

**SUPPLEMENT TO
PRELIMINARY OFFERING STATEMENT**

Relating to

\$278,920,000*

CERTIFICATES OF PARTICIPATION

**(School Board of Polk County, Florida, Master Lease Program), Series 2026
Evidencing Fractional Undivided Interests of the Owners thereof
in Basic Rent Payments to be made under a Master Lease-Purchase Agreement
by The School Board of Polk County, Florida**

This Supplement (the "Supplement") provides information supplemental and amendatory to the Preliminary Offering Statement, dated July 7, 2026 (the "Preliminary Offering Statement"), relating to the Series 2026 Certificates described above.

This Supplement must be read in conjunction with the Preliminary Offering Statement, including the appendices thereto. All capitalized terms used in this Supplement, but not otherwise defined herein, shall have the same meanings ascribed to such terms in the Preliminary Offering Statement. *This Supplement should not be separated from the Preliminary Offering Statement, and neither this Supplement nor the Preliminary Offering Statement should be relied upon in any way independently of each other.*

On July 28, 2026, The School Board of Polk County, Florida (the "School Board") approved its Tentative Budget for the fiscal year ending June 30, 2027, in accordance with State statutory requirements, as described in the Preliminary Offering Statement. See "SCHOOL DISTRICT OF POLK COUNTY, FLORIDA – Budget Process" in the Preliminary Offering Statement. As such, the Preliminary Offering Statement is being amended and supplemented as set forth below.

As shown on the following pages (i) a new subsection to be located at the end of "FINANCIAL RESULTS AND LIABILITIES OF THE SCHOOL BOARD", entitled "– Tentative Budget For Fiscal Year ending June 30, 2027" is created on page 51 of the Preliminary Offering Statement; (ii) the subsection entitled "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS-Local Option Millage Levy Required to Cover Certificate Payments", commencing on page 56 of the Preliminary Offering Statement, is amended and restated in its entirety to read as shown; and (iii) the presentation entitled District Millage Rates on page 65 of the Preliminary Offering Statement is amended and restated in its entirety to read as shown.

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*Preliminary, subject to change.

Tentative Budget for Fiscal Year Ending June 30, 2027

On July 28, 2026, the School Board approved its Tentative Budget for the fiscal year ending June 30, 2027 (the “2027 Tentative Budget”), in accordance with State statutory requirements. See “SCHOOL DISTRICT OF POLK COUNTY, FLORIDA – Budget Process” herein. The 2027 Tentative Budget is subject to change and finalization through the statutorily required budget process and does not include the level of detail or the finalized budgeted amounts shown in the presentation of the General Fund and the Capital Improvements Funds herein. The final budget for the fiscal year ending June 30, 2027 is expected to be approved by the School Board on or about September 8, 2026.

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BUDGET SUMMARY

THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE SCHOOL BOARD OF POLK COUNTY ARE 5.9 PERCENT LESS THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES

FISCAL YEAR 2026-27

PROPOSED MILLAGE LEVIES NOT SUBJECT TO 10-MILL CAP:

PROPOSED MILLAGE LEVIES SUBJECT TO 10-MILL CAP:		PROPOSED MILLAGE LEVIES NOT SUBJECT TO 10-MILL CAP:	
Required Local Effort (including Prior Period Funding)	Discretionary Critical Needs (Operating or Capital)	Operating or Capital	
Adjustment Millage of 0.001)	3.010 Capital)	0.000 Not to Exceed 2 Years	0.000
Local Capital Improvement (Capital Outlay)	1.500 Additional Millage Not to Exceed 4 Years	Debt Service	0.000
Discretionary Operating	0.748 (Operating)	0.000	
Discretionary Capital Improvement	0.000	TOTAL MILLAGE	5.258

ESTIMATED REVENUES	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	INTERNAL SERVICE	TOTAL ALL FUNDS
Federal Sources	\$ 3,824,309	\$ 190,336,141	\$ 1,141,797			\$ 195,302,247
State Sources	759,498,399	782,000	395,600	13,668,641		774,344,640
Local Sources	320,514,395	854,320		206,981,472	187,766,000	716,116,187
TOTAL SOURCES	\$ 1,083,837,103	\$ 191,972,461	\$ 1,537,397	\$ 220,650,113	\$ 187,766,000	\$ 1,685,763,074
Transfers In	\$ 156,622,650		\$ 33,527,214		\$ 750,000	\$ 190,899,864
Fund Balances/Reserves/Net Assets - July 1, 2023	\$ 113,030,911	\$ 9,492,747	\$ 13,943,944	\$ 508,446,004	\$ 28,341,430	\$ 673,255,036
TOTAL REVENUES, TRANSFERS & BALANCES	\$ 1,353,490,664	\$ 201,465,208	\$ 49,008,555	\$ 729,096,117	\$ 216,857,430	\$ 2,549,917,974
EXPENDITURES						
Instruction	\$ 805,418,980	\$ 46,223,581				\$ 851,642,561
Pupil Personnel Services	36,754,718	8,292,519				45,047,237
Instructional Media Services	8,409,319	867,074				9,276,393
Instructional & Curriculum Developmt.Srvs.	15,801,167	13,173,020				28,974,187
Instructional Staff Training	7,783,380	30,476,854				38,260,234
Instructional Technology Support	16,522,915	228,263				16,751,178
Board of Education	2,371,416					2,371,416
General Administration	4,058,403	3,368,223				7,426,626
School Administration	65,691,467	3,115,773				68,807,240
Facilities Acquisition Construction	31,075,768			87,526,855		118,602,623
Fiscal Services	4,425,389	193,115				4,618,504
Food Services	351,467	85,660,864				86,012,331
Central Services	18,852,041	1,763,817			187,149,800	207,765,658
Pupil Transportation Services	67,105,625	569,428				67,675,053
Operation of Plant	102,480,326	552,121			274,000	103,306,447
Maintenance of Plant	62,282,202	13,986			8,500	62,304,688
Administrative Technology Support	30,410,103	86				30,410,189
Community Services	1,652,858	4,086,407				5,739,265
Debt Service			34,320,592			34,320,592
TOTAL EXPENDITURES	\$ 1,281,447,544	\$ 198,585,131	\$ 34,320,592	\$ 87,526,855	\$ 187,432,300	\$ 1,789,312,422
Transfers Out				\$ 190,149,864	\$ 750,000	\$ 190,899,864
Fund Balances/Reserves/Net Assets - June 30, 2024	\$ 72,043,120	\$ 2,880,077	\$ 14,687,963	\$ 451,419,398	\$ 28,675,130	\$ 569,705,688
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES	\$ 1,353,490,664	\$ 201,465,208	\$ 49,008,555	\$ 729,096,117	\$ 216,857,430	\$ 2,549,917,974

THE TENTATIVE, ADOPTED AND/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE ABOVE MENTIONED TAXING AUTHORITY AS A PUBLIC RECORD.

Local Option Millage Levy Required to Cover Certificate Payments

The following table sets forth the Local Option Millage Levy that would provide 1.00x coverage of the maximum annual lease payments on the Prior Certificates and the Series 2026 Certificates, as well as the Series 2022 P3 Lease Payments, assuming a 96% collection of the taxes levied. The table assumes that the debt service on the Prior Certificates, the Series 2026 Certificates and the 2022 P3 Lease Payments will be paid solely from Local Option Millage Revenue. However, although the School Board may legally use and intends to pay a portion of the debt service from its Discretionary Sales Surtax and its Impact Fees, such amounts have been intentionally omitted from the coverage calculations in the following table.

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<i>Fiscal Year 2026-27</i>		
Net Taxable Assessed Valuation⁽¹⁾		\$84,001,495,507
Local Option Millage Levy		1.50
Assumed Tax Collection Rate		96.0%
Total Revenue Generated by 1.50 mill Levy at 96% Collection		\$120,962,154
<i>FY 2026-27 Local Option Millage Levy Required to Satisfy Maximum Annual Basic Rent Payments Represented by the Prior Certificates, the Series 2026 Certificates and the 2022 P3 Lease Payments</i>		
Maximum Annual Basic Rent Payments Represented by the Prior Certificates, Series 2026 Certificates and the 2022 P3 Lease Payments (Fiscal Year 2028) ⁽²⁾⁽³⁾		\$42,524,654
Minimum Local Option Millage Levy Needed to Satisfy Maximum Annual Lease Payments Represented by the Prior Certificates, the Series 2026 Certificates and the 2022 P3 Lease Payments ⁽²⁾⁽³⁾⁽⁴⁾		0.527 mills
<i>Sharing of the Local Option Millage Levy with Eligible District Charter Schools</i>		
Estimated Total Allocation of Fiscal Year 2026-27 Local Option Millage Levy to Eligible District Charter Schools	\$12,456,022	
Less Total Amount of Fiscal Year 2026-27 State Charter School Capital Outlay Funding Allocated to Eligible District Charter Schools	\$9,122,145	
Estimated Total Allocation of Local Option Millage Levy to Eligible District Charter Schools after phase-in period ⁽⁴⁾	\$3,333,874	
Maximum Local Option Millage Levy Revenue Shared with Eligible District Charter Schools in Fiscal Year 2026-27 ⁽⁵⁾		\$2,667,099
Maximum Local Option Millage Levy Shared with Eligible District Charter Schools in Fiscal Year 2026-27		0.033 mills
Minimum Local Option Millage Levy Revenue Remaining after Charter School Payments in Fiscal Year 2026-27		\$118,295,054
<i>Local Option Millage Levy Available After Basic Rent Payments and Charter School Payments</i>		
Minimum Remaining Local Option Millage		0.940 mills
Total Minimum Remaining Revenue Anticipated from Local Option Millage Levy		\$75,770,400

Footnotes follow on next page.

- (1) Preliminary, certified figure as of June 30, 2026. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser" herein.
- (2) Under current law, the 75% limitation on the use of the Local Option Millage Levy revenues for the payment of lease-purchase agreements is waived for lease-purchase agreements originally entered into prior to June 30, 2009, which includes the School Board's Series 2010C Lease.
- (3) Preliminary, subject to change. Assumes the Series 2026 Certificates are issued in the aggregate principal amount of \$278,920,000 with a true interest cost of 3.63% and a final maturity of January 1, 2043.
- (4) Data provided by the Florida Department of Education in its 2025-26 Local Capital Improvement (LCI) Revenue to Eligible Charter Schools District Summary, dated January 23, 2026.
- (5) This figure reflects the amount shared with eligible charter schools in Fiscal Year 2026-27 since such distributions are phased in over five years. The estimated total allocation of Fiscal Year 2026-27 Local Option Millage Levy to eligible District Charter Schools equals \$12,456,022 and the amount for Fiscal Year 2026-27 is 80% of the Fiscal Year 2027-28 amount of \$3,333,874. These amounts are based on the current amount of State Charter School Capital Outlay Funding, number of eligible charter schools and charter school enrollment, which may change upward or downward from current levels in future years. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein.

Source: The School Board of Polk County, Florida.

District Millage Rates. The following table shows the historical millage rates (tax per \$1,000 of assessed value) levied by the District:

	2022-23	2023-24	2024-25	2025-26	2026-27 ⁽²⁾
Required Local Effort ⁽¹⁾	3.271	3.160	3.048	3.042	3.010
Discretionary	0.748	0.748	0.748	0.748	0.748
Total Operating Millage	4.019	3.908	3.796	3.790	3.758
Debt Service Millage	0.000	0.000	0.000	0.000	0.000
Capital Outlay	1.500	1.500	1.500	1.500	1.500
Total Millage	5.519	5.408	5.296	5.290	5.258

- (1) May include a Prior Period Funding Adjustment Levy as required by Section 1011.62(4)(e), Florida Statutes. See "OPERATING REVENUES OF THE DISTRICT - Local Sources" herein.
- (2) Preliminary, subject to change. Approved by the School Board in its Tentative Budget for the Fiscal Year ending June 30, 2027, which was adopted on July 28, 2026 by the School Board which is subject to change in the final budget of the School Board scheduled to be adopted on or about September 8, 2026.

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

Additionally, the following paragraph appearing at the top of page 39 is corrected to read as follows (deleted information is stricken and inserted information is underlined):

The District is the seventh largest school district in Florida and is among the 30 largest school districts in the United States. For Fiscal Year 2025-26, the District included approximately 129,912 full-time equivalent (FTE) students, K-12 including approximately 21,751 students enrolled in the District's 35 Charter Schools (the "Charter School Students") and approximately 17,406 students receiving Family Empowerment Scholarships (the "FES Students"), and approximately ~~15,200~~ 13,500 full-time employees, of which approximately 12,448 were instructional and support staff.

Lastly, Appendix A, entitled "GENERAL INFORMATION RELATING TO POLK COUNTY, FLORIDA", is hereby replaced in its entirety with Appendix A attached hereto.

**THE SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

Dated: July 28, 2026.

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APPENDIX A

GENERAL INFORMATION RELATING TO POLK COUNTY, FLORIDA

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APPENDIX A

GENERAL INFORMATION RELATING TO POLK COUNTY, FLORIDA

THE FOLLOWING INFORMATION CONCERNING POLK COUNTY, FLORIDA IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE COMPILATION OF THIS INFORMATION INCLUDED ORAL AND WRITTEN COMMUNICATION WITH VARIOUS SOURCES INDICATED. THE INFORMATION IS SUBJECT TO CHANGE.

The County

Polk County, Florida, is the geographical center of the State of Florida. With over 2,000 square miles of land and water, Polk County is the fourth largest county in the State and the ninth most populous county with an estimated population of 846,896 persons. In the 10 years between the 2010 and 2020 censuses, Polk County's population increased by over 122,000. The County is comprised of seventeen municipalities, of which the cities of Lakeland, Winter Haven, Haines City, and Bartow are the largest. Polk County has numerous institutions of higher education including technical schools, community colleges, and public and private universities.

Polk County is one of the fastest-growing counties in the nation and the fastest-growing in Florida in 2025, ranking 18th in the U.S. for population gain. The area is projected for a continued real estate and population growth, driven by its reputation as an affordable choice in Central Florida.

Polk County is less than an hour away from Florida's largest cargo tonnage port in Tampa and has more rail miles than any other community in the state. The County is the only southeast location with two major international airports (Tampa and Orlando) within an hour drive and is also home to its own international airport and three general aviation airports. In addition, the CSX Integrated Logistics Center in Winter Haven is a critical rail connection point throughout the state.

Major attractions, such as LEGOLAND Florida, Streamsong Resort, Bok Tower Gardens, Safari Wilderness, and the County's proximity to Central Florida attractions such as Walt Disney World have played a major role in increasing the County's visibility and appeal. Attracting leisure travelers is Polk County's number one priority, followed closely by driving demand from the state's number two industry, sports. Recruiting and hosting sporting events has proven to be a powerful recession-resistant economic engine for the area. Polk County is the headquarters for the Detroit Tigers Spring Training, the annual Sun 'n Fun International Fly-In and Expo – Florida's largest aircraft convention, and the Miss Florida Pageant. Polk County also has the second-largest water area for a non-coastal county in Florida with 213 miles of lakes, rivers, and streams and is known worldwide as the "Water Ski Capital of the World."

The County's natural resources and abundant wildlife attract visitors, particularly at locations such as the Circle B Bar Reserve and the delicate ecosystems on the Lake Wales Ridge. Residents and visitors can also enjoy numerous parks throughout the County, including Bonnet Springs Park, a 168-acre facility blending nature, art and interactive experiences.

The largest employers in the County by industry are trade, transportation, and utilities (20.8%), professional and business services (19.3%), construction (12.6%), education and health activities (11.7%), and financial activities (9.7%). Polk County's unemployment rate at the end of September 30, 2025 was 5.2% compared to 4.4% in fiscal year 2024 and was higher than the statewide average of 4.2%.

The County Government

Polk County, Florida, is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida. The County was incorporated in 1861. On November 3, 1998, the residents of Polk County adopted a Home Rule Charter in accordance with the Constitution and Statutes of the State of Florida. The Home Rule Charter assumed all powers and duties on the first day of January 1999. The Home Rule Charter sets forth a "commission" form of government under which a five-member Board of County Commissioners is elected to serve as the executive and legislative body for the County.

The Commissioners appoint a County Manager whose duties include the administration of directives and policies of the Commissioners, responsibility for the operation of all business centers, and the provision of services under the purview of the Commissioners. The residents of the County also elect a Sheriff, a Clerk of the Circuit Court and County Comptroller, a Supervisor of Elections, a Tax Collector, and a Property Appraiser whose responsibilities and duties are not altered by this Home Rule Charter. The Constitutional Officers perform their executive and administrative functions as specified by law.

The population growth in 2025 brought significant increases in revenues for the Board of County Commissioners of Polk County, Florida (the "BCC") from taxes and other state shared revenues when compared to the previous year. As more people moved to and visited Polk County in 2025, sales taxes increased by 2.0% and services taxes increased by 11.1%. Revenue from property taxes increased by 10.2%.

BCC general revenues from various taxes increased overall in FY 2025. Property taxes increased by \$42.0 million or 10.2 percent due to growth in local real estate market values. The County's taxable property values increased approximately 11.2 percent in 2025. Sales tax revenues increased by \$2.7 million, or 2.0 percent. Services taxes, which are mainly public service taxes, increased by \$6.3 million or 11.1 percent.

County Demographics

The following tables show various demographic trends of the County and may be found in the Statistical Section of the County's Annual Comprehensive Fiscal Report for the Fiscal Year ended September 30, 2025.

POLK COUNTY, FLORIDA DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income	Public School Enrollment (2)	Unemployment Rate
2016	646,989	\$ 22,126,377	\$ 34,199	99,247	5.9%
2017	661,645	22,636,860	34,213	101,050	4.1%
2018	673,028	23,867,592	35,463	104,136	3.5%
2019	690,606	25,310,019	36,649	108,330	3.5%
2020	725,046 (4)	28,827,829	39,760	107,696	7.9%
2021	748,365	32,595,786	43,556	105,368	4.9%
2022	770,019	33,282,531	43,223	110,253	3.2%
2023	797,616	35,438,079	44,430	114,483	3.8%
2024	826,090	38,226,489	46,274	116,440	4.4%
2025	846,896	39,189,266	46,274 (3)	127,657	5.2%

Notes:

(1) Data provided by the Office of Economic and Demographic Research

(2) Florida Department of Education

(3) Data provided by U.S. Bureau of Economic Analysis. Per capita personal income was not available for 2025. The 2024 per capita income information was used, along with 2025 population data to determine the personal income data.

(4) 2020 Census data

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

**POLK COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Publix Super Markets	16,537	1	4.57%	10,249	2	3.77%
Polk County School Board	13,500	2	3.73%	13,061	1	4.80%
Lakeland Regional Health	8,279	3	2.29%	4,499	4	1.65%
Walmart	5,523	4	1.53%	6,238	3	2.29%
Amazon	5,500	5	1.52%	-	-	-
Polk County Government	5,262	6	1.45%	4,493	5	1.65%
Baycare	3,402	7	0.94%	-	-	-
Geico	2,941	8	0.81%	2,139	8	0.79%
City of Lakeland	2,297	9	0.63%	2,359	7	0.87%
Winter Haven Hospital	2,130	10	0.59%	2,567	6	0.94%
Mosaic	-	-	-	1,993	9	0.73%
Watson Clinic	-	-	-	1,600	10	0.59%
Total	<u>65,371</u>		<u>18.06%</u>	<u>49,198</u>		<u>18.08%</u>
Average Annual Labor Force :	362,054			272,020		

Sources:
Central Florida Development Council
Florida Department of Economic Opportunity, Labor Market Statistics Center

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

Economic Development

To develop an economic environment that attracts and retains industry diverse businesses with higher-paying careers and educates and retains qualified talent to align with targeted industry workforce needs. The County continued its focus on attracting industrial businesses within target industries through marketing and business-friendly programs including the availability of specialized incentives to help companies grow. This provided quality job opportunities and expanded the tax base to support schools, public safety, and other important programs. To assist with this process and to aid in future economic prosperity for the County, investment was made in site-readiness and quality location development, as well as the elevation of three strategic initiatives. The first was to expand the local ecosystem for technology-enabled employment in Polk County including life sciences and healthcare advancements, advanced and tech-enabled manufacturing, autonomous vehicles, and aviation, aerospace, and defense. The second was to elevate Polk County's position within the state and nation for research and innovation-driven projects. The third was to advance Polk County's water, road, and transportation infrastructure to support community needs and future business growth.

For FY 24/25, economic development efforts resulted in the following job creation and investment results:

- Capital Investment: \$246,000,000
- Total Jobs (New & Retained): 625
- Total New Square Footage: 456,000
- Average Annual Wage of Projects: \$67,159
- Total New Projected Annual Payroll: \$41,974,375

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PRELIMINARY OFFERING STATEMENT DATED JULY 7, 2026

NEW ISSUE - BOOK-ENTRY ONLY

RATING: Moody's: "A1"
(See "RATING" herein)

In the opinion of Special Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, the Interest Component of the Basic Rent Payments received by the Owners of the Series 2026 Certificates is excludable from gross income for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986 as amended (the "Code"); however, the Interest Component of the Basic Rent Payments of the Series 2026 Certificates held by certain corporations that are subject to the federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations. See "TAX MATTERS" for a description of certain other federal tax consequences of ownership of the Series 2026 Certificates. However, 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 which results in termination of the Series 2026 Lease.



\$278,920,000*

CERTIFICATES OF PARTICIPATION

(School Board of Polk County, Florida, Master Lease Program), Series 2026 Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida

Dated: Date of Delivery

Due: January 1, as shown on page (i) hereof

The Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026 (the "Series 2026 Certificates"), offered hereby evidence fractional undivided interests in the Basic Rent Payments (as defined herein) to be made by The School Board of Polk County, Florida (the "School Board") acting as the governing body of the School District of Polk County, Florida (the "District") under a Master Lease-Purchase Agreement, dated as of June 1, 1993, as amended and supplemented (the "Master Lease"), particularly as supplemented by a Lease Schedule No. 2026, dated as of August 1, 2026 (together with the Master Lease, the "Series 2026 Lease") providing for the lease-purchase financing and refinancing of certain educational facilities by the School Board, as described herein.

The Series 2026 Certificates are being issued as fully registered certificates pursuant to the provisions of a Master Trust Agreement, dated as of June 1, 1993, as amended and supplemented (the "Master Trust Agreement"), particularly as supplemented by a Series 2026 Supplemental Trust Agreement, dated as of August 1, 2026, each by and among the Corporation, the School Board and U.S. Bank Trust Company, National Association (successor to First Union National Bank of Florida), Jacksonville, Florida, as successor trustee (the "Trustee"). In connection with the issuance of the Series 2026 Certificates, the Master Trust Agreement and the Master Lease are being amended by the Third Amendment to the Master Trust Agreement and the Third Amendment to the Master Lease-Purchase Agreement (collectively, the "Third Amendments"), respectively, each dated as of August 1, 2026, which will become effective upon the date of issuance of the Series 2026 Certificates. The Owners of the Series 2026 Certificates, by their purchase thereof, are deemed to have consented to the amendments contained in the Third Amendments that require such consent.

The Series 2026 Certificates are being issued in fully registered form in denominations of \$5,000 or integral multiples thereof. The Interest Component of the Basic Rent Payments represented by the Series 2026 Certificates is payable on January 1 and July 1 of each year, commencing January 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 interest payment date (whether or not a Business Day) at the address shown on the certificate register maintained by the Trustee. At the request and expense of a registered Owner of \$1,000,000 or more in aggregate principal amount of the Series 2026 Certificates, such interest will be paid by wire transfer to a domestic bank account designated in writing to the Trustee by such Owner at least five days prior to any interest 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 ("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 Component and Interest Component of the Basic Rent 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 Component of the Basic Rent Payments represented by the Series 2026 Certificates is payable on the dates set forth on page (i) hereof upon surrender at the designated corporate trust office of the Trustee. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2026 Certificates are being issued for the purposes of (i) financing all or a portion of the cost of the acquisition, construction, installation, and/or equipping of the Series 2026 Project (as defined herein), and (ii) paying costs associated with the issuance of the Series 2026 Certificates, including a municipal bond insurance policy premium, if any.

The Series 2026 Certificates may be subject to optional and mandatory prepayment prior to maturity. The Series 2026 Certificates are not subject to extraordinary prepayment upon damage, destruction or condemnation to or completion of the Series 2026 Project as set forth. See "THE SERIES 2026 CERTIFICATES – Optional Prepayment" and "– No Extraordinary Prepayment in the Event of Damage, Destruction or Condemnation or Upon Completion" 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. NEITHER THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, NOR 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 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 PROVISIONS 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 ANY SUMS, INCLUDING THE BASIC RENT PAYMENTS, DUE 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.

Based on market conditions in existence at the time of pricing, the School Board will determine whether or not to purchase insurance on all of the Series 2026 Certificates, some of the Series 2026 Certificates or none of the Series 2026 Certificates. In the event the School Board deems it in its best interest to insure all or a portion of the Series 2026 Certificates, the scheduled payment of the principal and interest represented by such insured Series 2026 Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the insured Series 2026 Certificates by Build America Mutual Assurance Company ("BAM" or the "Insurer"). See "CERTIFICATE INSURANCE OPTION" herein.



This cover page and the inside cover 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, to obtain information essential to the making of an informed investment decision.

The Series 2026 Certificates are offered when, as and if delivered by the Underwriters, subject to an approving legal opinion of Holland & Knight LLP, Lakeland, Florida, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the School Board and the Corporation by their General Counsel, James Greene, Esquire, Bartow, Florida and by Greenberg Traurig, P.A., Tallahassee, Florida, Disclosure Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as Counsel to the Underwriters. PFM Financial Advisors LLC, Orlando, Florida is acting as Municipal Advisor to the School Board with respect to the Series 2026 Certificates. The Series 2026 Certificates are expected to be delivered to the Underwriters through the facilities of DTC on or about August __, 2026.*

Raymond James

Jefferies

BofA Securities

J.P. Morgan

Dated: July __, 2026

* Preliminary, subject to change.

DAC Bond

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 a 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 exemption under the securities laws of such jurisdiction. The School Board has deemed this Preliminary Offering Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

ADDITIONAL INFORMATION

The initial term of the Series 2026 Lease commences on the date of delivery of the Series 2026 Certificates and is automatically renewable annually through June 30, 2042, with a final renewal term commencing July 1, 2042 and ending January 1, 2043, unless sooner terminated as described herein. The School Board may enter into other Leases under the Master Lease in addition to the Series 2026 Lease and has heretofore entered into the Series 2003A Lease and the Series 2010C Lease (as each is described herein) and may enter into other Leases under the Master Lease in the future.

The District served approximately 129,912 K-12 students for the 2025-26 school year at 172 sites throughout the District, including approximately 21,751 students enrolled in the District's 35 Charter Schools (the "Charter School Students") and approximately 17,406 students receiving Family Empowerment Scholarships (the "FES Students"). Upon completion of the Series 2026 Project described herein, there will be approximately three **schools and seven additions to schools and related facilities leased under the Master Lease. Based on the District's Pre-K through 12 full-time equivalent (FTE) pupil enrollment of approximately 90,755 students (omitting Charter School Students and FES Students), for Fiscal Year 2025-26, approximately 18% of the District's students are projected to be attending classes in Projects leased under the Master Lease (see "THE MASTER LEASED PROJECTS" and "THE SERIES 2026 PROJECT" herein).** *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 2025-26 was used; for the additions, the number of student stations attributable to each specific classroom or facility for Fiscal Year 2025-26 based on the type of school (elementary, middle or high) or gymnasium, but does not include any cafeterias, auditoriums, media centers and other facilities that do not have any student stations attributable to them.* 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 Projects will be applied to the payment of the related Series of Certificates, all as further described herein. In no event will Owners of Series 2026 Certificates have any interest in or right to the disposition of Projects leased under any Lease other than the Series 2026 Lease. Should termination of the Master Lease occur, the Series 2026 Certificates will not be prepaid, except at the direction of the Insurer, if any. Special Counsel will express no opinion as to the tax exemption or the effect of securities laws with respect to the Series 2026 Certificates following an Event of Non-Appropriation or an Event of Default under the Master Lease which results in termination of the Lease Terms. 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 the Lease Term of all Leases (see "TAX MATTERS" and "RISK FACTORS" herein). An Event of Non-Appropriation or Event of Default under the Master Lease which results in the termination of the Lease Term of the Series 2026 Lease will not result in the termination of the Municipal Bond Insurance Policy, if any, issued with respect to the Series 2026 Certificates.

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

\$278,920,000 ⁽¹⁾

THE SCHOOL BOARD OF POLK COUNTY, FLORIDA

\$_____ Serial Series 2026 Certificates

Maturity Date (January 1) ⁽¹⁾	Principal Amount ⁽¹⁾	Interest Rate	Yield	Price	Initial CUSIP No. ⁽²⁾
2027	\$7,045,000				
2028	6,605,000				
2029	16,880,000				
2030	17,750,000				
2031	19,310,000				
2032	20,275,000				
2033	21,290,000				
2034	13,500,000				
2035	14,170,000				
2036	14,880,000				
2037	15,625,000				
2038	16,405,000				
2039	17,225,000				
2040	18,090,000				
2041	18,990,000				
2042	19,940,000				
2043	20,940,000				

\$_____ - ____% Series 2026 Term Certificates due January 1, 20__, Yield __%, Price _____,
Initial CUSIP No.⁽²⁾ _____

(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.

PARTICIPANTS IN THE FINANCING

LESSOR

Financing Corporation for the School Board of Polk County, Florida

LESSEE

The School Board of Polk County, Florida

SCHOOL BOARD MEMBERS

Justin Sharpless, Chair
Travis L. Keyes, Vice Chair
Dr. William Allen
Kay Fields, Member
Lisa Miller, Member
Sara Beth Reynolds Wyatt, Member
Kate Wallace, Member

SCHOOL BOARD OFFICIALS

Frederick Heid
Superintendent of Schools

Heather Jenkins
Associate Superintendent, Chief Financial Officer
Acting Deputy Superintendent of Operations

Harry Fix
Assistant Superintendent of Facilities and Operations

GENERAL COUNSEL TO THE SCHOOL BOARD AND THE CORPORATION

James Greene, Esquire
Bartow, Florida

SPECIAL COUNSEL

Holland & Knight LLP
Lakeland, Florida

DISCLOSURE COUNSEL

Greenberg Traurig, P.A.
Tallahassee, Florida

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

TRUSTEE

U.S. Bank Trust Company, National Association
Jacksonville, Florida

This Offering Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of the Series 2026 Certificates by any person in any jurisdiction to which it is unlawful for such person to make such offer, solicitation or sale. No dealer, sales representative or other person has been authorized to give any information or make any representations other than as contained in this Offering Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information contained in this Offering Statement has been obtained from the School Board, the Corporation, DTC and other sources that are considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. However, such information is not to be construed as a representation of the School Board or the Corporation with respect to the information provided by DTC or other sources. 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, the Corporation, the Trustee, the Municipal Advisor 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.

The Underwriters have provided the following sentence for inclusion in this Offering Statement: The Underwriters have reviewed the information in this Offering Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

U.S. Bank Trust Company, National Association, as Trustee, has not provided, reviewed or approved any information in this Offering Statement. U.S. Bank Trust Company, National Association makes no representation as to the contents, accuracy, fairness or completeness of this Offering Statement. U.S. Bank Trust Company, National Association has not evaluated the risks or propriety of any investment in the Series 2026 Certificates; and U.S. Bank Trust Company, National Association makes no representation as to the suitability or investment quality of the Series 2026 Certificates for any investor or compliance with any securities, tax or other laws or regulations, about all of which U.S. Bank Trust Company, National Association expresses no opinion and expressly disclaims the expertise to evaluate.

Build America Mutual Assurance Company ("BAM" or the "Insurer") makes no representation regarding the Series 2026 Certificates or the advisability of investing in the Series 2026 Certificates. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Offering Statement or any information or disclosure contained herein, or omitted herefrom, other

than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "CERTIFICATE INSURANCE OPTION" and "APPENDIX J - SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

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 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 DOES NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD, THE DISTRICT OR THE UNDERWRITERS AND ANY ONE OR MORE OWNERS 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

Related To

\$278,920,000*

CERTIFICATES OF PARTICIPATION

**(School Board of Polk County, Florida, Master Lease Program), Series 2026
Evidencing Fractional Undivided Interests of the Owners thereof
in Basic Rent Payments to be made under a Master Lease-Purchase Agreement
by The School Board of Polk County, Florida**

INTRODUCTION

This Offering Statement, including the cover page, the inside cover page and appendices hereto, is provided to furnish information in connection with the sale and delivery of \$278,920,000* aggregate principal amount of Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026 (the "Series 2026 Certificates"). The Series 2026 Certificates evidence fractional undivided interests of the Owners thereof in the Basic Rent Payments to be made by The School Board of Polk County, Florida (the "School Board") under the Series 2026 Lease (defined below). The Series 2026 Certificates are being executed and delivered pursuant to a Master Trust Agreement, dated as of June 1, 1993, as amended and supplemented (the "Master Trust Agreement"), by and among the Financing Corporation for the School Board of Polk County, Florida, a Florida nonprofit corporation (the "Corporation"), the School Board and U.S. Bank Trust Company, National Association (as successor to First Union National Bank of Florida), Jacksonville, Florida, as successor trustee (the "Trustee"), particularly as supplemented by a Series 2026 Supplemental Trust Agreement, dated as of August 1, 2026 (the "Series 2026 Supplemental Trust Agreement," and together with the Master Trust Agreement, the "Series 2026 Trust Agreement"), by and among the Corporation, the School Board and the Trustee.

The School Board, as the governing body of the School District of Polk County, Florida (the "District"), entered into a Master Lease-Purchase Agreement dated as of June 1, 1993, as amended and supplemented (the "Master Lease"), between the Corporation, as lessor, and the School Board, as lessee, for the purpose of providing for the lease-purchase financing and refinancing from time to time of certain educational facilities, sites and equipment (the "Projects") from the Corporation. Projects to be leased from time to time are identified on separate lease schedules (each a "Lease Schedule") attached to the Master Lease. Upon execution and delivery thereof, each Lease Schedule, together with the provisions of the Master Lease, will constitute a separate lease agreement (individually a "Lease" and collectively the "Leases").

