered, but only, however, upon the express terms and conditions set forth herein.

2. At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the School Board pertaining to each Project and each Lease, and to take such memoranda from and with regard thereto as may be desired.

3. The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of this Trust Agreement.

4. Before taking any action referred to in Article V, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all reasonable expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its failure to comply with the standard of care prescribed by Section 612 hereof or liability which is adjudicated to have resulted from its negligence or willful misconduct. Notwithstanding any other provision contained herein, the Trustee shall be under no obligation to institute any suit or to undertake any remedial proceeding in the Event of a Default under this Trust Agreement or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, including its acceptance or possession of the Facilities, until it shall be

indemnified to its reasonable satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees and other reasonable disbursements, and against all liability, including any liability in connection with any hazardous waste on any Facility Site.

5. The Trustee shall not be liable for any error of judgment made in good faith by any officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

6. The recitals, statements and representations in this Trust Agreement or in the Certificates, save only the Trustee's execution of the Certificates, have been made by the Corporation and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof. The Trustee shall not be responsible for the validity, priority, recording or filing of this Trust Agreement, the Master Lease or the Assignment Agreements, or for insuring the Facilities or collecting any insurance moneys, or for the validity of the execution by the Corporation of this Trust Agreement or of any supplements hereto or instruments of further assurance, or for the sufficiency of the Trust Estate, or for the value or title of the Facilities or as to the maintenance of the security hereof, except as otherwise expressly provided herein.

Except as to the acceptance of the trusts by its execution of this Trust Agreement, the Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Trust Agreement, or in respect of the validity of Certificates or the due execution or issuance thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the Corporation, the School Board, any depositary other than a Trustee depositary, or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

SECTION 603. Evidence on Which Trustee May Act.

1. The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Trust Agreement shall be protected in acting upon any such instrument reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may, but shall not be obligated to, consult with recognized counsel in the field of commercial banking and corporate trust administration, who may or may not be counsel to the School Board, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Trust Agreement in good faith and in accordance herewith.

2. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Trust Agreement, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized School Board Representative, and such certificate shall be full warranty for any action taken or suffered in good faith under the provisions of this Trust Agreement upon the faith thereof. But in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

3. Except as otherwise expressly provided hereunder, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the School Board to the Trustee shall be sufficiently executed in the name of the School Board if executed by an Authorized School Board Representative.

4. The Trustee shall not be deemed to have notice of any Event of Default hereunder except a default in the payment of Lease Payments required to be paid to the Trustee, unless the Trustee shall have actual knowledge thereof or be specifically notified thereof in writing.

5. The Trustee may buy, sell, own, hold and deal in any of the Certificates, and may join in any action which any Certificate holder may be entitled to take with like effect as if the Trustee were not a party to this Trust Agreement. The Trustee, either as principal or agent, may also engage in or have an interest in any financial or other transaction with the School Board or Corporation, and may act as depository, trustee, or agent for any committee or body of Certificate holders or other obligations of the School Board as freely as if it were not Trustee hereunder.

6. The Trustee shall not be answerable or accountable except for the performance of its duties and obligations as are specifically set forth in this Trust Agreement and except for its own willful misconduct or negligence. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty.

7. No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, willful misconduct or negligent failure to act. However, in no event shall the Trustee be liable to any party: (a) for any losses on investments made pursuant to the direction of an Authorized School Board Representative; (b) for special, indirect or consequential damages including loss of profits or business, arising under or in connection with this Trust Agreement regardless of the form of action; (c) for the use of

the proceeds of sale of any Certificates; (d) for compliance by the School Board with any covenant regarding the investments made under the provisions of Section 408 hereof.

8. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, receivers, officers or employees, and shall be entitled to advice of counsel concerning its duties hereunder and all questions hereunder. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power hereunder nor for any act or failure to act in connection with the trust hereunder, except only its own willful misconduct or negligence; provided, however, that in the event of negligence or misconduct of an agent or attorney of the Trustee that adversely affects the security hereunder or the rights of the Certificate Holders hereunder, the Trustee will diligently pursue all remedies of the Trustee against such agent or attorney, provided that there are adequate funds available therefor under this Trust Agreement for such purpose.

SECTION 604. Compensation to Trustee. The School Board has agreed in the Master Lease to pay to the Trustee reasonable fees and expenses (excluding overhead expenses), including reasonable fees and expenses of its counsel, as agreed to between the School Board and the Trustee. The Trustee shall have a first lien for the foregoing on the Trust Estate.

SECTION 605. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Trust Agreement by giving not less than 60 days' written notice to the Corporation, the School Board, any and all Credit Facility Issuers and the Holders of all Certificates Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the School Board or the Certificate holders as provided in Section 607, in which event such resignation shall take effect immediately on the appointment of such successor provided, however, that in the event no successor has been appointed, the Trustee shall continue to serve until such appointment. The Trustee may petition a court of competent jurisdiction for the appointment of a successor, the cost of which shall be the responsibility of the School Board, payable out of the Trust Estate.

SECTION 606. Removal of Trustee. Prior to the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be removed but only for acting or proceeding in violation of this Trust Agreement or failing to act in accordance with the provisions of this Trust Agreement (collectively "Cause") at any time by an instrument or concurrent instruments in writing appointing a successor, filed with the Trustee, and signed by the Corporation and the School Board, with cause, or by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized with or without Cause, or by the Credit Facility Issuers insuring a

majority in principal amount of each Series of Certificates then Outstanding with or without Cause provided that if such removal is without cause the Credit Facility Issuer shall provide the Trustee 30 days prior written notice . After the occurrence of an event of default, or termination of the Lease Term of all Leases as a result of nonappropriation, the Trustee may be so removed with or without Cause by the Holders of a majority in principal amount of each Series of Certificates then Outstanding or their attorneys-in-fact duly authorized, or by the Credit Facility Issuers insuring a majority in principal amount of each Series of Certificates then Outstanding. Such removal shall not become effective until a successor Trustee has been appointed and has accepted the duties of Trustee.

SECTION 607. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the School Board, so long as the School Board is not in default under the Master Lease and the Master Lease is in full force and effect. In the event that no appointment of a successor Trustee shall be made pursuant to the foregoing provisions (a) within 45 days after the Trustee shall have given to the School Board written notice as provided in Section 605 or (b) immediately upon removal of the Trustee as provided in Section 606 or by reason of its inability to act, a successor Trustee may be appointed by the Holders of a majority in principal amount of each Series of Certificates then Outstanding, excluding any Certificates held by or for the account of the School Board, or by the Credit Facility Issuer, by an instrument or concurrent instruments in writing signed and acknowledged by such Certificate holders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Corporation, the School Board and the predecessor. For purposes of this Article VI, "appointment" of a successor Trustee shall be deemed to occur upon designation, acceptance and commencement of performance of duties by the successor Trustee.

2. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, having capital stock and surplus aggregating at least $50,000,000, if there be such bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Trust Agreement unless otherwise agreed to by the Credit Facility Issuer.

SECTION 608. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Trust Agreement shall execute, acknowledge and deliver to its

predecessor Trustee, and also to the Corporation and the School Board an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Corporation, the School Board or the successor Trustee execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Trust Agreement and shall pay over, assign and deliver to the successor Trustee any money or property subject to the trusts and conditions herein set forth together with any paid but unearned fees. Should any deed, conveyance or instrument in writing from the School Board and the Corporation be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the School Board and the Corporation, without warranty and without liability therefor.

SECTION 609. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of a state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Trust Agreement, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

SECTION 610. Addition of Authorized Signature. In case any of the Certificates contemplated to be delivered under this Trust Agreement shall have been executed but not delivered, any successor Trustee may adopt the authorized signature of any predecessor Trustee so executing such Certificates and deliver such Certificates so executed.

SECTION 611. Indemnification to Trustee. The School Board has in Section 5.7 of the Master Lease agreed, to the extent permitted by law, including the provisions of Section 768.28 Florida Statutes, to indemnify and save the Trustee harmless from and against all liabilities, including consequential damages and reasonable legal fees and expenses arising out of the administration of the trusts pursuant to this Trust Agreement, and all matters concerning the Trustee's duties

and obligations with respect to the Leases and the Assignment Agreements including the issuance of the Certificates, except in the case of liability, obligations, claims and damages arising out of the Trustee's negligence or willful misconduct.

SECTION 612. Obligation to Act on Defaults. If any Event of Default shall have occurred and be continuing, the Trustee shall, pursuant to the provisions of Article V, exercise such of the rights and remedies vested in it by this Trust Agreement and shall use the same degree of care in their exercise as a prudent man would exercise or use in the circumstances in the conduct of his own affairs; provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity in accordance with this Trust Agreement reasonably satisfactory to it.

SECTION 613. Intervention by Trustee. The Trustee may intervene, and, upon the written request of the related Credit Facility Issuer or Certificate holders of a majority in aggregate principal amount of each Series of Certificates then Outstanding with the consent of the Credit Facility Issuer, and receipt of indemnity, shall intervene, on behalf of Certificate holders or the related Credit Facility Issuer, in any judicial proceeding to which the School Board or the Corporation is a party and which in the opinion of the Trustee and its attorneys has a substantial bearing on the interests of Certificate holders. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

SECTION 614. Third Party Beneficiaries. Each Credit Facility Issuer is hereby expressly recognized as a third party beneficiary to this Trust Agreement and, so long as the Credit Facility issued by such Credit Facility Issuer is in effect and the Credit Facility Issuer is properly honoring drawings or claims presented thereunder, it shall be entitled to enforce the obligations to the Credit Facility Issuer hereunder of the Trustee and of the School Board to the Credit Facility Issuer under the Master Lease.

(END OF ARTICLE VI)

ARTICLE VII

AMENDMENTS

SECTION 701. Mailing. Any provision in this Article for the mailing of a notice or other paper to Certificate holders of a Series of Certificates shall be fully complied with if it is mailed postage prepaid only (i) to each Holder of Certificates of such Series then Outstanding at his/her address, if any, appearing upon the registry books of the Trustee, (ii) to the Credit Facility Issuer with respect to such Series of Certificates and (iii) to the Trustee.

SECTION 702. Powers of Amendment. The Trust Agreement and the rights and obligations provided hereby may be modified or amended at any time by a Supplemental Trust Agreement, entered into between the Trustee and the Corporation (with the written consent of the School Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder and the written consent of the Credit Facility Issuer of any affected Series of Certificates) without the consent of any Certificate holders, but only (1) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Trust Agreement that in the judgment of the Trustee will not have a material adverse effect on the interests of any of the Certificate holders, or (2) to insert such provisions clarifying matters which they deem necessary or desirable and which are not contrary to or inconsistent with this Trust Agreement as theretofore in effect, and that in the judgment of the Trustee will not have a material adverse effect on the interests of any of the Certificate holders, or (3) to issue one or more Series of Certificates pursuant to Article III hereof, or (4) to permit a Series of Certificates to be issued in book entry from with or without physical certificates, or (5) to make any other modification or amendment that in the judgment of the Trustee will not have a material adverse effect on the interests of any of the Certificate holders. Any modification or amendment of this Trust Agreement and of the rights and obligations of the Corporation and of the Holders of the Certificates hereunder, may be made by a Supplemental Trust Agreement, entered into between the Trustee and the Corporation with (a) the written consent given, as provided in Section 703 hereof, by the Holders of at least a majority in principal amount of the Certificates Outstanding of each Series at the time such consent is given and who are affected by such modifications or amendments and (b) the written consent of the School Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder; provided, however, that if any such modification or amendment will, by its terms, not take effect so long as any affected Certificates remain Outstanding, the consent of the Holders of such Certificates shall not be required and such Certificates shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Certificates under this

Section. No such modification or amendment shall permit a change in the terms of prepayment or maturity of the principal portion of any Outstanding Certificates or of any installment of the interest portion thereof or a reduction in the principal portion or the Prepayment Price thereof or in the interest portion thereof without the consent of the Holders of such Certificates, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. The Trustee shall be entitled to receive an opinion of counsel as to whether or not, in accordance with the foregoing powers of amendment, Certificates of any particular Series or maturity would be affected by any modification or amendment of this Trust Agreement. Copies of all amendments hereto shall be provided to the Rating Agencies, whether effected pursuant to Section 702 or Section 703 hereof.

SECTION 703. Consent of Certificate Holders. The Trustee and the Corporation (at the direction of the School Board so long as the Lease Term of the Master Lease shall remain in effect and no default shall have occurred thereunder) may, at any time, enter into a Supplemental Trust Agreement making a modification or amendment permitted by the provisions of Section 702, to take effect when and as provided in this Section. A copy of such Supplemental Trust Agreement (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to affected Certificate holders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to such Certificate holders (but failure to mail such copy and request shall not affect the validity of the Supplemental Trust Agreement when consented to as provided in this Section). Such Supplemental Trust Agreement shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Certificates specified in Section 702 and (b) an Opinion of Counsel stating that such Supplemental Trust Agreement (A) has been duly and lawfully entered into by the parties thereto and filed with the School Board, the Trustee and the Corporation in accordance with the provisions of this Trust Agreement, (B) is authorized or permitted by this Trust Agreement, and (C) is valid and binding upon the parties thereto in accordance with its terms. Each such consent shall be effective only if accompanied by proof of the Holder, at the date of such consent, of the Certificates with respect to which such consent is given, which proof shall be such as is permitted by Section 802. A certificate or certificates executed by the Trustee and filed with the School Board and the Corporation stating that it has examined such proof and that such proof is sufficient in accordance with Section 802 shall be conclusive that the consents have been given by the Holders of the Certificates described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the holder of the Certificates giving such consent and, anything in Section 802 to the contrary notwithstanding, upon any subsequent Holder of such Certificates and of any Certificates issued in exchange

therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Certificates giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 703 provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee, filed with the School Board and the Corporation, to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages in principal amount of Certificates shall have filed their consents to the Supplemental Trust Agreement, the Trustee shall make and file with the School Board and the Corporation a written statement that the Holders of such required percentages in principal amount of Certificates have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Trust Agreement (which may be referred to as a Supplemental Trust Agreement entered into by the parties thereto on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages in principal amount of Certificates and will be effective as provided in this Section 703, may be given to Certificate holders by the Trustee by mailing such notice to Certificate holders (but failure to mail such notice shall not prevent such Supplemental Trust Agreement from becoming effective and binding as in this Section 703 provided). A record, consisting of the certificates or statements required or permitted by this Section 703 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Trust Agreement making such amendment or modification shall be deemed conclusively binding upon the School Board and the Corporation, the Trustee and the Holders of all Certificates affected by such Supplemental Trust Agreement at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Trust Agreement in a legal action or equitable proceeding for such purpose commenced within such 40 day period; provided, however, that the Trustee, the School Board and the Corporation during such 40 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Trust Agreement as they may deem expedient.

SECTION 704. Modifications by Unanimous Consent. The terms and provisions of this Trust Agreement applicable to a Series of Certificates and the rights and obligations of the Trustee and the Corporation and of the Holders of the Certificates of such Series hereunder may be modified or amended, with the written consent of the School Board in any respect upon entering into by the parties thereto of a Supplemental Trust Agreement and the consent of the Holders of all the Certificates

then Outstanding of such Series, such consent to be given as provided in Section 703.

SECTION 705. Exclusion of Certificates. Certificates owned or held by or for the account of the School Board shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Certificates provided for in this Article VII, and the School Board shall not be entitled with respect to such Certificates to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the School Board shall furnish the Trustee a certificate of an Authorized School Board Representative, upon which the Trustee may rely, describing all Certificates so to be excluded.