[Remainder of page intentionally left blank]

*Preliminary, subject to change.

In connection with the issuance of the Series 2026 Certificates, the Master Trust Agreement and the Master Lease are being amended by the Third Amendment to the Master Trust Agreement and the Third Amendment to the Master Lease-Purchase Agreement (collectively, the "Third Amendments"), respectively, each dated as of August 1, 2026, which will become effective upon the date of issuance of the Series 2026 Certificates. The Owners of the Series 2026 Certificates, by their purchase thereof, are deemed to have consented to the amendments contained in the Third Amendments that require such consent. The Third Amendments are included within "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS", "APPENDIX D - COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT", and "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto, which appendices are composites of the stated agreements, including all amendments thereto. See "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS", "APPENDIX D - COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT", and "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto.

The Third Amendments will become effective upon issuance of the Series 2026 Certificates and the summaries of certain provisions of the Master Trust Agreement and the Master Lease contained herein include the amendments made by the Third Amendments.

The following table provides a summary of the Leases that the School Board will be a party to following delivery of the Series 2026 Certificates, the Project financed or refinanced thereby, the final termination date, the related Series of Certificates and the outstanding principal amount of each Series of Certificates.

<u>Related Lease Schedule</u>	<u>Dated</u>	<u>Related</u>	<u>Final</u>	<u>Related Series</u>	<u>Principal Amount</u>
	<u>Date</u>	<u>Project</u>	<u>Termination</u>	<u>of Certificates</u>	<u>Outstanding</u>
			<u>Date of Lease</u>		
Lease Schedule No. 2003A	02/01/2020	2003A	01/01/2028	Series 2019A	\$32,300,000
Lease Schedule No. 2010C	11/01/2010	2010C	11/01/2029	Series 2010C	2,825,701*
Lease Schedule No. 2026	08/01/2026	2026	01/01/2043**	Series 2026	<u>278,920,000**</u>
Total					<u>\$314,045,700**</u>

*Represents the remaining sinking fund payments to be deposited with the Trustee by the School Board pursuant to Lease Schedule No. 2010C taking into account sinking fund payments previously made to the Trustee and assumes investment earnings thereon at a rate of 2.22%, as further described herein. However, see "RISK FACTORS - Effect of Sequestration on Lease Payments" herein for more information regarding subsidy reductions due to the federal government's sequester of budgeted funds.

**Preliminary, subject to change. Assumes the Series 2026 Certificates are issued in the principal amount of \$278,920,000 with a true interest cost of 3.63% and a final maturity of January 1, 2043.

The Series 2003A Lease and the Series 2010C Lease are herein collectively referred to as the "Prior Leases." The Series 2010C Certificates and the Series 2019A Certificates are collectively referred to herein as the "Prior Certificates."

Pursuant to the applicable provisions of Florida law, including particularly Chapters 1001-1013, Florida Statutes, the School Board and Corporation have each duly adopted Resolutions on March 24, 2026, authorizing, among other things, the execution and delivery of (i) Lease Schedule No. 2026, dated as of August 1, 2026 (together with the Master Lease, the "Series 2026 Lease"), providing for the lease purchase financing of the Series 2026 Project (as defined herein) by the School Board, as described herein.

The Series 2026 Lease will commence on the date of delivery of the Series 2026 Certificates and is automatically renewable annually through June 30, 2042, with a final renewal term commencing July 1, 2042 and ending January 1, 2043, unless sooner terminated as described herein. Subject to the School Board's right to substitute facilities, the educational facilities being lease purchased under the Series 2026 Lease include a renovation and capacity expansion to Alta Vista Elementary School, Lake Alfred Elementary School, Wahneta Elementary School, and Floral Avenue Elementary School, a new auditorium at McLaughlin Middle/Senior High School, and certain capital maintenance and improvements throughout the District which are treated under the Series 2026 Lease as Designated Equipment (collectively, the "Series 2026 Project"). See "THE SERIES 2026 PROJECT" herein.

The School Board holds title to the sites on which Alta Vista Elementary School, Lake Alfred Elementary School, Wahneta Elementary School, Floral Avenue Elementary School, and McLaughlin Middle/Senior High School are located (the "Series 2026 Project Sites") and such Series 2026 Project Sites are described in and made a part of the Series 2026 Lease and the Ground Lease Agreement, dated as of August 1, 2026 (the "Series 2026 Ground Lease"). Pursuant to the Series 2026 Lease, the legal description attached thereto for McLaughlin Middle/Senior High School encompasses the entire McLaughlin Middle School campus. As of the date hereof, the exact site within such campus for the construction of the new auditorium has not been determined, and accordingly, a survey of the specific auditorium site was not feasible as of the date hereof. The Credit Enhancer, if any, and each holder of a Series 2026 Certificate, by its purchase and acceptance thereof, acknowledges and agrees that the School Board may, at any time and without further consent of the holders of Series 2026 Certificates or the Credit Enhancer, obtain a survey of the specific site for the new auditorium and amend the legal description attached to the Series 2026 Lease, and such other ancillary documents related thereto, to describe solely the auditorium site and any Servient Property (as defined in the Series 2026 Ground Lease) appurtenant thereto, thereby excluding the remainder of the McLaughlin Middle School campus from the legal description. See "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto.

The initial term of the Series 2026 Ground Lease commences as of the date of delivery of the Series 2026 Certificates and ends on the earlier of (a) the date on which the Series 2026 Certificates and any certificates or obligation issued to refund the Series 2026 Certificates or to refund any such refunding certificates or obligations which are hereafter issued, have been paid or provision for payment of the Series 2026 Certificates has been made pursuant to the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) January 1, 2043 (preliminary, subject to change), or (c) January 1, 2053 (preliminary, subject to change), if an "Event of Default" or "Event of Non-Appropriation" under the Series 2026 Lease occurs and the extension option granted in the Series 2026 Ground Lease is elected (all dates inclusive), and subject to earlier termination or extension as set forth therein. The improvements constituting Designated Equipment are not subject to the Series 2026 Ground Lease. See "APPENDIX G – FORMS OF SERIES 2026 GROUND LEASE AND GROUND LEASE ASSIGNMENT" hereto.

Pursuant to the Assignment of Ground Lease, dated as of August 1, 2026 (the "Series 2026 Ground Lease Assignment"), from the Corporation to the Trustee, the Corporation will irrevocably assign to the Trustee for the benefit of the Owners of the Series 2026 Certificates substantially all of its right, title and interest in and to the Series 2026 Ground Lease. The rights, title and interest of the Corporation in the Series 2026 Lease, including the right of the Corporation to receive Basic Rent (herein defined), to use, sell and relet Projects and to exercise remedies thereunder, other than its rights to indemnification, its right to enter into additional Lease Schedules and its obligation to comply with the tax covenants with respect to the Series 2026 Certificates, have been irrevocably assigned by outright assignment to the Trustee pursuant to an Assignment of Lease Agreement, dated as of June 1, 1993 (the "Assignment of Lease Agreement"). See "APPENDIX F - ASSIGNMENT OF LEASE AGREEMENT" hereto.

Based on market conditions in existence at the time of pricing, the School Board will determine whether or not to purchase insurance on all of the Series 2026 Certificates, some of the Series 2026 Certificates or none of the Series 2026 Certificates. In the event the School Board deems it in its best interest to insure all or a portion of the Series 2026 Certificates, the scheduled payment of the principal and interest represented by such insured Series 2026 Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the insured Series 2026 Certificates by Build America Mutual Assurance Company ("BAM" or the "Insurer"). See "CERTIFICATE INSURANCE OPTION" herein.

The School Board has covenanted and agreed for the benefit of the Series 2026 Certificate Owners to provide certain continuing disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). See "CONTINUING DISCLOSURE" herein.

Brief descriptions of the Series 2026 Certificates, the School Board, the Corporation, the District, the Series 2026 Lease, the Series 2026 Trust Agreement, the Series 2026 Ground Lease, the Series 2026 Ground Lease Assignment, the Assignment of Lease Agreement and the Series 2026 Project are included in this Offering Statement. All references herein to the Series 2026 Certificates, the School Board, the Corporation, the District, the Series 2026 Lease, the Series 2026

Trust Agreement, the Series 2026 Ground Lease, the Series 2026 Ground Lease Assignment, and the Assignment of Lease Agreement are qualified in their entirety by reference to the respective complete documents. Copies of the documents may be obtained upon written request and payment of the costs of duplication to the Trustee at 225 Water Street, Suite 700, Jacksonville, Florida 32202, Attention: Corporate Trust Department. Copies or forms, as the case may be, of the Series 2026 Trust Agreement, the Series 2026 Lease, the Assignment of Lease Agreement, the Series 2026 Ground Lease, and the Series 2026 Ground Lease Assignment are included herein as Appendices D, E, F, and G, respectively.

Unless otherwise indicated, capitalized terms used in this Offering Statement shall have the same meaning established in the documents referenced in the foregoing paragraph. See "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS" hereto. Certain capitalized terms used herein will be amended effective upon the date of issuance of the Series 2026 Certificates. To view such amendments, see "APPENDIX D - COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT" hereto and "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto. The Owners of the Series 2026 Certificates, by their purchase thereof, are deemed to have consented to the amendments contained in the Third Amendments that require such consent.

PURPOSE OF THE SERIES 2026 CERTIFICATES

The Series 2026 Certificates are being issued for the principal purposes of (i) financing all or a portion of the cost of the construction, installation, and/or equipping of the Series 2026 Project (as defined herein), and (ii) paying costs associated with the issuance of the Series 2026 Certificates, including a municipal bond insurance policy premium, if any. See "ESTIMATED SOURCES AND USES OF SERIES 2026 CERTIFICATES" 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 principal portion due on the Series 2026 Certificates at maturity represents fractional undivided interests in the principal portion of the Basic Rent Payments due on each of the dates set forth in the Series 2026 Lease.

The interest portion of the Basic Rent Payments represented by the Series 2026 Certificates is payable on each January 1 and July 1 (each an "Interest Payment Date"), commencing January

1, 2027, to and including the maturity or earlier prepayment of the Series 2026 Certificates. Said interest portion represents an undivided proportionate interest in the Interest Component of Basic Rent Payments due on December 15 and June 15 of each year as set forth in the Series 2026 Lease to and including the maturity date or prepayment dates of each Series 2026 Certificate, at the rates set forth on the inside cover page hereof. Except as otherwise provided in connection with the maintenance of a book-entry only system of registration, the principal portion of the Series 2026 Certificates is payable to the registered Owner upon presentation at the designated corporate trust office of the Trustee in Jacksonville, Florida. Except as otherwise provided in connection with the maintenance of a book-entry only system, the interest portion of the Basic Rent Payments payable under the Series 2026 Lease represented by the Series 2026 Certificates is payable by check or draft of the Trustee, mailed to the registered Owner at the address shown on the registration records maintained by the Trustee as of the 15th day of the month (whether or not a Business Day) preceding any Interest Payment Date. At the request and expense of a registered Owner of \$1,000,000 or more in aggregate principal amount of the Series 2026 Certificates, such interest will be paid by wire transfer to a domestic bank account designated in writing to the Trustee by such Owner at least five days prior to any Interest Payment Date. Notwithstanding the above, reference is made to the book-entry system of registration described under "BOOK-ENTRY ONLY SYSTEM" below.

Mandatory Prepayment

The Series 2026 Certificates maturing on January 1, 20__ shall be subject to mandatory prepayment commencing on January 1, 20__ from Amortization Installments in the amounts and in the years set forth below (the Trustee shall select such Series 2026 Certificates by lot in such manner as it deems appropriate):

Year (January 1)	Amortization Installment

*Maturity.

Optional Prepayment

The Series 2026 Certificates maturing on or before January 1, 20__ shall not be subject to prepayment at the option of the School Board.

The Series 2026 Certificates maturing on and after January 1, 20__, shall be subject to prepayment at the option of the School Board from prepayments of Basic Rent Payments made by the School Board pursuant to the Series 2026 Lease in whole or in part on July 1, 20__ and any date thereafter and, if in part, in such order of maturities as may be designated by the School Board and by lot within a maturity in such manner as may be designated by the Trustee, at a

Prepayment Price equal to the principal amount thereof, without premium, together with interest accrued to the Optional Prepayment Date.

No Extraordinary Prepayment in the Event of Damage, Destruction or Condemnation or Upon Completion

The Series 2026 Certificates are not subject to extraordinary prepayment in the event of damage, destruction or condemnation. Notwithstanding anything in the Master Lease to the contrary, in lieu of the Extraordinary Prepayment provisions of the Master Lease, if the Net Proceeds related to the Series 2026 Project is not greater than the amount of the Basic Rent Payments represented by the Series 2026 Certificates coming due in the current and immediately following fiscal year, then such amounts shall be used first, to pay the Interest Component of the Series 2026 Certificates for the next two interest Payment Dates and then to pay the Principal Component of the Series 2026 Certificates next coming due. In the event such Net Proceeds are greater than the amount of the Basic Rent Payments represented by the Series 2026 Certificates coming due in the current and immediately following fiscal year, at the option of the School Board, the School Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction, and installation of other Land and/or Buildings to be used for educational purposes that will be subject to the Series 2026 Lease, or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2026 Subaccount of the Interest Accounts or Series 2026 Subaccount of the Principal Account, to be credited against the payments next due to such accounts or subaccounts.

The Series 2026 Certificates are not subject to extraordinary prepayment in the event that amounts remain in the Series 2026 Project Account following the Completion Date of the Series 2026 Project (the "Remaining Proceeds"). Notwithstanding anything to the contrary in the Trust Agreement, any excess funds remaining in the Series 2026 Subaccount of the Project Account after the acquisition, construction and installation of the Series 2026 Project has been completed, or upon the Closure Date, including application of proceeds for any modifications, additions or substitutions of the Series 2026 Project in accordance with Section 3.03(b) of the Lease Agreement, may be transferred to the Series 2026 Subaccount of the Interest Account or the Series 2026 Subaccount of the Principal Account, to be credited against the payments next due to such accounts or subaccounts, or applied toward the optional redemption of the Series 2026 Certificates.

Selection of Certificates for Prepayment

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 in the next paragraph. 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.

When Series 2026 Certificates are prepaid by lot, selection of Series 2026 Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Series 2026 Certificates to be prepaid shall be in the principal amount of \$5,000 or any whole multiple thereof, and that in selecting portions of Certificates for prepayment, the Trustee shall treat each such Series 2026 Certificate as representing that number of Series 2026 Certificates which is obtained by dividing the principal amount with respect to such Series 2026 Certificate by \$5,000.

Notice of Prepayment

So long as the Series 2026 Certificates are issued in book-entry-only form, notice of prepayment will be mailed, postage prepaid to Cede & Co., as nominee for DTC, and the Trustee will not mail any prepayment notice directly to the Beneficial Owners of the Series 2026 Certificates. See "BOOK-ENTRY ONLY SYSTEM" herein. Notwithstanding the foregoing or any other provision hereof, notice of optional prepayment may indicate that such prepayment is conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional prepayment and that such notice may also be subject to rescission by the School Board.

Effect of Prepayment

On the date fixed for prepayment, notice having been given in the manner and under the conditions provided in the Series 2026 Trust Agreement, the Series 2026 Certificates or portions thereof called for prepayment shall be due and payable at the Prepayment Price provided therefor, plus accrued interest to such date. If money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Price of the Series 2026 Certificates to be prepaid, plus accrued interest thereon to the date fixed for prepayment, are held by the Trustee in trust for the Owners of Series 2026 Certificates to be prepaid, interest on the Series 2026 Certificates called for redemption shall cease to accrue as of the date set for prepayment; such Series 2026 Certificates shall cease to be entitled to any benefits or security under the Series 2026 Trust Agreement or to be deemed Outstanding; and the Owners of such Series 2026 Certificates shall have no rights in respect thereof except to receive payment of the Prepayment Price thereof, plus accrued interest to the date fixed for prepayment from the moneys and/or Refunding Securities held therefor.

Series 2026 Certificates and portions of Series 2026 Certificates for which irrevocable instructions to pay on one or more specified dates or to call for prepayment at the earliest prepayment date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under the Series 2026 Trust Agreement and shall cease to be entitled

to the security of or any rights under the Series 2026 Agreement, other than rights to receive payment of the Prepayment Price thereof and accrued interest thereon to the date fixed for prepayment, to be given notice of prepayment in the manner provided in in the Series 2026 Trust Agreement, and, to the extent hereinafter provided, to receive Series 2026 Certificates for any unpaid portions of Series 2026 Certificates if money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Price of such Series 2026 Certificates or portions thereof, together with accrued interest thereon to the date upon which such Series 2026 Certificates are to be prepaid, are held in separate accounts by the Trustee in trust for the Owners of such Series 2026 Certificates.

BOOK-ENTRY ONLY SYSTEM

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CORPORATION AND THE SCHOOL BOARD BELIEVE TO BE RELIABLE, BUT NEITHER THE CORPORATION NOR THE SCHOOL BOARD TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

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 each Series of the Series 2026 Certificates and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC

rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 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 Certificates ("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 defaults, and proposed amendments to the financing 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.

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).

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 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 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.

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) upon compliance with applicable DTC policies and procedures. In that event, Series 2026 Certificates will be printed and delivered to DTC.

NEITHER THE SCHOOL BOARD, THE DISTRICT 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 PRINCIPAL, OR INTEREST, OR ANY PREMIUM ON 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 fractional undivided interests in the Basic Rent Payments to be made by the School Board under the Series 2026 Lease. The Series 2026

Certificates are secured by and payable from the Trust Estate established for the Series 2026 Certificates pursuant to the Series 2026 Trust Agreement. The Trust Estate consists of, among other things, all estate, right, title and interest of the Trustee in and to the Basic Rent Payments under the Series 2026 Lease, and all amounts held in the funds and accounts under the Series 2026 Trust Agreement in accordance with the provisions of the Master Lease and the Series 2026 Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2026 Lease and the Series 2026 Trust Agreement which are not required to be remitted to the School Board or the Corporation pursuant to the Master Lease or the Series 2026 Trust Agreement.

Neither the Corporation nor the School Board will mortgage or grant a security interest in the Series 2026 Project to the Trustee. Upon termination of the Series 2026 Lease upon the occurrence of an Event of Non-Appropriation or in the case of certain Events of Default, however, the Series 2026 Lease provides that the School Board must surrender possession of the Series 2026 Project (other than Designated Equipment) to the Trustee as assignee of the Corporation for disposition by sale or re-letting of its interest in the Series 2026 Project as provided in the Trust Agreement. Any proceeds of the disposition of the Series 2026 Project will be applied to the payment of the Series 2026 Certificates, after payment of the costs and expenses of the Trustee. Thereafter, any remaining proceeds of any such disposition will be applied as provided in the Series 2026 Trust Agreement. See "THE SERIES 2026 PROJECT" herein for a description of the Series 2026 Project against which the Trustee has rights. 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 and all other Leases will be made from Available Revenues (as defined in the Master Trust Agreement) budgeted and appropriated for such purpose by the School Board. "Available Revenues" is defined in the Master Trust Agreement to mean the moneys and revenues of the School Board legally available under the Act to pay the Basic Rent. Available Revenues may include, but are not limited to, the Local Option Millage Levy (as defined herein), as further described herein. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein. Such revenues are also used to pay other outstanding obligations of the District. See "FINANCIAL RESULTS AND LIABILITIES OF THE SCHOOL BOARD – Indebtedness" herein.

The Series 2026 Trust Agreement provides for the establishment and maintenance of a Series 2026 Subaccount of the Interest Account and a Series 2026 Subaccount of the Principal Account within the Master Lease Payment Fund for deposit of Basic Rent Payments appropriated and paid under the Series 2026 Lease. Separate accounts are established for each Series of Certificates issued under the Trust Agreement. Lease Payments due under the schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the School Board for such purposes; provided that Lease Payments with respect to a particular schedule and Series of Certificates may be additionally and separately secured by a Credit Facility. Additional

Projects 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 PROJECTS LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE LEASE PAYMENTS FOR ALL PROJECTS LEASED UNDER THE MASTER LEASE 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 Obligation of the School Board

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WILL BE OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2026 LEASE FROM ANY SOURCE OF TAXATION WHATSOEVER. THE FULL FAITH AND CREDIT OF THE DISTRICT AND THE SCHOOL BOARD 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.

Additional Leases

As noted in the table under "INTRODUCTION" herein, the School Board has previously entered into Prior Leases and may enter into additional Lease Schedules under the Master Lease in addition to such Prior Leases and the Series 2026 Lease. Failure to appropriate funds to make Lease Payments under the Prior Leases, the Series 2026 Lease or any additional Lease will, or certain events of default under such Leases 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 Projects, including the Series 2026 Project (but not the Designated Equipment) to the Trustee for sale or re-letting of the Trustee's interest. The proceeds of any such disposition of the Series 2026 Project (other than Designated Equipment) will be applied to the payment of the Series 2026 Certificates, after payment of the costs and expenses of the Trustee, and then as provided in the Series 2026 Trust Agreement. **In no event will Owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Projects financed or refinanced with the proceeds of another Series of Certificates other than the Series 2026 Project.** 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 Projects 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 an Event of Default by the School Board under any Lease, see "THE SERIES 2026 LEASE - Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default" herein and "APPENDIX E – COMPOSITE MASTER LEASE AND

FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto.

Additional Certificates and Other Indebtedness

With respect to any additional Lease, one or more Series of additional Certificates ("Additional 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 Costs of a Project or completing a Project, (b) funding a subaccount in the Reserve Account in an amount equal to the Reserve Account Requirement applicable thereto, (c) capitalizing interest on such Series of Certificates, or (d) paying the applicable Costs of Issuance. Refunding Certificates may also be issued pursuant to the Trust Agreement. The aggregate principal amount of Additional Certificates which may be executed and delivered under the provisions of the Trust Agreement is not limited.

The School Board may also issue indebtedness which is not connected to the Master Lease secured by any of its Available Revenues without the consent of the Owners of the Certificates. The incurrence of such indebtedness by the School Board may adversely affect the School Board's ability to pay Basic Rent under the Master Lease. See "FINANCIAL RESULTS AND LIABILITIES OF THE SCHOOL BOARD – Indebtedness" and "THE 2022 P3 LEASE" herein.

Other Outstanding Certificates

Pursuant to the Master Lease, the School Board has heretofore entered into the Prior Leases and caused the issuance of the Prior Certificates as described under "INTRODUCTION." A summary of the Prior Leases, the Project financed or refinanced thereby, the final renewal date of such Prior Leases, the related Series of Prior Certificates and the outstanding principal amount of each Series of Prior Certificates is set forth in the table under "INTRODUCTION." The Prior Certificates are also payable from the Available Revenues of the School Board appropriated for the purpose of making Lease Payments represented thereby.

Non-Appropriation Risk

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS FOR THE PURPOSE OF MAKING LEASE PAYMENTS. 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.

No Reserve Account for Series 2026 Certificates

No Reserve Account has been established 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 Rent 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 - COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT" hereto.

AMENDMENTS TO THE MASTER TRUST AGREEMENT AND THE MASTER LEASE

There are certain amendments to the Master Trust Agreement and Master Lease contained in the Third Amendments that will become effective upon the date of issuance of the Series 2026 Certificates. The Owners of the Series 2026 Certificates, by their purchase thereof, are deemed to have consented to the amendments contained in the Third Amendments that require such consent. The Third Amendments are included within "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS", "APPENDIX D - COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT", and "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto. See "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS" hereto.

The Third Amendments will become effective upon issuance of the Series 2026 Certificates and the summaries of certain provisions of the Master Trust Agreement and the Master Lease contained herein include the amendments made by the Third Amendments.

PROSPECTIVE PURCHASERS OF THE SERIES 2026 CERTIFICATES SHOULD REVIEW THE AMENDMENTS IN "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS", "APPENDIX D - COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT", and "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" HERETO FOR THE COMPLETE TEXT OF THE REFERENCED AMENDMENTS.

SERIES 2022 P3 LEASE

On January 25, 2022, the School Board entered a Lease Agreement with an option to purchase a new school (as amended, the "Series 2022 P3 Lease"), located at 2885 Scenic Terrace Highway, Haines City, Florida (the "Scenic Terrace School"). Such Series 2022 P3 Lease is unrelated to the Master Lease and does not constitute a schedule thereunder. However, the School Board expects to pay lease payments pursuant to the Series 2022 P3 Lease from its Local Option Millage Levy (as defined herein), which is the primary component of Available Revenues used to make Basic Rent Payments under the Master Lease. See "COMBINED CERTIFICATE AND P3 PAYMENT SCHEDULE."

Although the Series 2022 P3 Lease is subject to annual appropriation in a way similar to the annual appropriation rights under the Master Lease, the School Board may elect to non-appropriate under the Master Lease without exercising its rights of non-appropriation under the Series 2022 P3 Lease.

CERTIFICATE INSURANCE OPTION

The School Board may apply for a municipal bond insurance policy issued to guarantee all or a portion of the scheduled payment of the principal portion and the interest portion of the Basic Rent Payments represented by the Series 2026 Certificates when due. On or before pricing the Series 2026 Certificates, the School Board will determine whether a municipal bond insurance policy will be purchased with respect to the Series 2026 Certificates. The School Board may choose to insure all, some or none of the Series 2026 Certificates. Such determination will be made by the School Board at the time the Series 2026 Certificates are marketed.

THE INFORMATION IN THIS SECTION CONCERNING THE POLICY AND THE INSURER HAS BEEN OBTAINED FROM THE INSURER. NONE OF THE SCHOOL BOARD, THE CORPORATION OR THE UNDERWRITERS TAKE RESPONSIBILITY FOR THE ACCURACY THEREOF.

Bond Insurance Policy

Concurrently with the issuance of the Series 2026 Certificates, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Series 2026 Certificates (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 Certificates when due as set forth in the form of the Policy included as APPENDIX J to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2026 Certificates, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2026 Certificates. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2026 Certificates on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Series 2026 Certificates, nor does it guarantee that the rating on the Series 2026 Certificates will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$493.3 million, \$277.6 million and \$215.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2026 Certificates or the advisability of investing in the Series 2026 Certificates. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or

omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Series 2026 Certificates, and the District and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2026 Certificates. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2026 Certificates, whether at the initial offering or otherwise.

RISK FACTORS

THE PURCHASER OF THE SERIES 2026 CERTIFICATES IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2026 CERTIFICATES IS ENCOURAGED TO READ THIS OFFERING STATEMENT IN ITS ENTIRETY. PARTICULAR

ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE MARKET PRICE OF THE SERIES 2026 CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

Annual Right of the School Board to Terminate the Series 2026 Lease

Although the School Board has determined that the Series 2026 Project is necessary to its operations and currently intends to continue the Series 2026 Lease for the Maximum Lease Term, the School Board is not required to appropriate funds for Basic Rent 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 Master 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 with respect to the Series 2026 Project and all other Projects financed thereunder, and the School Board will not be obligated to make Lease Payments accruing or arising thereafter, and the School Board shall be required to surrender use, possession and control of the Series 2026 Project (other than Designated Equipment) and all other Projects to the Trustee within seven (7) Business Days.

THE LIKELIHOOD THAT THE MASTER LEASE WILL BE TERMINATED AS THE RESULT OF AN EVENT OF NON-APPROPRIATION IS DEPENDENT UPON CERTAIN FACTORS THAT ARE BEYOND THE CONTROL OF THE SERIES 2026 CERTIFICATE OWNERS, INCLUDING THE CONTINUING FUTURE UTILITY OF THE SERIES 2026 PROJECT AND OTHER PROJECTS TO THE SCHOOL BOARD AND CHANGES IN POPULATION OR DEMOGRAPHICS WITHIN POLK COUNTY, FLORIDA.

Limitation on Disposition; Ability to Sell or Relet

Following an Event of Default under the Trust Agreement (which includes the occurrence of an Event of Default or an Event of Non-Appropriation under the Series 2026 Lease), the Trustee may take possession of the Series 2026 Project (other than Designated Equipment). The Trustee's ability to actually achieve such a disposition of the Series 2026 Project is limited by its inability to convey fee simple title to such educational facilities. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or reletting of the Trustee's interest in the Series 2026 Project because of the essential governmental nature thereof. There can be no assurance that the remedies available to the Trustee upon any such termination of the Series 2026 Lease and the disposition of the Series 2026 Project (other than Designated Equipment) will provide sufficient amounts to make timely payments of the principal and interest portions due on the Outstanding Series 2026 Certificates.

Tax Exemption

Upon termination of the Master Lease, there is no assurance that payments made by the Trustee, or the Insurer, if any, with respect to the Series 2026 Certificates and designated as

interest will be excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein.

Applicability of Securities Laws

In the event of 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 (and, consequently, the market price thereof) will not be impaired following termination of the Master Lease.

Local Option Millage Levy Revenues

The amounts derived by the District from the levy of the Local Option Millage Levy (hereinafter described) can be affected by a variety of factors which are 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, or changes in applicable law. Moreover, the School Board is not legally required to impose the Local Option Millage Levy. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein.

The maximum Local Option Millage Levy is also subject to change pursuant to changes in applicable law and is subject to sharing with charter schools in the District. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein and "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Funds to Charter Schools" herein for information regarding legislation that requires the School Board to share Local Option Millage Levy revenues with charter schools in the District.

State Revenues

A large portion of the District's funding is derived from State sources. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" and "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, the Governor 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 2025-2026, reflecting a per-pupil increase of approximately \$150 per student or 1.64% over Fiscal Year 2025-2026. 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 \$8.5 million. Based upon the adopted budget, the estimated increase for the District is approximately \$1.3 million (inclusive 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 increase exactly as provided for in the adopted budget.

Additional Lease Schedules

The School Board may enter into other Leases in addition to the Series 2026 Lease and the Prior Leases. Failure to appropriate funds to make Lease Payments under any such Lease will, or an Event of Default under any such Lease may, result in the termination of all Leases, including the Series 2026 Lease. Upon any such termination of all Leases, the School Board must surrender all Projects (other than Designated Equipment), including the Series 2026 Project (other than Designated Equipment), to the Trustee for sale or lease. The proceeds of any such disposition of Projects will be applied to the payment of the applicable 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 or refinanced with the proceeds of another Series of Certificates other than the Series 2026 Project. There can be no assurance that the remedies available to the Trustee upon any such termination of the Series 2026 Lease and the disposition of the Series 2026 Project (other than Designated Equipment) will produce amounts sufficient to pay the outstanding Series 2026 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 OR REFINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES OTHER THAN THE SERIES 2026 PROJECT. In no event will Series 2026 Certificate holders have any interest in or rights to Designated Equipment. There can be no assurance that the remedies available to the Trustee upon any such termination of Series 2026 Lease and the disposition of the Series 2026 Project (other than Designated Equipment) will produce sufficient amounts to pay the outstanding Series 2026 Certificates.

Additional Indebtedness

The School Board has and may after the date hereof 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 Series 2026 Certificate Owners. Incurring such additional indebtedness by the School Board may adversely affect the School Board's ability to make Lease Payments under the Master Lease. See "SERIES 2022 P3 LEASE" herein.

Constitutional Amendments and Other Legislative Changes

In recent years, legislation has been introduced that required certain percentages of school district funding be spent on particular activities and imposed additional funding restrictions and other requirements on school districts. Many proposals have sought to provide for new or

increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at historical levels. Other proposals have sought to restrict the ability of local governments to use certain revenues for payment of debt service, to provide for additional procedures and notices in order to issue tax-supported debt or to require the sharing of local revenues with charter schools. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the current legislative session or in the future that would, or might apply to, or have a material adverse effect upon, the School Board or its finances. See "AD VALOREM TAXATION" and "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES" herein for information concerning certain amendments to the Florida Constitution and other legislative proposals that could materially adversely affect the School Board's financial situation.

Effect of Sequestration on Lease Payments

Pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended, the President of the United States ordered that certain automatic spending cuts be implemented pursuant to calculations provided by the United States Office of Management and Budget in its Report to the Congress on sequestration dated March 1, 2013. The cuts include mandatory reductions in the amounts scheduled to be paid by the federal government to issuers of Build America Bonds, Qualified Zone Academy Bonds, Qualified School Construction Bonds, New Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds (collectively, "Direct-Pay Bonds") under Section 6431 of the Internal Revenue Code.

For payments to issuers of Direct-Pay Bonds for federal fiscal years through September 30, 2030, the annual sequester rate is 5.7 percent sequestration rate, irrespective of when the IRS received the Form 8038-CP with amounts claimed by an issuer. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise affects the sequester, at which time the sequestration reduction rate is subject to change. For its fiscal year 2025-26, the School Board has budgeted and anticipates its aggregate expected Interest Subsidy (relating to the Series 2010C Certificates) will equal \$1,141,798 (which equates to a \$1,076,714 annual reduction), resulting in a corresponding increase in interest costs for the District that must be paid from other revenue sources.

Property Insurance

Many governmental entities including school districts in the State of Florida are facing substantial increases in property and casualty insurance premiums for insurance policies which include substantial increases in deductibles and limitations on coverage. Pursuant to the Series 2026 Lease, the School Board is only required to maintain property and casualty insurance at such levels as are available at commercially reasonable costs. Such insurance may be maintained in one or more "stacked" or umbrella policies. 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.

For its fiscal year ending June 30, 2027, the School Board purchased property insurance coverage with a limit of \$40 million with key deductibles of \$100,000 for all perils excluding named windstorm or flood damages if the property is in special flood hazard areas. The equipment breakdown (boiler and machinery) deductible is \$10,000. The named windstorm and special flood hazard area deductible is 3% with a minimum of \$250,000 per occurrence. The all-other flood deductible is \$100,000. For buildings covered under the National Flood Insurance Program, the deductible is \$500,000 per building and \$500,000 contents per building. In the event the School Board suffers substantial damage to its property that is not covered by its current insurance or is not eligible for Federal reimbursement, the School Board's financial condition could be adversely impacted.

Climate Change and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, 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), 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 and climate change in general could include a loss of revenue, interruption of service, and escalated recovery costs.

The School Board is currently still working with FEMA and local state officials to collect eligible expenses as follows: Hurricane Ian is still open with FEMA and shows an approximate project cost of \$960,183.

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 School Board has a multilayered information security program with several established protocols and procedures which include Acceptable Usage Policies and Information Security Guidelines. The School Board has implemented a disaster recovery and data protection plan. Additionally, the School Board has implemented and upgraded several

security initiatives, including upgrades to the Microsoft environment with advance measures for identity and endpoint protections, enhanced hardening through an advanced network access control solution, secure backup and encryption protocols to ensure data integrity and other improvements to include network segmentation. The School Board is continually making improvements to its comprehensive cybersecurity policies, procedures and response plans, adhering to national standards and industry best practices.

While School Board 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 School Board's computer network and the confidentiality, integrity, or availability of the School Board's computer system or the Computer Information. The potential disruption, access, modification, disclosure or destruction of Computer Information could result in the interruption of School Board 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 School Board's operations or the appropriate provision of School Board 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 School Board's cyber risk insurance policy. Further, the litigation to which the School Board could be exposed following a cybersecurity breach could be significant, which could cause the School Board to incur material costs related to such legal claims or proceedings.

Coronavirus (COVID-19)

The 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 30, 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 ("ESSER II"); and The American Rescue Plan Act of 2021. The School Board received approximately \$469 million in federal funds under such federal programs, collectively, however many of such funds were required to be shared with Charter Schools private schools in the County.

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

Certificate Insurance Risk Factors

At pricing, the School Board will determine whether to provide for a Policy for all, a portion or none of the Series 2026 Certificates. If a Policy is purchased, the following are risk factors related to municipal bond insurance.

In the Event of Default of the scheduled payment of debt service on the insured Series 2026 Certificates, if any, when all or some becomes due, the Trustee on behalf of Owners of such insured Series 2026 Certificates will have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of the principal portion of the insured Series 2026 Certificates resulting from default or otherwise, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration.

Under most circumstances, default of payment of the principal and interest portions of the Basic Rent Payments represented by the insured Series 2026 Certificates, if any, does not obligate extraordinary prepayment of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to any applicable Series 2026 Certificate documents.

In the event the Insurer is unable to make payment of the principal and interest portions of the Basic Rent Payments represented by the insured Series 2026 Certificates, if any, as such payments become due under a Policy, such insured Series 2026 Certificates are payable solely from the moneys received pursuant to the applicable Series 2026 Certificate documents. In the event the Insurer becomes obligated to make payments with respect to such insured Series 2026 Certificates, no assurance is given that such event will not adversely affect the market price of the insured Series 2026 Certificates or the marketability (liquidity) for the insured Series 2026 Certificates.

The long-term ratings on the insured Series 2026 Certificates, if any, are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on any Series 2026 Certificates insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the insured Series 2026 Certificates or the marketability (liquidity) for the insured Series 2026 Certificates.

The obligations of the Insurer are unsecured obligations of the Insurer and in an Event of Default by the Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency. See "RATING" herein.

Neither the School Board nor Underwriters have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the School Board to pay

principal and interest on the Series 2026 Certificates and the claims paying ability of the Insurer, particularly over the life of the investment. See “ CERTIFICATE INSURANCE OPTION” herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

No Right of Insured Series 2026 Certificate Owners to Direct Remedies

Termination of the Master Lease, in and of itself, will not result in termination of the Insurer's Policy. Unless the Insurer is in default in its payment obligations under the Policy, the Insurer is entitled to control and direct any of the rights or remedies of the Trustee with respect to the Series 2026 Certificates it insures, including the right to direct the Trustee as to whether or not to re-let or sell the Series 2026 Project (other than Designated Equipment). Upon the occurrence of an Event of Default under the Trust Agreement and termination of the Series 2026 Lease, the Insurer may elect to prepay the maturities of all of the insured Series 2026 Certificates outstanding, in which case the principal and interest represented by such insured Series 2026 Certificates shall become due and payable immediately. If the Insurer does not elect to prepay the maturities of the insured Series 2026 Certificates, the Insurer is obligated to continue to make payments to Certificate holders in accordance with the original schedule of Basic Rent Payments represented by such insured Series 2026 Certificates. However, the Insurer has no fiduciary responsibility to the Certificate holders with respect to the direction of such remedies and has no obligation to preserve the exclusion from gross income for federal income tax purpose of amounts paid to Certificate holders by the Insurer and designated as interest.

THE MASTER LEASED PROJECTS

The Series 2026 Project will be 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 Projects financed or refinanced by the School Board under the Master Lease Program are subject to annual appropriation on an all-or-none basis.

The District served approximately 129,912 K-12 students for the 2025-26 school year at 172 sites throughout the District, including approximately 21,751 students enrolled in the District's 35 Charter Schools (the “Charter School Students”) and approximately 17,406 students receiving Family Empowerment Scholarships (the “FES Students”). Upon completion of the Series 2026 Project described herein, there will be approximately three **schools and seven additions to schools and related facilities leased under the Master Lease. Based on the District's Pre-K through 12 full-time equivalent (FTE) pupil enrollment of approximately 90,755 students (omitting Charter School Students and FES Students), for Fiscal Year 2025-26, approximately 18% of the District's students are projected to be attending classes in Projects leased under the Master Lease.** *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 2025-26 was used; for the additions, the number of student stations attributable to each specific classroom or facility for Fiscal Year 2025-26 based on the type of school (elementary, middle or high) or gymnasium,*

but does not include any cafeterias, auditoriums, media centers and other facilities that do not have any student stations attributable to them. Under certain conditions set forth in the Master Lease, the School Board may substitute or add components to the Projects and modify the plans and specifications thereof. For a complete description of the Projects under the Master Lease Program see "THE SERIES 2026 PROJECT" and "THE PRIOR PROJECTS" below.

Pursuant to the Master Lease, the School Board does not have the ability to appropriate Basic Rent Payments for only one Project or some combination of Projects. The School Board's annual appropriation for Basic Rent Payments must be for all Projects under the Master Lease Program or it must terminate all Projects 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 Projects, the School Board would, at the Trustee's option, have to surrender such Projects (except for certain Designated Equipment), including the Series 2026 Project to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Project.

THE SERIES 2026 PROJECT

Series 2026 Project

The Series 2026 Project consists of the lease purchase financing of certain educational facilities, the leasing of the Series 2026 Project Sites by the School Board to the Corporation pursuant to the Series 2026 Ground Lease and the subleasing of the Series 2026 Project Sites back to the School Board. All of the Series 2026 Project components are located within the District. Set forth below is a brief, general description of the schools and facilities comprising the Series 2026 Project. See "- Modifications to the Series 2026 Project" below.

Alta Vista Elementary School Demolition and Reconstruction

This component of the Series 2026 Project consists of demolition and reconstruction of the existing Alta Vista Elementary School located at 801 Scenic Highway, Haines City, Florida, with approximately 1,044 student stations upon reconstruction. Approximately 972 students attended Alta Vista Elementary School during the school year ended June 30, 2026. It is expected to be completed in approximately June 2027.

Floral Avenue Elementary School Demolition and Reconstruction

This component of the Series 2026 Project consists of demolition and reconstruction of the existing Floral Avenue Elementary School located at 1530 South Floral Avenue, Bartow, Florida, to include approximately 66,500 square feet and with 535 student stations upon reconstruction. Approximately 493 students attended Floral Avenue Elementary School during the school year ended June 30, 2026. It is expected to be completed in approximately June 2027.

Lake Alfred Elementary School Demolition and Reconstruction

This component of the Series 2026 Project consists of demolition and reconstruction of the existing Lake Alfred Elementary School located at 550 East Cummings Street, Lake Alfred, Florida, to include approximately 66,500 square feet with 1,241 student stations upon reconstruction. Approximately 1,087 students attended Lake Alfred Elementary School during the school year ended June 30, 2026. It is expected to be completed in approximately June 2027.

McLaughlin Middle/Senior High School Auditorium

This component of the Series 2026 Project consists of the construction of a new Auditorium on the existing McLaughlin Middle/Senior High School located at 800 south 4th Street, Lake Wales, Florida, to include approximately 57,896 square feet. Although there are no student stations assigned to the Auditorium, approximately 879 student attended McLaughlin Middle/Senior High School during the school year ended June 30, 2026. It is expected to be completed in approximately June 2027.

Wahneta Elementary School Demolition and Reconstruction

This component of the Series 2026 Project consists of demolition and reconstruction of the existing Wahneta Elementary School located at 205 West Wahneta Street East, Winter Haven, Florida, to include approximately 488 student stations upon reconstruction. Approximately 452 students attended Wahneta Elementary School during the school year ended June 30, 2026. It is expected to be completed in approximately June 2027.

District Maintenance Capital Improvements

This component of the Series 2026 Project consists of maintenance and other capital renovations and improvements, including HVAC replacement, at various educational facilities located throughout the District. It is expected to be completed in approximately July 2029. This component of the Series 2026 Project constitutes Designated Equipment under the Series 2026 Lease and is not subject to surrender to, or disposition by, the Trustee as a result of termination of the Series 2026 Lease as a result of a non-appropriation of funds or certain events of default.

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The Estimated Series 2026 Project Budget

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

Series 2026 Project Component Description ⁽¹⁾	Planning/ Design	Furniture, Fixtures & Equipment	Construction/ Acquisition	Total Project Cost
Alta Vista Demolition/Reconstruction	\$2,126,500		\$46,903,411	\$49,029,911
Floral Ave. Demolition/Reconstruction	2,344,466		51,711,010	54,055,476
Lake Alfred Demolition/Reconstruction	2,232,825		49,248,581	51,481,406
McLaughlin Auditorium	1,950,000		41,000,000	42,950,000
Wahneta Demolition/Reconstruction	2,344,466		51,190,411	53,534,877
District Maintenance Capital Improvements ⁽²⁾	<u>0</u>	<u>\$55,427,731</u>	<u>0</u>	<u>55,427,731</u>
Total	\$10,998,257	\$55,427,731	\$240,053,413	\$306,479,401

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

(2) Constitutes Designated Equipment which is not subject to surrender to, or disposition by, the Trustee as a result of termination of the Series 2026 Lease as upon a non-appropriation of funds or certain events of default. Additionally, all equipment not constituting fixtures at all of the educational facilities listed above are also not subject to surrender to, or disposition by, the Trustee upon termination of the Series 2026 Lease.

Designated Equipment

Each of the Projects includes Designated Equipment which consists of equipment components not constituting fixtures of the educational facilities described above. With respect to the Series 2026 Project, the component of the Series 2026 Project entitled District Maintenance Capital Improvements constitutes Designated Equipment. Upon the occurrence of an Event of Non-Appropriation or an Event of Default, neither the holders of the related Series of Certificates or any Additional Certificates will have rights to the components of the Projects constituting Designated Equipment. The Third Amendments revise the definitions of (i) "Designated Equipment" to mean Equipment or other facilities for which titled is vested in the name of the School Board upon acquisition thereof and which is described as such in the Lease Schedule related thereto, and (ii) "Project" to mean the Land, the Buildings, and/or the Designated Equipment, as described in the Lease Schedule relating thereto, as the same may be amended or modified from time to time in accordance with the terms of the Lease Agreement. See "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS", "APPENDIX D - COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026

SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT", and "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto.

Modifications to the Series 2026 Project

The School Board may, at any time prior to the Completion Date of the Series 2026 Project, make modifications to the Series 2026 Project and substitute and add items or components constituting a portion of such Series 2026 Project, subject to the provisions of the Master Lease, if (i) the School Board files with the Trustee, as assignee of the Corporation, a certificate of an Authorized Officer of the School Board notifying the Trustee of such modification, addition or substitution, identifying the portion of such Series 2026 Project which is modified, added or substituted, and certifying that after such modification, addition or substitution, amounts on deposit in the subaccount of the Series 2026 Project Account relating to such Series 2026 Project, together with interest earnings thereon and any additional legally available sums of the School Board deposited therein or available therefor, will be sufficient to pay all remaining Costs of such Series 2026 Project, including Series 2026 Project Costs incurred in connection with such modification, addition or substitution and any Series 2026 Project Costs which shall have accrued but remain unpaid as of such date, (ii) if the modification, addition or substitution involves Equipment, either the items of substituted Equipment have a useful life equal to or greater than the useful life of the items of Equipment for which it has been substituted or the Credit Enhancer, if any, of the Series 2026 Certificates which shall finance the acquisition of such Equipment approves of a shorter useful life for such substituted Equipment in writing, (iii) the Plans and Specifications, the Series 2026 Project Description, the Series 2026 Project Budget, the Series 2026 Project Schedule and, if necessary, the Estimated Completion Date for such amended or modified Series 2026 Project are each amended, as necessary, to take into account the portion of such Series 2026 Project which is modified, added or substituted, (iv) title to the substituted, added or modified portion of the Series 2026 Project shall be in the name of the School Board and, except as otherwise provided in the Master Lease, the School Board shall grant to the Corporation a leasehold estate therein in accordance with the terms of the Series 2026 Ground Lease, (v) if the modification or substitution involves Equipment, the substituted, added or modified Equipment shall be placed in the same Group as the Equipment for which there has been a substitution or the Credit Enhancer, if any, of the Series 2026 Certificates which shall finance the acquisition of such Equipment approves of the substituted or modified Equipment being placed in a different Group in writing, (vi) no change shall be made in the schedule of Basic Rent Payments, and (vii) except for the substitution of Equipment, the School Board obtains the prior written consent of the Credit Enhancer, if any, in respect of the Series 2026 Certificates. If the total Costs of such Series 2026 Project exceed the amount estimated therefor, the School Board shall take the actions set forth in the Master Lease as a condition precedent to such modification, addition or substitution.

Release of Series 2026 Project Components and Series 2026 Project Component Sites

Notwithstanding anything to the contrary in the Master Lease, one or more of the facilities comprising a portion of the Series 2026 Project components, or a portion thereof, may be released from the lien of the Master Lease if after the release of such facility or facilities the total construction cost of remaining facilities components comprising the Series 2026 Project components subject to the lien of the Master Lease exceeds the remaining Principal Component of the Basic Rent Payments payable with respect to the Series 2026 Project. The Series 2026 Project components and/or the Premises and any Servient Property (each as defined in the Series 2026 Ground Lease), or portions thereof, released in accordance with the Series 2026 Lease shall be deemed to be paid and fee simple title to such facilities and/or facility sites (or portions thereof) shall vest in the School Board.

THE PRIOR PROJECTS

The following descriptions of other projects are general descriptions of projects currently subject to the Master Lease. In no event will Owners of the Series 2026 Certificates have any interest in or right to any proceeds of the disposition of Projects financed with the proceeds of another Series of Certificates, including without limitation the Series 2003A Project and the Series 2010C Project. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Lease Agreements and the disposition of the Projects will produce sufficient amounts to pay all of the outstanding Certificates.

The Series 2003A Project

The Series 2003A Project consisted of the acquisition, construction and equipping of certain real property, educational facilities and equipment located within the District, including:

- Chain of Lakes Elementary School;
- Haines City High School Administrative Suite/Media Center;
- Ridge Community High School;
- Ridgeview Elementary School Classroom Addition; and
- Sandhill Elementary School Classroom Addition.

The Series 2010C Project

The Series 2010C Project consisted of the acquisition, construction and equipping of certain real property, educational facilities and equipment located within the District, including:

- Freshman Academy at Winter Haven High School; and
- Freshman Academy at Kathleen Senior High School.

THE SERIES 2026 LEASE

The following is a brief summary of certain provisions of the Series 2026 Lease and is not intended to be definitive. Reference is made to the Series 2026 Lease, which are further described in "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto.

Lease Terms

Under the Series 2026 Lease, the Corporation leases to the School Board the Series 2026 Project. The initial term of the Series 2026 Lease commences on the date of delivery of the Series 2026 Certificates and is automatically renewable annually through June 30, 2042, with a final renewal term commencing July 1, 2042 and ending January 1, 2043, unless sooner terminated as described herein.

Termination of Lease Term

As described under "SECURITY FOR THE SERIES 2026 CERTIFICATES - Additional Leases" herein, the School Board has previously entered into the Prior Leases and may enter into additional Leases. The Lease Term of the Leases, including the Series 2026 Lease, will terminate upon the earliest of any of the following events:

- (a) Upon the payment of all Lease Payments in regard to all the Projects and the Certificates are no longer Outstanding;
- (b) Upon an Event of Non-Appropriation of funds for the payment of Lease Payments;
- (c) The occurrence of certain Events of Default, as outlined in the Master Lease, 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) Payment, or provision for payment as provided in the Master Lease, of all Lease Payments and all Certificates of a Series relating to a Project, other than Designated Equipment, has been made in full.

Effect of Termination for Non-Appropriation or Default

Upon termination of the Lease Term for a reason referred to in (b) under "THE SERIES 2026 LEASE - Termination of Lease Term" above, the School Board is required, within seven (7) Business Days, to vacate and return possession of all the Projects financed under all Leases to the Trustee, other than Designated Equipment, as further described below. Upon such surrender, the Trustee will sell, lease or sublease such Projects, or any portion thereof, other than Designated Equipment, in accordance with applicable law. The proceeds derived from any such sale or reletting of the Projects, or any portion thereof, as a result of an Event of Non-Appropriation or

an Event of Default shall be the absolute property of the Corporation, or its assignee, and the School Board shall have no right thereto. In the event that moneys received by the Corporation, or its assignee, from the sale or other disposition of a Project, exceed the amount necessary to pay the principal of and interest due on the Certificates which financed the acquisition and construction thereof to the date of payment thereof, together with all other amounts owing under the Trust Agreement and in regard to such Project, including Trustee fees and expenses, amounts owing in regard to any Ground Lease relating to such Project and outstanding fees, expenses and other amounts due the Credit Enhancers, the Corporation, or its assignee, shall pay such surplus to the School Board. For a discussion of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of the Project to the Trustee, see "APPENDIX E – COMPOSITE MASTER LEASE AND FORMS OF LEASE SCHEDULE NO. 2026 AND THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT" hereto.

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under "THE SERIES 2026 LEASE - 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 the Leases upon an Event of Non-Appropriation or Event of Default and the disposition of the corresponding Project will produce amounts sufficient to pay the outstanding Certificates. The federal income tax status of payments made to Certificate Owners after such termination may also be adversely affected. See "TAX MATTERS" herein. Further, after such termination of the Lease Term of the Leases, transfer of 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.

Lease Payments

Subject to the conditions stated in the Lease, the School Board has expressed its current intent to make all Lease Payments due under the Leases, including the Prior Leases and the Series 2026 Lease; PROVIDED, HOWEVER, THAT NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE LESSOR OR THE TRUSTEE UNDER THE LEASES FROM ANY SOURCE, OTHER THAN APPROPRIATED AVAILABLE REVENUES AND THE FULL FAITH AND CREDIT OF NEITHER THE SCHOOL BOARD, THE DISTRICT, NOR THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND THE OBLIGATIONS ARISING THEREUNDER DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY

CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. All Lease Payments due under all Leases 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 the Lease Payment Date preceding each Interest Payment Date, the School Board is required to pay to the Trustee the Basic Rent Payment then due. The School Board is also required to pay, when due, Supplemental Rent Payments, consisting of, among other things, fees and expenses of the Trustee, and the Corporation. In addition, the Basic Rent may be reduced if the School Board chooses to prepay any or all of the Basic Rent.

Lease Covenants

Under the Leases, the School Board has covenanted that it will (i) maintain each Project in good operating condition, repair and appearance, and protect same from deterioration other than normal wear and tear, (ii) pay all taxes, assessments and other governmental charges, if any, and (iii) maintain or cause to be maintained, throughout the Lease Term, subject to the requirements of State law and if reasonably available from a commercial carrier, a standard comprehensive general liability insurance policy or policies in protection of the School Board and the Corporation, their members, officers, agents and employees (which may be provided for through a self-insurance program of the School Board), all in accordance with the terms and provisions relating to these requirements, contained in the Leases.

BUDGET AND APPROPRIATION

The cost and expense of the performance by the School Board of its obligations under the Leases and the incurrence of any liabilities of the School Board under the 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 on appropriations being duly made from time to time by the School Board for such purpose. 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 education facilities similar in function to those leased under any 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 of the District will include in the Superintendent's tentative budget proposal 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 official 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 applicable law, 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, and under which no appropriation has been made.

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 renewed for the following Fiscal Year, but will terminate on June 30th of the then 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 Enhancer, 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" herein.

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ESTIMATED SOURCES AND USES OF SERIES 2026 CERTIFICATES

It is estimated that proceeds received from the sale and delivery of the Series 2026 Certificates will be used as follows:

	Series 2026 Certificates
Estimated Sources:	
Principal Amount of Series 2026 Certificates	
Plus/Less Original Issue Certificate Premium/Discount	
Total Sources of Funds	
Estimated Uses:	
Deposit to Project Fund	
Cost of Issuance ⁽¹⁾	
Total Uses of Funds	

(1) Includes, without limitation, Underwriters' discount, printing costs, legal, accounting and municipal advisory fees, bond insurance premium, if any, and other costs associated with the issuance of the related Series 2026 Certificates.

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COMBINED CERTIFICATE AND P3 LEASE PAYMENT SCHEDULE

The aggregate annual Basic Rent Payment on the outstanding Prior Certificates and the Series 2026 Certificates, together with the P3 Lease Payments due on the Series 2022 P3 Lease ("Series 2022 P3 Lease Payments"), are set forth below:

Year				<u>Series 2026 Certificates</u>			
Ending	Series 2010C	Series 2019A	Series 2022 P3	Principal	Interest	Combined	Total
<u>June 30</u>	<u>Certificates⁽²⁾</u>	<u>Certificates</u>	<u>Lease</u>	<u>Component</u>	<u>Component</u>	<u>Debt</u>	<u>Combined</u>
			<u>Payments</u>			<u>Service</u>	<u>Annual</u>
							<u>Payments</u>
2027	\$744,019	\$17,280,000	\$4,140,000				\$22,164,019
2028	719,154	17,466,750	4,140,000				22,325,904
2029	693,104		4,140,000				4,833,104
2030	669,423		4,140,000				4,809,423
2031			4,140,000				4,140,000
2032			4,140,000				4,140,000
2033			4,140,000				4,140,000
2034			4,140,000				4,140,000
2035			4,140,000				4,140,000
2036			4,140,000				4,140,000
2037			4,140,000				4,140,000
2038			4,140,000				4,140,000
2039			4,140,000				4,140,000
2040			4,140,000				4,140,000
2041			4,140,000				4,140,000
2042			4,140,000				4,140,000
2043			4,140,000				4,140,000
2044							
2045							
2046							
2047							
Total ⁽¹⁾	\$2,825,701	\$34,746,750	\$70,380,000				\$107,952,451

(1) Totals may not foot due to rounding.

Footnotes continue on next page.

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- (2) Based on a principal amount of \$21,223,000 which will be due on the maturity date; includes sinking fund payments and assumes investments earnings thereon at a rate of 2.22% based on a Sinking Fund Agreement entered into by the School Board in November 2011, which together are expected to equal the Principal Component due on the Series 2010C Certificates at maturity. The School Board will receive a credit against sinking fund payments for interest income on amounts on deposit in the Series 2010C Sinking Fund Account. Interest on the Series 2010C Certificates is calculated at 0.00% (the stated interest rate on the Series 2010A Certificates of 5.38%, less the Interest Subsidy of 5.38%). Debt service does not take into account actual and potential reductions in Interest Subsidy with respect to the Series 2010C Certificates discussed under "RISK FACTORS - Effect of Sequestration on Lease Payments."

THE CORPORATION

The Corporation is a nonprofit, single-purpose educational corporation created and existing under the Nonprofit Corporation Law of the State of Florida, Chapter 617, Florida Statutes. The Corporation is not a direct support organization of the School Board. The membership in the Corporation is limited to the members of the School Board and the School Board's Superintendent. Upon dissolution, all of the Corporation's 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.

The Corporation has assigned all of its right, title and interest in and to the Master Lease (except certain indemnification rights, the right to initiate additional Lease Schedules from time to time and its obligation not to impair the tax status of the Certificates) including its right to receive Lease Payments from the School Board, its right, title and interest in and to the related Ground Lease, and its right to use, sell and relet Projects, to the Trustee. The Trustee directly collects from the School Board all of the Basic Rent Payments which are the source of and security for payment of the Certificates. Therefore, 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 Series of Certificates or other obligations of the School Board or the Corporation.

SCHOOL DISTRICT OF POLK COUNTY, FLORIDA

The District is established under Article IX of the Constitution of Florida. The geographic boundaries of the District are coterminous with those of Polk County, Florida (the "County"). The School Board is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001, Part II, Florida Statutes, and is the governing body of the District.

The District is the seventh largest school district in Florida and is among the 30 largest districts in the United States. For Fiscal Year 2025-26, the District included approximately 129,912 full-time equivalent (FTE) students, K-12 including approximately 21,751 students enrolled in the District's 35 Charter Schools (the "Charter School Students") and approximately 17,406 students receiving Family Empowerment Scholarships (the "FES Students"), and approximately 15,200 full-time employees, of which approximately 12,448 were instructional and support staff.

Management of the public schools within the District is independent of the County and any city governments. The School Board is authorized by State law to levy property taxes for school district operations, capital improvements and debt service. The County Tax Collector collects taxes for the School Board and other units of government in the County, but exercises no control over expenditures by the School Board.

The Organization and Powers of the School Board

The School Board is a body corporate existing under the laws of the State of Florida. The School Board is the governing body of the District, consisting of seven (7) members elected by separate districts for overlapping four-year terms. Under existing law, the School Board's duties and powers include, but are not limited to, the development of policies and rules for the efficient operation of the District; 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; the establishment and operation of 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 of adequate instructional aides; and the establishment of a system to transport students to/from school or school-related activities.

The School Board also has broad financial responsibilities, including, but not limited to, the 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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The present members of the School Board and the expiration of their respective terms are as follows:

<u>Name/Office</u>	<u>Term Expires</u>
Justin Sharpless/Chair	November 2026
Travis L. Keyes/Vice-Chair	November 2028
Dr. William Allen	November 2028
Sara Beth Reynolds Wyatt	November 2028
Kay Fields	November 2026
Lisa Miller	November 2026
Kate Wallace	November 2026

Superintendent of Schools

The Superintendent of Schools is the chief executive officer and secretary of the School Board. The Superintendent is an appointed position by the School Board and his current contract expires June 30, 2030.

The Superintendent is responsible for overseeing operations of the school system; making policy recommendations to the School Board; and performing the duties assigned to him by law and the regulations of the State of Florida Department of Education. The Superintendent also manages the financial affairs of the school district, which includes preparing the annual budget for approval by the School Board; recommending the tax levy based upon needs illustrated by the budget; recommending debt issuance or borrowing plans of the School Board when necessary; providing recommendations for investment of available funds; and keeping records with respect to all funds and financial transactions of the School Board.

Administration

Frederick Heid – In April 2021, the School Board unanimously appointed Frederick Heid to serve as Superintendent of the School District. Mr. Heid’s extensive background in education includes serving as a classroom teacher and middle school principal. In addition, he has worked as the Bureau Chief for School Improvement with the Florida Department of Education, as well as Chief Academic Officer for Duval County Public Schools. Prior to arriving in Polk County, he was the Superintendent of District 300 in Algonquin, IL.

As the District’s Superintendent, Superintendent Heid has spearheaded many innovative programs, such as increasing measures to keep campuses safe, and implementing the District’s one-to-one initiative, which provides a laptop or tablet to every District student. He works closely with his cabinet members to oversee a more than \$2 billion budget. The District is the second largest employer in Polk County and among the 30 largest school districts in the nation. Under Mr. Heid’s leadership, Polk County Public Schools is achieving its mission of providing a high-quality education to all students. For the first time since the 2019-2020 school year, the District recently earned a B grade from the Florida Department. A total of 14 District schools improved

their own grades last year. For three consecutive years, there were no traditional District schools earning an F grade and the District's graduation rate increased to 82%. Last year, more than 1,000 seniors were recognized as Superintendent's Scholars for earning a 3.8 weighted GPA or higher.

Heather Jenkins – Ms. Jenkins was appointed Associate Superintendent and Chief Financial Officer of the School Board in August 2021. Prior to this appointment, she served as Acting Chief Financial Officer and Senior Director of Finance for the District beginning in March 2020. Ms. Jenkins also currently serves as Acting Deputy Superintendent of Operations.

Before joining the District, Ms. Jenkins spent more than six years with the School District of Manatee County, Florida, where she served as Director of Budget and later as Chief Financial Officer. Earlier in her career, Ms. Jenkins worked for the State of West Virginia for over 12 years in various leadership roles, including Director of Administration and Chief Financial Officer for the West Virginia Division of Culture and History, as well as Manager of General Audit and Records Management and Manager of P-Card Monitoring for the West Virginia State Auditor's Office.

Ms. Jenkins holds a Bachelor of Science in Communications from West Virginia State University and a Master of Business Administration with a concentration in Accounting and Finance from Regis University.

Harry Fix – Mr. Fix was appointed Assistant Superintendent of Facilities and Operations of the School Board in May 2023. Previous to that, Mr. Fix has over 30 years of experience working in the area of municipal and school district planning. He has worked in the field of educational facilities planning in five of the fastest growing districts within the State of Florida. Mr. Fix is a certified Planner, American Institute of Certified Planners (AICP). He completed his undergraduate work at Florida Atlantic University (FAU) with a major in Geography (core curriculum of Urban & Regional Planning) and a minor in Economics. He earned his Master of Arts from FAU with a major in Geography and a minor in Coastal Geomorphology.

Academics

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

The District's students are served in 172 sites throughout the District comprised of 17 high schools, 19 middle schools, 66 elementary schools, seven elementary/middle schools, five elementary/middle/high schools, five middle/high schools, two technical career centers, two adult schools, ten alternative education/Department of Juvenile Justice sites, two off-campus Head Start sites and 35 charter schools. The elementary school programs house pre-kindergarten through the 5th grade. The middle school programs are comprised of grades 6 through 8. The high school programs include grades 9 through 12, as well as vocational programs.

The elementary school program emphasizes basic skills including reading, writing, language arts, and mathematics. A balanced curriculum also includes instruction in science, computer literacy, health, social studies, art, music and physical education.

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

High school programs are designed to meet the needs of the college bound as well as vocational students. All of the District operated schools are fully accredited by AdvancEd, formerly known as the Southern Association of Colleges and Schools. Students who plan to continue their education into college may take a broad range of college preparatory courses as well as advanced placement and honors courses.

Historical and Projected Growth

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

**Summary of Statistical Data
Five-Year History**

School Year	Number of Schools	Number of Instructional and Support Staff	FTE* Enrollment	Average Operating Expenditure per FTE Student**
2025-26	172	12,448	131,529.75	\$ 8,327.75
2024-25	172	11,551	127,670.54	9,997.55
2023-24	174	11,617	123,541.52	11,011.03
2022-23	174	11,524	116,184.44	12,728.34
2021-22	170	11,676	109,476.18	14,430.19

Source: District Finance Department.

* Unweighted full-time equivalent, exclusive of adult education students, including Charter School students and Family Empowerment Scholarship recipients.

** For purposes of this summary, operating expenditures includes those expenditures in the General and Special Revenue Funds.

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Projected Growth for Full Time Equivalent (FTE) Enrollment

School Year	FTE Enrollment
2026-2027	134,218.93
2027-2028	136,505.42
2028-2029	139,222.39
2029-2030	141,654.88
2030-2031	144,341.43

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, March 6, 2026.

Employee Relations and Retirement Program

For Fiscal Year 2025-26, the School Board employed approximately 13,000 full-time persons; the following groups are represented as follows:

Teachers - Polk Education Association
Paraeducators - Polk Education Association
Education Support (Clerical) Personnel - Polk Education Association
Custodial, Maintenance and Mechanics - AFSCME
Bus Drivers and Bus Attendants - AFSCME
School Nutrition Assistants - AFSCME

Union members include both instructional personnel and classified personnel (custodians, maintenance, office, clerical, data processing, classroom aides/paraeducators and transportation). Current collective bargaining agreements expire as shown below (the members of such unions are required to continue to perform after the expiration of the respective agreements and are prohibited from striking).

Teachers	June 30, 2026
Paraeducators	June 30, 2026
Education Support (Clerical) Personnel	June 30, 2026
Bus Drivers and Bus Attendants	June 30, 2027

Budget Process

State law requires the School Board to adopt in each Fiscal Year a tentative budget and a final budget, each of which is required to be balanced with available funds. Revenues derived from ad valorem property taxes are budgeted, as required by State law, on the application of millage levies to 96 percent of the non-exempt assessed value of property in the County.

The Superintendent is responsible for recommending the tentative budget to the School Board. State law further requires the School Board to advertise its intent to adopt the tentative

budget, including a proposed tax millage, within 29 days after certification of taxable property by the property appraiser, which is required by law to occur by July 1, unless extended.

The School Board is required to hold a public hearing on the tentative budget and the proposed tax millage within five days, but not earlier than two days, after advertisement. At the hearing, the School Board adopts a tentative budget and a resolution stating the millage rate to be levied, and sets the date for the public hearing on the final budget. Following the hearing on the tentative budget, all property owners are notified by the property appraiser, usually in mid-August, of the date, time and place of the hearing on the final budget, the proposed millage rate, and the millage rate which would have had to be levied to raise the same ad valorem property tax revenue as was raised in the preceding year.

A public hearing and adoption of the final budget and tax millage are required within 80 days, but not earlier than 65 days, after the taxable property certification by the property appraiser. This public hearing usually occurs in September.

In no event may the millage rate adopted at the final budget hearing exceed the millage rate adopted at the tentative budget hearing unless each taxpayer within the District is sent notice by mail of the taxes under the tentative adopted millage rate and the taxes under the higher rate to be adopted at the final budget hearing. The final budget is submitted to the State Department of Education. After the final budget hearing, the School Board must certify the final millage rate to the tax collector, the property appraiser and the State Department of Revenue. The School Board prepared its tentative Fiscal Year 2025-26 budget which was adopted at a public hearing held on July 29, 2025 and adopted its final budget for Fiscal Year 2025-26 on September 9, 2025. The School Board anticipates presenting and adopting its tentative Fiscal Year 2026-27 budget at a public hearing to be held on or about July 28, 2026.