SECTION 706. Notation on Certificates. Certificates executed and delivered after the effective date of any action taken as provided in this Article VII may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the School Board, the Corporation and the Trustee as to such action, and in that case upon demand of the Holder of any Certificate Outstanding at such effective date and presentation of his/her Certificate for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Certificate Outstanding at such effective date, suitable notation shall be made on such Certificate or upon any Certificates issued upon any such transfer or exchange by the Trustee as to any such action. If the School Board, the Corporation and the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee, Corporation and the School Board to conform to such action shall be prepared, executed and delivered, and upon demand of the Holder of any Certificate then Outstanding shall be exchanged, without cost to such Certificate holder, for Certificates of the same maturity then Outstanding, upon surrender of such Certificates.

SECTION 707. Credit Facility Issuers Deemed Certificate Holders. Notwithstanding any other provisions of this Trust Agreement, including without limitation this Article VII, whenever the consent or direction of a Certificate holder shall be required under this Trust Agreement, any Certificate insured or guaranteed by a Credit Facility shall be deemed to be owned by the Credit Facility Issuer issuing such Credit Facility, so long as such Credit Facility Issuer has not defaulted on its payment obligations under its Credit Facility and except that this shall not be construed so as to remove the requirement of securing the consent of the actual Holders with respect to any modification or amendment which shall permit a change in the terms of prepayment or maturity of the principal portion of any Outstanding Certificates or of any installment of the interest portion thereof or a reduction in the principal portion or Prepayment Price thereof or in the interest portion thereof.

(END OF ARTICLE VII)

ARTICLE VIII

MISCELLANEOUS

SECTION 801. Defeasance.

1. If the principal portion or Prepayment Price of all Certificates, if applicable, and the interest portion due or to become due thereon, shall be paid at the times and in the manner stipulated in such Certificates and in this Trust Agreement, and all amounts owing to the Trustee and each Credit Facility Issuer under this Trust Agreement or any Reimbursement Agreement shall have been paid, then the pledge of the Trust Estate and all covenants, agreements and other obligations of the School Board under this Trust Agreement in favor of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause statements for such period or periods as shall be requested by the School Board to be prepared and filed with the School Board and, upon the request of the School Board, shall execute and deliver to the School Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the School Board all moneys or securities held by it pursuant to this Trust Agreement which are not required for the payment of the principal portion or Prepayment Price, if applicable, and interest portion due or to become due with respect to such Certificates not theretofore surrendered for such payment or prepayment or for the payment of amounts owing to any Credit Facility Issuer under a Reimbursement Agreement or otherwise or to the Trustee for its fees and expenses or as ground rent under any Ground Lease.

2. Certificates for the payment or prepayment of which moneys shall have been set aside sufficient to pay the principal portion, the Prepayment Price, if applicable, and interest portion to become due to maturity or earlier prepayment, shall be held in trust by the Trustee as escrow holder (through deposit by the School Board of funds for such payment or prepayment of the Purchase Option Price of one or more Facilities pursuant to Section 7.3 of the Master Lease or otherwise) and shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section 801 except that the obligation of the School Board to make, or cause to be made, Basic Lease Payments from such set-aside amounts shall continue. In determining whether sufficient amounts have been set aside under this Section no effect shall be given to payments made under a Credit Facility to or for the benefit of holders of Certificates. Any Outstanding Certificates shall, prior to the maturity or Prepayment Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection 1. of this Section 801 if the Trustee shall receive an Opinion of Counsel addressed additionally to the applicable Credit Facility Issuer to that effect and to the effect that such Certificates are no longer outstanding under the Trust Agreement and (a) in

case any of said Certificates are to be prepaid on any date prior to their maturity, the School Board shall have given to the Trustee irrevocable instructions in writing from an Authorized School Board Representative to mail as provided in Article III a notice of prepayment of such Certificates (other than Certificates which have been purchased by the Trustee at the direction of the School Board or purchased or otherwise acquired by the School Board and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of prepayment) on said date, (b) there shall have been deposited with the Trustee as escrow holder moneys consisting of either cash in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee as escrow holder at the same time, shall be sufficient, to pay when due the principal portion or Prepayment Price, if applicable, and interest portion due and to become due with respect to said Certificates on or prior to the prepayment date or maturity date thereof, as the case may be, as verified in a report of an independent firm of nationally recognized certified public accountants acceptable to the Trustee, a copy of which has been furnished to the applicable Credit Facility Issuer with respect to the affected Series of Certificates, and (c) in the event said Certificates are not by their terms subject to prepayment within the next succeeding 60 days, the School Board shall have given the Trustee in form satisfactory to it, instructions to mail a notice to the Holders of such Certificates that the deposit required by (b) above has been made with the Trustee as escrow holder and that said Certificates are deemed to have been paid in accordance with this Section 801 and stating such maturity or Prepayment Date upon which moneys are expected to be available for the payment of the principal or Prepayment Price, if applicable, of said Certificates, other than Certificates which have been purchased by the Trustee at the direction of the School Board or purchased or otherwise acquired by the School Board and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of prepayment referred to in clause (a) above. The Trustee shall, if so directed by the School Board (i) prior to the maturity date of Certificates deemed to have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) above with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on any date prior to their maturity, apply moneys deposited with the Trustee as escrow holder in respect of such Certificates or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Certificates and the Trustee shall immediately thereafter cancel all such Certificates so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Certificates shall be sufficient, as verified in a report of an independent firm of nationally recognized certified public accountants acceptable to

the Trustee, to pay when due the principal or Prepayment Price, if applicable, of, and interest portion due or to become due with respect to all Certificates, in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the Prepayment Date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Certificates deemed to have been paid in accordance with this Section 801 which are not to be prepaid prior to their maturity date or (ii) prior to the mailing of the notice of prepayment referred to in clause (a) with respect to any Certificates deemed to have been paid in accordance with this Section 801 which are to be prepaid on any date prior to their maturity, the School Board shall purchase or otherwise acquire any such Certificates and deliver such Certificates to the Trustee prior to their maturity date or Prepayment Date, as the case may be, the Trustee shall immediately cancel all such Certificates so delivered; such delivery of Certificates to the Trustee shall be accompanied by directions from the School Board to the Trustee as to the manner in which such Certificates are to be applied against the obligation to pay or prepay Certificates deemed paid in accordance with this Section 801. The directions given by the School Board to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Certificates so purchased or delivered and cancelled to be applied against the obligation to pay Certificates deemed paid in accordance with this Section 801 upon their maturity date or dates and the portion, if any, of such Certificates so purchased or delivered and cancelled to be applied against the obligation to prepay Certificates deemed paid in accordance with this Section 801 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Certificates as provided in this Section 801 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 801 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Certificates in order to satisfy subclause (b) of this subsection 2 of Section 801, as verified in a report of an independent firm of nationally recognized certified public accountants acceptable to the Trustee, the Trustee shall, if requested by the School Board, pay the amount of such excess to the School Board free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement. Except as otherwise provided in this subsection 2 of Section 801, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section 801 nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal portion or Prepayment Price, if applicable, and interest portion represented by said Certificates; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, as verified by a certificate delivered

to the Trustee by a firm of independent certified public accountants acceptable to the Trustee, shall be paid over to the School Board as received by the Trustee, free and clear of any trust, lien or pledge securing said Certificates or otherwise existing under this Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Prepayment Price, if applicable, and interest represented by said Certificates on or prior to such prepayment date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the School Board, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Certificates or otherwise existing under this Trust Agreement.

3. Anything in this Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment of any of the Certificates which remain unclaimed for six (6) years after the date when such Certificates have become due and payable, either at their stated maturity dates or by call for prepayment, if such moneys were held by the Trustee at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Trustee after the said date when such Certificates became due and payable, shall be repaid by the Trustee to the School Board, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Certificate holders shall look only to the School Board for the payment of such Certificates; provided, however, that before making any such payment to the School Board, the Trustee shall, at the expense of the School Board, cause to be published at least twice, at an interval of not less than 7 days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the School Board.

SECTION 802. Evidence of Signatures of Certificate holders and Ownership of Certificates.

1. Except as otherwise provided in Section 707 hereof, any request, consent, revocation of consent or other instrument which this Trust Agreement may require or permit to be signed and executed by the Certificate holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Certificate holders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Certificates, shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the

Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Certificate holder or his/her attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a partner of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his/her authority.

2. The ownership of Certificates and the amount, numbers and other identification, and date of holding the same shall be proved by the register maintained by the Trustee.

3. Any request or consent by the holder of any Certificate shall bind all future holders of such Certificate or any Certificates issued in exchange therefor or in lieu thereof in respect of anything done or suffered to be done by the School Board, the Corporation or the Trustee in accordance therewith.

SECTION 803. Moneys Held for Particular Certificates. Subject to Section 801.3 hereof, the amounts held by the Trustee for the payment of the interest portion, principal portion or Prepayment Price due on any date with respect to particular Certificates shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Certificates entitled thereto.

SECTION 804. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject during normal business hours and upon reasonable prior notice to the inspection of the School Board and the Corporation, and any Certificate holder and the Credit Facility Issuer and their agents and their representatives, any of whom may at their own expense make copies thereof.

SECTION 805. Parties Interest Herein. Nothing herein, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Corporation, the Trustee, any Credit Facility Issuer and the Holders of the Certificates, remedies or claims under or by reason hereof or any covenant, condition or stipulation thereof; provided that with respect to the provisions hereof which require the Trustee to give notice to the School Board, obtain the School Board's consent, pay or deliver to the School Board any moneys held by the Trustee hereunder or grant to the School Board any right or privilege whatsoever, such provisions shall also be for

the benefit of the School Board. All covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation shall be for the sole and exclusive benefit of the School Board, the Corporation, the Trustee, the Credit Facility Issuer and the Holders of the Certificates.

SECTION 806. Severability. If any one or more of the covenants or agreements provided in this Trust Agreement on the part of the Corporation or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Trust Agreement.

SECTION 807. Recording and Filing. The School Board shall be responsible for the recording and filing of instruments or documents of further assurance, if any, as may be required by law in order to effectively convey the interests contemplated by this Trust Agreement.

SECTION 808. Notices. Unless otherwise specified herein, all notices, requests, demands or other communications (other than payments by the School Board) to or upon the respective parties listed below shall be deemed to have been given (i) in the case of notice by letter, when delivered to the addressee by hand or on the third day after deposit in the mails, by first class mail, postage prepaid, (ii) in the case of notice by cable, when delivered to the cable company, charges prepaid, (iii) in the case of notice by telex or bank wire, when sent, answer back received, and (iv) if given by telephone, when communicated to the person or to the holder of the office specified as the person or officeholder to whose attention communications are to be given, addressed to them as follows or at such other address as any of the parties may designate by written notice to the other party:

Corporation:

Marion County School Board Leasing Corporation
512 S.E. Third Street
Ocala, Florida 32671
Attention: President

School Board:

The School Board of Marion County, Florida
512 S.E. Third Street
Ocala, Florida 32671
Attention: Superintendent of Schools

Trustee:

Sun Bank, National Association
225 East Robinson Street
Suite 350
Orlando, Florida 32801
Attention: Corporate Trust Division

Rating Agencies:

Moody's Investor Service, Inc.
99 Church Street
New York, New York
Attention: Public Finance Department

Standard & Poor's Corporation
25 Broadway
New York, New York
Attention: Municipal Department

Credit Facility Issuers:

As set forth on the Schedule applicable to the Series of Certificates.

SECTION 809. Applicable Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

SECTION 810. Binding on Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties, the Certificate holders and each Credit Facility Issuer and their respective successors and assigns.

SECTION 811. Captions. Captions preceding the text of the several Articles and Sections hereof, and the table of contents, are solely for convenience of reference and shall not constitute a part of this Trust Agreement or affect its meaning, construction or effect.

SECTION 812. Legal Holidays. Unless otherwise provided herein if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, is not a Business Day such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided herein, and no interest shall accrue on such payments for the period after such date.

SECTION 813. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 814. Nonrecourse Obligation of Corporation. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions contemplated hereby, the obligations, liabilities and responsibilities of the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Corporation shall be payable solely out of the proceeds derived by the Corporation from the Project (excluding any indemnities, reimbursements, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payment) and the Corporation shall have no other or further liability hereunder or arising herefrom.

(END OF ARTICLE VIII)

IN WITNESS WHEREOF, the parties have executed this Trust Agreement by their duly authorized officers as of the date and year first written above.

(SEAL)

ATTEST:

Name: Ralph S. Archibald, III
Title: ex officio Secretary/ Treasurer
Address: 512 S.E. Third Street
Ocala, Florida 32678

MARION COUNTY SCHOOL BOARD LEASING CORPORATION

By:
Name: Sharlene Perry
Title: President
Address: 512 S.E. Third Street
Ocala, Florida 32678

(SEAL)

SUN BANK, NATIONAL ASSOCIATION as Trustee

By:
Name: Kathryn Rigl
Title: Corporate Trust Officer
Address: 225 East Robinson Street, Suite 350
Orlando, FL 32801

The School Board of Marion County, Florida hereby consents to the execution of this Trust Agreement by the parties hereto and agrees to abide by the terms applicable to it herein.

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

By:
Name: Sharlene Perry
Title: Chairman

STATE OF FLORIDA)
) SS:
COUNTY OF MARION)

I, CLAUDIA M. CASEY, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Sharlene Perry and Ralph S. Archibald, III, known to me to be the same persons whose names are, respectively, as President and ex officio Secretary/Treasurer of Marion County School Board Leasing Corporation, a Florida not-for-profit corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

Such persons are personally known to me or provided identification in the form of _____ and did not take an oath in connection with the foregoing acknowledgment.

GIVEN under my hand and notarial seal this 18 day of August, 1992.

My Commission Expires:

Notary Public
Name: CLAUDIA M. CASEY

[NOTARIAL SEAL]

NOTARY PUBLIC STATE OF FLORIDA OFFICIAL NOTARY SEAL CLAUDIA M CASEY COMMISSION NUMBER CC120716 MY COMMISSION EXP. JUNE 24,1995

STATE OF FLORIDA)
) SS:
COUNTY OF MARION)

I, CLAUDIA M. CASEY, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Kathryn A. Rigl known to me to be the same person whose name is as Corporate Trust Office of Sun Bank, National Association, a national banking association, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said association, and delivered the said instrument as the free and voluntary act of said association and as their own free and voluntary act, for the uses and purposes therein set forth.

Such persons are personally known to me or provided identification in the form of _____ and did not take an oath in connection with the foregoing acknowledgment.

GIVEN under my hand and notarial seal this 18 day of August, 1992.

My Commission Expires:

Notary Public
Name: CLAUDIA M. CASEY

[NOTARIAL SEAL]

NOTARY PUBLIC STATE OF FLORIDA OFFICIAL NOTARY SEAL CLAUDIA M CASEY COMMISSION NUMBER CC120716 MY COMMISSION EXP. JUNE 24,1995

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

[Front of Certificate]

REGISTERED NUMBER _____ REGISTERED $_____

CERTIFICATE OF PARTICIPATION
SERIES _____

Evidencing an Undivided Proportionate Interest of the Owner Hereof in Basic Lease Payments to be Made by THE SCHOOL BOARD OF MARION COUNTY, FLORIDA as Lessee, Pursuant to a Master Lease Purchase Agreement with _____, as Lessor

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP NO.