FINANCIAL RESULTS AND LIABILITIES OF THE SCHOOL BOARD

The following briefly describes financial results of the School Board and certain School Board liabilities. For additional information concerning such matters, see "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF POLK COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

Accounting and Funds

Pursuant to Section 11.45, Florida Statutes, the financial operations of the District are subject to annual audit. The School Board may use independent auditors two out every three Fiscal Years with the Auditor General's office auditing the financial operations of the District once every three Fiscal Years. Audit responsibilities assigned to the Auditor General and/or an independent auditor include the presentation of an annual report on the School Board's financial statements, assessment of the adequacy of the School Board's control environment, and determination of the School Board's compliance with legal requirements. For the Fiscal Year ended June 30, 2025, CliftonLarsonAllen LLP audited the School Board's financial statements,

said audit being included herein as Appendix B. The audit includes the presentation of an annual report on the District's financial statements, assessment of the adequacy of the School Board's control environment, and determination of the School Board's compliance with legal requirements. See "APPENDIX B - ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF POLK COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

Accounting policies conform with accounting principles generally accepted in the United States applicable to state and local governmental units. The School Board's basic financial statements for reporting the School Board's financial activities are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* ("GASB 34"), and related GASB pronouncements. In addition to fund-basis financial statements, the financial statements include government-wide financial statements prepared on the accrual basis of accounting that splits the School Board's programs between governmental and business-type activities. The organization of such financial statements is as follows. For Fiscal Year 2024-25, the organization of such financial statements was as follows:

Basis of Presentation

Government-wide Financial Statements – Government-wide financial statements, including the statement of net position and the statement of activities, present information about the District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units. The statements distinguish between governmental activities of the District and those that are considered business-type activities.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and are, thereby, clearly identifiable to a particular function or segment. 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 meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions.

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

Fund Financial Statements – Governmental fund financial statements are prepared using the current financial resources measurement focus, whereas, the proprietary and fiduciary fund financial statements are prepared using the economic resources measurement focus. Agency funds have no measurement focus. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major governmental funds are aggregated and reported in a single column. Because

the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

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

Other Capital Projects Fund – Accounts for and reports other miscellaneous funds from various sources used for capital outlay as follows: Proceeds from Certificates of Participation Bonds; Sales Tax Revenues; Sales Tax Bond Proceeds; Land Sale Proceeds; Impact Fee Revenue; State Class Size Reduction Funds; State Classroom First Lottery Bond Proceeds; State SIT Awards; and Charter School Capital Outlay.

Nonvoted Capital Improvement Fund (LCI) – Accounts for the funding generated by the School Board's local property tax with a millage of 1.50. The funding generated from LCI can be used for a number of capital related expenditures, to include renovations, maintenance and repair, school bus replacements, school technology and other equipment, property insurance premiums on facilities, and debt service related to capital projects.

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

Internal Service Funds – accounts for the self-insured programs for employee group health, casualty, liability, and workers' compensation coverage for the District.

Custodial Funds – accounts for resources held by the schools, which are collected for and used by student and school athletic, class, and club activities.

Auditing System

In addition to a primary annual audit and 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 the school 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 school district to ensure that the Financial and Program Costs Accounting and Reporting for Florida Schools is being properly implemented by the School Board.

Generally accepted accounting principles are used in the financial accounting and reporting of the School Board. These generally accepted accounting principles are promulgated and published by the Governmental Accounting Standards Board (an independent

nongovernmental body). The Governmental Accounting Standards Board is the recognized authority on specific application of generally accepted accounting principles to governmental agencies.

The School Board uses an account classification system specified in a manual entitled Financial and Program Cost Accounting and Reporting for Florida Schools. Specific accounting forms and instructions and data collection instruments must be submitted to the Commissioner of Education of the State of Florida at designated intervals. Staff within the Financial Management Section of the Department of Education review and the Commissioner of Education approves the School Board's annual budget prior to implementation.

General Fund Operations

The School Board's general fund revenues are derived from federal and State appropriations and local sources. The tables on the following pages summarize results of operations for the General Fund for the audited Fiscal Years ended June 30, 2022, 2023, 2024, and 2025, and the adopted budget for the Fiscal Year ending June 30, 2026.

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The School Board of Polk County, Florida
Summary of Revenues and Expenses – General Fund

	Audited <u>2021-22</u>	Audited <u>2022-23</u>	Audited <u>2023-24</u>	Audited <u>2024-25</u>	Budgeted <u>2025-26</u>
REVENUES:					
Federal Direct	\$1,136,770	\$1,204,949	\$1,301,315	\$1,401,894	\$1,132,992
Federal Through State	3,217,934	1,516,459	3,156,332	3,379,606	2,637,714
State Sources	620,573,377	674,972,712	715,196,475	740,502,570	740,707,192
Local Sources	<u>226,175,627</u>	<u>250,164,072</u>	<u>294,985,500</u>	<u>305,617,070</u>	<u>313,177,530</u>
TOTAL REVENUES	\$851,103,708	\$927,858,192	\$1,014,639,622	\$1,050,901,140	\$1,057,655,428
EXPENDITURES:					
Current:					
Instruction	\$590,539,327	\$642,431,552	\$679,180,024	\$729,084,233	\$796,601,096
Student Support Services	40,738,355	48,817,960	44,059,541	48,507,560	54,126,274
Instructional Media Services	7,699,490	7,733,558	8,596,312	8,937,445	8,558,784
Instruction and Curriculum Dev. Serv.	6,471,666	7,657,505	11,225,628	13,567,659	14,471,814
Instructional Staff Training Services	2,887,749	3,848,255	4,445,515	7,536,009	16,752,336
Instruction-Related Technology	15,305,412	26,213,168	12,436,863	8,275,533	15,893,567
Board of Education	1,814,048	2,423,680	2,375,980	2,733,130	2,365,019
General Administration	3,492,212	3,900,177	3,081,636	3,342,992	3,507,204
School Administration	49,083,742	52,351,737	61,916,914	65,478,719	61,503,683
Facilities Acquisition and Construction	10,274,071	11,499,584	11,879,752	15,853,118	30,894,810 ⁽²⁾
Fiscal Services	2,830,362	3,386,604	3,468,934	3,962,617	4,558,082
Food Services	119,061	0	0	364,154	346,969
Central Services	11,774,665	12,393,766	13,874,323	11,928,486	16,480,694
Student Transportation Services	43,149,336	52,322,798	50,873,601	67,387,934	60,911,072
Operation of Plant	66,942,285	74,487,164	85,075,026	104,086,598	84,442,886
Maintenance of Plant	24,595,911	28,233,082	31,707,606	32,534,027	53,596,060
Administrative Technology Services	6,927,410	7,712,512	8,284,122	14,856,751	41,241,285
Community Services	478,193	1,465,308	1,239,101	2,211,995	1,418,816
Debt Service:					
Redemption of Principal ⁽²⁾	0	0	3,309,506	6,537,537	0
Interest, Dues, Fees and Other ⁽²⁾	1,099,407	2,343,493	2,241,030	2,711,478	0
Capital Outlay:					
Facilities Acquisition and Construction ⁽²⁾	1,705,087	1,099,336	4,233,980	423,052	0
Other Capital Outlay ⁽²⁾	<u>3,592,128</u>	<u>6,723,336</u>	<u>59,900,450</u>	<u>16,349,284</u>	<u>0</u>
TOTAL EXPENDITURES	\$891,519,917	\$997,044,575	\$1,103,405,844	\$1,166,670,311	\$1,267,670,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$(40,416,209)	\$(69,186,383)	\$(88,766,222)	\$(115,769,171)	\$(210,015,023)
OTHER FINANCING					
Right of Use Leases/Sale of Capital Assets	1,360,840	37,460	51,412,414	2,079,953	0
Subscription Based Information Technology	0	838,627	4,767,664	21,766,835	0
Operating Transfers In	54,508,251	78,495,899	61,029,306	73,078,128	158,920,674
Operating Transfers Out	<u>(112)</u>	<u>(153,996)</u>	<u>(188,205)</u>	<u>(246,507)</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$55,868,979	\$79,217,990	\$117,021,179	\$96,678,409	\$158,920,674
NET CHANGE IN FUND BALANCE	\$15,452,770	10,031,607	\$28,254,957	\$(19,090,762)	\$(52,163,011)
FUND BALANCE, BEGINNING (AS RESTATED)	99,754,547	115,207,317	125,238,924	153,493,881	134,756,795⁽¹⁾
ENDING FUND BALANCE, June 30:	\$115,207,317	\$125,238,924	\$153,493,881	\$134,403,119	\$82,240,108
Comprised of:					
Reserved and/or Designated	\$36,861,966	\$52,484,866	\$58,263,466	\$77,103,377	\$47,920,520
Unreserved (Undesignated)	<u>\$78,345,351</u>	<u>\$72,754,058</u>	<u>\$95,230,415</u>	<u>\$57,299,742</u>	<u>\$34,319,589</u>

Footnote appears on next page.

- (1) The budgeted Fund Balance, Beginning (as restated) is different from the Ending Fund Balance for the prior year as the Ending Fund balance for the prior year was adjusted after the adoption of the 2025-26 budget through the auditing process. The School Board utilizes a conservative approach to adopting its annual budget. As a result, the year-end General Fund balance is generally expected to exceed the budgeted amount. For the fiscal year ended June 30, 2025, the General Fund ending balance was budgeted to equal \$113.3 million and the actual General Fund ending balance equaled \$134.4 million resulting in a positive year-end General Fund budget variance of \$21.1 million (the "Positive Budget Variance"). The Positive Budget Variance for the Fiscal Years ended June 30, 2024, 2023, and 2022 equaled \$38.9 million, \$44.6 million, and \$48.4 million, respectively. The School Board anticipates that it will experience a Positive Budget Variance for the Fiscal Year ending June 30, 2026.
- (2) The amount budgeted for Facilities Acquisition and Construction for Fiscal Year ending June 30, 2026 includes amounts for Debt Service and Capital Outlay.

Sources: School Board of Polk County, Florida, Annual Comprehensive Financial Report for the Fiscal Years ended June 30, 2022, 2023, 2024 and 2025; Annual Budget Report for the Fiscal Year ended June 30, 2026.

General Fund Ending Balance Annual Requirements

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school board'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 a balance below two percent (2%), if the Commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to Florida Statutes pertaining thereto, the Commissioner shall appoint a financial emergency board that may take certain delineated steps to assist a district school board in complying with the General Fund requirements. For Fiscal Year 2024-25, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 6.15% of General Fund Revenues. The budget for Fiscal Year 2025-26 reflects a 3.54% General Fund ending balance not classified as restricted, committed or nonspendable as a percentage of General Fund Revenues. The budgeted decrease in the General Fund ending balance is largely due to higher General Fund expenditures driven by staff raises, increased reliance on substitute services, and the expiration of Federal Education Stabilization Funding.

Capital Projects Fund Operations

The District's capital projects fund revenues are derived from State appropriations and local sources. The table on the following page summarizes results of operations for the Capital

Projects Fund for the audited Fiscal Years ended June 30, 2022, 2023 2024, and 2025 and the budget for the Fiscal Year ending June 30, 2026.

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

	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Budget Fiscal Year 2025-26
REVENUE					
Federal					
Miscellaneous Federal Direct	\$195	\$1,161			
State					
Capital Outlay & Debt Service	3,503,643	3,821,064	\$4,088,078	\$132,666	\$3,974,292
Public Education Capital Outlay					5,866,579
Charter School Capital Outlay Passthrough	4,863,300	5,950,766	6,550,150	7,630,800	7,630,800
Local					
Capital Improvement Tax	71,093,963	86,751,350	101,367,023	109,352,303	116,397,994
Local Option Sales Tax	71,051,215	75,700,116	79,320,528	83,078,412	83,769,605
Impact Fees ⁽¹⁾	91,193,821	26,445,561	77,000,000	111,632,236	
Interest	(154,505)	10,687,859	9,501,530	18,093,983	
Sale of Fixed Assets		13,000			
Adjustment to Fund Balance			5,193	(3,209,960)	
Beginning Fund Balance	215,245,278	288,940,862	270,264,533	334,373,793	483,141,973
TOTAL REVENUE, TRANSFERS & FUND BALANCE	<u>\$456,796,909</u>	<u>\$498,311,738</u>	<u>\$548,097,036</u>	<u>\$661,084,232</u>	<u>\$700,781,242</u>
EXPENDITURES					
Library Books/AV Materials	\$721,027				
Buildings	34,317,520	\$95,800,394	\$84,014,669	\$24,922,265	\$44,304,200
Furniture/Equipment	10,853,008	3,593,582	10,022,611	5,719,705	6,368,519
Site Improvement		6,591	1,669,714	3,686,594	7,375,517
Remodeling	31,008,543	14,725,930	16,427,284	35,498,385	27,622,400
Software	1,300		3,533,316		
Dues and Fees	4,642	5,300	1,782,447	203,670	1,573
Transfers	90,950,007	113,915,408	96,273,204	107,911,640	192,812,203
Ending Fund Balance	288,940,862	270,264,533	334,373,793	483,141,973	422,296,830
TOTAL EXPENDITURES, TRANSFERS & FUND BALANCE	<u>\$456,796,909</u>	<u>\$498,311,738</u>	<u>\$548,097,036</u>	<u>\$661,084,232</u>	<u>\$700,781,242</u>

(1) Represents collections of Impact Fees collected and held by the County on behalf of the School Board. The funds are disbursed to the School Board upon request to fund eligible projects. The School Board has not budgeted to receive any educational impact fee revenues for Fiscal Year 2025-26, although it is expected that the County will collect impact fees during such fiscal year and hold those impact fees until requested by the School Board.

Source: Annual Comprehensive Financial Report for the Fiscal Years ended June 30, 2022, 2023, 2024 and 2025; Annual Budget Report for the Fiscal Year ended June 30, 2026.

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Indebtedness

The following table summarizes the School Board's long-term debt and other liabilities. Bonded debt of the School Board consists of various series of local and Florida Board of Education Bond issues.

Long-Term Obligations Statement As of June 30, 2026

Certificates of Participation, Series 2010C	\$21,223,000 ⁽¹⁾
Certificates of Participation, Series 2019A	32,300,000
Series 2022 P3 Lease	70,380,000 ⁽²⁾
State Board of Education Bonds, Series 2019A	1,132,000
Sales Tax Revenue Bonds, Series 2019	<u>104,485,000</u>
Total Direct Debt	\$229,520,000

(1) Based on a principal amount of \$21,223,000 which will be due on the maturity date, provided however, that such amount paid from a Sinking Fund Agreement entered into by the School Board in November 2011, which, including interest earnings on amounts deposited thereunder, is expected to equal the Principal Component due on the Series 2010C Certificates at maturity. See "COMBINED CERTIFICATE AND P3 LEASE PAYMENT SCHEDULE" herein.

(2) The Series 2022 P3 Lease payments include an interest component.

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 Certificate proceeds and existing fund balances, approximately 8% (unaudited) of the annual revenues for capital improvements was provided by State revenues and 92% (unaudited) was provided by local millage and sales tax revenues.

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 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 State Commissioner of Education administers the PECO program and allocates or reallocates funds as authorized by law. PECO funds are allocated by the Office of Education Facilities of the State Department of Florida Department of Education. 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 PECO funds in Fiscal Years 2023-24 or 2024-25 and budgeted and received approximately \$5,866,579 non-charter PECO funds in Fiscal Year 2025-26.

CO&DS. The School Board receives a portion of the revenues generated by the State from the sale and renewal of motor vehicle licenses. The distributed revenues are designated as capital outlay and debt service ("CO&DS") funds. The School Board received \$4.69 million of CO&DS Funds in Fiscal Year 2023-24 and \$6.3 million of CO&DS Funds in Fiscal Year 2024-25. The District has included \$3.97 million of CO&DS Funds in its budget for Fiscal Year 2025-26. The District uses a portion of such CO&DS Funds to repay its State Board of Education Bonds, Series 2019A issued by the State and secured by such revenues. CO&DS Funds are legally available to the School Board to make the principal portion of Basic Rent Payments, but only if the project financed thereby appears on a project priority list approved by the State Board of Education.

Capital Outlay Bonds. The State of Florida Board of Education Capital Outlay Bonds are serviced entirely by the State using a portion of the District's share of revenue derived from automobile registrations (as discussed under CO&DS above). The annual sinking fund requirements are determined by the State Board of Administration and amounts necessary to retire bonds and pay interest are withheld from amounts due to the District.

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

Local revenue for school board support is derived primarily from real and tangible personal property taxes. In addition, the School Board receives local option sales surtax revenues, impact fee revenues and earns interest on cash invested and collects other miscellaneous revenues.

Educational Impact Fees. The County has enacted a County-wide educational impact fee program, which imposes educational impact fees on all new residential construction occurring in the County. Revenues generated through educational impact fee levies are deposited into an educational impact fee trust account and must be used solely for the purpose of providing growth-necessitated capital improvements to educational plants and ancillary plants of the District's school system which have been approved by the School Board in its capital budget consistent with the District's school plant survey filed with the Florida Department of Education. Impact fees may only be used to pay for facilities in the service area where the impact fees were collected.

Such revenues are also available to, but not pledged for, the payment of debt service on obligations of the District (including without limitation, lease purchase obligations), the proceeds

of which are used to finance the acquisition and construction of qualifying educational and ancillary plants. Educational impact fee revenues are available to pay the portion of the debt service on Series 2026 Certificates attributable to the capacity expansion portions of the Series 2026 Project, which collectively equal approximately 28% of the Series 2026 Project.

For Fiscal Year 2023-24, the School Board recorded \$77 million in educational impact fee revenues. The School Board received \$111.6 million in educational impact fee revenues for Fiscal Year 2024-25. The School Board has not budgeted to receive any educational impact fee revenues for Fiscal Year 2025-26, although it is expected that the County will collect impact fees during such fiscal year and hold those impact fees until requested by the School Board.

The educational impact fee rates, as well as their levy, are subject to mandatory review by the County, in consultation with the School Board and the municipalities within the County. As of September 2019, a new actuarial study commissioned by the Board of County Commissioners for the County increased the impact fee rate schedule charged to new homeowners in three phases. The County conducted further hearings on impact fees in September, 2024. Therefore, there can be no assurance that such revenues will be continued to be levied and available to the School Board in the future. See also, "RISK FACTORS - Educational Impact Fees" herein.

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.

On February 25, 2003, the School Board duly adopted Resolution No. 2002/2003-17 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 were applied to pay the costs of acquisition, construction, equipping, installation of, and improvements to, certain capital improvements and educational facilities, as well as retrofitting

and providing for technology implementation, including hardware and software for various sites within the District. On May 13, 2003, 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 was effective for a 15-year period commencing January 1, 2004 and ending December 31, 2018. On May 15, 2018, the School Board duly adopted Resolution No. 2017/2018-08 providing for the extension of the Discretionary Sales Surtax, the proceeds of which will be applied to construct new schools, renovate, expand and modernize existing schools; the maintenance and improvement of all school facilities throughout the District which have a useful life expectancy of five (5) or more years; for land acquisitions, land improvement, design and engineering costs related thereto; security projects to provide for the safety of District students and campuses; and retrofitting and providing for technology implementation including hardware and software for the various sites within the District. At a referendum held in conjunction with the general election on November 6, 2018, the electors of the County approved the extension of the levy by the School Board of the one-half cent Discretionary Sales Surtax authorized by the Act for an additional 15 years, effective January 1, 2019 through December 31, 2033.

The Discretionary Sales Surtax has been pledged to secure the District's Sales Tax Revenue Bonds, Series 2019 issued on June 6, 2019 (the "Sales Tax Bonds"), the proceeds of which were used to finance capital outlay projects. See "FINANCIAL RESULTS AND LIABILITIES OF THE SCHOOL BOARD - Indebtedness" herein. Under the resolution securing such Sales Tax Bonds, any additional sales tax revenues available after payment of debt service on the Sales Tax Bonds may be used for the lawful purposes of the District, which may include Lease Payments under the Master Lease. **The School Board anticipates using a portion of its Discretionary Sales Surtax revenues to pay Lease Payments under the Leases.**

For Fiscal Year 2023-24, the District recorded \$79.3 million in Discretionary Sales Surtax revenues. The School Board received \$83.1 million in Discretionary Sales Surtax revenues for Fiscal Year 2024-25 and is budgeted to receive \$83.8 million in Discretionary Sales Surtax revenues for Fiscal Year 2025-26.

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, including, but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax revenues distributed to the District.

Local Option Millage. The School Board intends to make Lease Payments on the Series 2026 Lease and the Prior Leases from moneys derived from a levy of a non-voted, real and tangible personal property tax millage, known as the "Local Option Millage Levy," for capital outlay and maintenance purposes. The Local Option Millage Levy may be up to 1.50 mills (each mill represents \$1 of tax assessment per \$1,000 of property value assessment, subject to certain

exclusions). This levy may be used for new construction and remodeling; site acquisition and site improvement; auxiliary or ancillary facilities; maintenance, renovation, and repair of existing school plants; school bus purchases; new and replacement equipment and computer hardware; payment of costs directly related to compliance with state and federal environmental laws; payment of leasing relocatable education facilities and of renting and leasing educational facilities pursuant to Section 1013.15, Florida Statutes; payment of loans approved pursuant to Sections 1011.14 and 1011.15, Florida Statutes; and amounts payable pursuant to lease-purchase agreements for educational facilities and sites.

Local Option Millage Levy receipts increased from \$101 million for the 2023-24 Fiscal Year to \$109 million for the 2024-25 Fiscal Year. Local Option Millage Levy receipts and are budgeted to be \$116 million for the 2025-26 Fiscal Year.

Prior to July 1, 2012, payments from the Local Option Millage Levy for lease-purchase agreements for educational facilities and sites were not permitted to exceed three-fourths of the proceeds of the Local Option Millage Levy. However, effective July 1, 2012, the three-fourths limitation was waived for lease-purchase agreements originally entered into prior to June 30, 2009, including the Series 2003A Lease. **The School Board is not required to levy any millage for capital outlay purposes in the future.** Since revenues from the Local Option Millage Levy may be used for, but are not pledged to, the payment of Basic Rent 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 Levy would have an adverse effect on available revenues from which the School Board may appropriate funds to make Basic Rent Payments. In the event that revenues generated from the Local Option Millage Levy 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 Basic Rent 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 for capital purposes in lieu of a like amount of discretionary operating millage.

During the Florida Legislature's 2017 Regular Session, the Florida Legislature passed HB 7069 ("HB 7069") which, among other things, requires school districts to distribute local capital outlay funds from the Local Option Millage Levy to charter schools. HB 7069 established the calculation methodology to determine the amount of local capital outlay funds from the Local Option Millage Levy a school district must distribute to each eligible charter school. Such calculation provides that the amount of local capital outlay funds from the Local Option Millage Levy a school district must distribute to each eligible charter school will be reduced by the school district's annual debt service for obligations incurred as of March 1, 2017 that are paid with Local Option Millage Levy revenues, and requires the first payment to charter schools as of February 1 of each year, commencing February 1, 2018.

Sharing of Capital Outlay Millage Levy 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 Capital Outlay 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 Capital Outlay 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 Capital Outlay 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 Capital Outlay Millage Levy revenues by the school district's annual debt service for obligations incurred as of March 1, 2017, which are being satisfied by Capital Outlay Millage Levy revenues and which have not been subsequently retired. The remaining Capital Outlay 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 school in the school district to determine a capital outlay allocation per FTE student. Next, such capital outlay allocation per FTE student is multiplied by the total number of FTE students at each eligible charter school in the school district to determine a capital outlay allocation for each charter school in the school district. Next, if applicable, the capital outlay allocation to each charter school is reduced by the total amount of State funds allocated to each charter school in the school district thereby reducing the amount of Capital Outlay 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 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 Capital Outlay Millage Levy revenues available to the School Board to make Basic Rent Payments on the Series 2026 Certificates. For Fiscal Year 2025-26, the School Board shared approximately \$2.0 million in Capital Outlay Millage Levy revenues with eligible charter schools in the District. Such amount is projected to increase to approximately \$3.3 million by Fiscal Year 2027-28. However, the School Board does not expect any such reduction to adversely impact its ability to make Basic Rent Payments on the Series 2026 Certificates.

Local Option Millage Levy Required to Cover Certificate Payments

The following table sets forth the Local Option Millage Levy that would provide 1.00x coverage of the maximum annual lease payments on the Prior Certificates and the Series 2026 Certificates, as well as the Series 2022 P3 Lease Payments, assuming a 96% collection of the taxes levied. The table assumes that the debt service on the Prior Certificates, the Series 2026 Certificates and the 2022 P3 Lease Payments will be paid solely from Local Option Millage Revenue. However, although the School Board may legally use and intends to pay a portion of the debt service from its Discretionary Sales Surtax and its Impact Fees, such amounts have been intentionally omitted from the coverage calculations in the following table.

<i>Fiscal Year 2025-26</i>	
Net Taxable Assessed Valuation⁽¹⁾	\$81,221,091,446
Local Option Millage Levy	1.50
Assumed Tax Collection Rate	96.0%
Total Revenue Generated by 1.50 mill Levy at 96% Collection	\$116,958,372
<i>FY 2025-26 Local Option Millage Levy Required to Satisfy Maximum Annual Basic Rent Payments Represented by the Prior Certificates, the Series 2026 Certificates and the 2022 P3 Lease Payments</i>	
Maximum Annual Basic Rent Payments Represented by the Prior Certificates, Series 2026 Certificates and the 2022 P3 Lease Payments (Fiscal Year 2028) ⁽²⁾⁽³⁾	\$42,524,654
Minimum Local Option Millage Levy Needed to Satisfy Maximum Annual Lease Payments Represented by the Prior Certificates, the Series 2026 Certificates and the 2022 P3 Lease Payments ⁽²⁾⁽³⁾⁽⁴⁾	0.545 mills
<i>Sharing of the Local Option Millage Levy with Eligible District Charter Schools</i>	
Estimated Total Allocation of Fiscal Year 2025-26 Local Option Millage Levy to Eligible District Charter Schools	\$12,456,022
Less Total Amount of Fiscal Year 2025-26 State Charter School Capital Outlay Funding Allocated to Eligible District Charter Schools	\$9,122,145
Estimated Total Allocation of Local Option Millage Levy to Eligible District Charter Schools after phase-in period ⁽⁴⁾	\$3,333,874
Maximum Local Option Millage Levy Revenue Shared with Eligible District Charter Schools in Fiscal Year 2025-26 ⁽⁵⁾	\$2,000,324
Maximum Local Option Millage Levy Shared with Eligible District Charter Schools in Fiscal Year 2025-26	0.026 mills
Minimum Local Option Millage Levy Revenue Remaining after Charter School Payments in Fiscal Year 2025-26	\$114,958,047
<i>Local Option Millage Levy Available After Basic Rent Payments and Charter School Payments</i>	
Minimum Remaining Local Option Millage	0.929 mills
Total Minimum Remaining Revenue Anticipated from Local Option Millage Levy	\$72,433,393

Footnotes follow on next page.

- (1) June 1, 2025 certified figure. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser" herein.
- (2) Under current law, the 75% limitation on the use of the Local Option Millage Levy revenues for the payment of lease-purchase agreements is waived for lease-purchase agreements originally entered into prior to June 30, 2009, which includes the School Board's Series 2010C Lease.
- (3) Preliminary, subject to change. Assumes the Series 2026 Certificates are issued in the aggregate principal amount of \$278,920,000 with a true interest cost of 3.63% and a final maturity of January 1, 2043.
- (4) Data provided by the Florida Department of Education in its 2025-26 Local Capital Improvement (LCI) Revenue to Eligible Charter Schools District Summary, dated January 23, 2026.
- (5) This figure reflects the amount shared with eligible charter schools in Fiscal Year 2025-26 since such distributions are phased in over five years. The estimated total allocation of Fiscal Year 2025-26 Local Option Millage Levy to eligible District Charter Schools equals \$12,456,022 and the amount for Fiscal Year 2025-26 is 60% of the Fiscal Year 2027-28 amount of \$3,333,874. These amounts are based on the current amount of State Charter School Capital Outlay Funding, number of eligible charter schools and charter school enrollment, which may change upward or downward from current levels in future years. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein.

Source: The School Board of Polk County, Florida.

OPERATING REVENUES OF THE DISTRICT

The School Board derives its operating income from a variety of federal, state and local sources. **Prospective purchasers should assume that operating funds will not be available to make Basic Rent Payments and that such payments will be made solely from Local Option Millage Levy revenues.** See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein. The major categories of these income sources for the General Fund are briefly described below.

State Sources

Florida Educational Finance Program. The major portion of State support is distributed under the provisions of the Florida Education Finance Program ("FEFP"), which was enacted by the State Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student ("FTE") 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. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in variables comprising the formula. To participate in FEFP funding, the District must levy a minimum millage for operating purposes which is set by the State of Florida Department of Education.

General Fund receipts from the State for FEFP were \$585.5 million for Fiscal Year 2023-24. For Fiscal Year 2024-25, State FEFP revenues were \$603.5 million. For Fiscal Year 2025-26, State FEFP revenues are budgeted to be \$609.9 million. See "RISK FACTORS – State Revenues" herein.

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. Categorical funds are restricted, meaning that funds must be expended according to guidelines set by State statute, the Florida Department of Education and/or Florida Administrative Code. In recent years, the State has been adding categorical funds, leaving less of the total funding to the discretion of local school districts. The allocation for the majority of the categorical funds is based on a funding formula driven by the number of students enrolled at each district. Total State categorical aid for class size reduction was \$111.7 million in the 2023-24 Fiscal Year and increased to \$118.9 million in the 2024-25 Fiscal Year. Total State categorical aid for class size reduction is budgeted to be \$114.6 million in the 2025-26 Fiscal Year.

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 School Board received \$5.03 million in Florida School Recognition revenue for Fiscal Year 2023-24 and received \$6.3 million (unaudited) in Florida School Recognition revenue for Fiscal Year 2024-25. For Fiscal Year 2025-26, the District is budgeted to receive \$2.6 million in Florida School Recognition and Discretionary Lottery revenues.

Other State Revenues. The District also receives State educational funding from a variety of miscellaneous State programs, the largest of which is Workforce Development. The School Board received approximately \$8.3 million for Workforce Development in Fiscal Year 2023-24 and received \$10.3 million in Fiscal Year 2024-25. For Fiscal Year 2025-26, the District is budgeted to receive \$10.1 million in Workforce Development revenue.

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 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 1001, 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 appropriation of FEFP funds for current operations must levy the millage certified by the Commissioner of the State of Florida Department of Education, the "required local effort," which is set each year by the State Legislature. The "required local effort" millage levied by the District for Fiscal Year 2023-24 was 3.160 mills, 3.048 mills for Fiscal Year 2024-25 and is 3.042 mills for Fiscal Year 2025-26. Included in such required local effort millage is a Prior Period Funding Adjustment Millage as required by Section 1011.62(4)(e), Florida Statutes. Such Prior Period 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 a non-voted current operating discretionary millage. However, the District may levy up to 0.25 mills for capital outlay and maintenance of school facilities in lieu of operating discretionary millage. For Fiscal Years ended June 30, 2024 and June 30, 2025, the District's discretionary operating millage was 0.748 mills and 0.748 mills, respectively, and is 0.748 mills for Fiscal Year 2025-26. The District did not levy any capital outlay discretionary millage for the Fiscal Year ended June 30, 2025 and is not budgeted to levy any capital outlay discretionary millage for Fiscal Year 2025-26. See "AD VALOREM TAXATION - Millage Set by Local Governing Body – District Millage Rates" below.

Budgeted revenues from ad valorem taxes are 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 Revenue collections for operating levies for Fiscal Year 2023-24 were \$264.1 million, \$276.7 million for Fiscal Year 2024-25 and budgeted revenues for Fiscal Year 2025-26 are \$295.5 million.

Federal Sources

The District receives certain federal moneys, both directly and through the state, substantially all of which are restricted for specific programs. Much of the revenue is derived from grants that are renewed annually. Many grants reimburse for actual eligible expenses, therefore revenue is not accurately available until projects are reconciled at year end. Federal revenue sources recorded for Fiscal Year 2023-24 were \$4.5 million, \$4.8 million for Fiscal Year 2024-25 and are budgeted to be \$3.8 million for Fiscal Year 2025-26. Such funds are not available to make Lease Payments on the Leases.

Special Revenue Sources

The District also receives certain local, state and federal moneys, substantially all of which are restricted for specific programs. Programs funded with these special revenue sources in the past include school food service operations and programs financed through the Individuals with Disabilities Education Act, the Education Consolidation and Improvement Act and other federally financed programs.

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 of the County (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 "Millage Set by Local Governing Body" and "Limitation on Increase in Assessed Value of Property" 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 two 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, assessment increases for specified non-homestead real property may not exceed 10% of the assessment for the prior year. See also "– 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 of the County (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

The following table shows the net taxable assessed value and estimated assessed value in each of the past nine years and the current year.

School District of Polk County, Florida
Net Taxable Assessed Value and Estimated Assessed Value of Taxable Property
(Assessed Values in Thousands)

Tax Year	Net Taxable Assessed Value ⁽¹⁾	Estimated Assessed Value	Ratio of Taxable to Assessed Value (%)
2025 ⁽²⁾	\$81,221,091	N/A	N/A
2024	75,678,161	106,507,061	71.05%
2023	69,492,250	99,740,427	69.67
2022	48,984,485	67,681,190	72.38
2021	44,992,662	62,556,042	71.92
2020	41,085,994	57,101,226	71.95
2019	38,175,090	53,020,095	72.00
2018	35,070,083	48,404,657	72.45
2017	31,573,919	43,967,539	71.81
2016	29,734,103	41,350,735	71.91

N/A = Information not available.

⁽¹⁾ Net Taxable Assessed Values are equal to Estimated Assessed Values less allowable statutory discounts.

⁽²⁾ Preliminary, certified July 1, 2025 figure. Such figure is subject to adjustment through the Adjustment Board process.

Source: Comprehensive Annual Financial Report of The School Board of Polk County, Florida for the Fiscal Year Ended June 30, 2025. The 2025 value is from the School Board's Annual Budget Report for the Fiscal Year ended June 30, 2026.