REGISTERED OWNER:

PRINCIPAL SUM: DOLLARS

THIS IS TO CERTIFY THAT the registered owner named above is the owner of this Certificate of Participation, Series _____ (this "Certificate"), evidencing an undivided proportionate interest in Basic Lease Payments (as set forth in Schedule No. _____ to the hereinafter mentioned Master Lease Purchase Agreement (collectively, the "Series _____ Lease")) to be made by The School Board of Marion County, Florida (the "School Board") acting as the governing body of the School District of Marion County, Florida (the "District") pursuant to the Master Lease Purchase Agreement, dated as of August 1, 1992 (the "Master Lease") between Marion County School Board Leasing Corporation, a Florida not-for-profit corporation duly organized and existing under the laws of the State of Florida, as lessor (the "Corporation"), and the School Board, as lessee. Under a Series _____ Assignment Agreement dated as of _____ (the "Assignment Agreement"), entered into by and between the Corporation and Sun Bank, National Association, Orlando, Florida, as trustee (such bank and any successor thereto hereinafter called the "Trustee"), the Corporation has transferred to the Trustee, for the benefit of the Certificate Holders, all of its rights under the Series _____ Lease (except for its right to indemnification under Section 5.7 of the Master Lease, its right to receive servicing fees and its right to receive notices under the Master Lease) including its rights to receive Basic Lease Payments thereunder, with respect to the Series _____ Facilities identified in said Schedule No. _____ (the "Series _____ Facilities").

The registered owner of this Certificate ("Certificate Holder") is entitled to receive, subject to the terms of the Master Lease and the Trust Agreement (hereinafter defined), on the maturity date specified above (the "Maturity Date"), unless prepaid prior thereto as provided herein, the principal sum specified above, representing the portion of the Basic Lease Payments designated as principal and coming due on the Maturity Date, and to receive on _____ 1 and _____ 1 of each year, commencing _____ 1, to and including the final Maturity Date or the date of prepayment, whichever is earlier, the interest portion of the Basic Lease Payments payable to Certificate Holders on such dates. Said amounts are payable in lawful money of the United States of America. The amounts representing principal portion and Prepayment Price shall be payable at the designated corporate trust office of the Trustee and the amounts representing interest portion shall be payable by check or draft of the Trustee mailed to the registered owner at the address of the registered owner as it shall appear on the registration books maintained by the Trustee as of the 15th day of the month next preceding the month in which such payment is due. Such interest portion may be paid by wire transfer to the registered owners of $1,000,000 or more upon their request in writing received at least 15 days prior to any Payment Date.

The Basic Lease Payments are payable from funds appropriated by the School Board for such purpose from current or other funds authorized by law and regulations of the State of Florida Department of Education. The School Board is not legally required to appropriate moneys for this purpose. NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES _____ LEASE FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

THE TRUSTEE HAS NO OBLIGATION OR LIABILITY TO MAKE PAYMENTS WITH RESPECT TO THIS CERTIFICATE EXCEPT FROM FUNDS RECEIVED BY IT PURSUANT TO THE TRUST AGREEMENT REFERRED TO ON THE REVERSE HEREOF.

THE CORPORATION HAS NO OBLIGATION OR LIABILITY WHATSOEVER TO MAKE PAYMENTS WITH RESPECT TO THIS CERTIFICATE.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS CERTIFICATE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State of Florida and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, this Certificate has been executed by the manual signature of an Authorized Signatory of the Trustee not in its individual capacity but solely as Trustee.

SUN BANK, NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Signatory

Date of Execution:

[Back of Certificate]

Capitalized terms used herein but not otherwise defined herein shall have the meaning given to such terms in the hereinafter described Trust Agreement.

All amounts payable by the Trustee with respect to this Certificate shall be paid solely from (i) the Basic Lease Payments received by the Trustee from the School Board pursuant to the terms of the Series _____ Lease, (ii) all amounts from time to time deposited in the funds and accounts created under the Master Trust Agreement dated as of _____, 1992, between the Corporation and the Trustee (as the same may be amended and supplemented from time to time, the "Trust Agreement"), including investment earnings; (iii) any proceeds received by the Trustee upon the sale, re-letting or other disposition of the School Board's interest in the Series _____ Facilities or the pursuit of any other remedy pursuant to the Master Lease, and (iv) Net Proceeds resulting from any insurance or other financial guaranty claim or payment or any claim or condemnation award payable with respect to the Series _____ Facilities pursuant to the Master Lease and the Trust Agreement, but only to the extent that the Trustee shall have actually received sufficient income or proceeds from the Trust Estate (defined in the Trust Agreement) to make such payments. It is provided in the Master Lease that the cost and expense of the performance by the School Board of its obligations thereunder including, without limitation, the payment of all Basic Lease Payments and all other amounts required to be paid by the School Board thereunder, shall be subject to and dependent upon appropriations being duly made from time to time by the School Board for such purposes or other amounts being lawfully available therefor. The payment of the principal portion and interest portion of the Basic Lease Payments represented by the Certificates is not a liability or charge upon the credit of the Trustee or the Corporation, and neither the Trustee nor the Corporation has any obligation to make such payments, other than the Trustee's obligation to make such payments from the income from and proceeds of the sources described above.

This Certificate has been executed by the Trustee pursuant to the Trust Agreement. Copies of the Trust Agreement and the Series _____ Lease are on file at the principal corporate trust office of the Trustee, and reference to the Trust Agreement and the Series _____ Lease and any and all supplements or amendments thereto is made for a description of the funds and accounts established under the Trust Agreement for the purpose of securing the Certificates, the agreements and covenants of the School Board in the Series _____ Lease with respect to the Series _____ Project and Basic Lease Payments to be made by the School Board, the nature, extent and manner of enforcement of such agreements and covenants, the rights and remedies of the Certificate Holders with respect thereto, certain limitations

relating to the issuance of additional Series of Certificates under the Trust Agreement, the manner in which the terms of the Trust Agreement may be amended, and the other terms and conditions upon which the Certificates are delivered thereunder.

Reference is hereby made to the Trust Agreement and any and all supplements, modifications or amendments thereof for a description of the pledge of the Trust Estate and assignment and covenants securing the Certificates, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the Holders of the Certificates with respect thereto, the terms and conditions upon which the Holders of the Certificates shall cease to be entitled to any lien, benefit or security under the Trust Agreement and for the other terms and provisions thereof and the pledge of the Trust Estate and the terms and conditions upon which all covenants of the Trustee to the Holders of such Certificates shall thereupon cease, terminate and become void and be discharged and satisfied. All covenants, agreements and obligations of the School Board under the Series _____ Lease with respect to the Series _____ Facilities or a portion thereof may be discharged and satisfied prior to the maturity or prepayment of this Certificate if moneys or certain specified securities have been deposited with the Trustee in the manner provided in the Trust Agreement.

[This Certificate shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Certificates, with no physical distribution of certificates to be made. Any provisions of the Trust Agreement or this Certificate requiring physical delivery of Certificates shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interest of individual purchasers of the Certificates ("Beneficial Owners").]

[This Certificate shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Certificate is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of principal and interest portions of Basic Lease Payments represented by this Certificate. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee, the Corporation or the School Board.]

This Certificate shall be transferable upon the registration books of the Trustee, which shall be kept at the principal corporate trust office of the Trustee upon payment of any charges required. [Except when registration of the Certificates is being maintained pursuant to a book-entry-only system, the Certificate Holder may transfer this Certificate in person or by such Certificate Holder's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Certificate Holder or such Certificate Holder's duly authorized attorney. Upon the transfer of this Certificate, the Trustee shall deliver in the name of the transferee a new Certificate or Certificates of the same aggregate principal amount and maturity as the surrendered Certificate. The Trustee may deem and treat the person in whose name this Certificate is registered upon the register of the Trustee as the absolute owner hereof for all purposes, and all such payments so made to any such Certificate Holder or upon such Certificate Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and the Trustee shall not be affected by any notice to the contrary.

The Certificates shall be delivered in registered form in the denominations of $5,000 or any integral multiple of $5,000. The Certificates, upon surrender thereof at the designated corporate trust office of the Trustee with a written instruction satisfactory to the Trustee, duly executed by the Certificate Holder or such Certificate Holder's attorney duly authorized in writing, may, at the option of the Certificate Holder and upon payment by such Certificate Holder of any charges which the Trustee may make as provided in the Trust Agreement, be exchanged for an equal aggregate principal amount of registered Certificates of the same maturity of any other authorized denominations.

Optional Prepayment

Certificates maturing on or before _____, _____, shall not be subject to prepayment at the option of the School Board.

Certificates maturing after _____, _____, shall be subject to prepayment on or after _____, _____, if the School Board elects to prepay the principal portion of Basic Lease Payments due under the Series _____ Lease in whole at any time, or, in part on any Interest Payment Date, and if in part, in such order of maturity of Certificates corresponding to the due dates of the principal portion of the Basic Lease Payments under the Series _____ Lease as shall be designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at the Prepayment Price expressed as a percentage of the principal portion of Basic Lease Payments

represented by the Certificates or portions thereof to be prepaid as set forth opposite such period in the following table, plus the interest portion of the Basic Lease Payments represented by the Certificates accrued to the Prepayment Date:

Prepayment Period (Both Dates Inclusive)	Prepayment Price
_____ __, ____ through _____ ___, ____	___%
_____ __, ____ through _____ ___, ____	___
_____ __, ____ and thereafter	___

Extraordinary Prepayment

(a) Series _____ Certificates shall be subject to prepayment in whole or in part at any time and if in part, in such order of maturity of Series _____ Certificates corresponding to the due dates of the principal portion of Basic Lease Payments due under the Series _____ Lease as shall be designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee shall determine to be fair and appropriate, in an amount equal to the principal portion of Basic Lease Payments prepaid under the Series _____ Lease, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if (i) there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series _____ Facilities as a result of damage, destruction or condemnation of any portion of the Series _____ Facilities and an election is made by the School Board under Section 5.4(b) of the Master Lease to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to the Series _____ Facilities and represented by the Series _____ Certificates, or (ii) there shall remain in the Series _____ Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Lease upon delivery by the School Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all costs of the Series _____ Facilities.

(b) The Series _____ Certificates are subject to extraordinary prepayment in whole or in part, at a prepayment price of par plus accrued interest to the prepayment date, in the event the Lease terminates prior to payment in full of all of the Base Lease Payments, to the extent the Trustee has moneys available for such purposes pursuant to Section 504 or Section 406 of the Trust Agreement [or at the option of the Credit Facility Issuer pursuant to the Lease and the Trust Agreement.]

Sinking Fund Prepayment

Certificates maturing on _____ __, ____, are subject to prepayment prior to maturity in part, from payments of the principal portion of Basic Lease Payments as set forth under the Series _____ Lease, through the operation of a sinking fund on each _____ in the years and in the following amounts set forth below at a Prepayment Price of par plus the interest portion of the Basic Lease Payments represented by the Certificates accrued to the Prepayment Date.

_____ 1 of the Year	Principal Amount

If less than all of the Certificates shall be called for prepayment, the particular Certificates or portions of Certificates to be prepaid shall be in multiples of $5,000 and, except as otherwise provided above, the maturity of such Certificates or portions of Certificates to be prepaid will be determined by the Trustee.

If less than all the Certificates of like maturity shall be called for prepayment, the particular Certificates or portions thereof to be prepaid shall be selected by lot by the Trustee in such manner as the Trustee shall deem fair and appropriate. The portion of any Certificate of a denomination of more than $5,000 to be prepaid shall be in the principal amount of $5,000 or an integral multiple thereof, and, in selecting portions of such Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates in $5,000 denominations which is obtained by dividing the principal amount of such Certificate to be prepaid in part by $5,000. Interest represented by Certificates so prepaid shall be paid from the amount then available to prepay Certificates.

When prepayment of Certificates is required pursuant to the Trust Agreement, the Trustee shall give notice of the prepayment of such Certificates, which notice shall specify the maturities of the Certificates to be prepaid, the CUSIP numbers (which shall be for informational purposes only and shall not affect the validity of such notice) the prepayment date and the place or places where amounts due upon such prepayment will be payable and, if less than all of the Certificates are to be prepaid, the letters and numbers or other distinguishing marks of such Certificates to be prepaid, and, in the case of Certificates to be prepaid in part only, such notice shall also specify the respective portions of the principal amount thereof to be prepaid. Such notice shall further state that on such date there shall become due and payable upon each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of Certificates to be prepaid in part only, together with interest accrued to the prepayment date, and that from and after such date

interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 days nor more than 60 days before the prepayment date in the case of Optional Prepayment or Extraordinary Prepayment under paragraph (a) under Extraordinary Payment above or Sinking Fund Prepayment for the Certificates maturing _____, and not less than 5 days nor more than 10 days before the Prepayment Date in the case of Extraordinary Prepayment under paragraph (b) under Extraordinary Payment above, to the Certificate Holders of any Certificates or portions thereof which are to be prepaid, at their last addresses appearing upon the registry books, but any defect in the notice to a particular Certificate Holder shall not affect the validity of the proceedings for the prepayment of other Certificates. Notice, to the extent available, of such prepayment shall be provided to any depository not less than two days prior to mailing of such notice.

THE OBLIGATION OF THE SCHOOL BOARD TO MAKE BASIC LEASE PAYMENTS UNDER SCHEDULE NO. OF THE MASTER LEASE IS A SPECIAL AND LIMITED OBLIGATION, SUBJECT TO ANNUAL APPROPRIATION BY THE SCHOOL BOARD, AS FURTHER PROVIDED ON THE FRONT OF THIS CERTIFICATE.

[Form of Opinion of Special Counsel]

[STATEMENT OF INSURANCE]

ASSIGNMENT

For value received _____ the undersigned does hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the Certificate register of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTE: The signature on this Assignment must correspond with the name as written on the face of the within-mentioned Certificate in every particular without alteration or enlargement or any change whatsoever.

Social Security or Other Identifying Number of Transferee: _____

The following abbreviations, when used in the inscription on the face of the within Certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -	as tenants in common
TEN ENT -	as tenants by the entireties
JT TEN -	as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - _____ (Cust) Custodian _____ (Minor)

under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

EXHIBIT B

REQUISITION NO. ___

$_____

CERTIFICATES OF PARTICIPATION
SERIES ___

Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Lease Payments to be Made by THE SCHOOL BOARD OF MARION COUNTY, FLORIDA As Lessee, Pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor

TO: _____,
Trustee under the Master Trust Agreement dated as of _____, 1992 with Marion County School Board Leasing Corporation ("Trust Agreement")

This Requisition is made pursuant to Section 402.3 of the Trust Agreement to pay Costs of the Series ___ Facilities.

The Trustee is hereby directed to pay sums out of the Series ___ Acquisition Account as follows:

Name & Address of Payee	Purpose of Payment	Amount

TOTAL _____

The undersigned hereby certifies that (a) each obligation, item of cost or expense herein has been properly incurred, (b) each obligation, item of cost or expense herein is an item of the Cost of the Series ___ Facilities and has not been the basis of any previous withdrawal, and (c) such payment will not cause the balance remaining in the Series ___ Acquisition Account after such payment to be less than the amount necessary to pay the remaining estimated Costs to be paid from

the Series ___ Acquisition Account, or sufficient other moneys are available therefor.