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 certificate 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 tentative budget for the Fiscal Year 2025-26 on July 29, 2025, and adopted the final budget for the Fiscal Year 2025-26 on September 9, 2025.

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 Levy, and to adopt a budget that shows the capital outlay expenditures applicable to each project. For information regarding the Local Option Millage Levy, see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Revenue 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 Levy. 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 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.

District Millage Rates. The following table shows the historical millage rates (tax per \$1,000 of assessed value) levied by the District:

	2021-22	2022-23	2023-24	2024-25	2025-26
Required Local Effort ⁽¹⁾	3.581	3.271	3.160	3.048	3.042
Discretionary	0.748	0.748	0.748	0.748	0.748
Total Operating Millage	4.329	4.019	3.908	3.796	3.790
Debt Service Millage	0.000	0.000	0.000	0.000	0.000
Capital Outlay	1.500	1.500	1.500	1.500	1.500
Total Millage	5.829	5.519	5.408	5.296	5.290

⁽¹⁾ May include a Prior Period Funding Adjustment Levy as required by Section 1011.62(4)(e), Florida Statutes. See "OPERATING REVENUES OF THE DISTRICT - Local Sources" herein.

See "OPERATING REVENUES OF THE DISTRICT – Local Sources – Ad Valorem Taxes" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Revenue Sources – Local Option Millage Levy" 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 notice 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 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 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.

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 Taxes – Recent Amendments Relating to Ad Valorem Taxation" herein.

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.

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 or 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 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.

Survivors 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 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 constitutional amendments were passed affecting ad valorem taxation (and approved by voters in the case of constitutional amendments), 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 the 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.

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. On June 2, 2026, the Florida Legislature adopted CS/HJR 1F, which if approved by 60% of the voters in the State participating in the November 2026 general

election, would, among other things, amend the Florida Constitution to increase the homestead exemption to \$150,000 as of January 1, 2027 and to \$250,000 as of January 1, 2028 for all property tax levies other than school district property tax levies. Accordingly, the proposed constitutional amendment is not expected to have an impact on District finances or impair its ability to repay the Series 2026 Certificates. However, there can be no assurance that similar or 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. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES" herein.

Property Tax Levies and Collections

The following table shows the District's historical property tax levies and collections.

School District of Polk County Property Tax Levies and Collections

Fiscal Year	Total Tax Levy	Collections to End of Tax Year		Delinquent Collections ⁽¹⁾	Collected in Fiscal Year	
		Current Tax Collections ⁽¹⁾	Percent of Levy		Total Collections ⁽¹⁾	Percent of Levy
2025	\$417,014,326	\$372,778,163	89.39%	\$13,318,691	\$386,096,854	92.59%
2024	375,814,089	351,400,164	93.50	14,096,675	365,496,839	97.25
2023	330,022,292	317,336,715	96.16	6,770,108	324,106,823	98.21
2022	283,809,653	272,572,197	95.04	3,118,953	275,691,150	97.14
2021	265,833,122	254,281,875	95.65	572,822	254,854,697	95.87
2020	248,625,507	239,247,146	96.23	2,142,650	241,389,796	97.09
2019	237,554,259	228,164,079	96.05	2,601,537	230,765,616	97.14
2018	228,438,645	219,061,681	95.90	1,916,099	220,977,780	96.73
2017	214,850,226	206,273,679	96.01	1,590,497	207,864,176	96.75
2016	212,412,071	203,903,763	95.99	1,437,488	205,341,251	96.67

N/A = Not applicable.

⁽¹⁾ Net of allowable discounts.

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

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Principal Taxpayers

The following table contains the list of the County's ten largest taxpayers for 2025.

Taxpayer	Rank	2025	
		Taxable Value	Percentage of Total Assessed Value
Duke Energy/Florida Power	1	\$1,366,103,246	2.06%
Tampa Electric	2	1,011,073,282	1.53
Mosaic/Streamsong/Stillwater	3	827,348,119	1.25
Publix Supermarkets	4	604,155,709	0.91
Invitation Homes	5	439,204,364	0.66
Amazon	6	289,553,956	0.44
Walmart	7	254,843,513	0.39
Coca Cola	8	253,155,511	0.38
Frontier	9	204,290,927	0.29
Carlton Arms	10	<u>176,037,068</u>	<u>0.28</u>
Total of Ten Largest		\$5,425,765,695	8.19%

Total Taxable Value Countywide \$66,235,770,315

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

RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES

General

During recent years, various 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 or provide for additional procedures and notices to issue tax-supported debt. 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.

Legislative Changes Relating to School Choice

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

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

HB 1, which significantly expanded the eligibility criteria of the State's school voucher programs, was signed into law by Florida Governor Ron DeSantis on March 27, 2023. HB 1, among other things, expanded eligibility for the Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to any student that is a resident of Florida and is eligible to enroll in kindergarten through grade 12 in a public school. The Family Empowerment Scholarship Program is divided into three programs, the Family Empowerment Scholarship for students attending private schools (the "FES-EO"), the Family Empowerment Scholarship for students with disabilities (the "FES-UA") and the Hope Scholarship Program. HB 1 significantly increased the number of Florida Tax Credit Scholarships that may be awarded each year, and then removed the limits beginning in 2027-28. HB 1, in combination with House Bill 3C which was signed into law and became effective on November 13, 2023, removed the existing limits on the number of FES-EO scholarships that may be given each year. HB 1 also provided that the amount of the Family Empowerment Scholarship is equal to 100% of the school district's FEFP funding per student, including most categorical grants. HB 1 authorized uses of scholarship funds include, among other authorized expenses, tuition and fees for a student to attend eligible private schools. HB 1 took effect on July 1, 2023. House Bill 1403 ("HB 1403") was passed during the 2024 regular Florida legislative session and, among other things, expands eligibility for the

Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to include the dependent children of active duty members of the United States Armed Forces who meet certain residency requirements, increases the FES-UA cap from three percent to five percent and repeals the scholarship funding portion of the Hope Scholarship Program. HB 1403 took effect on July 1, 2024. The expansion of the school choice programs in the State could potentially lead to a substantial increase in the number of Florida Tax Credit Scholarships and/or Family Empowerment Scholarship recipients. 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. See "RISK FACTORS – State Revenues" herein.

Distribution of Capital Outlay Funds to Charter Schools

On May 11, 2023, Florida Governor Ron DeSantis signed HB 1259, which took effect on July 1, 2023. HB 1259 revised the methodology for calculating when school districts must share Capital Outlay Millage Levy revenues with eligible charter schools in such school district. The applicable provisions of HB 1259 are expected to result in a requirement that the District share additional Capital Outlay Millage Levy revenues with eligible charter schools in the District and therefore reduce the amount of Capital Outlay Millage Levy revenues available to pay Basic Rent Payments on the Certificates. For Fiscal Year 2025-26, the District shared approximately \$2.0 million in Capital Outlay Millage Levy revenues with eligible charter schools in the District. Such amount is projected to increase to approximately \$3.33 million by Fiscal Year 2027-28. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Revenue Sources – Sharing of Capital Outlay Millage Levy with Charter Schools" herein.

Construction Cost Maximums

Section 1013.64(6)(b), Florida Statutes, prohibits a district school board from using funds from certain sources 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, the statute further provides that notwithstanding the requirements of such subsection, any construction of educational plant space that is started on or before July 1, 2028, is exempt from the total cost per student station requirements. Construction of all components of the Series 2026 Project will commence prior to July 1, 2028 and are therefore exempt from the total cost per student station requirements.

Schools of Hope

In addition to requiring school districts to share the Local Option Millage Levy revenue with charter schools, HB 7069, as amended by HB 7070 in 2019 (now codified in Section 1002.333, Florida Statutes), 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).

Section 1002.333, Florida Statutes provides 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. A school of hope may be located outside of a Florida Opportunity Zone or persistently low-performing school attendance zone if the school district does not have underused, vacant, or surplus property available for the hope operator to use within a Florida Opportunity Zone or Persistently low-performing school attendance zone. 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, a school that was closed pursuant to Section 1008.33(4), Florida Statutes within two years of a notice of intent, or a school in the bottom 10 percent in at least two of the previous three years for student performance on the end-of-year administration of the coordinated screening and progress monitoring system for grade three English language arts or grade four mathematics as prescribed in Section 1008.22(3)(a)2, Florida Statutes, 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 an application to a state university or a Florida College System institution or 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, including colocation; (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 schools 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 collocate 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, pursuant to State Board of Education rule. 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.

The School Board received certain notices from State-approved Schools of Hope operators seeking to use underused, vacant or surplus School Board facilities. However, those notices were rejected as untimely and there are no notices pending consideration. At this time, the School Board is unable to estimate the financial or operational impacts of any potential Schools of Hope co-location within School Board facilities should it receive future notices of potential Schools of Hope co-location.

Public Safety Mandate

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within

the school district; (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. During the 2019 Legislative session, the State Legislature passed CS/CS/SB 7030 ("SB 7030") which among other things, removes the prohibition on individuals who perform exclusively classroom duties as a teacher from participating in the guardian program.

The School Board employs armed guardians and has entered into contracts with the Polk County Sheriff's Office and other local law enforcement agencies to provide school resource officers at each District operated school. The estimated cost to the District for the Fiscal Year 2025-26 is expected to be approximately \$20.1 million.

Constitutional Amendments Relating to Class Size Reduction

Article IX of the State Constitution was amended in 2002 by Amendment 9, which required that the State Legislature provide funding for sufficient classrooms so that class sizes could be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9, Section 1003.03, Florida Statutes, and Section 1013.735, Florida Statutes, which implement Amendment 9, collectively, are referred to herein as the "Class Size Legislation." The Class Size Legislation established constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12.

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 programs for capital outlays and operating expenditures necessary in relation to these mandated class size reductions.

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars. The School Board was at 100% compliance with class size requirements for Fiscal Year 2025-26.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that full and fair disclosure is made of any bonds or other debt obligations of the District that have been in default as to payment of principal or interest at any time after December 31, 1975. The

District is not and has not since December 31, 1975, been in default as to payment of principal and interest on its bonds or other debt obligations.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series 2026 Certificates are subject to approving legal opinion of Holland & Knight LLP, Lakeland, Florida, Special Counsel, whose approving opinion (a form of which is attached hereto as APPENDIX H) will be available at the time of delivery of the Series 2026 Certificates. Certain legal matters will be passed on for the School Board and the Corporation by James Greene, Esquire, Bartow, Florida, General Counsel, and by Greenberg Traurig, P.A., Tallahassee, Florida, Disclosure Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as counsel to the Underwriters.

Special Counsel has not been engaged to, nor has it undertaken to, review the accuracy, completeness or sufficiency of this Offering Statement or any other offering material relating to the Series 2026 Certificates; provided, however, that Special Counsel shall render an opinion to the Underwriters (as to which only they may rely) of the Series 2026 Certificates relating to the accuracy of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Series 2026 Lease, the Series 2026 Trust Agreement, the Assignment of Lease Agreement, the Series 2026 Ground Lease, the Series 2026 Ground Lease Assignment and the Series 2026 Certificates, and except as to the accuracy of the information under the caption "TAX MATTERS" herein.

The proposed text of the legal opinion of Special Counsel is set forth in APPENDIX H. 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 subsequent to the respective dates of the opinion Special Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion. 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 thereof. Special Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinion to be delivered concurrently with the delivery of the Series 2026 Certificates expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 2026 Certificates; (ii) questioning or affecting the validity of the Series 2026 Lease or the obligation of the School Board to make Lease Payments; or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2026 Certificates. Neither the creation, organization or existence, nor the title of the present members of the School Board, or other officers of the District, is being contested.

The School Board and the District experience claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of either, but may, in the aggregate, have a material impact thereon. In the opinion of the General Counsel to the School Board, however, the School Board and the District will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences on the financial condition of the School Board or the District.

TAX MATTERS

In the opinion of Special Counsel, under existing law, prior to the termination of the Series 2026 Lease resulting from an Event of Non-Appropriation or Event of Default thereunder, the Interest Component of the Basic Rent Payments received by the Owners of the Series 2026 Certificates is excludable from gross income for federal income tax purposes. Further, Special Counsel has expressed no opinion regarding the state tax consequences that may arise with respect to the Series 2026 Certificates.

Reference is made to the proposed form of opinion of Special Counsel attached hereto as "APPENDIX H – FORM OF TAX OPINION OF SPECIAL COUNSEL" for the complete text thereof. See also "LEGAL MATTERS" herein.

The foregoing opinion of Special Counsel is expressly conditioned upon payment by the School Board of the Basic Rent Payments in accordance with the terms and conditions of the Master Lease. Special Counsel expresses no opinion regarding the federal income tax or Florida tax consequences resulting from the ownership of the Series 2026 Certificates or the receipt by the Owners thereof of payments on the Series 2026 Certificates following the termination of the Series 2026 Lease, resulting from an Event of Non-Appropriation or Event of Default thereunder.

The Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2026 Certificates in order for the Interest Component of the Basic Rent Payments received by the Owners of the Series 2026 Certificates to be and remain excludable from gross income for federal income tax purposes. Examples include: the requirement that the School Board rebate certain excess earnings on proceeds and amounts treated as proceeds of the Series

2026 Certificates to the United States Treasury; restrictions on the investment of such proceeds and other amounts; and certain restrictions on the ownership and use of the facilities financed or refinanced with the proceeds of the Series 2026 Certificates. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied subsequent to the issuance of the Series 2026 Certificates to maintain the exclusion of the Interest Component of the Basic Rent Payments from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of Interest Component of the Basic Rent Payments in the gross income of the Owners for federal income tax purposes, retroactive to the date of issuance of the Series 2026 Certificates. The School Board and the Corporation have covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Series 2026 Certificates in order that the Interest Component of the Basic Rent Payments thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Special Counsel is subject to the condition that the School Board and the Corporation comply with all such requirements. Special Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Series 2026 Certificates.

Special Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law or otherwise become effective, will not cause the Interest Component of the Basic Rent Payments to be subject, directly or indirectly, to federal income taxation, or otherwise prevent the holders of the Series 2026 Certificates from realizing the full current benefit of the tax status of the Interest Component of the Basic Rent Payments. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Series 2026 Certificates. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible that legislation could be introduced that, if enacted, could change the federal tax consequences of owning the Series 2026 Certificates and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Series 2026 Certificates are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Special Counsel expresses no view.

As to certain questions of fact material to the opinion of Special Counsel, Special Counsel will rely upon representations and covenants made on behalf of the School Board and the Corporation and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Series 2026 Certificates and of the property financed or refinanced thereby).

Alternative Minimum Tax

The Interest Component of the Basic Rent Payments will not be treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals under the Code;

however, the Interest Component of the Basic Rent Payments on the Series 2026 Certificates held by certain corporations that are subject to the federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the federal alternative minimum tax imposed on such corporations.

Original Issue Premium

The Series 2026 Certificates maturing on January 1 in the years 20__ through 20__, inclusive, 20__ (collectively, the "Premium Certificates") have been sold to the public at an original issue premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of the Premium Certificates, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Certificate will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Certificate in excess of the Owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Certificate and not as interest.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Certificates should consult their own tax advisors in order to determine the federal income tax consequences to them of purchasing, holding, selling or surrendering Premium Certificates at their maturity.

Original Issue Discount

The Series 2026 Certificates maturing on January 1 in the years 20__ through 20__, inclusive, 20__ (collectively, the "Discount Certificates") have been sold to the public at an original issue discount. Generally, the original issue discount is the excess of the stated redemption price at maturity of such a Discount Certificate over the initial offering price to the public (excluding underwriters and related parties thereto) at which price a substantial amount of that maturity of the Discount Certificates was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Certificate is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain. Original issue discount will be treated as an item of tax preference for purposes of the alternative minimum tax to the same extent as the Interest Component of the Basic Rent Payments.

Under Section 1288 of the Code, original issue discount on tax-exempt Discount Certificates accrues on a compounded basis. The amount of original issue discount that accrues to an Owner of a Discount Certificate, who acquires the Discount Certificate in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Certificate plus the

amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Certificate during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the Owner's tax basis in such Discount Certificate. Proceeds received from the sale, exchange, redemption or payment of a Discount Certificate in excess of the Owner's adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as tax-exempt interest in such Owner's hands), will be treated as a gain from the sale or exchange of such Discount Certificate and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Discount Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Certificates should consult their own tax advisors with respect to the consequences of owning Discount Certificates, including the effect of such ownership under applicable state and local laws

Other Tax Consequences

Prospective purchasers of the Series 2026 Certificates should be aware that ownership of the Series 2026 Certificates may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporation subject to branch profits tax, individuals entitled to receive the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2026 Certificates. Prospective purchasers of the Series 2026 Certificates should also be aware that ownership of the Series 2026 Certificates may result in adverse tax consequences under the laws of various states. Special Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 2026 Certificates. Further, Special Counsel has expressed no opinion regarding the state tax consequences that may arise with respect to the Series 2026 Certificates. Prospective purchasers of the Series 2026 Certificates should consult their tax advisors as to the collateral federal income tax and state tax consequences to them of owning the Series 2026 Certificates.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations, 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 fourth lowest rate applicable to unmarried individuals with respect to payments on the Series 2026 Certificates and proceeds from the sale of Series 2026 Certificates. Any amounts 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 paying agent (or other person who would otherwise be required to withhold tax from such payments) such Owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the paying agent 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 paying agent 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 and the procedures for obtaining exemptions.

RATING

Moody's Ratings ("Moody's") has assigned a rating of "A1" (negative outlook) to the Series 2026 Certificates, without regard to the Policy, if any. In addition, if the Policy is issued, S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC ("S&P"), is expected to assign an insured rating of "AA" (stable outlook)] to the Series 2026 Certificates with the understanding that upon issuance and delivery of the Series 2026 Certificates, the Policy will be issued by the Insurer. Such ratings and outlooks reflect only the views of such organizations and any desired explanation of the significance of such ratings and outlooks should be obtained from the rating agency furnishing the same. An explanation of the ratings and outlook given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041, (212) 438-2124. An explanation of the ratings and outlook given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300. 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 ratings or outlooks will continue for any given period of time or that such ratings and outlooks will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings or outlooks may have an adverse effect on the market price of the Series 2026 Certificates.

The above ratings and outlooks are not recommendations to buy, sell or hold the Series 2026 Certificates, and such ratings and outlooks may be subject to revision or withdrawal at any time by the rating.

GENERAL PURPOSE FINANCIAL STATEMENTS

The financial statements included in the Annual Comprehensive Financial Report of the School Board for the Fiscal Year ended June 30, 2025 have been audited by CliftonLarsonAllen LLP, as stated in its report appearing in APPENDIX B hereto.

Such financial statements, including the report of CliftonLarsonAllen LLP, have been included in this Offering Statement as public documents and the consent of the auditors was not requested. CliftonLarsonAllen LLP has not performed any services in connection with the Series 2026 Certificates and has not reviewed any of the information contained in this Offering Statement, other than the financial statements and its report appearing in APPENDIX B.

MUNICIPAL ADVISOR

The School Board has retained PFM Financial Advisors LLC, Orlando, Florida, as Municipal Advisor with respect to the authorization and issuance of the Series 2026 Certificates (the "Municipal Advisor"). 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 the Offering Statement. The Municipal Advisor did not participate in the underwriting of the Series 2026 Certificates.

UNDERWRITING

General

The Series 2026 Certificates are being purchased by Raymond James & Associates, Inc., Jefferies LLC, BofA Securities, Inc., and J.P. Morgan Securities LLC (collectively, the "Underwriters") at a price of \$_____ (which represents the aggregate principal amount of the Series 2026 Certificates of \$_____, plus/less [net] original issue premium/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.

BofA Securities, Inc., one of the Underwriters of the Series 2026 Certificates, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2026 Certificates.

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 such firm sells.

The Underwriters may offer and sell the Series 2026 Certificates to certain dealers and others at prices lower than the respective public offering prices stated herein. After the initial public offering, the respective 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 sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the School Board in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the School Board (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School Board. 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.

CONTINGENT FEES

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

CONTINUING DISCLOSURE

The School Board has covenanted and undertaken for the benefit of the Series 2026 Certificate Owners 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, if material. Such covenant shall only apply so long as the Series 2026 Certificates remain Outstanding under the Series 2026 Lease, the Series

2026 Lease has not been terminated or there has occurred an Event of Non-Appropriation resulting in a termination. The agreement shall also terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") 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 via its EMMA system as described in the Form of Disclosure Dissemination Agent Agreement attached hereto as APPENDIX I. The event notices will be filed by the School Board or its Dissemination Agent with EMMA. The specific nature of the information to be contained in the Annual Report and the event notices are described in "APPENDIX I - FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT" dated and delivered at the time of issuance of the Series 2026 Certificates.

In compliance with its existing continuing disclosure undertakings, the School Board filed a notice of financial obligation for a financial obligation previously issued. However, the School Board inadvertently did not file notices of financial obligations relating to certain privately placed leases and subscription based agreements. Upon further review, the School Board determined that certain obligations constituted financial obligations under the Rule. On July 7, 2026, the School Board filed notices describing the financial obligations for which it had previously failed to file timely notice. The School Board intends to fully comply with all current and future continuing disclosure undertakings including filing notices of financial obligations, if material.

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. The School Board utilizes Digital Assurance Certification, LLC, as dissemination agent, in order to assist the School Board with ongoing and future compliance with its obligations under the Rule.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Offering Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR

EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

ACCURACY AND COMPLETENESS OF OFFERING STATEMENT

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents 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.

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 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 or the Insurer and its Policy, if any), as to all of which no opinion 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 should be included therein for the purposes for which the Offering Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

**THE SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

By: _____
Chair

By: _____
Superintendent

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APPENDIX A

GENERAL INFORMATION RELATING TO POLK COUNTY, FLORIDA

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APPENDIX A

GENERAL INFORMATION RELATING TO POLK COUNTY, FLORIDA

THE FOLLOWING INFORMATION CONCERNING POLK COUNTY, FLORIDA IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE COMPILATION OF THIS INFORMATION INCLUDED ORAL AND WRITTEN COMMUNICATION WITH VARIOUS SOURCES INDICATED. THE INFORMATION IS SUBJECT TO CHANGE.

The County

Polk County, Florida, is the geographical center of the State of Florida. With over 2,000 square miles of land and water, Polk County is the fourth largest county in the State and the ninth most populous county with an estimated population of 846,896 persons. In the 10 years between the 2010 and 2020 censuses, Polk County's population increased by over 122,000. The County is comprised of seventeen municipalities, of which the cities of Lakeland, Winter Haven, Haines City, and Bartow are the largest. Polk County has numerous institutions of higher education including technical schools, community colleges, and public and private universities.

Polk County is one of the fastest-growing counties in the nation and the fastest-growing in Florida in 2025, ranking 18th in the U.S. for population gain. The area is projected for a continued real estate and population growth, driven by its reputation as an affordable choice in Central Florida.

Polk County is less than an hour away from Florida's largest cargo tonnage port in Tampa and has more rail miles than any other community in the state. The County is the only southeast location with two major international airports (Tampa and Orlando) within an hour drive and is also home to its own international airport and three general aviation airports. In addition, the CSX Integrated Logistics Center in Winter Haven is a critical rail connection point throughout the state.

Major attractions, such as LEGOLAND Florida, Streamsong Resort, Bok Tower Gardens, Safari Wilderness, and the County's proximity to Central Florida attractions such as Walt Disney World have played a major role in increasing the County's visibility and appeal. Attracting leisure travelers is Polk County's number one priority, followed closely by driving demand from the state's number two industry, sports. Recruiting and hosting sporting events has proven to be a powerful recession-resistant economic engine for the area. Polk County is the headquarters for the Detroit Tigers Spring Training, the annual Sun 'n Fun International Fly-In and Expo – Florida's largest aircraft convention, and the Miss Florida Pageant. Polk County also has the second-largest water area for a non-coastal county in Florida with 213 miles of lakes, rivers, and streams and is known worldwide as the "Water Ski Capital of the World."

The County's natural resources and abundant wildlife attract visitors, particularly at locations such as the Circle B Bar Reserve and the delicate ecosystems on the Lake Wales Ridge. Residents and visitors can also enjoy numerous parks throughout the County, including Bonnet Springs Park, a 168-acre facility blending nature, art and interactive experiences.

The largest employers in the County by industry are trade, transportation, and utilities (20.8%), professional and business services (19.3%), construction (12.6%), education and health activities (11.7%), and financial activities (9.7%). Polk County's unemployment rate at the end of September 30, 2025 was 5.2% compared to 4.4% in fiscal year 2024 and was higher than the statewide average of 4.2%.

The County Government

Polk County, Florida, is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida. The County was incorporated in 1861. On November 3, 1998, the residents of Polk County adopted a Home Rule Charter in accordance with the Constitution and Statutes of the State of Florida. The Home Rule Charter assumed all powers and duties on the first day of January 1999. The Home Rule Charter sets forth a "commission" form of government under which a five-member Board of County Commissioners is elected to serve as the executive and legislative body for the County.

The Commissioners appoint a County Manager whose duties include the administration of directives and policies of the Commissioners, responsibility for the operation of all business centers, and the provision of services under the purview of the Commissioners. The residents of the County also elect a Sheriff, a Clerk of the Circuit Court and County Comptroller, a Supervisor of Elections, a Tax Collector, and a Property Appraiser whose responsibilities and duties are not altered by this Home Rule Charter. The Constitutional Officers perform their executive and administrative functions as specified by law.

The population growth in 2025 brought significant increases in revenues for the Board of County Commissioners of Polk County, Florida (the "BCC") from taxes and other state shared revenues when compared to the previous year. As more people moved to and visited Polk County in 2025, sales taxes increased by 2.0% and services taxes increased by 11.1%. Revenue from property taxes increased by 10.2%.

BCC general revenues from various taxes increased overall in FY 2025. Property taxes increased by \$42.0 million or 10.2 percent due to growth in local real estate market values. The County's taxable property values increased approximately 11.2 percent in 2025. Sales tax revenues increased by \$2.7 million, or 2.0 percent. Services taxes, which are mainly public service taxes, increased by \$6.3 million or 11.1 percent.

County Demographics

The following tables show various demographic trends of the County and may be found in the Fiscal Year 2026 Adopted Budget of Polk County, Florida and the Statistical Section of the County's Annual Comprehensive Fiscal Report for the Fiscal Year ended September 30, 2025.

County and State Population			
Year	Pasco	Florida	% of State Pop
2020	561,891	21,538,187	2.61%
2021	575,891	21,898,945	2.63%
2022	592,669	22,276,132	2.66%
2023	610,743	22,634,867	2.70%
2024	633,029	23,014,551	2.75%

Population by City	
City	Total
Zephyrhills	18,471
New Port Richey	17,057
Dade City	7,570
Port Richey	3,229
Saint Leo	2,523
San Antonio	1,352

Average Annual Wage (2024)		
Industries	Pasco	Florida
Natural Resource & Mining	\$53,287	\$49,698
Construction	\$59,933	\$70,271
Manufacturing	\$80,924	\$81,956
Trade, Transport & Utilities	\$45,562	\$61,291
Information	\$96,340	\$121,266
Financial Activities	\$85,370	\$108,740
Professional & Business Services	\$68,887	\$87,036
Education & Health Services	\$64,903	\$66,009
Leisure & Hospitality	\$25,259	\$37,261
Other Services	\$39,739	\$51,306
Government	\$66,683	\$71,045

Unemployment Rate		
Year	Pasco	Florida
2000	3.7%	3.7%
2010	11.6%	10.8%
2020	7.1%	8.0%
2021	4.3%	4.7%
2022	3.0%	3.0%
2023	3.3%	2.9%
2024	3.7%	3.4%

Source: Fiscal Year 2026 Adopted Budget of Polk County, Florida.

**POLK COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Publix Super Markets	16,537	1	4.57%	10,249	2	3.77%
Polk County School Board	13,500	2	3.73%	13,061	1	4.80%
Lakeland Regional Health	8,279	3	2.29%	4,499	4	1.65%
Walmart	5,523	4	1.53%	6,238	3	2.29%
Amazon	5,500	5	1.52%	-	-	-
Polk County Government	5,262	6	1.45%	4,493	5	1.65%
Baycare	3,402	7	0.94%	-	-	-
Geico	2,941	8	0.81%	2,139	8	0.79%
City of Lakeland	2,297	9	0.63%	2,359	7	0.87%
Winter Haven Hospital	2,130	10	0.59%	2,567	6	0.94%
Mosaic	-	-	-	1,993	9	0.73%
Watson Clinic	-	-	-	1,600	10	0.59%
Total	<u>65,371</u>		<u>18.06%</u>	<u>49,198</u>		<u>18.08%</u>
Average Annual Labor Force :	362,054			272,020		

Sources:
Central Florida Development Council
Florida Department of Economic Opportunity, Labor Market Statistics Center

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

Economic Development

To develop an economic environment that attracts and retains industry diverse businesses with higher-paying careers and educates and retains qualified talent to align with targeted industry workforce needs. The County continued its focus on attracting industrial businesses within target industries through marketing and business-friendly programs including the availability of specialized incentives to help companies grow. This provided quality job opportunities and expanded the tax base to support schools, public safety, and other important programs. To assist with this process and to aid in future economic prosperity for the County, investment was made in site-readiness and quality location development, as well as the elevation of three strategic initiatives. The first was to expand the local ecosystem for technology-enabled employment in Polk County including life sciences and healthcare advancements, advanced and tech-enabled manufacturing, autonomous vehicles, and aviation, aerospace, and defense. The second was to elevate Polk County's position within the state and nation for research and innovation-driven projects. The third was to advance Polk County's water, road, and transportation infrastructure to support community needs and future business growth.

For FY 24/25, economic development efforts resulted in the following job creation and investment results:

- Capital Investment: \$246,000,000
- Total Jobs (New & Retained): 625
- Total New Square Footage: 456,000
- Average Annual Wage of Projects: \$67,159
- Total New Projected Annual Payroll: \$41,974,375

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APPENDIX B

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF
THE SCHOOL BOARD OF POLK COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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Annual Comprehensive Financial Report

July 1, 2024 - June 30, 2025



Frederick Heid, Superintendent



**POLK COUNTY
PUBLIC SCHOOLS**

STUDENTS FIRST

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
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Introductory Section





March 26, 2026

To the Members of The School Board of Polk County, Florida (Board) and residents of Polk County:

The Annual Comprehensive Financial Report (ACFR) of The School Board of Polk County Florida (District) for fiscal year ended June 30, 2025 is hereby submitted. These financial statements are presented in conformity with generally accepted accounting principles (GAAP) and are audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States by the Florida Auditor General.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District's management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been audited by the Auditor General of the State of Florida. The objective of the independent audit is to provide reasonable assurance that the financial statements of the District for fiscal year ended June 30, 2025 are free of material misstatements. The independent audit involves examining, on a test basis

- evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used
- assessing significant estimates made by management
- evaluating the overall financial statement presentation

STUDENTS FIRST

The independent audit concluded that there was a reasonable basis for rendering unmodified opinions that the District's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A), which should be read in conjunction with the financial statements.

The District's MD&A can be found immediately following the report of the independent auditor.

Profile of the District

The District, established in the 1880's is located in the central part of the State of Florida, along the "Interstate 4 Corridor". Geographically, the District covers a land area of 1,875 square miles, which is greater than the State of Rhode Island and comparable to the State of Delaware. The District's boundaries are the same as those of Polk County, Florida. As a special-purpose local governmental entity, the District derives its existence from Section 4, Article IX, of the State Constitution. The District is authorized by State law to levy property taxes for school operations, capital improvements, and debt service.

The State Board of Education ("SBE") is the chief implementing and coordinating body of public education in Florida. The SBE promulgates State Board Rules to further define and implement laws created by the Florida Legislature. The Commissioner of Education is the chief educational officer of the State and is responsible for assisting the SBE in enforcing compliance with the mission and goals of the education system. District School Boards are constitutionally and statutorily charged with the operation and control of public K-12 education. Policy-making and legislative authority are vested in a seven-member governing Board, whose responsibilities include adopting the budget, appointing committees, and hiring the District's superintendent. Additionally, the District's attorney and internal auditor report directly to the governing board. Each Board member, although elected at large on a non-party basis, represents a distinct geographic area, and is required to have primary residence within that area. The District's Superintendent is responsible for carrying out the policies of the Board and for overseeing the day-to-day operations of the District.

The District provides a full range of educational services, including Pre-K, K-12, exceptional student education, career and vocational education, and adult education. During the fiscal year ending 2025, the District operated 174 sites throughout Polk County including 66 elementary schools; 6 elementary/middle schools; 9 elementary/middle/high schools; 19 middle schools; 5 middle/high schools; 17 high schools; 3 technical career centers; 2 adult schools; 10 alternative education/Department of Juvenile Justice sites; and 2 off-campus Head Start sites. The District is also financially accountable for a legally separate non-profit corporation organized as a foundation for the benefit of the District. This entity is reported separately within the District's financial statements. There are 35 charter schools as well, with 31 of these schools reporting as component units of the District. Additional information on these legally separate entities can be found in the notes to the financial statements.

Polk County is the seventh (7th) largest school district in Florida and is among the 35 largest districts in the United States with approximately 116,000 K-12 students (as a perspective, there are over 14,000 independent school districts in the United States).

The District is required to adopt a final budget no later than the first Board meeting in September, after holding two public hearings on the proposed budget. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund, function (objective or purpose), school/department, and object (goods purchased or services obtained). School principals, department administrators, and other officials may make transfers of appropriations within the same fund. A transfer of appropriations between funds requires approval of the Board. The District chooses to control appropriations at the object level within each functional activity and may be amended by resolution at any School Board meeting prior to approval of the District's Annual Financial Report at the end of each fiscal year. This is more restrictive than the legal level of budgetary control which is at the function level.

Local Economy

Major industries with headquarters or divisions located within the District's boundaries include retail, healthcare, insurance, transportation, and phosphate processing. State and local governments also have a presence in the area that provides a large employment base. The majority of industries experienced an increase in annual growth in their job base during 2025. According to the Central Florida Development Council (CFDC), over the next 10 years the fastest growing occupation group in the County is expected to be Accommodation and Food Services. Retail Trade, Health Care and Social Assistance, and Transportation and Warehousing remain the largest major occupation groups in the County.