Dated: _____

_____
Authorized School Board Representative

EXHIBIT C

REQUISITION NO. _____

CERTIFICATES OF PARTICIPATION
SERIES ___

Evidencing Undivided Proportionate Interests of the
Owners Thereof in Basic Lease Payments to be Made by
THE SCHOOL BOARD OF MARION COUNTY, FLORIDA
As Lessee, Pursuant to a Master Lease Purchase Agreement
with Marion County School Board Leasing Corporation, as Lessor

TO: _____
Trustee under the Master Trust Agreement dated as of
_____, 1992 with Marion County School Board Leasing
Corporation ("Trust Agreement")

This Requisition is made pursuant to Section 402.4 of the Trust Agreement to pay Costs of Issuance of the Certificates.

The Trustee is hereby directed to pay sums out of the Cost of Issuance Subaccount in the Series ____ Acquisition Account as follows:

Payee	Purpose of Payment	Amount

TOTAL $_____

The undersigned hereby certifies that each payment obligation has been properly incurred, is a Cost of Issuance and has not been the basis of a previous withdrawal.

Dated: _____

_____
Authorized School Board
Representative

SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT

by and between

MARION COUNTY SCHOOL BOARD LEASING CORPORATION
a Florida not for profit corporation

and

U.S. Bank Trust Company, National Association
as successor Trustee

Dated as of December 1, 2026

Relating to

Certificates of Participation, Series 2026
Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be Made by the School Board of Marion County, Florida as Lessee, Pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor

SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT

THIS SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT, dated as of December 1, 2026 (the "Series 2026 Supplemental Trust Agreement"), supplementing the Master Trust Agreement, dated as of August 1, 1992 (the "Trust Agreement"), by and between MARION COUNTY SCHOOL BOARD LEASING CORPORATION, a Florida not for profit corporation, duly organized and existing under the laws of the State of Florida (the "Corporation"), as lessor under the within mentioned Master Lease, and U.S. Bank Trust Company, National Association, a national banking association, authorized to transact business in the State of Florida, with corporate trust powers sufficient to accept trusts of the type set forth in the Trust Agreement, with its designated corporate trust office in Jacksonville, Florida (the "Trustee").

WHEREAS, The School Board of Marion County, Florida (the "School Board"), has deemed it to be in its best interest to lease purchase certain real and personal property from time to time and has entered into the Master Lease between the Corporation, as lessor, and the School Board, as lessee; and

WHEREAS, pursuant to the Master Lease, the School Board may from time to time, by execution of a Schedule to the Master Lease, direct the Corporation to acquire, construct and lease purchase to the School Board the items of real or personal property described in such Schedule (which items of property are collectively referred to herein as "Facilities"); and

WHEREAS, provision for the payment of the cost of acquiring, constructing and installing such Facilities may be made by the issuance and sale from time to time of one or more Series (as defined in the Trust Agreement) of Certificates of Participation issued under the Trust Agreement (the "Certificates"), which shall be secured by and be payable from Basic Lease Payments to be made by the School Board pursuant to the Master Lease and related Schedules; and

WHEREAS, the Trustee at the request of the Corporation has agreed to issue a Series of Certificates to provide funds for the lease purchase financing of certain Facilities; and

WHEREAS, the Series 2026 Certificates shall be secured by Schedule No. 2026 (as hereinafter defined), and shall be secured independently from each other Series of Certificates, except as otherwise provided in the Trust Agreement; and

WHEREAS, the School Board and the Corporation have executed Schedule No. 2026, as of the date hereof, for the lease purchase of the Series 2026 Facilities (as hereinafter defined); and

WHEREAS, the Corporation has assigned to the Trustee all of its right, title and interest in and to the Series 2026 Lease (as hereinafter defined) and the Lease Payments and the Series 2026 Ground Lease, other than its rights to indemnification and to receive notices, pursuant to the Series 2026 Assignment Agreement, dated as of December 1, 2026 (the "Series 2026 Assignment Agreement") between the Corporation and the Trustee; and

WHEREAS, the proceeds of the Series 2026 Certificates will be used pursuant to the Trust Agreement, as supplemented hereby, to finance the acquisition, construction and installation of the Series 2026 Facilities and to pay Costs of Issuance of the Series 2026 Certificates; and

WHEREAS, the Trustee has received an order from an Authorized Corporation Representative relating to the issuance of $[principal] aggregate principal amount of Certificates of Participation, Series 2026 Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be Made by the School Board of Marion County, Florida as Lessee, pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor (the "Series 2026 Certificates"); and

WHEREAS, the Series 2026 Certificates will be secured in the manner provided in the Trust Agreement and shall have the terms and provisions contained therein and in this Series 2026 Supplemental Trust Agreement.

WHEREAS, all things necessary to make the Series 2026 Certificates, when executed by the Trustee and issued as provided herein and in the Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2026 Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2026 Certificates subject to the terms thereof, have in all respects been duly authorized.

NOW, THEREFORE, THIS SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:

ARTICLE I
DEFINITIONS

Words and terms that are defined in the Trust Agreement or the Master Lease shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Series 2026 Supplemental Trust Agreement, the following words and terms as used in this Series 2026 Supplemental Trust Agreement shall have the following meaning unless the context or use indicates another or different meaning or intent:

"Defeasance Securities" pertaining to the Series 2026 Certificates shall mean those securities listed in paragraphs (1) and (2) of the definition of Investment Securities herein, if and to the extent the same are at the time legal under State law for investment of the School Board's funds. The Trustee may conclusively presume that those securities selected by the School Board are legal investments under state law for investment of the School Board's funds if the School Board directs the Trustee in writing to invest in such securities.

"Investment Securities" shall mean the following:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including, but not limited to:

- U.S. treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration
- General Services Administration
- State and Local Government Series
- Interest STRIPS of the Resolution Funding Corporation

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

-Export-Import Bank
-Rural Economic Community Development Administration
-U.S. Maritime Administration
-Small Business Administration
-U.S. Department of Housing & Urban Development (PHAs)
-Federal Housing Administration

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

-Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
-Principal STRIPS of the Resolution Funding Corporation (REFCORP)
-Senior debt obligations of the Federal Home Loan Bank System

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(6) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1" by S&P and which matures not more than 270 calendar days after the date of purchase;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(8) Pre-refunded Municipal Obligations defined as follows: 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 which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, 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 appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; Pre-refunded Municipal Obligations meeting the requirements of subsection (B) hereof may be used as permitted investments.

(9) Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.

(10) Florida PRIME and intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes.

The value of the above investments shall be determined as follows:

(1) For the purpose of determining the amount in any fund, all Investment Securities credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation or Merrill Lynch.

(2) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus. accrued interest thereon; and

(3) As to any investment not specified above: the value thereof established by prior agreement among the School Board and the Trustee.

"Master Lease" shall mean the Master Lease Purchase Agreement, dated as of August 1, 1992, between the Corporation and the School Board, as the same may be amended or supplemented from time to time.

"Rating Agency" shall mean each of Fitch Ratings, S&P Global Ratings, a S&P Global Inc. business ("S&P"), and/or Moody's Ratings ("Moody's") to the extent they have provided a rating on any Outstanding Certificates.

"Related Documents" shall mean the Trust Agreement, this Series 2026 Supplemental Trust Agreement, the Series 2026 Ground Lease, the Series 2026 Lease, the Series 2026 Assignment Agreement and any other financing agreement related to the Series 2026 Certificates.

"Schedule No. 2026" means that certain Schedule No. 2026 to the Master Lease between the Corporation and the School Board, dated as of December 1, 2026.

"Series 2026 Acquisition Account" means the Series 2026 Acquisition Account of the Project Fund established in Section 3.01 hereof.

"Series 2026 Certificates" shall mean the $[principal] Certificates of Participation, Series 2026 Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be Made by the School Board of Marion County, Florida as Lessee, pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor.

"Series 2026 Cost of Issuance Subaccount" shall mean the Series 2026 Cost of Issuance Subaccount established in Section 3.01 hereof.

"Series 2026 Facilities" shall mean the Facilities described in Schedule No. 2026 to the Master Lease.

"Series 2026 Facility Sites" shall mean the Facility Sites to be ground leased by the School Board to the Corporation pursuant to the Series 2026 Ground Lease, as the same may be amended or supplemented from time to time.

"Series 2026 Ground Lease" shall mean the Series 2026 Ground Lease dated as of December 1, 2026, between the School Board and the Corporation, as the same may be amended or supplemented from time to time.

"Series 2026 Lease" shall mean the Master Lease as amended and supplemented by Schedule No. 2026.

"Series 2026 Lease Payment Account" shall mean the Series 2026 Lease Payment Account established in Section 3.01 hereof.

"Series 2026 Pledged Accounts" shall mean (i) the Series 2026 Acquisition Account, (ii) the Series 2026 Cost of Issuance Subaccount, (iii) the Series 2026 Lease Payment Account, and (iv) the Series 2026 Prepayment Account.

"Series 2026 Prepayment Account" shall mean the Series 2026 Prepayment Account established in Section 3.01 hereof.

"Series 2026 Project" shall mean the lease purchase financing, acquisition and construction of the Series 2026 Facilities, the leasing of the Series 2026 Facility Sites by the School Board to the Corporation pursuant to the Series 2026 Ground Lease, and the subleasing of the Series 2026 Facility Sites back to the School Board.

"Underwriters" means J.P. Morgan Securities LLC, Jefferies LLC, and Raymond James & Associates, Inc.

[Remainder of page intentionally left blank]

ARTICLE II
THE SERIES 2026 CERTIFICATES

SECTION 2.01. AUTHORIZATION OF SERIES 2026 CERTIFICATES.

(a) There is hereby created a Series of Certificates to be issued under the Trust Agreement to be known as "Certificates of Participation, Series 2026, Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be made by the School Board of Marion County, Florida as Lessee, Pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor." The Series 2026 Certificates shall be issued for the purposes of financing the acquisition, construction and installation of the Series 2026 Facilities and paying Costs of Issuance of the Series 2026 Certificates.

(b) The Series 2026 Certificates shall be dated as of their date of delivery and shall show the date of authentication thereof. The Series 2026 Certificates shall be in the aggregate principal amount of $[principal] and shall mature on the dates and in the principal amounts set forth below, and shall represent interest at the annual rates set forth opposite such dates and amounts, respectively.

Maturity (June 1)	Principal Amount	Interest Rate
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		

The principal portion of the Series 2026 Certificates due at maturity or upon earlier prepayment thereof, shall represent undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth on Schedule No. 2026.

(c) The interest portion represented by the Series 2026 Certificates will be computed on the basis of a 360-day year based on twelve 30-day months and shall be payable semiannually on June 1 and December 1 of each year to and including the date of maturity or earlier prepayment, commencing on June 1, 2027. Such interest shall represent an undivided proportionate interest in the interest portion of Basic Lease Payments due on May 15 and November 15 of each year, commencing May 15, 2027, as set forth on Schedule No. 2026, to and including the maturity or earlier prepayment date of each Series 2026 Certificate.

(d) The Series 2026 Certificates shall be delivered in the denominations of $5,000 or any integral multiple of $5,000, and shall be lettered and numbered from "R-1" and upwards. Subject to the provisions of the Trust Agreement, the forms of the Series 2026 Certificates shall be substantially in the form set forth in Exhibit A of the Trust Agreement.

The Series 2026 Certificates shall be issued initially in book entry registration form, registered to Cede & Co. ("Cede"), as nominee for DTC, and immobilized in the custody of DTC. All payments for the principal of, interest and prepayment premiums, if any, on the Series 2026 Certificates shall be paid by check, draft or wire transfer to Cede, without prior presentation or surrender of any Series 2026 Certificate (except for final payment thereof); and shall constitute payment thereof pursuant to, and for all purposes of the Trust Agreement.

If less than all the Outstanding Series 2026 Certificates of a single maturity (and, if applicable, interest rate within a maturity) are to be called for prepayment, the Trustee shall have no responsibility for the selection of the book entry interests in the Series 2026 Certificates to be paid pursuant to the prepayment, or for notification of that prepayment or of that payment to, or for payment to, the owners of affected book entry interests; all of which shall be handled by and in accordance with arrangements of DTC and its participants and others working through those participants.

To the extent permitted by the provisions of any book entry system agreement between the Trustee and DTC, the Trustee shall issue Series 2026 Certificates directly to beneficial owners of the Series 2026 Certificates other than DTC, or its nominee, in the event that:

(i) DTC determines not to continue to act as securities depository for the Series 2026 Certificates; or

(ii) the Trustee has advised DTC of its determination that DTC is incapable of discharging its duties; or

(iii) the Trustee determines that it is in the best interest of the Trustee not to continue the book entry system or that the interests of the beneficial owners of the Series 2026 Certificates might be adversely affected if the book entry system is continued.

Upon occurrence of the events described in (i) or (ii) above, the Trustee shall attempt to locate another qualified securities depository, and shall notify holders of the Series 2026 Certificates through DTC if successful. If the Trustee fails to locate another qualified securities depository to replace DTC, the Trustee shall authenticate and deliver replacement Series 2026 Certificates in certificate form.

In the event the Trustee makes the determination noted in (ii) or (iii) above (the Trustee undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Trustee to make any such determination), or if the Trustee fails to locate another qualified securities depository to replace DTC upon occurrence of the events described in (i) or (ii) above, the Trustee shall mail a notice to DTC for distribution to the beneficial owners of the Series 2026 Certificates stating that DTC will no longer serve as securities depository, whether a new securities depository will or can be appointed, the procedures for obtaining such Series 2026 Certificates and the provisions which govern the Series 2026 Certificates including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payments and other related matters.

(e) The principal portion or Prepayment Price of the Series 2026 Certificates shall be payable at the designated corporate trust office of the Trustee. The interest portion represented by the Series 2026 Certificates shall be payable by check or draft of the Trustee mailed to the Certificate holder at the address of the Certificate holder shown on the registration records maintained by the Trustee as of the 15th day of the month next preceding the month in which the Payment Date occurs (the "Record Date"). Such interest portion may be paid by wire transfer to a domestic bank account designated by the registered owners of $1,000,000 or more in aggregate principal amount of Series 2026 Certificates upon their request in writing received no later than the Record Date prior to any Payment Date (such request in writing to remain in effect until rescinded in writing). The Trustee may charge a reasonable fee for the cost of the wire transfer.

(f) Optional Prepayment. The Series 2026 Certificates maturing on or before June 1, 20__ shall not be subject to prepayment at the option of the School Board. The Series 2026 Certificates maturing on and after June 1, 20__ shall be subject to prepayment at the option of the School Board on or after June 1, 20__, if the School Board elects to prepay the principal portion of Basic Lease Payments due under the Series 2026 Lease in whole or in part at any time, and if in part, in such order of maturity of Series 2026 Certificates corresponding to the due dates of the principal portions of Basic Lease Payments under the Series 2026 Lease as shall be designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at a Prepayment Price equal to 100% of the principal portion of the Series 2026 Certificates or portions thereof to be prepaid, plus accrued and unpaid interest thereon to the Prepayment Date.

(g) Extraordinary Prepayment. The principal portion of Basic Lease Payments due under the Series 2026 Lease represented by the Series 2026 Certificates shall be subject to extraordinary prepayment in whole or in part (if in part, in such order of maturities as directed by the School Board and by lot within a maturity), at a Prepayment Price of par plus accrued

interest to the Prepayment Date, in the event the Series 2026 Lease terminates prior to payment in full of all the Basic Lease Payments, to the extent the Trustee has moneys available for such purpose pursuant to Section 504 or Section 406 of the Trust Agreement.