According to Career Source Polk, the labor force for the County as of December 2025 was 361,713, which was a increase of 0.9% from the prior year. The unemployment rate was 5.5%, which was 1.6% higher than December of 2024, and 1.1% higher than the State's unemployment rate.

Local revenue for school support is derived almost entirely from ad-valorem property taxes, which are directly tied to property values. According to Realtor.com, the median price of a home sold in Polk County in December 2025 was \$334,900, which was down from the previous year by 1.5%. As certified by the Polk County Property Appraiser, the 2025 tax roll increased from \$69.5 billion to \$75.6 billion, an 8.7% increase over the previous year's value. A portion of this increase reflects rising property valuations as well as newly constructed properties added to the tax base.

The inflation rate, according to the U.S. Inflation Calculator, started the calendar year at 3.0% in January but had reduced to 2.6% by December of 2025.

Long-term Financial Planning

The assigned and unassigned ending fund balance in the General Fund for fiscal year 2025 is 6.15% of General Fund revenues, which meets the Board's policy requirement that the contingency unreserved/undesignated fund balance remain no less than 5.0% of total General Fund revenues for budgetary and planning purposes. The 4.2% decrease in fund balance from

the prior fiscal year is largely the result of higher General Fund expenditures driven by staff raises, increased reliance on substitute services, and the expiration of Federal Education Stabilization Funding. With the retirement of these federal resources, the District absorbed the associated costs within the General Fund, contributing to the year-over-year decline.

The population within the District's boundaries for calendar year 2025 is estimated by the Bureau of Economic and Business Research (BEBR) to be at 881,584, a growth rate of 3.37% over the previous year's estimate. Future projections from the BEBR place the population near 996,408 by the year 2030. During the 4-year school year period from 2020 to 2025, student enrollment grew by 14.7%, which amounts to almost 15,500 students, excluding enrollment at the adult schools and technical centers.

In November 2002, the voters of Florida amended the State Constitution to limit class-size. Reductions in class-size have been mandated since fiscal year 2004, although school districts had until fiscal year 2011 to fully comply. The amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: pre-kindergarten through grade three, 18 students; grades four through eight, 22 students; and grades nine through twelve, 25 students.

If the District's class size exceeds the required maximum, it must submit a Board-certified compliance plan outlining the actions needed to meet requirements by the following October and may be required to return funds to the State. The District is expected to continue meeting constitutional class-size limits through staff allocation and facilities planning.

The District relies on relocatable buildings to provide additional classroom capacity across most campuses. These units support class-size compliance and address immediate needs such as enrollment growth, temporary displacement during renovations, and supplemental administrative or office space. Portable buildings remain an essential resource for meeting local, state, and federal mandates by offering flexible instructional and support space.

Individual portable classrooms are allocated and/or relocated to schools to address immediate needs related to changes in student enrollment, ability of school sites to meet class size requirements, students temporarily displaced due to renovations or remodeling in process, or for use as administrative/office space. Currently, there are 706 portables in the county. These portable buildings provide approximately 14,218 student stations.

Repairs and renovations to portables require approval from Facilities and Operations. The division uses an informal threshold of \$12,500 to help determine when a relocatable should be evaluated for potential replacement rather than renovation.

The District's local half-cent sales tax is projected to generate \$83.7 million in capital revenues for fiscal year 2026. The Nonvoted Capital Improvement Fund—the 1.5-mill Local Capital Improvement (LCI) levy—serves as another major funding source for maintenance projects and is projected to generate \$116.4 million in fiscal year 2026.

To meet the District's student population growth and the demands placed on the District by the class-size amendment, the following new school capital projects are planned in the listed areas:

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
PRINCIPAL OFFICIALS – ELECTED
BOARD MEMBERS – TERMS OF OFFICE
AS OF JULY 1, 2025**

NEW SCHOOLS SCHEDULE				
SCHOOL	OPEN/AVAIL	CONST START	DESIGN START	PROP ACQ
High School 28 "BBB" (Poinciana)	2027	TBD	TBD	TBD
Middle School (Davenport)	2030	2027-2028	2026-2027	Completed
Elementary School (Davenport)	2030	2027-2028	2026-2027	Completed

In projecting the District's student growth, charter schools provide an extra degree of uncertainty. Charter schools are public schools funded through Florida's program of public education and are intended to expand the capacity of the local school system, while offering unique opportunities for students. These schools are either new schools ("start-up charters") or schools that are converted from an existing public school ("conversion charters"). By the end of fiscal year 2025, there were 35 charter schools operating within the District (of which ten were conversion charter schools) reflecting approximately 19,000 students. For a site to become a charter school, a sponsor, which in the case of Polk County is the District, must approve an application submitted by the charter school. In addition, for an existing District school to convert to charter status, at least 50 % of the teachers and parents must support such conversion. The State funds each charter school based on the number of students it serves. Funds provided by the State are first distributed to the District, which then disburses the funds to each charter school.

Health insurance costs to the District have risen considerably in the past few years, primarily due to the number of high cost claims. To ensure continued financial solvency of the self-funded health insurance plan, the Board increased its monthly per member contribution in 2022 by \$60, and again in 2023 by \$45. The Board once again increased its contribution for the 2024 health plan by \$100 in an attempt to offset large claims, rising costs, and to stabilize the fund. These increases set the current Board contribution to \$919.00.

Acknowledgements

The preparation of the ACFR would not be possible without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to all members of the Department who assisted and contributed to the preparation of the ACFR.

Credit is also given to the District's governing board members for their interest and support in conducting the District's financial matters in a responsible and progressive manner.

Respectfully submitted,



Frederick R. Heid
Superintendent of Schools



Heather L. Jenkins
Associate Superintendent, Chief Financial Officer

Mr. William Allen, Chair Member from District 1 Present Term Began Present Term Expires Began as a Board Member	November 2024 November 2028 November 2020
Mr. Justin Sharpless, Vice-Chair Member from District 6 Present Term Began Present Term Expires Began as a Board Member	November 2022 November 2026 November 2022
Mr. Travis Keyes Member from District 2 Present Term Began Present Term Expires Began as a Board Member	November 2024 November 2028 November 2024
Vacant* District 3	
Ms. Sara Beth Wyatt Member from District 4 Present Term Began Present Term Expires Began as a Board Member	November 2024 November 2028 November 2016
Mrs. Kay Fields Member from District 5 Present Term Began Present Term Expires Began as a Board Member	November 2022 November 2026 November 2002
Mrs. Lisa Miller Member from District 7 Present Term Began Present Term Expires Began as a Board Member	November 2022 November 2026 November 2018

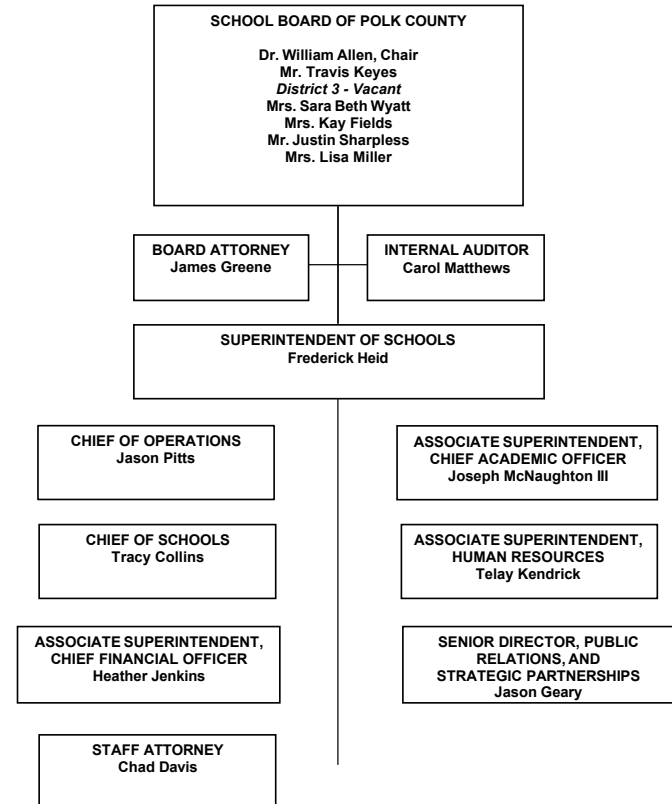
* The District 3 Board Member position was filled in November 2025 by Ms. Kate Wallace via appointment by Gov. Ron DeSantis. Her term expires November 2026.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
OTHER PRINCIPAL OFFICIALS – APPOINTED
AS OF JULY 1, 2025**

<u>Name</u>	<u>Title</u>
Frederick Heid	Superintendent of Schools
Wayne Green	Deputy Superintendent
Jason Pitts	Chief of Staff
Joseph McNaughton III	Associate Superintendent, Chief Academic Officer
Heather Jenkins	Associate Superintendent, Chief Financial Officer
Brian Warren	Associate Superintendent, Human Resource Services
Jason Geary	Director, Public Relations and Strategic Partnerships

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
ORGANIZATIONAL CHART
AS OF JULY 1, 2025**



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INDEPENDENT AUDITORS' REPORT

Honorable Members of the
School Board of Polk County, Florida
Bartow, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Polk County, Florida, (the District) as of and for the 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 the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof, and the budgetary comparison for the General Fund 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 fiduciary fund, which represents 7.6%, 18.2%, and 3.6%, respectively, of the assets, net position, and revenues of the aggregate remaining fund information as of June 30, 2025. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 93.6%, 56.3%, and 94.3% respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the fiduciary fund and the discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' 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.

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Financial Section



Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2024, the District adopted new accounting guidance for compensated absences. This Standard updated the recognition and measurement guidance for compensated absences. Our opinions are not modified with respect to this matter.

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.

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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 management's discussion and analysis, and the schedules relating to other postemployment benefits and pensions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the 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 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the combining and individual fund statements and schedules 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.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

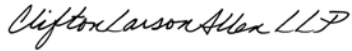
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, and statistical section, but does not include the basic financial statements and our auditors' 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026, 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.



CliftonLarsonAllen LLP

Lakeland, Florida
March 26, 2026

As management of the School Board of Polk County, Florida (District), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025.

Financial Highlights

- The District's total net position at year end was \$1.279 billion. Of this total, \$1.225 billion represents the District's net investment in capital assets, \$566.0 million is restricted, and unrestricted net position was \$512.6 million.
- The District's net position increased by \$167.9 million as general and program revenues exceeded total expenditures for FY 2024-25.
- The District's governmental funds reported combined ending fund balance of \$654.2 million, an increase of \$106.9 million (19.5%) compared with prior year.
- The General Fund ended the year with a fund balance of \$134.4 million. Within this amount, unassigned fund balance was \$63.6 million and assigned fund balance was \$7.5 million. Combined assigned/unassigned totaled \$71.1 million (6.8% of General Fund revenues), total General Fund balance totaled 12.8% of General Fund revenues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

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

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner consistent to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying obligation/event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, other postemployment benefits, and earned but unused employee vacation and sick leave).

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The government-wide financial statements include not only the District itself (known as the primary government), but also a legally separate foundation and legally separate charter schools for which the District is financially accountable (component units). Financial information for these component units are reported separately from the financial information presented for the primary government itself. The Financing Corporation for the School Board of Polk County, Florida ("Financing Corporation"), which was formed to facilitate acquisition of facilities and equipment, although legally separate, is included as an integral part of the primary government due to the substantive economic relationship between the District and the Financing Corporation.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation to be more familiar. 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. Funds are established for various purposes and the fund financial statements allow for the demonstration of sources, uses, and/or budgetary compliance associated therewith. All funds of the District can be divided into three categories:

- Governmental funds
- Proprietary funds
- Fiduciary (Custodial) fund

Governmental Funds

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

This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of spendable resources is a clear and appropriate focus of any analysis of a government. Because the focus is narrower than that of government-wide financial statements, it is useful to compare it to the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Reconciliation between the government-wide and the governmental fund financial information is necessary because of the focus of the different measurements (current financial resources versus total economic resources); such reconciliation is reflected on the page following each statement. The flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bonds and others) into the governmental activities column in the government-wide statements.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The District maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Other Capital Projects Fund, and Nonvoted Capital Improvements Fund, which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the general and major special revenue funds to demonstrate compliance with this budget.

Proprietary Funds

The District maintains one type of proprietary fund - internal services funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses four internal service funds to account for its self-insurance programs including workers' compensation, general & fleet liability, error & omissions, and group health insurance. Because these services benefit the District's governmental functions, they have been included within governmental activities in the government-wide financial statements.

The four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

Fiduciary (custodial) funds are used to account for resources held for the benefit of parties outside the government. The District maintains one fiduciary fund to account for school internal funds related to co-curricular and extra-curricular activities. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to funding certain pension and postemployment retiree healthcare insurance benefits obligations.

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

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was \$1.279 billion at the close of the most recent fiscal year.

**District's Net Position
Governmental Activities
June 30, 2024 and June 30, 2025
(In thousands of dollars)**

	Governmental Activities	
	2025	2024
Current and Other Assets	\$ 833,992	\$ 726,338
Capital Assets	1,517,185	1,456,725
Total Assets	2,351,177	2,183,063
Deferred Outflows of Resources	139,224	197,276
Total Assets and Deferred Outflows	<u>\$ 2,490,401</u>	<u>\$ 2,380,339</u>
Long-Term Liabilities Outstanding	\$ 903,780	\$ 1,078,481
Other Liabilities	130,119	134,054
Total Liabilities	1,033,899	1,212,535
Deferred Inflows of Resources	107,155	57,130
Total Liabilities and Deferred Inflows	<u>\$ 1,141,054</u>	<u>\$ 1,269,665</u>
Net Position:		
Net Investment in Capital Assets	\$ 1,225,129	\$ 1,128,349
Restricted	566,037	427,536
Unrestricted	(512,583)	(445,211)
Total Net Position	<u>\$ 1,278,583</u>	<u>\$ 1,110,674</u>

By far, the largest of the District's net position is its \$1.3 billion investment in capital assets (i.e., land, land improvements, buildings, furniture, equipment, motor vehicles, and software), less any related debt to acquire or construct those assets that remains outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position, \$566.0 million (44.3%), represent resources that are subject to external restrictions on how they may be used. Of the restricted resources the majority, \$491.5 million (86.8%) is restricted primarily for the acquisition and construction of facilities. The remaining balance of total net position, unrestricted net position, of (\$512.6) million, is negative due to long-term liabilities.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Compared to the prior fiscal year ending balances, net investment in capital assets increased by \$96.8 million and restricted net position increased by \$145.7 million. Unrestricted net position decreased by \$74.5 million.

Total net position increased \$167.9 million compared to the prior fiscal year-end, driven by the following:

- Operational property taxes, which were included in general revenues, increased by \$12.6 million (4.8 percent) during the fiscal year, while property taxes for capital improvements and debt service, which were also included in general revenues, increased by \$8.0 million (7.9 percent) during the fiscal year. Increases were generally derived from increases in taxable property value.
- Discretionary sales tax revenue, which were included in general revenues, increased \$3.8 million (4.7 percent) during the year, which reflects the continued turnaround in the State and local economy.
- Program revenues increased by \$114.8 million (147.8 percent) during the fiscal year. The increase is a result of presenting the revenues from Impact Fees with Capital Grants and Contributions to better classify the revenues as a restricted source.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**District's Changes in Net Position
Governmental Activities
June 30, 2024 and June 30, 2025
(In thousands of dollars)**

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues:		
Charges for Services	\$ 6,075	\$ 4,875
Operating Grants and Contributions	74,208	72,243
Capital Grants and Contributions	112,151	539
General Revenues:		
Property Taxes-Operational	276,745	264,130
Property Taxes-Capital	109,361	101,367
Local Sales Tax	83,078	79,321
Grants and Contributions Not Restricted to Specific Programs	944,925	971,017
Impact Fees	-	77,000
Other	41,017	43,675
Total Revenues	1,647,560	1,614,167
Expenses and Special Item:		
Instructional Services	861,013	848,139
Instructional Support Services	172,114	187,478
Student Transportation Services	72,965	50,089
Operation and Maintenance of Plant	124,783	129,330
School Administration	68,901	65,056
General Administration	74,615	97,083
Food Services	85,765	82,356
Community Services and Other	6,381	4,719
Interest on Long-Term Debt	12,685	14,914
Unallocated Depreciation Expense *	430	447
Total Expenses and Special Item	1,479,652	1,479,611
Change In Net Position	167,908	134,556
Net Position - Beginning	1,110,674	976,118
Adjustments to Beginning Net Position	-	-
Net Position - Beginning, as Restated	1,110,674	976,118
Net Position - Ending	\$ 1,278,582	\$ 1,110,674

Financial Analysis of the District's Funds

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

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Governmental Funds

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

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$654.2 million. Approximately \$14.3 million (2.2 percent) of the ending fund balance represents inventories and prepaid items that are nonspendable. Approximately \$576.4 million (88.1 percent) are amounts which are restricted for State categorical programs, Federal and State grants, food service, debt service and capital projects. Assigned fund balance amounts are approximately \$6.6 million (1.0 percent) of the ending fund balance and reflect amounts that are set aside for school operations. The remaining \$56.9 million (8.7 percent) is spendable and has not been restricted or assigned for other purposes. However, unassigned fund balance includes funds that will be re-appropriated in the next fiscal year for carryovers and encumbrances.

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the General Fund had a fund balance of \$134.4 million. Of this, about \$57.3 million (42.6 percent) was unassigned. The remaining \$77.1 million (57.4 percent) of the overall fund balance in the General Fund was nonspendable, restricted, or assigned. As a measure of the General Fund's liquidity, it may be useful to compare its unassigned fund balance and its total fund balance to total General Fund revenues.

The fund balance of the District's General Fund decreased by \$19.1 million during the current fiscal year. Key factors affecting fund balance include the following:

- Total revenues of the General Fund increased by \$36.3 million (3.6 percent). The largest contributor consisted of a \$12.6 million (4.6 percent) increase in Ad Valorem Taxes.
- Expenditures in the General Fund increased by \$63.3 million (5.7 percent), primarily as a result of a \$49.9 million increase in instructional services.

Other Capital Projects

Other Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and debt service. At the end of the current fiscal year, the total fund balance for Other Capital Projects Fund was \$338.9 million. The fund balance of the Other Capital Projects Fund increased over prior year by \$119.3 million.

Nonvoted Capital Improvements

At the end of the current fiscal year, the total fund balance for Nonvoted Capital Improvements Fund was \$89.1 million. The fund balance of the Nonvoted Capital Improvements Fund increased over prior year by \$28.5 million.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

General Fund Budgetary Highlights

The final budget projected a net decrease in fund balance of \$212.2 million from prior year. However, actual fund balance decreased by \$19.1 million:

- Revenues were \$8.0 million (0.8 percent) more than budgetary estimates, primarily due to FEFP projections.
- Expenditures were \$89.1 million (7.1 percent) less than budgetary estimates, primarily due to the lapsing of appropriated expenditures.

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2025, amounted to \$1.5 billion. This investment in capital assets, net of accumulated depreciation, consists of 90.3 percent real property, such as land, building and fixed equipment, improvements other than buildings, and construction in progress. The remainder, which reflected 9.7 percent of the total, consisted of tangible property such as furniture, fixtures, equipment, right of use leases, motor vehicles, subscription-based information technology agreements (SBITAs), and software.

**District's Schedule of Capital Assets
Net of Accumulated Depreciation
(In thousands of dollars)**

	2025	2024
Land	\$ 111,925	\$ 111,925
Construction in Progress	122,425	58,997
Improvements Other than Buildings	15,367	13,797
Buildings and Fixed Equipment	1,136,943	1,165,270
Right of Use - Buildings	54,342	53,815
Furniture, Fixtures and Equipment	15,545	17,684
Right of Use - Equipment	-	-
Motor Vehicles	35,292	29,257
Subscription Based Information Technology	25,170	5,909
Audio Visual Materials and Computer Software	176	71
Total	<u>\$ 1,517,185</u>	<u>\$ 1,456,725</u>

Additional information on the District's capital assets can be found in the Notes to the Financial Statements, Note 6 – Changes in Capital Assets and Note 20 – Construction Contract Commitments.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Long-term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$255.6 million. This included \$1.5 million of State school bonds issued on behalf of the District by the State Board of Education and backed by the full faith and credit of the State of Florida, as well as, \$114.9 million of Sales Tax Bonds secured by a local option half cent sales tax. Additionally, the District had \$71.9 million in Certificates of Participation (COPS) in which the annually appropriated lease payments on the part of the District are the pledged revenue stream.

**District's Long-Term Debt
(In thousands of dollars)**

	2025	2024
Sales Tax Revenue Bonds	\$ 114,905	\$ 124,830
Certificates of Participation	71,900	111,908
Bonds Payable	139,197	24,892
State School Bonds	1,519	1,953
Total	<u>\$ 327,521</u>	<u>\$ 263,583</u>

State statutes limit the amount of debt service on the Certificates of Participation to 75 percent of the local capital improvement tax receipts on certificates of participation entered into after June 30, 2009. If the debt limitation was applied to the District, it would be \$79.0 million, which provides a debt service margin of \$60.5 million when compared to the District's \$18.6 million debt service on the certificates of participation during the 2024-25 fiscal year.

Sales tax proceeds that can be applied towards sales tax bonds are estimated to be \$62.3 million, which provides a debt service margin of \$46.4 million when compared to the District's \$15.9 million debt service on sales tax bonds during the 2024-25 fiscal year.

Additional information on the District's long-term debt can be found in the Notes to the Financial Statements, Notes 7 through 11.

Economic Factors and Next Year's Budget

- The current local unemployment rate for Polk County is 5.5 percent, which represents a 0.9 percentage point increase from the 4.6 percent reported for calendar year 2024.
- The Polk County Property Appraiser certified that the 2025 tax roll increased to \$72.2 billion, representing an 8.8 percent increase from prior year.
- According to the U.S. Inflation Calculator, inflation rates started the calendar year at 2.9 percent in January but ended at 2.7 percent in July of 2025. <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>

Such factors, which reflect the continued turnaround in the local economy, were considered in preparing the District's budget for the 2025-26 fiscal year.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

The Office of the Chief Financial Officer
The School Board of Polk County, Florida
P.O. Box 391
Bartow, Florida 33831

Basic Financial Statements



**SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash	\$ 70,351,419	\$ 77,116,121
Investments	688,232,076	13,928,534
Accounts and Interest Receivable	4,014,171	3,335,661
Due from Other Governmental Agencies	57,085,307	29,149,698
Inventories	14,230,616	-
Prepaid Items	76,940	2,458,522
Other Assets	-	27,139,161
Capital Assets (Net of Accumulated Depreciation and Amortization):		
Land	111,924,782	8,664,838
Land Improvements	-	55,875
Construction in Progress	122,425,222	27,272,415
Improvements Other than Buildings	15,367,482	2,094,633
Buildings and Fixed Equipment	1,136,942,049	86,590,067
Right to Use - Buildings	54,341,842	-
Furniture, Fixtures, and Equipment	15,545,222	11,186,339
Right to Use - Equipment	-	40,669,455
Motor Vehicles	35,293,351	5,099,067
Subscription Based Information Technology	25,170,031	-
Audio Visual Materials and Computer Software	176,214	31,855
Total Assets	<u>2,351,176,724</u>	<u>354,433,540</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	116,341,052	26,639,382
Other Postemployment Benefits	22,883,215	-
Total Assets and Deferred Outflows of Resources	<u>2,490,400,991</u>	<u>383,072,922</u>
LIABILITIES		
Accounts Payable	28,171,773	9,333,531
Construction and Retainage Payable	2,760,454	-
Salaries and Wages Payable	43,963,253	1,790,469
Payroll Deductions and Withholdings	4,958,217	1,697,583
Matured Interest Payable	5,621,290	-
Due to Other Governmental Agencies	34,942,757	2,301,691
Sales Tax Payable	- 684	-
Unearned Revenue	9,500,218	290,687
Other Liabilities	-	7,735,990
Noncurrent Liabilities:		
Due Within One Year	54,847,715	10,660,369
Lease Liability	2,373,043	-
SBITA Liability	4,858,383	-
Due in More than One Year	841,700,423	286,774,983
Lease Liability	53,605,735	-
SBITA Liability	17,159,536	-
Total Liabilities	<u>1,104,663,391</u>	<u>320,585,303</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	95,549,160	10,574,372
Other Postemployment Benefits	11,605,670	-
Total Liabilities and Deferred Inflows of Resources	<u>1,211,818,221</u>	<u>331,159,675</u>
NET POSITION		
Net Investment in Capital Assets	1,225,128,729	29,305,011
Restricted for:		
State Required Carryover Programs	44,085,327	-
Debt Service	7,541,327	3,926,492
Capital Projects	491,491,298	4,886,904
Food Service	15,091,232	-
Endowment - Nonexpendable	-	5,474,264
Other Purposes	7,827,520	15,725,698
Unrestricted	(512,582,663)	(7,405,122)
Total Net Position	<u>\$ 1,278,582,770</u>	<u>\$ 51,913,247</u>

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See accompanying Notes to Basic Financial Statements.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

					Net (Expense) Revenue and Changes in Net Position	
					Primary Government	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
Primary Government:						
Governmental Activities:						
Instructional Services	\$ 861,012,644	\$ 4,736,054	\$ -	\$ -	\$ (856,276,590)	\$ -
Instructional Support Services	172,114,061	-	-	-	(172,114,061)	-
Facilities Acquisition and Construction	-	-	-	111,632,236	111,632,236	-
Student Transportation Services	72,964,626	548,188	-	-	(72,416,438)	-
Operation and Maintenance of Plant	124,783,280	-	-	-	(124,783,280)	-
School Administration	68,901,394	-	-	-	(68,901,394)	-
General Administration	74,614,596	-	-	-	(74,614,596)	-
Food Services	85,764,616	790,962	74,208,184	-	(10,765,470)	-
Community Services and Other	6,381,042	-	-	-	(6,381,042)	-
Interest on Long-Term Debt	12,684,677	-	-	519,246	(12,165,431)	-
Unallocated Depreciation Expense *	429,952	-	-	-	(429,952)	-
Total Governmental Activities	<u>\$ 1,479,650,888</u>	<u>\$ 6,075,204</u>	<u>\$ 74,208,184</u>	<u>\$ 112,151,482</u>	<u>(1,287,216,018)</u>	<u>-</u>
Component Units:						
Polk Education Foundation and Charter Schools	<u>\$ 247,768,596</u>	<u>\$ 8,891,010</u>	<u>\$ 39,490,133</u>	<u>\$ 4,965,743</u>	<u>-</u>	<u>(194,421,710)</u>
General Revenues						
Property Taxes, Levied for Operational Purposes					276,744,551	-
Property Taxes, Levied for Capital Projects					109,360,582	-
Local Sales Taxes					83,078,412	-
Grants and Contributions Not Restricted to Specific Programs					944,924,573	201,333,009
Investment Earnings					31,432,878	1,436,003
Miscellaneous					9,584,210	3,637,033
Total General Revenues					<u>1,455,125,206</u>	<u>206,406,045</u>
CHANGE IN NET POSITION					167,909,188	11,984,335
Net Position - Beginning of Year, as Originally Stated					1,110,673,582	41,252,313
Adjustments to Beginning Net Position					-	(1,323,401)
Net Position - Beginning of Year, as Restated					<u>1,110,673,582</u>	<u>39,928,912</u>
NET POSITION - END OF YEAR					<u>\$ 1,278,582,770</u>	<u>\$ 51,913,247</u>

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

See accompanying Notes to Basic Financial Statements.

(24)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	Other Capital Projects	Nonvoted Capital Improvements	Other Federal Programs	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 24,439,409	\$ 18,176,029	\$ 5,390,514	\$ -	\$ 15,884,112	\$ 63,890,064
Investments	208,884,525	345,805,989	92,311,184	-	25,745,134	672,746,832
Accounts and Interest Receivable	2,513,563	1,544	-	-	84,027	2,599,134
Due from Other Governmental Agencies	4,595,156	20,532,951	8,279	-	31,948,921	57,085,307
Due from Other Funds	1,454,380	68,624,810	4,374,753	-	38,449,820	112,903,763
Inventories	11,384,066	-	-	-	2,846,550	14,230,616
Prepaid Items	56,124	-	-	-	20,816	76,940
Total Assets	<u>\$ 253,327,223</u>	<u>\$ 453,141,323</u>	<u>\$ 102,084,730</u>	<u>\$ -</u>	<u>\$ 114,979,380</u>	<u>\$ 923,532,656</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 15,141,070	\$ 3,629,905	\$ 62,289	\$ -	\$ 7,170,038	\$ 26,003,302
Construction Contracts and Retainage Payable	117,478	2,443,327	199,649	-	-	2,760,454
Salaries and Wages Payable	43,917,697	-	-	-	45,556	43,963,253
Payroll Deductions and Withholdings	4,778,984	-	-	-	-	4,778,984
Due to Other Funds	20,282,082	52,527,578	12,771,623	-	61,852,118	147,433,401
Due to Other Governmental Agencies	34,686,540	-	-	-	254,727	34,941,267
Sales Tax Payable	253	-	-	-	431	684
Unearned Revenue	-	5,646,770	-	-	3,853,448	9,500,218
Total Liabilities	118,924,104	64,247,580	13,033,561	-	73,176,318	269,381,563
FUND BALANCES						
Nonspendable:						
Inventories	11,384,066	-	-	-	2,846,550	14,230,616
Prepaid Amounts	56,124	-	-	-	20,816	76,940
Restricted:						
Food Services	-	-	-	-	15,091,232	15,091,232
State Required Carryover Programs	44,085,327	-	-	-	-	44,085,327
Debt Service	-	-	-	-	13,362,527	13,362,527
Capital Projects	-	388,893,743	89,051,169	-	10,903,410	488,848,322
Other	7,827,520	-	-	-	-	7,827,520
Assigned:						
Other	7,490,997	-	-	-	-	7,490,997
Unassigned	63,559,085	-	-	-	(421,473)	63,137,612
Total Fund Balances	<u>134,403,119</u>	<u>388,893,743</u>	<u>89,051,169</u>	<u>-</u>	<u>41,803,062</u>	<u>654,151,093</u>
Total Liabilities and Fund Balances	<u>\$ 253,327,223</u>	<u>\$ 453,141,323</u>	<u>\$ 102,084,730</u>	<u>\$ -</u>	<u>\$ 114,979,380</u>	<u>\$ 923,532,656</u>

See accompanying Notes to Basic Financial Statements.

(25)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balances - Governmental Funds \$ 654,151,093

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 1,515,704,721

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. This is the net position in internal funds. 25,860,154

The deferred outflows and deferred inflows related to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions	\$ 116,341,052	
Deferred Outflows Related to OPEB	22,883,215	
Deferred Inflows Related to Pensions	(95,549,160)	
Deferred Inflows Related to OPEB	<u>(11,605,670)</u>	
		32,069,437

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

Bonds Payable	(116,424,000)	
Certificates of Participation Payable	(68,673,000)	
Compensated Absences Payable	(46,144,003)	
Net Pension Liability	(558,593,640)	
Total OPEB Liability	(49,550,029)	
Lease Liability	(55,978,778)	
SBITA Liability	(22,017,919)	
Premiums and Discounts on Debt	<u>(26,000,066)</u>	
		(943,381,435)

Accrued interest on long-term liabilities is not due and payable in the current period and, therefore, is not reported as liabilities in the governmental funds. This is the amount of accrued interest in excess of the matured interest payable recorded in governmental funds.

(5,821,200)

Total Net Position - Governmental Activities \$ 1,278,582,770

See accompanying Notes to Basic Financial Statements.

(26)

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

	General	Other Capital Projects	Nonvoted Capital Improvements	Other Federal Programs	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Local Sources:						
Ad Valorem Taxes	\$ 276,744,551	\$ -	\$ 109,360,582	\$ -	\$ -	\$ 386,105,133
Local Sales Tax	-	83,078,412	-	-	-	83,078,412
Impact Fees	-	111,632,236	-	-	-	111,632,236
Food Services	-	-	-	-	790,962	790,962
Other	28,872,519	13,242,267	3,900,043	-	1,951,723	47,966,552
Total Local Sources	305,617,070	207,952,915	113,260,625	-	2,742,685	629,573,295
State Sources:						
Florida Education Finance Program	609,854,876	-	-	-	-	609,854,876
Categorical Programs	118,887,212	-	-	-	-	118,887,212
Workforce Development	10,267,976	-	-	-	817,291	11,085,267
Food Services	-	-	-	-	802,503	802,503
Charter School Capital Outlay	-	7,630,800	-	-	-	7,630,800
Other	1,492,506	-	-	-	6,438,743	7,931,249
Total State Sources	740,502,570	7,630,800	-	-	8,058,537	756,191,907
Federal Sources:						
Federal Grants Direct	1,401,894	-	-	-	16,692,454	18,094,348
Federal Grants Through State and Local	3,379,606	-	-	-	163,346,353	166,725,959
Food Services	-	-	-	-	73,405,681	73,405,681
Other	-	-	-	-	5,234,108	5,234,108
Total Federal Sources	4,781,500	-	-	-	258,678,596	263,460,096
Total Revenues	1,050,901,140	215,583,715	113,260,625	-	269,479,818	1,649,225,298

See accompanying Notes to Basic Financial Statements.

(27)

SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General	Other Capital Projects	Nonvoted Capital Improvements	Other Federal Programs	Nonmajor Governmental Funds	Total Governmental Funds
EXPENDITURES						
Current:						
Instruction	\$ 729,084,233	\$ -	\$ -	\$ -	\$ 92,447,626	\$ 821,531,859
Student Personnel Services	48,507,560	-	-	-	12,559,747	61,067,307
Instructional Media Services	8,937,445	-	-	-	767,730	9,705,175
Instruction and Curriculum Development Services	13,567,659	-	-	-	14,436,699	28,004,358
Instructional Staff Training Services	7,536,009	-	-	-	22,623,617	30,159,626
Instructional Related Technology	8,275,533	-	-	-	17,854,096	26,129,629
Board	2,733,130	-	-	-	-	2,733,130
General Administration	3,342,992	-	-	-	4,176,740	7,519,732
School Administration	65,478,719	-	-	-	74,044	65,552,763
Noncapitalizable Facilities Acquisition and Construction	15,853,118	5,176,931	951,341	-	5,265,148	27,246,538
Fiscal Services	3,962,617	-	-	-	24,221	3,986,838
Food Services	364,154	-	-	-	81,168,815	81,532,969
Central Services	11,928,486	-	-	-	205,376	12,133,862
Student Transportation Services	67,387,934	-	-	-	2,131,372	69,519,306
Operation of Plant	104,086,598	-	-	-	1,328,323	105,414,921
Maintenance of Plant	32,534,027	-	-	-	858,010	33,392,037
Administrative Technology Services	14,856,751	-	-	-	194,956	15,051,707
Community Services and Other	2,211,995	-	-	-	3,888,852	6,100,847
Debt Service:						
Principal Retirement	6,537,537	-	-	-	46,800,148	53,337,685
Interest	2,711,478	-	-	-	10,183,716	12,895,194
Dues, Fees, and Other	-	-	-	-	20,438	20,438
Capital Outlay:						
Facilities Acquisition and Construction	423,052	65,341,061	4,625	-	7,156,265	72,925,003
Other Capital Outlay	16,349,284	-	404,944	-	3,631,970	20,386,198
Total Expenditures	1,166,670,311	70,517,992	1,360,910	-	327,797,909	1,566,347,122
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(115,769,171)	145,065,723	111,899,715	-	(58,318,091)	82,878,176

See accompanying Notes to Basic Financial Statements.

(28)

SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General	Other Capital Projects	Nonvoted Capital Improvements	Other Federal Programs	Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Leases	\$ 2,079,953	\$ -	\$ -	\$ -	\$ -	\$ 2,079,953
SBITAs	21,766,835	-	-	-	193,800	21,960,635
Transfers In	73,078,128	-	-	-	36,383,494	109,461,622
Transfers Out	(246,507)	(25,790,532)	(83,406,906)	-	(17,677)	(109,461,622)
Total Other Financing Sources and Uses	<u>96,678,409</u>	<u>(25,790,532)</u>	<u>(83,406,906)</u>	<u>-</u>	<u>36,559,617</u>	<u>24,040,588</u>
NET CHANGE IN FUND BALANCES	(19,090,762)	119,275,191	28,492,809	-	(21,758,474)	106,918,764
Fund Balances - Beginning of Year, as Originally Reported	153,493,881	269,618,552	60,558,360	37,887	63,523,649	547,232,329
Adjustments	-	-	-	(37,887)	37,887	-
Fund Balances - Beginning of Year, as Adjusted	<u>153,493,881</u>	<u>269,618,552</u>	<u>60,558,360</u>	<u>-</u>	<u>63,561,536</u>	<u>547,232,329</u>
FUND BALANCES - END OF YEAR	<u>\$ 134,403,119</u>	<u>\$ 388,893,743</u>	<u>\$ 89,051,169</u>	<u>\$ -</u>	<u>\$ 41,803,062</u>	<u>\$ 654,151,093</u>

See accompanying Notes to Basic Financial Statements.

(29)

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

Net Change in Fund Balances - Total Governmental Funds \$ 106,918,764

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 depreciation expense. This is the amount by which capitalized expenditures less than depreciation expense during the current period.

60,498,988

The Statement of Activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs by the book value of assets sold.

(38,351)

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This represents the net long-term debt reduction in excess of other financing sources/uses in governmental funds.

29,330,463

Premiums and discounts on debt issued are reported in the governmental funds in the year debt is issued, but are deferred and amortized over the life of the debt in the Statement of Activities. This is the amount of additions to premiums and discounts, net of amortization during the current period.

7,098,983

In the Statement of Activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current fiscal year.

12,496,335

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

230,955

Some expenses, such as expenses related to other postemployment benefit obligations (OPEB), and other accrued liabilities are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, net of deferred inflows and outflows.

Net Change in OPEB Liability 2,237,749
FRS Pension Expense (38,483,709)
HIS Pension Expense (5,635,490)

(41,881,450)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.

(6,745,499)

Change in Net Position of Governmental Activities \$ 167,909,188

See accompanying Notes to Basic Financial Statements.

(30)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Ad Valorem Taxes	\$ 275,351,862	\$ 275,351,862	\$ 276,744,551	\$ 1,392,689
Other	20,140,458	20,140,458	28,872,519	8,732,061
Total Local Sources	295,492,320	295,492,320	305,617,070	10,124,750
State Sources:				
Florida Education Finance Program	612,328,962	612,328,962	609,854,876	(2,474,086)
Categorical Programs	119,919,407	119,919,407	118,887,212	(1,032,195)
Workforce Development	10,232,810	10,232,810	10,267,976	35,166
Other	1,223,694	1,223,694	1,492,506	268,812
Total State Sources	743,704,873	743,704,873	740,502,570	(3,202,303)
Federal Sources:				
Federal Direct	1,133,823	1,133,823	1,401,894	268,071
Federal Through State and Local	2,547,541	2,547,541	3,379,606	832,065
Total Federal Sources	3,681,364	3,681,364	4,781,500	1,100,136
Total Revenues	1,042,878,557	1,042,878,557	1,050,901,140	8,022,583
EXPENDITURES				
Current:				
Instruction	778,702,402	778,702,402	729,084,233	49,618,169
Student Personnel Services	52,113,647	52,113,647	48,507,560	3,606,087
Instructional Media Services	9,096,292	9,096,292	8,937,445	158,847
Instruction and Curriculum Development Services	14,568,475	14,568,475	13,567,659	1,000,816
Instruction Staff Training Services	8,696,436	8,696,436	7,536,009	1,160,427
Instruction Related Technology	9,744,240	9,744,240	8,275,533	1,468,707
Board	4,084,879	4,084,879	2,733,130	1,351,749
General Administration	3,393,266	3,393,266	3,342,992	50,274
School Administration	65,620,006	65,620,006	65,478,719	141,287
Noncapitalizable Facilities Acquisition and Construction	26,243,426	26,243,426	15,853,118	10,390,308
Fiscal Services	4,056,158	4,056,158	3,962,617	93,541
Food Service	389,355	389,355	364,154	25,201
Central Services	15,577,061	15,577,061	11,928,486	3,648,575
Student Transportation	79,908,389	79,908,389	67,387,934	12,520,455
Operation of Plant	104,528,545	104,528,545	104,086,598	441,947
Maintenance of Plant	35,862,686	35,862,686	32,534,027	3,328,659
Administrative Technology Services	25,338,281	25,338,281	14,856,751	10,481,530
Community Services	2,374,886	2,374,886	2,211,995	162,891
Debt Service:				
Principal Retirement	-	-	6,537,537	(6,537,537)
Interest	-	-	2,711,478	(2,711,478)
Capital Outlay:				
Facilities Acquisition and Construction	704,311	704,311	423,052	281,259
Other Capital Outlay	14,062,931	14,062,931	16,349,284	(2,286,353)
Total Expenditures	1,255,065,672	1,255,065,672	1,166,670,311	88,395,361
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(212,187,115)	(212,187,115)	(115,769,171)	96,417,944
OTHER FINANCING SOURCES (USES)				
Leases	-	-	2,079,953	2,079,953
SBITAs	-	-	21,766,835	21,766,835
Transfers In	-	-	73,078,128	73,078,128
Transfers Out	-	-	(246,507)	(246,507)
Total Other Financing Sources and Uses	-	-	96,678,409	96,678,409
NET CHANGE IN FUND BALANCES	(212,187,115)	(212,187,115)	(19,090,762)	193,096,353
Fund Balances - Beginning of Year	153,493,881	153,493,881	153,493,881	-
FUND BALANCES - END OF YEAR	<u>\$ (58,693,234)</u>	<u>\$ (58,693,234)</u>	<u>\$ 134,403,119</u>	<u>\$ 193,096,353</u>

See accompanying Notes to Basic Financial Statements.

(31)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 6,461,355
Investments	15,485,244
Accounts Receivable	1,415,037
Due from Other Funds	53,583,070
Total Current Assets	<u>76,944,706</u>
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	1,481,474
Total Noncurrent Assets	<u>1,481,474</u>
Total Assets	78,426,180
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,168,471
Payroll Deductions and Withholdings	179,233
Due to Other Agencies	1,490
Due to Other Funds	19,053,432
Estimated Liability for Claims	11,530,458
Total Current Liabilities	<u>32,933,084</u>
Noncurrent Liabilities:	
Estimated Liability for Claims	19,632,942
Total Noncurrent Liabilities	<u>19,632,942</u>
Total Liabilities	52,566,026
NET POSITION	
Net Investment in Capital Assets	1,481,474
Unrestricted	24,378,680
Total Net Position	<u>\$ 25,860,154</u>

See accompanying Notes to Basic Financial Statements.

(32)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenue from Other Funds	\$ 154,897,818
Other Revenue	280,633
Total Operating Revenues	<u>155,178,451</u>
OPERATING EXPENSES	
Salaries	502,053
Benefits	236,861
Purchased Services	3,135,333
Energy Services	22,624
Materials and Supplies	151,195
Depreciation	30,578
Claims	159,986,597
Total Operating Expenses	<u>164,065,241</u>
OPERATING LOSS	(8,886,790)
NONOPERATING REVENUE (EXPENSES)	
Interest Revenue	1,327,377
Interest Expense	(2,652)
Loss Recoveries	785,988
Total Nonoperating Revenue	<u>2,110,713</u>
INCOME (LOSS) BEFORE TRANSFERS	(6,776,077)
Transfers In	730,408
Transfers Out	<u>(730,408)</u>
CHANGE IN NET POSITION	(6,776,077)
Net Position - Beginning of Year	<u>32,636,231</u>
NET POSITION - END OF YEAR	<u>\$ 25,860,154</u>

See accompanying Notes to Basic Financial Statements.

(33)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Interfund Services Provided	\$ 148,624,112
Payment to Suppliers	(3,309,152)
Payment/Premium to Employees	(744,281)
Payments for Interfund Services Used	(168,311,812)
Other Receipts (Payments)	280,633
Net Cash Provided (Used) by Operating Activities	<u>(23,460,500)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers from Other Funds	730,408
Transfers to Other Funds	(730,408)
Loss Recoveries	785,988
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>785,988</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases (Sales) of Investments	19,362,946
Interest and Dividends Earned on Investments	1,324,725
Net Cash Provided (Used) by Investing Activities	<u>20,687,671</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,986,841)
Cash and Cash Equivalents - Beginning of Year	<u>8,448,196</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 6,461,355</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (8,886,790)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation Expense	30,578
Change in Assets and Liabilities:	
Accounts Receivable	(494,068)
Due from Other Funds	(33,583,070)
Increase (Decrease) in Payroll Tax Liabilities	
Accounts Payable	(10,761,285)
Due to Other Funds	19,053,432
Payroll Deductions and Withholdings	(5,367)
Due to Other Agencies	1,490
Estimated Liability for Claims	11,184,580
Total Adjustments	<u>(14,573,710)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (23,460,500)</u></u>

See accompanying Notes to Basic Financial Statements.

(34)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025**

	Custodial Fund
ASSETS	
Cash	\$ 6,511,119
Investments	8,537,039
Accounts Receivable	78,721
Inventory	<u>730,303</u>
Total Assets	<u><u>\$ 15,857,182</u></u>
LIABILITIES	
Accounts Payable	\$ 306,640
Due to Other Funds	<u>453,291</u>
Total liabilities	759,931
NET POSITION	
Restricted for Individuals and Organizations	<u>15,097,251</u>
Total Liabilities and Net Position	<u><u>\$ 15,857,182</u></u>

See accompanying Notes to Basic Financial Statements.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Custodial Fund
ADDITIONS	
Student Group Collections	\$ 15,236,799
Investment Earnings	464,985
Total Additions	<u>15,701,784</u>
DEDUCTIONS	
Student Group Disbursements	<u>14,031,265</u>
Total Deductions	<u>14,031,265</u>
CHANGE IN NET POSITION	1,670,519
Net Position - Beginning of Year	<u>13,426,732</u>
NET POSITION - END OF YEAR	<u><u>\$ 15,097,251</u></u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Polk County District School Board has direct responsibility for the operation, control, and supervision of District Schools and is considered a primary government for financial reporting. The School Board of Polk County, Florida (District) is considered part of the Florida system of public education.

The governing body of the District is the Polk County District School Board, which is comprised of seven elected members. The appointed Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Polk County, Florida.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. 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 primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Based on the application of these criteria, the following component units are included within the District School Board's entity:

Blended Component Unit

The Financing Corporation for the School Board of Polk County, Florida (Financing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in a subsequent note on certificates of participation. Since the Financing Corporation provides its services entirely for the benefit of the District and the Financing Corporation and the District have the same board of directors, the financial activities of the Financing Corporation are included in the accompanying basic financial statements as a blended component unit. Separate financial statements for the Financing Corporation are not published.

Discretely Presented Component Units

The Polk Education Foundation and the Business Partnership, Inc. (Foundation) is a separate nonprofit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, and administer property and to make expenditures for the benefit of students within the District as well as the District itself. The Foundation is a component unit of the District because it would be misleading to exclude the Foundation due to its operational and inter-relationships with the District. An audit of the Foundation's financial statements is conducted by independent certified public accountants and is filed in the District's administrative office.

See accompanying Notes to Basic Financial Statements.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Complete financial statements of the Foundation can be obtained from their administrative office at:

Polk Education Foundation
1530 Shumate Drive
Bartow, Florida 33830

Charter Schools

Charter Schools are separate, nonprofit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. Each Charter School operates under a charter approved by its sponsor, the Polk County District School Board. The District used guidance provided by the Florida Department of Education for inclusion of the charter schools in the District's reporting entity, in part due to exclusion being considered misleading. In addition, they create a financial burden on the District because the charter schools' full time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools. An audit of each Charter School for the fiscal year ended June 30, 2025 is required and is filed at the District's administrative office.

Complete audited financial statements of the individual charter schools can be obtained from their administrative offices. These schools include:

Berkley Accelerated Middle 5316 Berkley Road Auburndale, FL 33823	Edward W. Bok Academy South 13895 HWY 27 Lake Wales, FL 33853
Berkley Elementary Charter School 5240 Berkley Road Auburndale, FL 33823	Edward W. Bok Academy North 130 E. Central Ave. Lake Wales, FL 33853
BridgePrep Academy Polk 2045 Florence Villa Grove Road Davenport, FL 33897	Hartridge Academy 1400 HWY 92 W. Winter Haven, FL 33881
Compass Charter Middle School 550 E. Clower Street Bartow, FL 33830	Hillcrest Elementary 1051 State Road 60 E Lake Wales, FL 33853
Cypress Junction Montessori 220 5th Street SW Winter Haven, FL 33880	Janie Howard Wilson Elementary 130 E. Central Ave. Lake Wales, FL 33853

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Charter Schools

Dale R. Fair Babson Park Elementary 130 E. Central Ave. Lake Wales, FL 33853	Lake Wales High School 130 E. Central Ave. Lake Wales, FL 33853
Discovery Academy of Lake Alfred 1000 Buena Vista Drive Lake Alfred, FL 33850	RCMA Mulberry Community Academy 4441 Academy Drive Mulberry, FL 33860
Discovery High School 1000 Buena Vista Drive Lake Alfred, FL 33850	Lakeland Montessori Schoolhouse 1124 N Lake Parker Avenue Lakeland, FL 33805
Language and Literacy Academy for Learning 330 Avenue C South East Winter Haven, FL 33880	IDEA Public Schools - Lakeland Academy 1775 Interstate Dr. Lakeland, FL 33805
Magnolia Montessori Academy 815 S. Central Avenue Lakeland, FL 33815	New Beginnings High School 250 Magnolia Ave, Suite 200 Winter Haven, FL 33880
Mater Academy Davenport 318 Ronald Reagan Parkway Davenport, FL 33896	Polk Avenue Elementary 130 E. Central Ave. Lake Wales, FL 33853
The Schools of McKeel Academy, Inc. 303 E. Peachtree Street Lakeland, FL 33801	Ridgeview Global Studies Academy 1000 Dunson Road Davenport, FL 33896
Navigator Academy of Leadership 495 Holly Hill Road Davenport, FL 33837	Victory Ridge Academy 501 Burns Avenue Winter Haven, FL 33853
Mi Escuela Montessori 6129 Bartow Road Lakeland, FL 33812	Achievement Academy, Inc. 716 E Bella Vista Street Lakeland, FL 33805
PSC Chain of Lakes Collegiate High School 999 Avenue H NE Winter Haven, FL 33884	Achievement Academy Charter School 716 E Bella Vista Street Lakeland, FL 33805
PSC Lakeland Collegiate High School 3425 Winter Lake Road Lakeland, FL 33803	PSC Lakeland Gateway to College High School 3425 Winter Lake Road Lakeland, FL 33803

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-Wide Financial Statements

Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units. The statements distinguish between governmental activities of the District and those that are considered business-type activities.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and are, thereby, clearly identifiable to a particular function or segment. 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 meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions.

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

Fund Financial Statements

Governmental fund financial statements are prepared using the current financial resources measurement focus, whereas, the proprietary and fiduciary fund financial statements are prepared using the economic resources measurement focus. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major governmental funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

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

Other Capital Projects Fund – accounts for and reports on other miscellaneous funds from various sources used for capital outlay as follows: Proceeds from Certificates of Participation Bonds; Sales Tax Revenues; Sales Tax Bond Proceeds; Land Sale Proceeds; Impact Fee Revenue; State Class Size Reduction Funds; State Classroom First Lottery Bond Proceeds; State SIT Awards; and Charter School Capital Outlay.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Nonvoted Capital Improvement Fund (LCI) – Accounts for the funding generated by the Board's local property tax with a millage rate of 1.50. The funding generated from LCI can be used for a number of capital related expenditures, to include renovations, maintenance and repair, school bus replacements, school technology and other equipment, property insurance premiums on facilities, and debt service related to capital projects.

Additionally, the District reports the following fund types:

Internal Service Funds – accounts for the self-insured programs for employee group health, casualty, liability, and workers' compensation coverage for the District.

Custodial Funds – accounts for resources held by the schools, which are collected for and used by student and school athletic, class, and club activities.

Basis of Accounting

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

The government-wide financial statements are prepared using the accrual basis of accounting, as are the internal service and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues 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.

Governmental fund financial statements are prepared using 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.

Property taxes, interest and certain general fund program grants associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditures are made, provided receipt of funds is considered available.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized as expenditures when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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 funds' principal ongoing operations. The major operating revenues of the District's internal service funds are from charges for employee health insurance premiums.

The major operating expenses for the internal service funds include administrative expenses, claims and insurance premiums for excess coverage. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and the unrestricted resources as they are needed.

The Foundation and Charter schools, shown as discretely presented component units, are presented under the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Deposits and Investments

Banks qualified as public depositories under State of Florida (State) law hold cash deposits. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The Annual Comprehensive Financial Report (ACFR) considers cash as those accounts used as demand deposit accounts. In addition, the statement of cash flows for proprietary funds considers as cash and cash equivalents those accounts used as demand deposit accounts, all highly liquid investments with an original maturity of three months or less, and cash held by fiscal agents.

The District invests in money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at amortized cost.

The District also has investment management agreements with the Florida Fixed Income Trust, the Florida Public Assets for Liquidity Management (FL PALM) and the Florida Cooperative Liquid Assets Security Systems (FLCLASS), which are reported at net asset value. Investments made locally consist of debt securities, United States Treasury Securities, Federal notes and Corporate Notes which are reported at fair value.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (Continued)

The District categorizes its fair value measurements with the fair value hierarchy established in accordance with generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Types and amounts of investment held at fiscal year-end are described in a subsequent note.

Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds" in the fund financial statements.

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption in the course of District operations. All inventories are stated on a moving-average basis except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used (consumption method), rather than when purchased. Prepaid items consist of payment of items which will benefit future accounting periods and are recognized when incurred (purchase method), such as property insurance.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of one year or more.

Such assets, except land acquired prior to 1977 and buildings and fixed equipment acquired prior to 1976, are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated acquisition value at the date of donation.

The value of land acquired prior to 1977 is reported at the assessed value recorded by the Polk County Property Appraiser as of March 10, 1977. Buildings and fixed equipment acquired prior to 1976 are reported at replacement cost at June 30, 1976, as determined for insurance purposes at that time.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other than Buildings	20 Years
Buildings and Fixed Equipment	50 Years
Furniture, Fixtures, and Equipment	5 – 7 Years
Motor Vehicles	10 Years
Audio Visual Material and Computer Software	3 – 5 Years

Leases

Lessee Arrangements

The District determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District recognized payments for short-term leases with a lease term of 12 month or less as expenses are incurred, and these leases are not included as lease liabilities or right-of-use lease assets in the statement of net position.

Significant lease terms are disclosed in Note 9.

The District accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for a lease and nonlease components, and it is impractical to estimate the price of such components, the District treats the component as a single lease unit.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lessor Arrangements

The District determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position and fund financial statements.

Lease receivables represent the District's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner of the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The District recognized payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position and fund financial statements.

Significant lease terms are disclosed in Note 9.

The District accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the District treats the components as a single lease unit.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based Information Technology Arrangements (SBITAs)

The District determines if an arrangement is a SBITA at inception. SBITAs are included in SBITA assets and SBITA liabilities in the statements of net position.

SBITA assets represent the District's control of the right to use an underlying subscription asset for the term, as specified in the contract, in an exchange or exchange-like transaction. SBITA assets are recognized as the commencement date based on the initial measurement of the SBITA liability, plus any payments made at or before the commencement of the SBITA term and certain direct costs. SBITA assets are amortized in a systematic and rational manner over the shorter of the term or the useful life of the underlying asset.

SBITA liabilities represent the District's obligation to make SBITA payments arising from the subscription. SBITA liabilities are recognized at the commencement date based on the present value of expected payments over the term, less any incentives. Interest expense is recognized ratably over the contract term.

The term may include options to extend or terminate when it is reasonably certain that the District will exercise that option.

The District recognized payments for short-term SBITAs with a term of 12 month or less as expenses are incurred, and these are not included as SBITA liabilities or right-of-use SBITA assets in the statement of net position.

Significant SBITA terms are disclosed in Note 10.

The District accounts for contracts containing both SBITA and nonSBITA components as separate contracts when possible. In cases where the contract does not provide separate price information for a SBITA and nonSBITA components, and it is impractical to estimate the price of such components, the District treats the component as a single SBITA unit.

Deferred Outflows/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 therefore will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category. They are pensions and other postemployment benefits (OPEB), reported in the government-wide statement of net position and discussed in subsequent notes.

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 therefore will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. They are accumulated increases in pensions, OPEB and leases.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds and are reported as liabilities in the government-wide statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond payables are reported net of the applicable bond premium or discount.

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

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 has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave..

Changes in long-term liabilities for the current year are reported in a subsequent note.

State Revenue Sources

Revenues from State sources for current operations are primarily from 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 during specified time periods 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.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State Revenue Sources (Continued)

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended on 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 categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the general fund. A portion of the fund balance of the general fund is reserved for the unexpended balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay (PECO) money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. A schedule of revenue from State sources for the current year is presented in a subsequent note.

Property Taxes – Revenue Recognition

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

Property taxes consist of ad-valorem taxes on real and personal property within the District. The Polk County Property Appraiser determines property values and property taxes are collected by the Polk County Tax Collector.

The District adopted the 2023 tax levy on September 5, 2023. Taxes become an enforceable lien on property as of January 1; 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 four percent for early payment.

Taxes become delinquent on April 1 of the year following the year of assessment and 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 the June 30 fiscal year-end.

Property tax revenue is recognized when the District receives taxes; however, revenue is accrued for taxes collected by the Polk County Tax Collector at fiscal year-end but not yet remitted to the District. Because of any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded.

Millages and taxes levied for the current year are presented in a subsequent note.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 grantor 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.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the report amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from these estimates.

Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's 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. The District's retirement plans and related amounts are described in a subsequent note.

Other Postemployment Benefits

The District administers and contributes to a single-employer defined-benefit healthcare plan. The postretirement benefits are funded on a pay-as-you-go basis (i.e. the District funds on a cash basis as benefits are paid). The District follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Adoption of New Accounting Standards

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The effect of the implementation of this standard is shown in Note 11.

SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 DIFFERENCES BETWEEN GOVERNMENT-WIDE FINANCIAL STATEMENTS AND GOVERNMENTAL FUND STATEMENTS

The governmental funds balance sheet includes a reconciliation between total fund balances-governmental funds and total net position-governmental activities reported on the statement of net position. One element of that reconciliation explains "Long-term liabilities are not due and payables in the current period and, therefore, are not reported as liabilities in the governmental funds".

The details of this \$943,381,435 difference are as follows:

Bonds Payable	\$ 116,424,000
Certificates of Participation, Net of Discount, and Deferred Amount	94,673,066
Compensated Absences Payable	46,144,003
Net Pension Liability	558,593,640
Other Postemployment Benefits	49,550,029
Lease Liability	55,978,778
SBITA Liability	<u>22,017,919</u>
Net Adjustment to Reduce Total Fund Balances - Total Governmental Funds to Total Net Position - Governmental Activities	<u><u>\$ 943,381,435</u></u>

NOTE 3 BUDGETARY COMPLIANCE ACCOUNTABILITY

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each function (e.g., instruction, pupil 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.
- 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.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 BUDGETARY COMPLIANCE ACCOUNTABILITY (CONTINUED)

- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund-function level. The School Board made several supplemental budgetary appropriations throughout the year. Supplemental budgetary appropriations are presented in budget and actual comparison statements by original budget and final budget amounts.

NOTE 4 INVESTMENTS

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

Investment	Average Maturity	Fair Value	Valuation Measurement Method/Level
Money Market Funds:			
JP Morgan Prime Money Market Portfolio Class I (Held by Wells Fargo)	42 Days	\$ 1,192,653	Amortized Costs
Federated Prime Cash Obligations Money Market Fund (Held by Fifth Third Bank)	37 Days	4,154,773	Amortized Costs
Wells Fargo Heritage Money Market Fund	40 Days	1,145,618	Amortized Costs
First American Money Market	No Maturity	36,482	Amortized Costs
Synovus Money Markets	No Maturity	<u>7,328</u>	Amortized Costs
Total Money Market Funds		6,536,854	
Other Investments:			
Florida Public Assets for Liquidity Management (FL PALM)	44 Days	21,099,219	Net Asset Value
FL Cooperative Liquid Assets Security Systems (FLCLASS)	37 Days	63,557,464	Net Asset Value
Florida Fixed Income Trust-Cash Pool	85 Days	291,415,597	Net Asset Value
Ultra-Short Income Portfolio (Held by Morgan Stanley)	88 Days	44,206,447	Net Asset Value
Florida Fixed Income - Choice Pool	72 Days	26,524,523	Net Asset Value
Florida Fixed Income - Enhanced Cash Pool	359 Days	<u>94,114,952</u>	Net Asset Value
Total Other Investments		540,918,202	
United States Treasury Notes	2 to 7 Years	59,683,614	Fair Value Level 2
Federal Agency Notes - Various	3 to 4 Years	5,746,930	Fair Value Level 2
Corporate Notes - Various	2 to 10 Years	<u>83,883,515</u>	Fair Value Level 2
Total		<u>149,314,059</u>	
Total Investments		<u><u>\$ 696,769,115</u></u>	

Investments are reflected in the financial statements as follows:

Governmental Funds	\$ 672,746,832
Internal Service Funds	<u>15,485,244</u>
Governmental Activities	688,232,076
Fiduciary Funds	<u>8,537,039</u>
Total	<u><u>\$ 696,769,115</u></u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 INVESTMENTS (CONTINUED)

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified under the net asset value (NAV) classification include the Intergovernmental investment pool funds, which are held with FL PALM, FLCLASS, and Florida Fixed Income Trust pools, which are valued using a NAV of \$1.00 per share. These funds have no unfunded commitments and allows unlimited daily redemption and investments with a 1-day minimum holding period. These funds have investments in negotiable certificate of deposits, commercial paper, repurchase agreements, certificate of deposit – FHLB LOC, Federal Agencies, Municipal Bonds, Corporate Notes, and U.S. Treasury Notes.

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 investments to a maximum of five years, unless specifically matched with cash flow needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District has a formal investment policy as authorized by Section 218.415, Florida Statutes, that generally limits investments to a maximum of five years, but which allows investments to exceed five years when there is opportunity to achieve a greater return and/or the average life is expected to be less.

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 investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a secured vault. The District does not have a formal investment policy that addresses custodial credit risk.

The District has \$83.9 million of underlying securities in corporate notes that are held by the investment's counterparty, not in the name of the District.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the SBA's Florida Prime, or any other intergovernmental investment pool authorized pursuant to the Florida inter-local Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

The District's investment policy allows for investments in certificates of deposit, time deposits, United States Government Securities, United States Government Agency Securities, United States Government Enterprises and Instrumentalities Securities, money market funds that are rated "AAAm" or better by Standard & Poor's (S&P) or the equivalent by another rating agency, and other forms of authorized investments described in the Florida Statutes.

As of June 30, 2025, the District's investment in United States Treasury Notes and Federal Agency Notes are rated AA+ by S&P and Aa1 by Moody's. The Trust Fund Investment U.S. Bank United States Treasury notes was rated Aa1 by Moody's.

As of June 30, 2025, the Ultra Short Income Portfolio Class I Bond Fund held by Morgan Stanley was rated AAAf/S1 by Fitch. JP Morgan Prime Money Market Portfolio Class I, held by Wells Fargo Securities, was rated AAAm by S&P. The Florida Cooperative Liquid Assets Security System (FLCLASS) and the Florida Public Assets for Liquidity Management (FL PALM), which is an intergovernmental Investment Pool, was rated AAAm by S&P. The Federated Prime Cash Obligation Money Market, held by Fifth Third Bank, was rated AAAm by S&P and the Florida Fixed Income Trust, which is an inter-local governmental agreement in the Cash Pool and an Enhanced Cash Pool was rated AAAf/S1 by Fitch.

As of June 30, 2025, the District's investment in various corporate notes was by S&P between A+ and BBB+ and by Moody's between A1 and A3.

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 is not at risk for the corporate notes held by the District, which represent 12.0% of total investments. The remainder of the investments are issued or explicitly guaranteed by the United States Government or are in mutual funds, external investment pool, other pooled investments or are less than five percent of total investments, which do not require disclosure for concentration credit risk.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 INVESTMENTS (CONTINUED)

Foreign Currency Risk

The District has no exposure to foreign currency.

The District's investment policy does not permit investment in foreign currency.

NOTE 5 ACCOUNTS RECEIVABLE

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivables are considered to be fully collectible with no allowance for potentially uncollectible receivables.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 111,924,782	\$ -	\$ -	\$ 111,924,782
Construction in Progress	58,996,529	65,646,270	(2,217,577)	122,425,222
Total Capital Assets, Not Being Depreciated	170,921,311	65,646,270	(2,217,577)	234,350,004
Capital Assets, Being Depreciated:				
Improvements Other than Buildings	63,141,410	3,101,842	-	66,243,252
Buildings and Fixed Equipment	2,000,404,485	8,924,324	-	2,009,328,809
Furniture, Fixtures, and Equipment	48,447,877	1,664,431	(168,784)	49,943,524
Motor Vehicles	102,817,868	11,885,053	-	114,702,921
Audio Visual Materials and Computer Software	10,123,645	144,000	(293,850)	9,973,795
Total Capital Assets, Being Depreciated	2,224,935,285	25,719,650	(462,634)	2,250,192,301
Less Accumulated Depreciation For:				
Improvements Other than Buildings	49,344,349	1,531,421	-	50,875,770
Buildings and Fixed Equipment	835,133,172	37,253,688	-	872,386,860
Furniture, Fixtures, and Equipment	30,763,595	3,768,444	(133,737)	34,398,302
Motor Vehicles	73,560,547	5,849,023	-	79,409,570
Audio Visual Materials and Computer Software	10,053,288	34,839	(290,546)	9,797,581
Total Accumulated Depreciation	998,854,951	48,437,315	(424,283)	1,046,867,983
Total Capital Assets Being Depreciated, Net	1,226,080,334	(22,717,665)	(38,351)	1,203,324,318
Right to Use Lease Assets:				
Buildings	57,599,656	2,079,953	-	59,679,609
Equipment	317,712	-	-	317,712
Total Right to Use Lease Assets	57,917,368	2,079,953	-	59,997,321
Less Accumulated Amortization For:				
Buildings	3,842,919	1,494,848	-	5,337,767
Equipment	259,539	58,173	-	317,712
Total Accumulated Amortization	4,102,458	1,553,021	-	5,655,479
Total Right to Use Lease Assets, Net	53,814,910	526,932	-	54,341,842
Subscription Based Information Technology Arrangement Assets				
Subscription Based Information Technology Arrangements	17,623,477	21,960,635	(4,373,457)	35,210,655
Less Accumulated Amortization For:				
Subscription Based Information Technology Arrangements	11,714,474	2,699,607	(4,373,457)	10,040,624
Total Subscription Based Information Technology Arrangement Assets, Net	5,909,003	19,261,028	-	25,170,031
Governmental Activities Capital Assets, Net	<u>\$1,456,725,558</u>	<u>\$ 62,716,565</u>	<u>\$ (2,255,928)</u>	<u>\$1,517,186,195</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 CHANGES IN CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions as follows:

Instructional	\$ 26,210,524
Student Personnel Services	1,980,624
Media Services	316,770
Curriculum Development	651,370
Instructional Training	907,000
Instructional Technology Support	3,728,957
Board	83,865
General Administration	465,980
School Administration	1,822,676
Facilities and Construction	1,861,343
Fiscal Services	122,919
Food Services	2,333,701
Central Services	5,228,012
Student Transportation	1,827,031
Operation of Plant	3,107,091
Maintenance of Plant	1,206,590
Administrative Technology Support	267,360
Community Services	138,178
Unallocated	429,952
Total Depreciation and Amortization Expense	<u>\$ 52,689,943</u>

NOTE 7 CERTIFICATES OF PARTICIPATION

The Certificates of Participation (COPS or Certificates) are instruments issued to finance lease purchase agreements in accordance with Section 235.056, Florida Statutes. US Bank, N.A. is the trustee for the certificates and makes all interest, principal, and fee payments, invest idle funds, and complies with the requirements for the issue documents. The certificates mature serially and the debt service is funded by transfers from Capital Improvement Fund (Section 236.25). The following is a description of the COPS:

Series 2010C-QSCB/COPS

The District entered into a financing arrangement on November 22, 2010, which was characterized as a lease-purchase agreement in the form of Qualified School Construction Bonds, with the Financing Corporation for the School Board of Polk County, Florida. The financing was accomplished through the issuance of COPS, Series 2010C, totaling \$21,223,000, to be repaid from the proceeds of rents paid by the District.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CERTIFICATES OF PARTICIPATION (CONTINUED)

Series 2010C-QSCB/COPS (Continued)

The District has elected to receive a refundable credit from the United States Department of Treasury in accordance with Section 6431(f) of the Internal Revenue Code of 1986, as amended, equal to the lesser of the amount of interest payable with respect to the Certificates on such date or the amount of interest which would have been payable with respect to the Certificates on such date if such interest were determined at the tax credit rate set by the Department of Treasury on November 18, 2010 (5.49%) exceeds the interest rate on the Certificates (5.38%), the interest rate applicable to the Certificates is the maximum allowable interest rate credit, which will be paid to the District with respect to the Certificates (the Subsidy Payments).