(h) No Extraordinary Prepayment pursuant to Section 7.2(B) of the Master Lease. Notwithstanding Sections 7.2(B) and 3.2(b) of the Master Lease, if funds remain in the Series 2026 Acquisition Account upon delivery by the School Board of a Certificate of Acceptance, the amount exceeding the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under the Series 2026 Lease shall not be transferred to the Series 2026 Prepayment Account as provided in Section 3.2(b) of the Master Lease but shall be retained in the Series 2026 Acquisition Account and be applied to finance Facilities not then subject to the Master Lease and the School Board will cause the Series 2026 Lease to add such Facilities thereto. Additionally, Section 5.4(b) of the Master Lease shall not apply to the Series 2026 Facilities and the Series 2026 Certificates are not subject to extraordinary prepayment prior to maturity pursuant to Section 7.2(B) of the Master Lease from Net Proceeds in the event of damage, destruction or condemnation of the Series 2026 Facilities.

(i) Damage, Destruction or Condemnation of the Series 2026 Project. The provisions of Section 5.4(b) of the Master Lease shall not apply to the Series 2026 Lease. In the event the School Board does not repair, restore or replace the Series 2026 Facilities or any portion thereof which has been damaged, destroyed or condemned under the provisions of Section 5.4(a) of the Master Lease, the School Board will cause the Net Proceeds of any insurance or condemnation award to be deposited to the Series 2026 Acquisition Account and to be applied to finance Facilities not then subject to the Master Lease and will cause the Series 2026 Lease to add such Facilities thereto. Section 5.4(b) of the Master Lease shall not apply to the Series 2026 Facilities and the Series 2026 Certificates shall not be subject to prepayment from Net Proceeds.

(j) Conditional Notice of Prepayment. Notwithstanding the provisions of Section 314 of the Trust Agreement, the Trustee may give notice of the prepayment of Series 2026 Certificates conditioned upon an event specified by the School Board without the deposit by the School Board of amounts sufficient to pay in full the principal of the Certificates subject to prepayment, plus accrued interest and premium, if any, on such Certificates. If a conditional notice of prepayment has been provided pursuant to the terms of herein and the conditions are not satisfied, such notice of prepayment shall be of no force and effect and the Certificate holders shall be restored to their former positions as though no such notice of prepayment had been delivered.

SECTION 2.02. ISSUANCE OF SERIES 2026 CERTIFICATES. The Series 2026 Certificates shall be issued upon delivery to the Trustee of the documents specified in Section 304 of the Trust Agreement and payment of the purchase price therefor.

SECTION 2.03. SECURITY FOR SERIES 2026 CERTIFICATES. (a) The Series 2026 Certificates shall be secured in the manner provided in the Trust Agreement and shall receive all the benefits of the Trust Estate created thereunder; provided, such portion of the Trust Estate (i) which is derived from the sale, re-letting or other disposition of the Series 2026 Facilities

shall be utilized solely for the benefit of the Series 2026 Certificates; and (ii) any cash, securities and investments in the Series 2026 Pledged Accounts shall be utilized solely for the benefit of the Holders of the Series 2026 Certificates. The Holders of the Series 2026 Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the sale, re-letting or other disposition of Facilities, other than the Series 2026 Facilities, or any cash, securities and investments other than the Series 2026 Pledged Accounts.

(b) The School Board has advised the Trustee that property on which Booster Stadium is located and which is subject to the Ground Lease (the "Restricted Land") is subject to a deed or other restrictions that the Restricted Land be used only for the construction of a football field and related facilities and the playing of football games thereon and that a football game be played on such Restricted Use Property during each calendar year (collectively, the "Use Restrictions"). Failure to comply with such Use Restrictions may result in legal and other action by the grantors of the Restricted Land to enforce such Use Restrictions, including the possible reverter to the grantors of the Restricted Land. Upon occurrence of an event of nonappropriation pursuant to Section 3.5 of the Master Lease (an "Event of Nonappropriation") or any Event of Default resulting in the termination of the Series 2026 Lease and the return of possession of the Series 2026 Facilities to the Corporation or its assignee, pursuant to Section 3.6 of the Master Lease, the Trustee hereby covenants that, at all times, (i) the Restricted Land shall be used in accordance with the requirements of such Use Restrictions in the fashion required by such Use Restrictions, and (ii) it will undertake no activities that would trigger legal action by the grantors of such Restricted Land to enforce such Use Restrictions.

SECTION 2.04 SERIES 2026 PROJECT. Upon the delivery of the Series 2026 Certificates, the Series 2026 Project shall be effectuated as provided in the Trust Agreement and the Series 2026 Lease.

ARTICLE III
ESTABLISHMENT OF ACCOUNTS; APPLICATION OF SERIES 2026 CERTIFICATE PROCEEDS; INVESTMENT OF FUNDS

SECTION 3.01. ESTABLISHMENT OF ACCOUNTS. There are hereby established within the Project Fund the following accounts and subaccount: (a) the Series 2026 Acquisition Account; (b) the Series 2026 Lease Payment Account as more particularly described in Section 404 of the Trust Agreement; (c) the Series 2026 Cost of Issuance Subaccount; and (d) the Series 2026 Prepayment Account.

The moneys on deposit in the accounts and subaccount described herein shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement and herein.

Upon receipt of a certificate executed by an Authorized Officer of the School Board stating that all Costs of Issuance relating to the Series 2026 Certificates have been paid or provision for payment thereof has been made, the Trustee shall transfer any amounts remaining in the Series

2026 Cost of Issuance Subaccount to the Series 2026 Acquisition Account such Series 2026 Cost of Issuance Subaccount shall be closed.

SECTION 3.02. APPLICATION OF PROCEEDS OF SERIES 2026 CERTIFICATES. The Trustee shall deposit in the Series 2026 Acquisition Account, the amount of $_____ and in the Series 2026 Cost of Issuance Subaccount, the amount of $_____ from the proceeds of the sale of the Series 2026 Certificates. The remainder of the proceeds from the Series 2026 Certificates shall be used as follows: the Underwriters shall retain the Underwriters' Discount of $_____, all pursuant to the Closing Memorandum for the Series 2026 Certificates.

Moneys in the Series 2026 Acquisition Account may only be used to pay the cost of the Series 2026 Facility Sites and Series 2026 Facilities, as identified on Schedule No. 2026.

There is no Reserve Requirement for the Series 2026 Certificates.

There shall also be delivered by the School Board to the Trustee and the Underwriters, an Opinion of Counsel with respect to each Series 2026 Facility Site to the effect that there are no liens or encumbrances thereon that are not Permitted Encumbrances under the Master Lease, and that there shall be no merger of the fee simple estate of the School Board in the Series 2026 Facility Sites with the leasehold estates created by the Series 2026 Ground Lease or the Series 2026 Lease, notwithstanding the fact that the same person may hold one or more leasehold estates and such fee simple estate.

SECTION 3.03. INVESTMENT OF FUNDS. Moneys held in the Series 2026 Acquisition Account, the Series 2026 Lease Payment Account, the Series 2026 Prepayment Account and the Series 2026 Cost of Issuance Subaccount may be invested and reinvested as directed in writing by the School Board (which direction the Trustee may conclusively rely on) in Investment Securities for purposes of the Series 2026 Certificates.

ARTICLE IV

MISCELLANEOUS PROVISIONS RELATING TO SERIES 2026 CERTIFICATES

SECTION 4.01. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED. Except as expressly modified or amended hereby, the Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Trust Agreement and this Series 2026 Supplemental Trust Agreement, the terms hereof shall control.

SECTION 4.02. TRUSTEE'S FEES. On the closing date, the School Board shall pay the Trustee a one-time acceptance fee of $_____ and an annual fee in advance of $_____, which shall be paid every June 1 starting June 1, 2027 while the Series 2026 Certificates remain outstanding. In addition, unexpected or extraordinary services, duties and/or responsibilities by the Trustee, including, but not limited to, optional redemptions and amendments hereto, will be reasonably billed in addition to the amounts identified herein.

SECTION 4.03. COUNTERPARTS. This Series 2026 Supplemental Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4.04. HEADINGS. Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series 2026 Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 4.05. LAWS. This Series 2026 Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State of Florida.

SECTION 4.06. NONRECOURSE OBLIGATION OF CORPORATION. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions contemplated hereby, the obligations, liabilities and responsibilities, of the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Corporation shall be payable solely out of the proceeds derived by the Corporation from the Series 2026 Facilities (excluding any indemnities, reimbursement, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payments), and the Corporation (including its directors, officers, members, employees and agents in their personal capacities) shall have no other or further liability hereunder or arising herefrom.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Series 2026 Supplemental Trust Agreement by their duly authorized officers as of the date and year first written above.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Assistant Vice President

MARION COUNTY SCHOOL BOARD LEASING CORPORATION, as Lessor

(SEAL)

By: _____
Dr. Sarah James, President

ATTEST:

By: _____
Danielle Brewer, Ed.D.
Secretary

The School Board of Marion County, Florida hereby consents to the execution of this Series 2026 Supplemental Trust Agreement by the parties hereto and agrees to abide by the terms applicable to it herein.

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA, as Lessee

(SEAL)

By: _____
Dr. Sarah James, Board Chair

ATTEST:

By: _____
Danielle Brewer, Ed.D.
Superintendent/Secretary

SERIES 2026 GROUND LEASE
(SERIES 2026 FACILITY SITES)

THIS SERIES 2026 GROUND LEASE dated as of December 1, 2026, is between **THE SCHOOL BOARD OF MARION COUNTY, FLORIDA** (the "School Board"), acting as the governing body of the School District of Marion County, Florida (the "District"), as Lessor and the **MARION COUNTY SCHOOL BOARD LEASING CORPORATION** (the "Corporation"), a Florida nonprofit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as Lessee.

WHEREAS, the School Board has the power, under Section 1001.42(2) Florida Statutes, to control property and convey the title to real and personal property for educational purposes, and under Section 1001.42(11)(b)5, Florida Statutes, to enter into leases or lease purchase agreements of grounds and educational facilities, or of educational facilities for school purposes; and

WHEREAS, the Corporation has the authority to acquire educational facilities by lease or deed for the benefit of the School Board; and

WHEREAS, the Corporation is a "private corporation" within the meaning of Section 1001.42(9)(b)5, Florida Statutes, and is a "District school board direct-support organization" within the meaning of Section 1001.453(1)(a), Florida Statutes; and

WHEREAS, in order to carry out its powers and authority to acquire educational facilities and related equipment, the School Board and the Corporation are parties to a Master Lease Purchase Agreement dated as of August 1, 1992 (as the same may be amended or supplemented from time to time, the "Master Lease"); and

WHEREAS, the School Board is the owner of certain real property located in Marion County, Florida, and described in Exhibit A attached hereto, as the same may be amended from time to time by the addition of parcels of land to be acquired by the School Board in the future pursuant to one or more supplements hereto (which real property, together with all buildings, structures and improvements now or hereafter erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions or alterations thereto, or replacements thereof, now or hereafter located in, on or used in connection with or attached or made to such land is hereinafter referred to as a "Series 2026 Facility Site" or, in the case of separate parcels, such parcels are herein collectively referred to as the "Series 2026 Facility Sites"); and

WHEREAS, the School Board desires to lease purchase one or more particular educational facilities to be located on the Series 2026 Facility Sites, and desires to lease purchase certain other educational facilities and sites (collectively, the "Series 2026 Facilities"), pursuant to Schedule No. 2026 to the Master Lease (which schedule, upon being executed and delivered by the School Board and the Corporation, together with the terms and provisions of the Master

Lease, constitute a separate lease (as the same may be amended or supplemented from time to time, the "Series 2026 Lease")); and

WHEREAS, the ground leasing of the Series 2026 Facility Sites by the School Board to the Corporation, the subleasing of the Series 2026 Facility Sites by the Corporation back to the School Board and the lease purchase financing and construction of the Series 2026 Facilities are herein collectively referred to as the "Series 2026 Project"; and

WHEREAS, provisions for the payment of the cost of acquiring and constructing the Series 2026 Facilities have been made by (a) establishing a trust pursuant to the Master Trust Agreement dated as of August 1, 1992 (the "Master Trust Agreement"), as supplemented by a Series 2026 Supplemental Trust Agreement dated as of December 1, 2026 (the "Series 2026 Supplemental Trust Agreement"), as the same may be further amended or supplemented from time to time (the "Trust Agreement"), between the Corporation and U.S. Bank Trust Company, National Association, Jacksonville, Florida, as Trustee (the "Trustee"), and assigning to the Trustee without recourse all of the Corporation's right, title and interest in and to this Series 2026 Ground Lease and the Series 2026 Lease, (b) directing the Trustee for such trust to execute and deliver to the public one series of certificates of participation (the "Series 2026 Certificates") evidencing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board, as lessee, pursuant to the Series 2026 Lease, and (c) directing the Trustee to hold the proceeds of sale of the Series 2026 Certificates in trust subject to application as provided therein; and

WHEREAS, each Series 2026 Certificate represents an undivided proportionate interest in the principal portion of the Basic Lease Payments set forth on Schedule No. 2026 due and payable on the maturity date or earlier prepayment date of such Series 2026 Certificate and in the interest portion of the Basic Lease Payments set forth on Schedule No. 2026 due and payable semiannually; and

WHEREAS, the Corporation will assign to the Trustee without recourse all of its right, title and interest in and to this Series 2026 Ground Lease, the Series 2026 Lease and the Lease Payments, pursuant to the Series 2026 Assignment Agreement dated as of December 1, 2026 (as the same may be amended or supplemented from time to time, the "Series 2026 Assignment Agreement"); and

WHEREAS, the School Board intends for the Series 2026 Lease to remain in full force and effect until the last Lease Payment Date for the Series 2026 Facilities, unless sooner terminated in accordance with the terms provided therein; and

WHEREAS, the School Board intends for this Series 2026 Ground Lease to remain in full force and effect until the termination of the lease term hereof, as provided in Section 2 below.

NOW, THEREFORE, the School Board and the Corporation accordingly hereby covenant and agree as follows:

SECTION 1. Lease of Series 2026 Facility Sites. Subject to Permitted Encumbrances (as defined in Exhibit A attached hereto and made a part hereof), the School Board hereby demises and leases the Series 2026 Facility Sites, more particularly described in Exhibit A, as the same may be amended from time to time pursuant to one or more supplements hereto, to the Corporation, and the Corporation hereby hires, takes and leases the Series 2026 Facility Sites from the School Board, for the term, at the rental and on the conditions herein set forth.

SECTION 2. Ground Lease Term; Option to Renew. The lease term for the Series 2026 Facility Sites (the "Ground Lease Term") shall commence on the date of the delivery of this Series 2026 Ground Lease (the "Commencement Date") and shall end on the earlier of (i) the date on which the Series 2026 Certificates or any Certificates refinancing the Series 2026 Certificates are paid in full, or (ii) June 1, 20__ (ten years from the final maturity date of the Series 2026 Certificates).

Notwithstanding the foregoing, this Series 2026 Ground Lease may be terminated by the School Board on any date prior to the end of the Ground Lease Term, which date is at least one day after the date of termination of the Series 2026 Lease, upon not less than 10 days' prior written notice to the Corporation or its assigns, (a) upon payment of the Purchase Option Price by the School Board, pursuant to Section 7.2 of the Master Lease, with respect to the Series 2026 Facilities, and full performance and satisfaction of the School Board's obligations under the Series 2026 Lease and the Series 2026 Supplemental Trust Agreement, provided, that no Series 2026 Certificates are then Outstanding under the Trust Agreement, or (b) upon the provision for payment of all Lease Payments under the Series 2026 Lease pursuant to Section 7.3 of the Master Lease, provided, that no Series 2026 Certificates are then Outstanding under the Trust Agreement, together in each case with payment of the sum of $1.00. This Series 2026 Ground Lease may likewise be modified at the request of the School Board at any time, upon consent of the Trustee and not less than 10 days' prior written notice and modification of the Series 2026 Lease (a) to reflect the addition of Series 2026 Facility Sites, (b) to reflect the substitution of all or a portion of the Series 2026 Facilities and Series 2026 Facility Sites in accordance with Section 6.4 of the Master Lease; or (c) upon payment or provision for payment of the Purchase Option Price of one or more particular Series 2026 Facilities pursuant to Section 7.3 of the Master Lease, to reflect the release of one or more portions of the Series 2026 Facility Sites from this Series 2026 Ground Lease.

SECTION 3. Rent.

(a) So long as no Event of Default or nonappropriation shall have occurred under the Series 2026 Lease, the Corporation or its assignee shall pay to the School Board as and for rental for the Series 2026 Facility Sites the sum of $1.00 per annum, which sum shall be due in advance on the Commencement Date (pro-rated) and annually thereafter on the anniversary date of the Commencement Date. At the option of the Corporation or its assignee, the Corporation or its assignee may prepay all or a portion of the rent payable hereunder for the entire initial lease term hereof from the proceeds of sale of the Series 2026 Certificates or otherwise.

(b) From and after the date of occurrence of an Event of Default or nonappropriation under the Series 2026 Lease and for the remainder of the Ground Lease Term, the Trustee as assignee of the Corporation or its assignee shall pay as and for rental for the Series 2026 Facility Sites an amount determined by an M.A.I. appraisal to be the fair market rental for the Series 2026 Facility Sites (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by the Trustee as assignee of the Corporation (the cost of such Appraisal to be paid by the Trustee and reimbursed as provided in Article VI of the Master Trust Agreement); provided, however, that such fair market rental and the payment thereof shall be subject to the following adjustments and conditions:

(i) if such event shall have occurred on a date other than June 30 of any year, the fair market rental determined pursuant to the Appraisal shall be pro-rated for the number of days between the date of such occurrence and the next succeeding June 30;

(ii) for each twelve month period beginning on the July 1 next succeeding the date on which such event occurs and beginning on each succeeding July 1, the amount of the fair market rental determined by the Appraisal shall be adjusted by the percentage (positive or negative) which is equal to the Implicit Price Deflator of the Consumer Price Index published by the United States Department of Commerce for the region of the United States where Florida is located or for the United States as a whole if not so published for such region;

(iii) the fair market rental due in any year shall be paid in the current year only to the extent that the moneys received by the Trustee as assignee of the Corporation from the exercise of the remedies permitted under the Series 2026 Lease during the preceding twelve months prior to such July 1 exceeded the principal and interest portions of Basic Lease Payments under the Series 2026 Lease payable for such preceding twelve months as set forth on the Schedule No. 2026 and other amounts described in Section 504 of the Master Trust Agreement to be paid prior to the payment of rent hereunder; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (iii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future year to the extent that moneys received in such year from the exercise of the remedies permitted by the Series 2026 Lease exceed the principal and interest portion of Basic Lease Payments under the Series 2026 Lease and other amounts described in Section 504 of the Master Trust Agreement to be paid prior to the payment of rent hereunder and the fair market rental due in such years; and

(iv) the failure to pay any portion of the fair market rental in any year due to insufficiencies of moneys realized from the exercise of the remedies permitted under the Series 2026 Lease (1) shall not give rise to any obligation to pay interest on such unpaid fair market rental and (2) shall not constitute a default under this Series 2026 Ground Lease by the Corporation or the Trustee as the assignee of the Corporation.

SECTION 4. Title to the Series 2026 Facility Sites; Possession.

(a) Upon the Commencement Date and throughout the term of this Series 2026 Ground Lease, fee title to the Series 2026 Facility Sites shall be in the name of the School Board, subject to Permitted Encumbrances; title to the Series 2026 Facilities constructed on the Series 2026 Facility Sites shall pass to the School Board immediately upon acceptance thereof by the School Board under the Series 2026 Lease; provided, however, such title shall remain severed from title to the Series 2026 Facility Sites until acceptance thereof by the School Board under the Series 2026 Lease.

(b) The Corporation shall at all times during the term of this Series 2026 Ground Lease have a valid and enforceable leasehold estate in the Series 2026 Facility Sites and the Series 2026 Facilities with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee (as defined herein).

(c) Possession and use of the Series 2026 Facility Sites, together with all improvements thereon, shall, upon the last day of the Ground Lease Term or earlier termination of this Series 2026 Ground Lease pursuant to Section 2 hereof, automatically revert to the School Board free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Series 2026 Ground Lease, the Corporation or any Permitted Transferee shall peaceably and quietly surrender to the School Board the Series 2026 Facility Sites together with any improvements located in or upon the Series 2026 Facility Sites. Upon such surrender of the Series 2026 Facility Sites, the Corporation or any Permitted Transferee, at the reasonable request of the School Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the School Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Series 2026 Facility Sites in the possession of the Corporation or any Permitted Transferee.

(d) Any personal property of the Corporation, any Permitted Transferee or any Person which shall remain on the Series 2026 Facility Sites after expiration of the Ground Lease Term or earlier termination of this Series 2026 Ground Lease and for 30 days after request by the School Board for removal, shall, at the option of the School Board, be deemed to have been abandoned and may be retained by the School Board and the same may be disposed of, without accountability, in such manner as the School Board may see fit.

(e) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Series 2026 Facility Sites after expiration of the Ground Lease Term or earlier termination of this Series 2026 Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and shall pay rent equal to the fair market rental of the Series 2026 Facility Sites determined in the manner provided in Section 3(b) hereof.

SECTION 5. Use of Series 2026 Facility Sites; Assignments and Subleases. The Corporation and its assignees may use the Series 2026 Facility Sites for any lawful purpose; however, the parties agree that unless there shall have occurred an Event of Default or nonappropriation under the Series 2026 Lease, the Series 2026 Facility Sites shall be used solely

for educational purposes. Unless there shall have occurred an Event of Default or nonappropriation under the Series 2026 Lease, no assignment of this Series 2026 Ground Lease or subletting of the Series 2026 Facility Sites may be made except as provided in the Series 2026 Assignment Agreement, the Series 2026 Lease, the Trust Agreement, without the prior written consent of the School Board. In the event that there shall have occurred an Event of Default or nonappropriation under the Series 2026 Lease, then the Corporation's interest in this Series 2026 Ground Lease may be assigned by the Trustee to any third party (a "Permitted Transferee"), who may alter, modify, add to or delete from the Series 2026 Facilities existing from time to time on the Series 2026 Facility Sites.

The School Board represents and covenants that the Series 2026 Facility Sites are presently zoned to allow government use, and that the School Board shall take no action with respect to zoning or other land use regulation applicable to the Series 2026 Facility Sites except as directed by the Corporation. The School Board shall do everything in its power to assist the Corporation in obtaining such building permits, subdivision approvals, or zoning changes or variances as the Corporation may deem necessary or desirable or such other permits, licenses, approvals or other actions which the Corporation deems necessary or desirable in order to enable the Corporation to use the Series 2026 Facility Sites for such purposes as the Corporation shall determine; provided, however, that neither the Corporation nor any Permitted Transferee shall use or permit the Series 2026 Facility Sites to be used in violation of any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto.

The School Board covenants to promptly grant such permanent easements on the Series 2026 Facility Sites in such form and content as are determined by the Corporation to be reasonably necessary following the approval of final plans (1) to acquire, construct, renovate, install and maintain the construction of the Series 2026 Facilities, (2) to exercise the Corporation's rights and obligations as lessor under the Series 2026 Lease and as lessee under this Series 2026 Ground Lease including, but not limited to, its rights to exercise its remedies under the Series 2026 Lease and its rights in the event of termination of the Series 2026 Lease, and (3) to provide parking facilities at the Series 2026 Facilities.

It is understood that all right, title and interest of the Corporation in and to this Series 2026 Ground Lease is to be assigned without recourse by the Corporation to the Trustee pursuant to the Series 2026 Assignment Agreement. The School Board agrees that upon such assignment the Trustee shall have all of the rights of the Corporation hereunder assigned to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Series 2026 Ground Lease or otherwise) that the School Board may from time to time have against the Corporation or any person or entity associated or affiliated therewith. The School Board acknowledges that the Trustee is acting on behalf of the Series 2026 Certificate holders, and may, under certain circumstances assign this Series 2026 Ground Lease to a Permitted Transferee.

Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating to this Series 2026 Ground Lease or any of the transactions contemplated hereby,

the parties hereto acknowledge and agree that upon the assignment by the Corporation of its rights hereunder to the Trustee pursuant to the Series 2026 Assignment Agreement, the Corporation shall have no further obligation, liability or responsibility hereunder and no party hereto nor its successors or assigns shall look to the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed.

In addition to the other warranties and covenants set forth herein, the School Board hereby warrants and covenants as follows:

(1) That the School Board has good and marketable title to the Series 2026 Facility Sites, has the authority to enter into, to execute and to deliver this Series 2026 Ground Lease and the Series 2026 Lease, has the authority to approve the Trust Agreement and the Series 2026 Assignment Agreement, has duly authorized the execution and delivery of this Series 2026 Ground Lease and the Series 2026 Lease and has duly authorized the approval of the Trust Agreement and the Series 2026 Assignment Agreement;

(2) That except for Permitted Encumbrances, the Series 2026 Facility Sites are not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the Series 2026 Project or the use of the Series 2026 Facility Sites as security for the financing as contemplated by the Series 2026 Lease;

(3) That all taxes, assessments, or impositions of any kind with respect to the Series 2026 Facility Sites, except current taxes, have been paid in full;

(4) That the Series 2026 Project is necessary to the School Board in order for the School Board to perform its governmental function relating to public education;

(5) That the Series 2026 Facility Sites are properly zoned for school purposes, including, without limitation, the Series 2026 Project;

(6) That the School Board's past and current uses of the Series 2026 Facility Sites, and to the best of the School Board's knowledge, information and belief, all past and current uses of the Series 2026 Facility Sites, complied and comply with all federal, state and local environmental laws, rules, regulations and ordinances. Neither the School Board nor anyone on behalf of the School Board has received notice of any violations of any environmental law, rule, regulation or ordinance regarding the Series 2026 Facility Sites. No actions or lawsuits have been commenced or threatened by a governmental agency or any other person or entity claiming non-compliance with any environmental law, rule, regulation or ordinance regarding the Series 2026 Facility Sites. The School Board has never applied for environmental liability insurance or, if it has so applied, it has never been denied such coverage. The School Board has no knowledge or notice of any asbestos, or any emission, discharge, seepage, release, or any hazardous pollutant in or upon the Series 2026 Facility Sites; and

(7) That if a problem with the title to the Series 2026 Facility Sites or the Series 2026 Project or the use thereof should develop, the School Board shall exercise its condemnation powers to the extent permitted by law to obtain the necessary rights in the Series 2026 Facility Sites and the Series 2026 Project that will enable the parties hereto to perform the transactions contemplated by the Series 2026 Lease and this Series 2026 Ground Lease.

SECTION 6. Right of Entry. Unless there shall have occurred an Event of Default or nonappropriation under the Series 2026 Lease, the School Board shall have the right for any of its duly authorized representatives to enter upon the Series 2026 Facility Sites at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 7. Default. In the event the Corporation or its assignee shall be in default in the performance of any obligation on its part to be performed under the terms of this Series 2026 Ground Lease, which default continues for 60 days following notice and demand for correction thereof to the Corporation and its assignees, the School Board may exercise any and all remedies granted by law; provided, however, that so long as any Series 2026 Certificates remain outstanding under the Trust Agreement and except as provided in Section 2 herein, this Series 2026 Ground Lease shall not be terminated. The School Board shall have recourse solely against the leasehold estate of the Corporation or its assigns in the Series 2026 Facility Sites, and any proceeds thereof, for the payment of any liabilities of the Corporation hereunder. The rights of the School Board under this Section shall be subordinate in all respects to the rights of the holders of the Series 2026 Certificates under the Trust Agreement.

SECTION 8. Quiet Enjoyment. The Corporation at all times during the term of this Series 2026 Ground Lease shall peacefully and quietly have, hold and enjoy the Series 2026 Facility Sites, without hindrance or molestation subject to the provisions hereof and of the Series 2026 Lease, the Series 2026 Assignment Agreement and the Trust Agreement.

SECTION 9. Liens. Neither the School Board nor, unless there shall have occurred an Event of Default or nonappropriation under the Series 2026 Lease, the Corporation shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to such Series 2026 Facility Sites, other than Permitted Encumbrances. The School Board shall reimburse the Trustee for any expense incurred by the Trustee in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. Upon the occurrence of an Event of Default or nonappropriation under the Series 2026 Lease, the Corporation, the Trustee and any Permitted Transferee may enter into a mortgage or other encumbrance of its leasehold estate in the Series 2026 Facility Sites; provided, however, that the School Board's title to the Series 2026 Facility Sites shall not be subject to or encumbered by any such mortgage or other encumbrance, including without limitation any mechanic's or materialman's liens.

SECTION 10. Amendments. No amendment may be made to this Series 2026 Ground Lease without the prior written consent of the Trustee. Copies of all amendments hereto shall be

provided to the Rating Agencies (as defined in the Trust Agreement), whether effected pursuant to Section 702 or Section 703 of the Trust Agreement.

SECTION 11. Binding Effect. This Series 2026 Ground Lease shall inure to the benefit of and shall be binding upon the Corporation and the School Board and their respective successors and assigns; provided, however, that the Trustee is entitled to the benefits of the provisions hereof and shall be a third party beneficiary to this Series 2026 Ground Lease.

SECTION 12. No Merger of Leasehold Estate. There shall be no merger of this Series 2026 Ground Lease or of the leasehold estate hereby created with the fee estate in the Series 2026 Facility Sites by reason of the fact that, through the exercise of remedies hereunder or otherwise, the same person may acquire or hold, directly or indirectly, this Series 2026 Ground Lease or leasehold estate hereby created or any interest herein or therein, and the fee estate in the Series 2026 Facility Sites or any interest in such fee estate. The leasehold interest granted herein is and shall be independent of the Series 2026 Lease. The Series 2026 Lease shall not be an assignment or surrender to the School Board of the leasehold interest granted under this Series 2026 Ground Lease to the Corporation.

SECTION 13. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid to the following addresses, or to such other address or addresses as shall be designated by the parties in writing:

Corporation:	Marion County School Board Leasing Corporation 1614 East King Street Ocala, FL 34471 Attn: President
School Board:	The School Board of Marion County, Florida 1614 East King Street Ocala, FL 34471 Attn: Superintendent
With copies to: Trustee:	U.S. Bank Trust Company, National Association Corporate Trust Department 6410 Southpoint Parkway, Suite 200 Jacksonville, Florida 32216

SECTION 14. Severability. In the event any provision of this Series 2026 Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 15. Applicable Law. This Series 2026 Ground Lease shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 16. Execution in Counterparts. This Series 2026 Ground Lease may be executed in several counterparts, each of which shall be an original and all of which constitute but one and the same instrument.

SECTION 17. No Personal Liability. No covenant or agreement contained in this Series 2026 Ground Lease shall be deemed to be the covenant or agreement of any member of the School Board or the Corporation or any officer, employee or agent of the School Board or the Corporation, or of any successor thereto, in an individual capacity, and neither the members of the School Board or the Corporation executing this Series 2026 Ground Lease nor any officer, employee, agent of the School Board or the Corporation shall be personally liable or accountable by reason of the execution or delivery hereof.

SECTION 18. Warranties of the Corporation; Nonrecourse Obligation of Corporation. The Corporation covenants and warrants to the School Board that the Corporation has the full power and authority to enter into, to execute and to deliver this Series 2026 Ground Lease, the Series 2026 Lease and the Trust Agreement, and to perform all of its duties and obligations thereunder, and has duly authorized the execution and delivery of this Series 2026 Ground Lease, the Series 2026 Lease and the Trust Agreement. The Corporation will record this Series 2026 Ground Lease and any release approved as specified in Sections 1 and 2 above, or a memorandum thereof.

Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions contemplated hereby, the obligations, liabilities and responsibilities of the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Corporation shall be payable solely out of the proceeds derived by the Corporation from the Series 2026 Project (excluding any indemnities, reimbursements, service fees or other Lease Payments, Additional Lease Payments or Supplemental Payments), and the Corporation shall have no other or further liability hereunder or arising herefrom.

SECTION 19. Non-Merger of Leasehold. There shall be no merger of this Series 2026 Ground Lease or of the leasehold estate hereby created with the fee estate in the premises and the Series 2026 Project or any part thereof by reason of the fact that the same Person may acquire or hold, directly or indirectly, this Series 2026 Ground Lease or leasehold estate hereby created or any interest in this Series 2026 Ground Lease or in such leasehold estate and the fee estate in the Series 2026 Facility Sites and the Series 2026 Project or any interest in such fee estate.

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IN WITNESS WHEREOF, the Corporation has caused this Series 2026 Ground Lease to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers; and the School Board has caused this Series 2026 Ground Lease to be executed in its name and its seal to be hereunto affixed by its duly authorized officials, all as of the date first above written.

[SEAL]

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

By: _____
Dr. Sarah James, Board Chair

ATTEST:

By: _____
Danielle Brewer, Ed.D.
Superintendent of Schools, Ex officio
Secretary

MARION COUNTY SCHOOL BOARD LEASING CORPORATION

[SEAL]

By: _____
Dr. Sarah James, President

ATTEST:

By: _____
Danielle Brewer, Ed.D.
Secretary

EXHIBIT A

LEGAL DESCRIPTION

[See Attached Schedule 1]

PERMITTED ENCUMBRANCES

Permitted Encumbrances shall include, for each parcel the following:

(1) this Series 2026 Ground Lease and any liens and encumbrances created or permitted hereby;

(2) subject to the provisions of Section 6.2 of the Master Lease, any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the provisions of the Master Lease;

(3) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not delinquent or the amount or validity of which are being contested and execution thereon is stayed; (c) easements, rights of way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which do not materially impair the use of such property or materially and adversely affect the value thereof or materially adversely affect the benefits enjoyed by Series 2026 Certificate holders in the Series 2026 Facility Sites under this Series 2026 Ground Lease, the Series 2026 Assignment Agreement and the Trust Agreement; and (d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner that do not materially affect the use of the Series 2026 Facility Sites for educational purposes or the benefits enjoyed by Series 2026 Certificate holders in the Series 2026 Facility Sites under this Series 2026 Ground Lease, the Series 2026 Assignment Agreement and the Trust Agreement;

(4) the exceptions on each title policy related to the Series 2026 Facility Site; and

(5) any other liens or encumbrances permitted by the Series 2026 Lease relating to such Series 2026 Facility Sites; provided, such lien or encumbrance shall not materially adversely affect the intended use of such Series 2026 Facility Sites by the School Board for educational purposes or the benefits enjoyed by Series 2026 Certificate holders in the Series 2026 Facility Sites under this Series 2026 Ground Lease, the Series 2026 Assignment Agreement and the Trust Agreement.

(6) the following Permitted Encumbrances relate solely to Dunnellon Middle/High School:

[To Come]

(7) the following Permitted Encumbrances relate solely to North End Elementary School:

[To Come]

(8) the following Permitted Encumbrances relate solely to Booster Stadium:

[To Come]

SCHEDULE 1
Legal Description

The following land is situated in the County of Marion, State of Florida:

Dunnellon Middle/High School

[TO COME]

North End Elementary School

[TO COME]

Booster Stadium

[TO COME]

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SERIES 2026
ASSIGNMENT AGREEMENT

THIS AGREEMENT, made and entered into as of December 1, 2026, by and between MARION COUNTY SCHOOL BOARD LEASING CORPORATION, a not for profit corporation organized under the laws of the State of Florida (the "Corporation"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee (the "Trustee");

WITNESSETH THAT, in the joint and mutual exercise of their powers, and in consideration of $10.00 and other good and valuable consideration and the mutual covenants herein contained, the parties hereto recite and agree as follows:

SECTION 1. Recitals.

1.01 The School Board of Marion County, Florida (the "School Board"), and the Corporation have entered into a Master Lease Purchase Agreement dated as of August 1, 1992 (as the same may be amended or supplemented from time to time, the "Master Lease") and the School Board and the Corporation have executed Schedule No. 2026 thereto, dated as of December 1, 2026 (which Master Lease together with such schedule constitutes a separate lease (the "Series 2026 Lease"), with respect to certain educational facilities and sites, and have entered into a Series 2026 Ground Lease dated as of December 1, 2026 (as the same may be amended or supplemented from time to time, the "Series 2026 Ground Lease"), with respect to certain of the sites of such educational facilities.

1.02 Pursuant to the Series 2026 Lease, the School Board and the Corporation have agreed that there shall be acquired, constructed, installed and equipped for lease purchase to the School Board, certain educational facilities (the "Series 2026 Facilities") as described in Schedule No. 2026 to the Master Lease, such facilities to be located on certain lands described in Schedule No. 2026 (the "Series 2026 Facility Sites"), the legal description of which is attached hereto as Exhibit A. Schedule No. 2026 sets forth the Lease Payments to be paid by the School Board for the Series 2026 Facilities (collectively, the "Series 2026 Lease Payments"). The School Board has agreed to lease purchase the Series 2026 Facilities from the Corporation.

1.03 The Corporation and the Trustee have entered into a Master Trust Agreement dated as of August 1, 1992, as supplemented by a Series 2026 Supplemental Trust Agreement dated as of December 1, 2026 (as the same may be further amended or supplemented from time to time, the "Trust Agreement"), which acknowledges and contemplates the execution of this Agreement in conjunction therewith. This Agreement is made for the purpose of enabling the Trustee to act as assignee of the Corporation under the Series 2026 Lease.

1.04 The Corporation desires to sell, assign and convey all its right, title and interest as lessee of the Series 2026 Facility Sites under the Series 2026 Ground Lease, and as sub lessor of the Series 2026 Facility Sites and lessor of the Series 2026 Facilities under the Series 2026 Lease (except for its right to indemnification under Section 5.7 of the Master Lease and to receive

notices under the Master Lease), to the Trustee for the benefit of the holders of the Series 2026 Certificates (the "Series 2026 Certificates") to be issued under the Trust Agreement.

1.05 The Trustee is willing to accept this assignment on the terms and conditions hereinafter provided.

1.06 Each of the parties has authority to enter into this Agreement and has taken all actions necessary to authorize its execution by the officers signing it.

All terms capitalized but not defined herein shall have the meanings given to them in the Trust Agreement and the Series 2026 Lease.

SECTION 2. Assignment.

2.01 The Corporation hereby absolutely and unconditionally sells, assigns and conveys to the Trustee, without recourse for the benefit of all of the Series 2026 Certificate holders, all of its right, title and interest under the Series 2026 Ground Lease and the Series 2026 Lease (except for its right to indemnification under Section 5.7 of the Master Lease and to receive notices under the Master Lease), including, without limitation, all Series 2026 Lease Payments and other amounts required to be paid by the School Board under the Series 2026 Lease. Accordingly, upon execution of this Agreement, the Corporation shall deliver to the Trustee executed counterparts of the Series 2026 Ground Lease and the Series 2026 Lease. The Corporation represents that delivery to the Trustee of such documents shall make the sale, assignment and conveyance of the Series 2026 Ground Lease and the Series 2026 Lease herein made, complete and effective for all purposes.

2.02 With respect to the sale, assignment and conveyance of the rights and interests contemplated hereunder to the Trustee, the Corporation represents, warrants and covenants to and with the Trustee and the Series 2026 Certificate holders that, upon the date of execution of this Agreement and the effective date of the sale, assignment and conveyance of the Corporation's rights under the Series 2026 Ground Lease and the Series 2026 Lease, the facts stated below are and will be true and correct:

A. The Corporation is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Florida, with corporate powers and authority to own its property and carry on its business as now being conducted, and is qualified wherever necessary to perform its obligations under the Series 2026 Ground Lease, the Series 2026 Lease, the Trust Agreement and this Agreement.

B. The Corporation has full power, authority and legal right to enter into and perform its obligations under the Series 2026 Ground Lease, the Series 2026 Lease, the Trust Agreement and this Agreement; the execution, delivery and performance of the Series 2026 Ground Lease, the Series 2026 Lease, the Trust Agreement and this Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the Corporation, and all required approvals and consents have heretofore been duly obtained; and the Series 2026

Ground Lease, the Series 2026 Lease, this Agreement and the Trust Agreement are in full force and effect.

C. The execution, delivery and performance of the Series 2026 Ground Lease, the Series 2026 Lease, the Trust Agreement and this Agreement do not contravene any provision of the Articles of Incorporation or Bylaws of the Corporation, and do not and will not conflict with, violate or result in any breach of or constitute a default under any agreement or instrument to which the Corporation is a party or by which it or any of its property is bound or any constitutional or statutory provision, or order, rule, regulation, decree or ordinance of any federal or State court, government or governmental body having jurisdiction over the Corporation or any of its properties and by which the Corporation or any of its property is bound.

D. The Series 2026 Ground Lease, the Series 2026 Lease, this Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; the Series 2026 Ground Lease, the Series 2026 Lease, this Agreement and the Trust Agreement are legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, all such enforcement being subject to certain laws relating to bankruptcy, reorganization, moratorium and creditors' rights generally, and to principles of equity in the event that equitable remedies are sought.

E. The Series 2026 Ground Lease and the Series 2026 Lease delivered to the Trustee are duly executed duplicate originals.

F. The Corporation has complied and will at all times hereafter comply with and duly perform its obligations under the Series 2026 Ground Lease, the Series 2026 Lease, the Trust Agreement and this Agreement.

G. Except as disclosed in the Offering Statement dated [November __,] 2026, there is no pending or, to the knowledge of the Corporation, threatened action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency in any way affecting the ability of the Corporation to perform its obligations under the Series 2026 Ground Lease, the Series 2026 Lease, the Trust Agreement or this Agreement.

H. The Series 2026 Ground Lease and the Series 2026 Lease being herein assigned are free and clear of all claims, liens, security interests and encumbrances arising through any act or omission of the Corporation or any person claiming by, through or under it, except the rights of the School Board under the Series 2026 Lease and the Series 2026 Ground Lease, including the fact that fee title to the Series 2026 Facility Sites and upon acceptance, to the Series 2026 Facilities is vested in the School Board.

I. In order to secure payment of the Series 2026 Certificates, upon the occurrence of an Event of Default or an event of nonappropriation under the Series 2026 Lease, the Corporation hereby authorizes the Trustee to take possession of the Series 2026 Facilities, and leasehold title thereto, and sell or relet such interest in such Facilities, or any portion thereof, in the circumstances described in the Trust Agreement and the Series 2026 Lease.

2.03 Except as otherwise set forth in Section 2.01, from and after the date of delivery to the Trustee of this Agreement, the Corporation shall have no further rights or interest under the Series 2026 Ground Lease or the Series 2026 Lease or in any Series 2026 Lease Payments or other moneys due with respect thereto or to become due under the Series 2026 Lease.

2.04 The Corporation agrees to execute and deliver to the Trustee upon request by the Trustee, any documents deemed necessary by the Trustee to further evidence or perfect the absolute, unconditional and non recourse assignment and conveyance herein made with respect to the Series 2026 Ground Lease and the Series 2026 Lease.

2.05 The Corporation hereby irrevocably constitutes and appoints the Trustee, its successors and assigns, as its lawful attorney, with full power of substitution and resubstitution, to collect and to sue on behalf of the Corporation in the name of the Corporation or otherwise in any court for any Series 2026 Lease Payments or other amounts due under the Series 2026 Lease, or any part thereof; to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Series 2026 Lease upon any terms; all without the assent of the Corporation; and, further, to take possession of and to endorse in the name of the Corporation any instrument for the payment of moneys received on account of the Series 2026 Lease Payments or other amounts due under the Series 2026 Lease.

2.06 The Corporation has authorized and directed the School Board to pay to the Trustee, its successors and assigns, all Series 2026 Lease Payments and all other amounts coming due under the Series 2026 Lease.

2.07 Upon request of the Trustee, the Corporation agrees to cooperate in the Trustee's efforts to collect and cause to be remitted to the Trustee any Series 2026 Lease Payment or other amount.

2.08 In the event the Corporation receives actual written notice addressed to its General Counsel or President from the School Board that it will exercise its option under Section 7.3 of the Master Lease to prepay the Series 2026 Lease Payments to become due thereunder, or that the Series 2026 Lease will not be renewed as a result of any event of non appropriation under the Series 2026 Lease, the Corporation shall notify the Trustee of this fact in writing no later than five Business Days after such receipt; provided, however, that failure to provide such notice shall not create any liability on the part of the Corporation.

SECTION 3. Administrative Provisions.

3.01 This Agreement shall be construed and governed in accordance with the laws of the State of Florida.

3.02 Any provision of this Agreement found to be prohibited by applicable laws shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

3.03 This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

3.04 This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

3.05 The Series 2026 Ground Lease and the Series 2026 Lease, together with all exhibits thereto, comprise the entire writing, obligation and agreement between the Corporation and School Board respecting the Series 2026 Facility Sites and the Series 2026 Facilities.

SECTION 4. Non Recourse.

4.01 The Assignment contained in this Agreement is agreed to be non recourse with respect to the Corporation and the Corporation shall have no liability to the Trustee, or any Certificate holders hereunder with respect to the occurrence of any event of non appropriation or event of default by the School Board under the Series 2026 Lease, whether such default consists of failure to pay moneys, breach of covenant or otherwise; provided, however, that nothing contained in this Section 4 shall excuse the Corporation from performance of its obligations under Sections 2.04 through 2.08 hereof.

All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity; and no recourse shall be had for the assignment effected by Section 2 hereof or for any claim based thereon under this Agreement against any member, director, officer, employee or agent of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Series 2026 Assignment Agreement as of the day and year first written above.

[SEAL]

MARION COUNTY SCHOOL BOARD LEASING CORPORATION

By: _____
Dr. Sarah James, President

ATTEST:

By: _____
Danielle Brewer, Ed.D., Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: _____
Title: Assistant Vice President

EXHIBIT A

Legal Description

The following land is situated in the County of Marion, State of Florida:

Dunnellon Middle/High School

[TO COME]

North End Elementary School

[TO COME]

Booster Stadium

[TO COME]

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APPENDIX E

FORM OF OPINION OF SPECIAL COUNSEL

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On the date of issuance of the Certificates of Participation, Series 2026, Greenberg Traurig, P.A., Special Tax Counsel, proposes to issue its approving opinion in substantially the following form:

[date of delivery]

The School Board of Marion County, Florida
Ocala, Florida

Re: $_____ Certificates of Participation, Series 2026, Evidencing an Undivided Proportionate Interest of the Registered Owners thereof in Basic Lease Payments to be Made by the School Board of Marion County, Florida, as Lessee, Pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation, as Lessor

Ladies and Gentlemen:

We have acted as special tax counsel in connection with the issuance of $_____ aggregate principal amount of Certificates of Participation, Series 2026, evidencing an undivided proportionate interest of the registered owners thereof in Basic Lease Payments to be made by The School Board of Marion County, Florida, (the "School Board"), as Lessee, pursuant to a Master Lease Purchase Agreement with Marion County School Board Leasing Corporation (the "Corporation"), as Lessor (the "Series 2026 Certificates"). In that capacity, we have reviewed the Master Lease Purchase Agreement dated as of August 1, 1992 (the "Master Lease"), between the School Board and the Corporation, as supplemented by Lease Schedule No. 2026, dated as of December 1, 2026 (together, the "Series 2026 Lease"); the Series 2026 Ground Lease dated as of December 1, 2026, between the School Board and the Corporation; the Master Trust Agreement dated as of August 1, 1992, as supplemented by a Series 2026 Supplemental Trust Agreement dated as of December 1, 2026 (together, the "Trust Agreement"), each between the Corporation and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"); the Series 2026 Assignment Agreement dated as of December 1, 2026, between the Corporation and the Trustee (the "Assignment Agreement"); the form of the Series 2026 Certificates; and various other related documents and certificates. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement.

The Basic Lease Payments are payable from funds appropriated by the School Board from current and other funds authorized by law and regulations of the Department of Education of the State of Florida. The School Board is not legally required to appropriate money for this purpose. None of the School Board, the School District of Marion County, Florida (the "District"), the State of Florida, or any political subdivision thereof shall be obligated to pay, except from appropriated funds, any sums due under the Series 2026 Lease from any source of taxation, and the full faith and credit of the School Board and the District is not pledged for payment of such sums due thereunder and such sums do not constitute an indebtedness of the School Board or the District within the meaning of any constitutional or statutory provision or limitation. As to questions of fact material to our opinion, we have relied upon the representations of the School Board contained in the Series

2026 Lease and in the certified proceedings and other certifications of officials furnished to us without undertaking to verify the same by independent investigation.

In rendering this opinion, we have examined and relied upon the opinions of even date herewith of Jeremy T. Powers, Esquire, Counsel to the Board, and of Jeremy T. Powers, Esquire, Counsel to the Corporation, as to the due creation and valid existence of the Board and Corporation, respectively, the due adoption of the Resolutions of the Board and Corporation, respectively, and the issuance of the Series 2026 Certificates, and compliance by the Board and the Corporation with all conditions contained in the resolution of the Board precedent to the issuance of the Series 2026 Certificates

Based upon the foregoing, we are of the opinion that:

1. The Series 2026 Lease has been duly authorized, executed and delivered by the School Board and, assuming due authorization, execution and delivery by the Corporation, constitutes the valid and legally binding agreement of the School Board enforceable against the School Board in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity. The Series 2026 Lease is not required to be approved by the State of Florida Department of Education.

2. The Trust Agreement and the Assignment Agreement create a valid and enforceable pledge and assignment of the Corporation's rights in and to the Series 2026 Lease (except for certain rights to indemnification, to hold title to certain of the Series 2026 Facilities and to receive notices and fees), and the money and securities held by the Trustee in the funds and accounts established under the Trust Agreement, in favor of the Trustee for the benefit of the holders of the Series 2026 Certificates.

3. The Series 2026 Certificates evidence an undivided proportionate interest of the owners thereof in a portion of the Basic Lease Payments to be made by the School Board pursuant to the Series 2026 Lease.

4. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated in the following paragraph, the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates is excludable from gross income for federal income tax purposes and, furthermore, the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates 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), the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates is not excluded from the determination of adjusted financial statement income. We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the interest portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates, or the ownership or disposition of the Series 2026 Certificates. Furthermore, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series

2026 Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an Event of Default thereunder.

In rendering the opinion in the preceding paragraph, we have assumed continuing compliance by the School Board with the requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder that must be met after the issuance of the Series 2026 Certificates in order that the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates be and remain excludable from gross income for federal income tax purposes. The School Board's failure to meet such requirements may cause the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates to be included in gross income for federal income tax purposes retroactively to the commencement date of the Series 2026 Certificates. The School Board has covenanted to comply with such requirements.

5. The Series 2026 Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2026 Certificates 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 therein; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2026 Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

We express no opinion regarding the perfection or priority of the lien on the Trust Estate (as defined in the Trust Agreement). Further, we express no opinion regarding tax consequences of any payments received with respect to the Series 2026 Certificates other than as expressly set forth herein.

This opinion letter is given as of the date hereof, and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX F

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

$[PAR AMOUNT]
Certificates of Participation,
Series 2026

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated **[**CLOSING DATE**]**, 2026, is executed and delivered by The School Board of Marion County, Florida (the "School Board"), the governing body of the School District of Marion County, Florida (the "District") and Digital Assurance Certification LLC, as Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC"), for the benefit of the Holders (hereinafter defined) of the captioned Certificates (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Certificates 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 School Board 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 School Board or anyone on the School Board'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.

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 Offering Statement (hereinafter defined). The following capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB (as hereinafter defined).

"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 School Board for the prior fiscal year, certified by an independent auditor as

prepared in accordance with generally accepted accounting principles 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.

"Certificates" means, collectively, the $[PAR AMOUNT] Certificates of Participation, Series 2026 as listed on the attached Exhibit A, each 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 School Board and include the full name of the Certificates and the 9-digit CUSIP numbers for all Certificates 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 School Board pursuant to Section 9 hereof.

"Disclosure Representative" means the Chief Financial Officer of the District, or such other person as the School Board 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 School Board's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of an obligation or instrument described in either clause (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 Certificates (including persons holding Certificates through nominees, depositories or other intermediaries) or (b) treated as the owner of any Certificates 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.

"Obligated Person" means the School Board, 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 Certificates (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Offering Statement" means that Offering Statement prepared by the School Board in connection with the Certificates, as listed on Exhibit A.

"Trustee" means the institution identified as such in the document under which the Certificates were issued.

"Underwriters" means, collectively, J.P. Morgan Securities LLC, Jefferies LLC and Raymond James & Associates, Inc., as underwriters of the Certificates.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) 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 School Board 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 via the Electronic Municipal Market Access System ("EMMA") not later than April 1 of each year, commencing April 1, 2027. 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 School Board 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 School Board 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 that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, 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 the 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 School Board irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, 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 School Board are prepared but not available prior to the Annual Filing Date, the School Board shall, when the Audited Financial Statements are available, provide in a timely manner 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) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the School Board pursuant to Section 4(a) or 4(b)(ii) (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 Certificates, or other material events affecting the tax-exempt status of the Certificates";

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 or 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 termination of a definitive agreement relating to any such actions, other than pursuant to its terms, 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."

(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) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the School Board 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, other than those communications included in the Rule";

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";

10. "derivative or other similar transaction"; and

11. "other event-based disclosures";

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the School Board 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 School Board 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 School Board 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, Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year. The School Board's fiscal year commences on July 1 and ends on the immediately succeeding June 30.

(g) 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 School Board, including, to the extent not set forth in the Audited Financial Statements:

1. Updates of information in the Offering Statement relating to:

a. The tables entitled, "District Schools and Enrollment," "Profile of Educational Facilities," "Summary of General Fund Operations" and "Summary of Capital Projects Fund Revenues and Expenditures" under the heading "THE SCHOOL DISTRICT OF MARION COUNTY, FLORIDA";

b. Revenue sources as described under the headings "OPERATING REVENUES OF THE DISTRICT," and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS," the table entitled "Coverage from Discretionary Sales Surtax Revenues of Sales Tax Portion of the Basic Lease Payments Represented by the Series 2026 Certificates" and the table entitled, "Anticipated Local Option Millage Required to Cover Maximum Annual Basic Lease Payments Represented by the LOML Portion of the Series 2026 Certificates, the LOML Portion of the Series 2024 Certificates and the Prior Certificates"; and

c. The tables entitled "Taxable Assessed Value and Estimated Actual Value of Taxable Property," "District Millage Rates," "Property Tax Levies and Collections" and "Principal Property Taxpayers" under the heading "AD VALOREM TAXATION."

(b) If available at the time of such filing, the Audited Financial Statements of the School Board for the prior fiscal year, prepared in accordance with generally accepted auditing standards, and Government Auditing Standards issued by the Comptroller General of the United States. If the School Board's Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Offering Statement, and the Audited Financial Statements shall be filed in the same manner as the Annual Report when they become available. 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 Offering Statements of debt issues with respect to which the School Board is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the EMMA website. If the document incorporated by reference is a final offering statement, it must be available from the MSRB. The School Board will clearly identify each such document so incorporated by reference.

The School Board 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 School Board; provided that the School Board will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Certificates 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 relating to the Certificates 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 Certificates, or other material events affecting the tax-exempt status of the Certificates;

7. Modifications to rights of holders of the Certificates, if material;

8. Certificate calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Certificates, if material;

11. Rating changes on the Certificates;

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;

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.

The School Board 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) of this Section 4 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 School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board 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 School Board 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 (2) 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 School Board 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 should be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board 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 School Board 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 promptly file a notice of such occurrence with the 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 School Board shall indicate the full name of the Certificates and the 9-digit CUSIP numbers for the Certificates as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The School Board 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 School Board, and that the duties and responsibilities of the Disclosure Dissemination Agent do not extend to providing legal advice regarding such laws. The School Board 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 School Board may instruct the Disclosure Dissemination Agent to file 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 School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the School Board 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 School Board 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 School Board desires to make, contain the written authorization of the School Board for the Disclosure Dissemination Agent to disseminate such information, and identify the date the School Board desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the School Board 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 School Board is not obligated pursuant to 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 School Board 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, Annual Financial Information, 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 School Board chooses to include any information in any Annual Report, Annual Financial Information, 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 School Board shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Information, 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 School Board and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Certificates upon the legal defeasance, prior prepayment or payment in full of all of the Certificates, when the School Board is no longer an obligated person with respect to the Certificates, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The School Board has appointed Digital Assurance Certification LLC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The School Board may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a

successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the School Board or DAC, the School Board 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 Certificates. Notwithstanding any replacement or appointment of a successor, the School Board shall remain liable 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 School Board.

SECTION 10. Remedies in Event of Default. In the event of a failure of the School Board or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure 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 Certificates or under any other document relating to the Certificates, 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 School Board 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 School Board and shall not be deemed to be acting in any fiduciary capacity for the School Board, the Holders of the Certificates 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 School Board has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the School Board at all times.

(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, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. If the School Board has given its consent to the use of external counsel, the reasonable fees and expenses of such external counsel shall be payable by the School Board.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure 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 School Board 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 School Board and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Certificates 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 School Board 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 School Board. No such amendment shall become effective if the School Board 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 School Board, the Trustee of the Certificates, the Disclosure Dissemination Agent, the Underwriters, and the Holders from time to time of the Certificates 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.

The Disclosure Dissemination Agent and the School Board 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:_____
Shelley Rodgers
Client Services Manager

THE SCHOOL BOARD OF MARION COUNTY, FLORIDA

By: _____
Chair

EXHIBIT A
NAME AND CUSIP NUMBERS OF CERTIFICATES

Name of Issuer:	THE SCHOOL BOARD OF MARION COUNTY, FLORIDA
Obligated Person:	The School Board of Marion County, Florida
Name of Bond Issue:	Certificates of Participation, Series 2026
Date of Issuance:	**[**CLOSING DATE**]**, 2026
Date of Offering Statement:	**[**SALE DATE**]**, 2026
Initial CUSIP Numbers:	See below

Certificates
56879E

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	THE SCHOOL BOARD OF MARION COUNTY, FLORIDA
Obligated Person:	The School Board of Marion County, Florida
Name of Bond Issue:	Certificates of Participation, Series 2026
Date of Issuance:	**[**CLOSING DATE**]**, 2026
Date of Offering Statement:	**[**SALE DATE**]**, 2026

NOTICE IS HEREBY GIVEN that the School Board has not provided an Annual Report with respect to the above-named Certificates as required by the Disclosure Dissemination Agent Agreement, dated **[**CLOSING DATE**]**, 2026 between the School Board and Digital Assurance Certification LLC, as Disclosure Dissemination Agent. The School Board has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated**:** _____

Digital Assurance Certification LLC, as Disclosure Dissemination Agent, on behalf of the School Board

_____

cc: The School Board of Marion County, Florida
Obligated Person

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

School Board's and/or Other Obligated Person's Name:	The School Board of Marion County, Florida
Name of Bond Issue:	Certificates of Participation, Series 2026
School Board's Six-Digit CUSIP Number:	56879E
Nine-Digit CUSIP Number(s) of the Certificates to which this event notice relates:	_____
Number of pages of attached material event notice:	_____

Description of Notice Event (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 Certificates
7. ___Modifications to rights of holders of Certificates, if material
8. ___Bond calls, if material, and tender offers
9. ___Defeasances
10. ___Release, substitution, or sale of property securing repayment of the Certificates, if material
11. ___Rating changes
12. ___ Bankruptcy, insolvency or 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

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 **[C6]**

I hereby represent that I am authorized by the School Board or its agent to distribute this information publicly:

Signature:

_____

Name: **[C6]**_____Title: **[C7]**_____

Employer: Digital Assurance Certification LLC Address: **[C8]**_____

City, State, Zip Code:_____

Voice Telephone Number: **[C9]**_____

Date:_____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the Municipal Securities Rulemaking Board, pursuant to the Disclosure Dissemination Agent Agreement dated as of **[**CLOSING DATE**]**, 2026, between the School Board and DAC.

School Board's and/or Other Obligated Person's Name:	The School Board of Marion County, Florida
Name of Bond Issue:	Certificates of Participation, Series 2026
School Board's Six-Digit CUSIP Number:	56879E
Nine-Digit CUSIP Number(s) of the Certificates to which this event notice relates:	_____
Number of pages of attached material event notice:	_____

____ 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";
10. "derivative or other similar transaction"; and
11. "other event-based disclosures."

I hereby represent that I am authorized by the School Board or its agent to distribute this information publicly:

Signature:

_____

Name: **[C6]**_____ Title: **[C7]**_____

Employer: Digital Assurance Certification LLC Address: **[C8]**_____

City, State, Zip Code:_____

Voice Telephone Number: **[C9]**_____

Date:_____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the Municipal Securities Rulemaking Board, pursuant to the Disclosure Dissemination Agent Agreement dated as of **[**CLOSING DATE**]**, 2026, between the School Board and DAC.

School Board's and/or Other Obligated Person's Name:	The School Board of Marion County, Florida
Name of Bond Issue:	Certificates of Participation, Series 2026
School Board's Six-Digit CUSIP Number:	56879E
Nine-Digit CUSIP Number(s) of the Certificates to which this event notice relates:	_____
Number of pages of attached material event notice:	_____

____ 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 School Board or its agent to distribute this information publicly:

Signature:

_____

Name: **[C6]**_____ Title: **[C7]**_____

Employer: Digital Assurance Certification LLC Address: **[C8]**_____

City, State, Zip Code:_____

Voice Telephone Number: **[C9]**_____

Date:_____

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fibre.

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