As a condition of the 2010 financing arrangement, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. The initial term of the lease is for the period commencing on November 1, 2010 and ending on the earlier of: (a) the date on which the Series 2010C Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) November 1, 2029 (both dates inclusive). 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 make accelerated payments or 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 arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

The District properties included in the ground lease under this arrangement include land on which the Series 2010C Project is located. The Series 2010C Project was for the construction of the Freshman Academy at Winter Haven High School Master Plan Phase II.

The lease payments are payable by the District into a sinking fund on an annual basis, and interest at a rate of 2.75% is paid quarterly. Sinking fund proceeds are invested and accumulate over the life of the bonds, ending up in a lump sum repayment to the bondholders at bond maturity. The interest earnings of the sinking fund are estimated. Therefore, the final principal payment will be adjusted as required based upon final interest earned. Bondholders earn federal tax credits in lieu of interest.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CERTIFICATES OF PARTICIPATION (CONTINUED)

Series 2010C-QSCB/COPS (Continued)

The following is a schedule of required sinking fund deposits and estimated earnings to accumulate through maturity in the sinking fund:

Payment Due Date (FY)	Principal	Interest Earned Sinking Fund	Estimated Sinking Fund Balance
2012	\$ 1,117,000	\$ 11,434	\$ 1,128,434
2013	1,093,040	37,323	2,258,797
2014	1,067,130	62,269	3,388,196
2015	1,041,777	87,071	4,517,044
2016	1,017,539	112,411	5,646,994
2017	992,673	136,725	6,776,392
2018	967,390	162,009	7,905,791
2019	942,455	186,944	9,035,190
2020	917,520	211,879	10,164,589
2021	891,958	238,130	11,294,677
2022	868,346	261,121	12,424,144
2023	842,715	285,926	13,552,785
2024	817,780	311,619	14,682,184
2025	792,845	336,554	15,811,583
2026	765,959	361,373	16,938,915
2027	744,019	388,548	18,071,482
2028	719,154	409,143	19,199,779
2029	693,104	436,294	20,329,177
2030	669,423	224,400	21,223,000
Total	<u>\$ 16,961,827</u>	<u>\$ 4,261,173</u>	<u>\$ 21,223,000</u>

Series 2019A

The District entered into a refunding arrangement on February 3, 2020, to advance refund the COPS Series 2015A (formally Series 2012A, 2009A, and 2003A). The refunding was accomplished through the issuance of COPS, Series 2019A, totaling \$45,845,547, to be repaid from the proceeds of rents paid by the District.

As a condition of the 2019A financing arrangement, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. The initial term of the lease is for the period commencing on February 3, 2020 and ending on the earlier of: (a) the date on which the Series 2019A Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) January 1, 2028 (both dates inclusive). The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CERTIFICATES OF PARTICIPATION (CONTINUED)

Series 2019A (Continued)

If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to make accelerated payments or 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 arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

The District properties included in the ground lease under this arrangement include land on which the original Series 2003A Projects are located. The following five schools are in this arrangement: Chain of Lakes Elementary, Ridge Community High School, Sandhill Elementary Classroom Addition, Ridgeview Elementary Classroom Addition, and Haines City High School Administrative Suite/Media Center.

The net proceeds of the Series 2019A Certificates were used to currently refund the Series 2015A Certificates.

The Series 2019A Certificates include serial certificates maturing through 2028 and term certificates maturing in 2028. The lease payments on the Series 2019A Certificates are payable by the District, annually, on January 1. The lease payments are payable by the District, monthly, at an interest rate of 4.565%.

Series 2019B

The District entered into a refunding arrangement on February 3, 2020, to advance refund the COPS Series 2015B (formerly known as 2010D, and 2001A). The refunding was accomplished through the issuance of COPS, Series 2019B, totaling \$41,968,119, to be repaid by the proceeds of rents paid by the District.

As a condition of the 2019B financing arrangement, the District has given a ground lease on District property to the Financing Corporation, with a rental fee of \$10 per year. The initial term of the lease is for the period commencing on February 3, 2020 and ending on the earlier of: (a) the date on which the Series 2019B Certificates and all other amounts due in respect of the Trust Agreement or the Lease Agreement have been paid in full or (b) January 1, 2026 (both dates inclusive). 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 make accelerated payments or 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 arrangement, which may be up to approximately 25 years from the date of inception of the arrangement.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 CERTIFICATES OF PARTICIPATION (CONTINUED)

Series 2019B (Continued)

The District properties included in the ground lease under this arrangement include land on which the original Series 2001A projects are located. The following ten schools are in this arrangement: Elementary Schools E & F (N.E. Roberts Elementary and R. Bruce Wagner Elementary), Auditorium Lake Gibson High School, Homer K. Addair Academy (formerly known as the Lake Alfred Career Development Academy), Classroom Wing Jewett Elementary, Agri Science Center/Gym Auburndale Senior High, New Cafeteria/Remodel Bartow Senior & Haines City High Schools, Administration Building, Kathleen Elementary, and Quad Classroom Lewis Elementary.

The net proceeds of the 2019B Certificates were used to currently refund the Series 2015B Certificates.

The Lease payments are payable by the District, monthly, on the first (1st) day each month, at an interest rate of 5.49%.

The following is a summary of Certificates of Participation payable:

	Balance at June 30, 2025
COPS from Direct Borrowings of Debt:	
Series 2019A (Refinances 2015A), \$42,360,000, Issued 2/1/2020	\$ 33,155,000
Series 2019B (Refinances 2015B), \$42,850,000, Issued 2/1/2020	14,295,000
Series 2010C, \$21,223,000, Issued 11/22/2010	21,223,000
Total Certificates of Participation	<u>\$ 68,673,000</u>

The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value minimum lease payments as of June 30, 2025:

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 18,664,298	\$ 15,150,000	\$ 3,514,298
2027	18,421,798	15,665,000	2,756,798
2028	18,608,548	16,635,000	1,973,548
2029	1,141,798	-	1,141,798
2030	21,793,879	21,223,000	570,879
Totals	<u>\$ 78,630,321</u>	<u>\$ 68,673,000</u>	<u>\$ 9,957,321</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 BONDS AND NOTES PAYABLE

The following is a description of debt issues, each of which was derived through public offerings:

State School Bonds

These bonds are issued by the State Board of Education (SBE) on behalf of the District. The bonds mature serially and are secured by a pledge of part of the District's portion of State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these issues. Principal and interest payments, investment of debt service fund resources, and compliance with reserve requirements are administered by the SBE.

Sales Tax Bonds

These bonds are authorized by the Constitution of Laws of the State of Florida, particularly Chapter 1010, Florida Statutes, Chapter 212, Part I, Florida Statutes, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to a Local Option Half-Cent Sales Tax passed by Polk County voters which commenced January 1, 2019 for a period not to exceed fifteen (15) years. Sales tax received for the current year was \$77,180,302. For the fiscal year, the amount of interest on Sales Tax Bonds was \$6,714,000.

If the District fails to make timely payments of the principal or interest on these bonds, or the District shall dissolve or file for bankruptcy, a trustee may be assigned by a vote of at least 25% of the principal holders to apply all pledged funds to the defaulted payment.

The following is a summary of bonds payable at June 30, 2025:

<u>Description</u>	<u>Amount</u>
<u>State School Bonds</u>	
Series 2017-A, \$1,035,000, Issued 04/29/17, This refunds 2006-A, Matures Serially to 01/01/26, Interest Rates Ranging from 3.0% to 5.0%. Payable in Future Annual Installments Ranging from \$46,000 to \$86,000, Semiannual Interest Payments Range from \$2,150 to \$12,950.	\$ 86,000
Series 2019-A, \$2,752,000, Issued 01/27/19, This refunds 2009-A, Matures Serially to 01/01/29, Interest Rate of 5.0%. Payable in Future Annual Installments Ranging from \$173,000 to \$412,000, Semiannual Interest Payments Range from \$10,300 to \$68,800.	1,433,000
Total State School Bonds	1,519,000

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

Sales Tax Bonds (Continued)

<u>Description (Continued)</u>	<u>Amount</u>
<u>Sales Tax Bonds</u>	
Series 2019, \$160,025,000, issued 6/06/19 matures serially to 10/01/33; interest rate is 5.0%; payable in a future annual installments ranging from \$8,165,000 to \$15,395,000, semiannual interest payments ranging \$384,875 to \$4,000,625.	\$ 114,905,000
Total Sales Tax Bonds	114,905,000
Total Bonds Payable	<u>\$ 116,424,000</u>

The various bonds were issued to finance capital outlay projects of the District.

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

State School Bonds

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 462,950	\$ 387,000	\$ 75,950
2027	395,600	339,000	56,600
2028	420,650	381,000	39,650
2029	432,600	412,000	20,600
Total	<u>\$ 1,711,800</u>	<u>\$ 1,519,000</u>	<u>\$ 192,800</u>

Sales Tax Bonds

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 16,165,250	\$ 10,420,000	\$ 5,745,250
2027	16,164,250	10,940,000	5,224,250
2028	16,167,250	11,490,000	4,677,250
2029	16,167,750	12,065,000	4,102,750
2030	16,164,500	12,665,000	3,499,500
2031-2034	64,665,250	57,325,000	7,340,250
Total	<u>\$ 145,494,250</u>	<u>\$ 114,905,000</u>	<u>\$ 30,589,250</u>

State School Bonds	\$ 1,519,000
Sales Tax Bonds	114,905,000
Subtotal Bonds	116,424,000
Plus Unamortized Bond Premium/Discount	22,773,004
Total Bonds Payable	<u>\$ 139,197,004</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LEASES

Lessee Arrangements

The District leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2044.

Total future minimum lease payments under lease agreements are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 2,373,043	\$ 2,228,096	\$ 4,601,139
2027	2,344,345	2,135,945	4,480,290
2028	2,427,977	2,041,531	4,469,508
2029	2,522,117	1,943,219	4,465,336
2030	2,624,596	1,840,740	4,465,336
2021-2035	14,879,581	7,504,140	22,383,721
2036-2040	16,173,087	4,266,509	20,439,596
2041 and Thereafter	12,589,852	772,197	13,362,049
Total Minimum Lease Payments	<u>\$ 55,978,778</u>	<u>\$ 22,732,377</u>	<u>\$ 78,666,975</u>

Right-of-use assets acquired through outstanding leases are shown below, by underlying asset class:

	<u>Governmental Activities</u>
Equipment	\$ 317,712
Buildings	59,679,609
Less: Accumulated Amortization	(5,655,479)
Total	<u>\$ 54,341,842</u>

NOTE 10 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has entered into subscription-based information technology arrangements (SBITAs) for various software and programs. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

The future subscription payments under SBITA agreements are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 4,858,383	\$ 791,759	\$ 5,650,142
2027	5,796,902	588,855	6,385,757
2028	4,717,615	358,735	5,076,350
2029	4,280,560	173,099	4,453,659
2030	2,364,459	27,630	2,392,089
Total Minimum SBITA Payments	<u>\$ 22,017,919</u>	<u>\$ 1,940,078</u>	<u>\$ 23,957,997</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025	Due Within One Year	Due After One Year
Certificates of Participation (COP)	\$ 103,701,000	\$ -	\$ (35,028,000)	\$ 68,673,000	\$ 15,150,000	\$ 53,523,000
COP-Prem/Discount	8,207,209	-	(4,980,147)	3,227,062	818,853	2,408,209
Bonds Payable	126,783,000	-	(10,359,000)	116,424,000	10,807,000	105,617,000
Bonds Payable-Prem/Discount	24,891,840	-	(2,118,836)	22,773,004	3,992,452	18,780,552
Compensated Absences Payable*	58,640,338	-	(12,496,335)	46,144,003	9,274,758	36,869,245
Estimated Liability for Claims	19,978,820	11,184,580	-	31,163,400	11,530,458	19,632,942
Net Pension Liability	624,333,365	-	(65,739,725)	558,593,640	1,036,226	557,557,414
Other Postemployment Benefits	50,005,164	4,170,185	(4,625,320)	49,550,029	2,237,968	47,312,061
Lease Liability	56,826,286	2,079,953	(2,927,461)	55,978,778	2,373,043	53,605,735
Subscription Based Information Technology Arrangements	5,113,874	21,960,635	(5,056,500)	22,017,919	4,858,383	17,159,536
Total	\$ 1,078,480,896	\$ 30,395,353	\$ (143,331,414)	\$ 974,544,835	\$ 62,079,141	\$ 912,465,694

* The Compensated Absences activity is reported as a Net Change pursuant to GASB 101.

For the governmental activities, compensated absences, pension, and postemployment benefits are generally liquidated with resources of the general fund. Estimated insurance claims are generally liquidated with resources of the internal service funds.

NOTE 12 ESTIMATED ARBITRAGE REBATE

The District is not aware of any arbitrage at June 30, 2025.

NOTE 13 DERIVATIVE INSTRUMENTS

All derivative instruments have been terminated as of February 3, 2020.

NOTE 14 FUND BALANCE REPORTING

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered nonspendable. The District does not have any nonspendable funds related to endowments.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 FUND BALANCE REPORTING (CONTINUED)

In addition to the nonspendable fund balance, there is a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted** – fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed** – fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- **Assigned** – fund balances that contain self-imposed constraints of the government to be used for a particular purpose. Assignment may be made only by the governing body.
- **Unassigned** – fund balance of the general fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable

The District has inventories and prepaid items totaling \$14,307,556 that are classified as nonspendable.

Spendable

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. When an expenditure is incurred for purposes for which restricted, committed, assigned, and unassigned resources are available, the District's policy is that expenditures should be applied against restricted resources first, then committed, assigned, and unassigned, respectively. The District currently has no funds classified as committed.

Restricted for State Required Carryover Programs, Special Revenues, Food Service, Debt Service, and Capital Projects

Federal Laws, Florida Statutes, and local ordinances require that certain revenues be specifically designated for the purpose of State required carryover programs, special revenues, debt service, and capital projects. The funds have been included in the restricted category of fund balance. The restricted fund balance totaled \$576.4 million and represents \$48.5 million in State required carryover programs, \$15.1 million in food service, \$13.4 million in debt service, \$488.8 million in capital projects, and \$10.6 million in other restricted revenues.

Assigned for School Operations

The District has set aside certain spendable fund balance for school operations. At year-end, the assigned fund balance is \$6,599,699 for school operations. The assigned fund balance for school operations includes other grants.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 FUND BALANCE REPORTING (CONTINUED)

Spendable (Continued)

Unassigned (Continued)

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The unassigned fund balance for the General Fund is \$57,299,742.

Description	Major			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Nonvoted Capital Improvements	Other Capital Projects		
Fund Balances:					
Nonspendable:					
Inventories	\$ 11,384,066	\$ -	\$ -	\$ 2,846,550	\$ 14,230,616
Prepaids Amounts	56,124	-	-	20,816	76,940
Restricted:					
State Required Carryover	44,085,327	-	-	-	44,085,327
Food Service	-	-	-	15,091,232	15,091,232
Debt Service	-	-	-	13,362,527	13,362,527
Capital Projects	-	89,051,169	388,893,743	10,903,410	488,848,322
Other	7,827,520	-	-	-	7,827,520
Assigned:					
School Operations	7,490,997	-	-	-	7,490,997
Unassigned	63,559,085	-	-	(421,473)	63,137,612
Total Fund Balances	\$ 134,403,119	\$ 89,051,169	\$ 388,893,743	\$ 41,803,062	\$ 654,151,093

On November 12, 2013, the Board established a fiscal planning policy (6210). The policy establishes a targeted operating fund balance of five percent (5%) of the District's projected general fund revenues. On June 26, 2012, the Board approved a resolution (2011/2012-20) that granted authority to and designated the Assistant Superintendent of Business Services (retitled to Associate Superintendent – Chief Financial Officer) to determine fund balance classifications and assignments of amounts to be used for specific purposes. This authority shall remain in effect until modified by Board Action.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Fund	Interfund	
	Receivables	Payables
Major:		
General Fund	\$ 1,454,380	\$ 20,282,082
Capital Projects		
Other Capital Projects	68,624,810	52,527,578
Nonvoted Capital Improvement	4,374,753	12,771,623
Nonmajor:		
Governmental	38,449,820	61,852,118
Internal Service	53,583,070	19,053,432
Total	\$ 166,486,833	\$ 166,486,833

The interfund amounts represent temporary loans to over expenditures incurred prior to reimbursement from outside sources.

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

Fund	Interfund	
	Transfers In	Transfers Out
Major:		
General Fund	\$ 73,078,128	\$ 246,507
Capital Projects		
Other Capital Projects	-	25,790,532
Nonvoted Capital Improvement	-	83,406,906
Nonmajor:		
Governmental	36,383,494	17,677
Internal Service	730,408	730,408
Total	\$ 110,192,030	\$ 110,192,030

The transfers out of the capital projects fund were primarily to provide debt service principal and interest payments, to fund property casualty premiums, and assist in funding repairs and maintenance. The remaining transfers between funds were operational in nature.

NOTE 16 RESERVE FOR 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.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 16 RESERVE FOR ENCUMBRANCES (CONTINUED)

The Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the 2025-2026 fiscal year budget as a result of purchase orders outstanding at June 30, 2025.

The following is a schedule of encumbrances at June 30, 2025:

Major Funds		Nonvoted Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
General	Capital Projects - Other			
\$ 22,362,671	\$ 7,358,677	\$ -	\$ 4,267,865	\$ 33,989,213

NOTE 17 PROPERTY TAXES

The following is a summary of millage and taxes levied on the 2024 tax roll for fiscal year 2024-2025:

	MILLAGES		TAXES	
	Maximum Authorized	Levied	Levied (100%)	Collected
General Fund				
Nonvoted School Tax:				
Required Local Effort	3.048	3.048	\$ 230,306,154	\$ 214,536,701
Discretionary Local Effort	0.748	0.748	56,518,702	52,648,771
Prior Years	-	-	-	9,559,079
Capital Projects Funds				
Nonvoted Tax:				
Local Capital Improvements	1.500	1.500	113,339,643	105,592,691
Prior Years	-	-	-	3,759,612
Total	5.296	5.296	\$ 400,164,499	\$ 386,096,854

Actual current-year property taxes collected totaled 93% of taxes levied. The Polk County Tax Collector is not required by law to make an account to the District of the differences between taxes levied and taxes collected. However, because discounts are allowed for early payment of taxes and because of other reasons for non-collection, the District budget estimates less than a 1% shortfall between taxes levied and taxes collected.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS

Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about the 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 under the defined benefit plan and was amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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

A. FRS Pension Plan

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

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

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 the Plan may include up to four years of credit for military service toward creditable service.

SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)

A. FRS Pension Plan (Continued)

The Plan also includes an early retirement provision, however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The 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 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)

A. FRS Pension Plan (Continued)

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/ Years of Service	Percent Value
Regular Class Members Initially Enrolled Before	
July 1, 2011	
Retirement Up to Age 62 or Up to 30 Years of Service	1.60 %
Retirement Up to Age 63 or Up to 31 Years of Service	1.63
Retirement Up to Age 64 or Up to 32 Years of Service	1.65
Retirement Up to Age 65 or Up to 33 Years of Service	1.68
Regular Class Members Initially Enrolled On or After	
July 1, 2011	
Retirement Up to Age 65 or Up to 33 Years of Service	1.60
Retirement Up to Age 66 or Up to 34 Years of Service	1.63
Retirement Up to Age 67 or Up to 35 Years of Service	1.65
Retirement Up to Age 68 or Up to 36 Years of Service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970 through	
September 30, 1974	2.00
Service On and After October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% 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% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)

A. FRS Pension Plan (Continued)

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. Contribution rates during the 2024-25 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
DROP - Applicable to Members of the Above Classes	0.00	21.13
FRD, Reemployed Retiree	(2)	(2)

Notes:

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also employer rates, other than for DROP, include 0.06 percent for administrative costs of the Investment Plan.

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

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 \$357,306,402 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 2023-2024 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members. At June 30, 2025, the District's proportionate share was 0.923637445%, which was a decrease of 0.078850724% from its proportionate share measured as of June 30, 2024.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)

A. FRS Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$55,618,877 related to the FRS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 36,097,539	\$ -
Changes in Actuarial Assumptions	48,972,109	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	23,748,442
Changes in Proportion and Differences Between the District FRS Contributions and Proportionate Share of Contributions	11,620,002	32,436,375
District FRS Contributions Subsequent to the Measurement Date	9,508,869	-
Total	<u>\$ 106,198,519</u>	<u>\$ 56,184,817</u>

The deferred outflows of resources resulting from District contributions to the Plan subsequent to the measurement date, totaling \$9,508,869, will be recognized as a reduction of the net pension liability in the fiscal 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 Ended June 30,	Amount
2026	\$ (8,715,724)
2027	55,870,219
2028	(2,705,593)
2029	(5,474,516)
2030	1,530,447
Total	<u>\$ 40,504,833</u>

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%
Salary Increases	3.50%, average, including inflation
Discount Rate	6.70%

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)

A. FRS Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The actuarial assumptions used in the June 30, 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 assumption of 6.70 percent used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent. Geometrically combining those building blocks using the formula $(1 + .024) \times (1 + .042) - 1$ generates an expected nominal return of 6.70 percent. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate (Property)	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total Fund	100%			

Assumed Inflation - Mean 2.4% 1.5%

(1) As outlined in the Plan's investment policy.

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The 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 used in the 2024 valuation did not change.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)

A. FRS Pension Plan (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to the 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%, 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%) or 1-percentage-point higher (7.7%) than the current rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
District's Proportionate Share of the FRS Plan Net Pension Liability	\$ 628,489,450	\$ 357,306,402	\$ 130,133,080

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Payable to the Pension Plan

The District reported a payable of \$205,053 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2025.

B. HIS Pension Plan

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

Benefits Provided – For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable services completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)
B. HIS Pension Plan (Continued)

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 3.93% of payroll pursuant to section 112.363, Florida Statutes. The District contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contribution to the HIS Plan totaled \$11,463,773 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 \$201,287,238 for its proportionate share of the HIS 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 2023-2024 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 1.341827536%, which was an decrease of 0.074133880% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$5,541,406 related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related pension from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,943,565	\$ 386,501
Changes in Actuarial Assumptions	3,562,312	23,829,827
Net Difference Between Projected and Actual		
Earnings on FRS Pension Plan Investments	-	72,798
Changes in Proportion and Differences Between the District FRS Contributions and Proportionate Share of Contributions	2,645,847	15,075,217
District FRS Contributions Subsequent to the Measurement Date	1,990,809	-
Total	<u>\$ 10,142,533</u>	<u>\$ 39,364,343</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)
B. HIS Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$1,990,809, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (5,735,562)
2027	(6,323,457)
2028	(7,536,509)
2029	(6,207,509)
2030	(4,262,914)
Thereafter	(1,146,668)
Total	<u>\$ (31,212,619)</u>

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%
Salary Increases	3.50%, average, including inflation
Discount Rate	3.93%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The actuarial assumptions that determine the total pension liability as of June 30, 2024 were based on certain results of an actuarial experience study for the period July 1, 2018 – June 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 3.93%, which is an increase from 3.65% used in the preceding measurement date. 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.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Benefit Pension Plans (Continued)

B. HIS Pension Plan (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to the 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%, 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%) or 1-percentage-point higher (4.93%) than the current rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.93%	3.93%	4.93%
District's Proportionate Share of the HIS Plan Net Pension Liability	\$ 229,139,651	\$ 201,287,238	\$ 178,165,234

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website (www.dms.myflorida.com).

Payable to the Pension Plan

The District reported a payable of \$2,751,319 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended June 30, 2025.

C. FRS Defined Contribution Pension Plan

The District contributes to the FRS Investment Plan (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. Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 18 STATE RETIREMENT PROGRAMS (CONTINUED)

Florida Retirement System (FRS) – Defined Contribution Plan (Continued)

C. FRS Defined Contribution Pension Plan (Continued)

FRS Defined Contribution Pension Plan (Continued)

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. 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 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 \$22,363,550 for the fiscal year ended June 30, 2025.

The District's Investment Plan pension payable totaled \$5,825,516 for the fiscal year ended June 30, 2025.

The District's contributions to the Investment Plan totaled \$26,201,995 for the year ended June 30, 2025. Employee contributions to the Investment Plan totaled \$5,757,568 for the year ended June 30, 2025.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. Effective January 1997, Internal Revenue Code, Section 457, was amended to (1) provide that assets in such plans be held for the exclusive benefit of the plan participants and (2) eliminate provisions that the plan assets were property of the District (employer). Under the amended provisions of the Internal Revenue Code, Section 457, the assets of the District's deferred compensation plan are not held in a fiduciary capacity by the District and, accordingly, are not reported in the District's basic financial statements.

NOTE 20 CONSTRUCTION CONTRACT COMMITMENTS

The following is a schedule of construction contract commitments at June 30, 2025:

	Contracted Amount	Completed Amount	Committed Amount
District Wide (Security & Safety) -			
Blue Poles	\$ 8,000,000	\$ 7,920,606	\$ 79,394
District Wide (Safe Schools)	280,100	266,095	14,005
District Wide (Water Coolers)	2,641,600	2,440,104	201,496
Bartow Elementary Academy	460,000	446,649	13,351
Bella Citta Elementary	22,000,000	21,911,121	88,879
Boswell Elementary	450,000	441,518	8,482
Elbert Elementary	48,000,000	46,412,977	1,587,023
Lake Gibson Middle	10,300,000	9,989,732	310,268
Medulla Elementary	8,000,000	7,800,351	199,649
Spook Hill Elementary	14,000,000	13,703,108	296,892
Total	<u>\$ 114,131,700</u>	<u>\$ 111,332,261</u>	<u>\$ 2,799,439</u>

NOTE 21 ALTERNATIVE RETIREMENT PLAN

Effective August 1, 1995, the District established an Alternative to Social Security Plan for all part-time temporary employees. This plan is authorized under Internal Revenue Code (IRC) Section 3121(b)(7)(f) as an alternative plan to Social Security for all employees not eligible for state retirement coverage under this plan, which is administered under IRC Section 457(b). Neither the District nor the employees contribute the 6.2% FICA Tax to Social Security. Instead, the employees contribute 7.5%, on a pre-tax basis, into the alternative plan, where it is available to the employees at retirement or termination, in accordance with the provisions of the IRC Section 457(b). The plan is coordinated and administered by MidAmerica Administrative & Retirement Solutions. The underlying investment provider is American United Life Insurance Company (AUL). Employee contributions to the plan during the 2024-2025 fiscal year totaled \$501,176 and the related 6.2% FICA tax savings to the District was \$416,786.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 22 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

The District follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain other postemployment benefits administered by the District and life insurance benefits through purchased commercial insurance.

General Information about the OPEB Plan

Plan Description – The other postemployment benefits plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health plan for medical and prescription drug coverage. 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, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. Active employees receive health insurance at no cost. Retiree's over the age of 65 transfer to Florida Schools Retiree Benefits Consortium (FSRBC), while retirees under the age of 65 will begin paying a monthly health plan premium based on their level of coverage. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended by action from the District. The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefits (OPEB) or the net OPEB obligation. Contribution requirements of the District are established and may be amended through the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75.

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

Employees Covered by Benefit Terms – At June 30, 2025, the following employees were covered:

Retirees and Beneficiaries	256
Active Employees	<u>11,541</u>
Total Participants	<u>11,797</u>

Total OPEB Liability

The District's total OPEB liability of \$49,550,029 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 22 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.4% - 7.8%, average, including inflation
Discount Rate	3.93%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.00 percent
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the daily rate of Fidelity's 20-year Municipal General Obligation AA Index closest to but not later than the measurement date.

Mortality rates are the same as used in the July 1, 2023 actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class Members, and non-K-12 Instructional Regular Class Members. These rates were taken from the adjusted Pub-2010 mortality tables published by the SOA with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

Retirement rates are the same as used in the July 1, 2023 actuarial valuation of the Florida Retirement System for K-12 Instructional Regular Class members and non-K-12 Instructional Regular Class members. They are based on the results of a statewide experience study covering the period 2013 to 2018.

	Total OPEB Liability
Balance - Beginning of Year	\$ 50,005,164
Changes for the Year:	
Service Cost	2,237,968
Interest	1,932,217
Changes in Assumptions	(253,930)
Benefit Payments	(4,371,390)
Net Changes	(455,135)
Balance - End of Year	<u>\$ 49,550,029</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 22 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Total OPEB Liability (Continued)

The changes of assumptions or other inputs was based on the following:

- The interest rate for discounting of projected cash flows increased from 3.86% to 3.93%.

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	2.93 %	3.93 %	4.93 %
Total OPEB Liability	\$ 53,528,734	\$ 49,550,029	\$ 46,302,988

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (3.00%) or 1-percentage point higher (5.00%) than the current rate:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	3.00 %	4.00 %	5.00 %
Total OPEB Liability	\$ 43,805,873	\$ 49,550,029	\$ 56,920,083

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$4,133,080. At June 30, 2025, the District reported deferred outflows of the resources and deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,878,522	\$ 232,891
Changes of Assumptions	14,633,864	11,372,779
District's Contributions Subsequent to the Measurement Date	6,370,829	-
Total	<u>\$ 22,883,215</u>	<u>\$ 11,605,670</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 22 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Total OPEB Liability (Continued)

The amount reported as deferred outflows of resources related to OPEB, totaling \$6,370,829, resulting from transactions subsequent to the measurement date and before the end of the fiscal year, will be included as a reduction of the total OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2026	\$ (37,105)
2027	(37,105)
2028	(20,858)
2029	126,862
2030	256,681
Thereafter	4,618,241
Total	<u>\$ 4,906,716</u>

NOTE 23 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 has established an individual self-insurance program for various traditional liability coverage and group medical coverage. The District established self-insurance programs for workers' compensation, comprehensive general liability, fleet liability, professional (errors and omissions) liability, boiler and machinery liability, and group health insurance coverage. 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 for workers' compensation, general liability, fleet liability, and group health insurance. The District has contracted with third party insurance administrators to administer the self-insurance programs, including the processing, investigating, and payment of claims. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage for the past three years.

Premiums for the various coverages are calculated based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The total liabilities and unrestricted net position at June 30, 2025 were \$78,426,180, made up of net position of \$25,860,154 and the estimated liability for unpaid claims and other accounts payable. This estimated liability for unpaid claims (not covered by excess insurance) in the amount of \$31,163,400 at June 30, 2025 is based on estimates provided by the actuaries. The workers compensation, general liability and fleet liability portion of the District's total estimated liability is reported at present value using a 2% interest rate assumption.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 23 RISK MANAGEMENT PROGRAMS (CONTINUED)

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

	Beginning of Fiscal Year Claims Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Claims Liability
2023-2024	\$ 18,770,868	\$ 128,869,207	\$ (127,661,253)	\$ 19,978,822
2024-2025	19,978,822	156,612,629	(145,428,051)	31,163,400

Additionally, the District purchased \$20,000 of term life insurance for each employee and makes available supplemental life insurance on a non-contributory basis. As required by state statute, the District purchased commercial insurance for building and contents coverage. Settled claims have not exceeded any insurance coverage in any of the past three fiscal years.

The District purchased property insurance coverage with a limit of \$50 million with key deductibles of \$100,000 for all perils excluding named windstorm or flood damages if the property is located in Special Flood Hazard Areas. In addition, the equipment breakdown (boiler & machinery) deductible is \$10,000. The named windstorm maximum deductible out-of-pocket is \$20 million for 2023. The flood deductible is \$100,000. For Special Flood Hazard Areas, the deductible is \$500,000 per building and \$500,000 contents per building.

The administrator for the general and fleet liability self-insurance program and the workers' compensation program is John Eastern from July 1, 2024 to June 30, 2025. Florida Blue administers the District's group medical plan portion, as well as the prescription plan portion of the self-insured group health program.

NOTE 24 CONTINGENT LIABILITIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Lawsuits

The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 25 RESTATEMENT OF BEGINNING FUND BALANCES

Changes to or Within the Financial Reporting Entity

The Other Federal Programs Fund and Federal Education Stabilization Fund no longer meets the quantitative requirements for reporting as a major fund in the current fiscal year whereas it did meet those requirements in the previous fiscal year. The effect of this change to or within the financial reporting entity is shown in the table below.

	Funds		
	Other Federal Programs	Federal Education Stabilization	Nonmajor Governmental Funds
Fund Balances - Beginning of Year, as Originally Reported	\$ 37,887	\$ -	\$ 63,523,649
Adjustments	(37,887)	-	37,887
Fund Balances - Beginning of Year, as Adjusted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,561,536</u>

NOTE 26 DEFICIT FUND BALANCE IN INDIVIDUAL NONMAJOR FUND

At June 30, 2025, the Public Education Capital Outlay (PECO) Fund had a deficit fund balance of \$417,684. The deficit is the result of timing differences between when cash was requested from the FDOE and when the funds were received to offset expenditures incurred for the Homeland Agribusiness Academy Project.

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NOTE 27 DEFICIT NET POSITION IN INDIVIDUAL INTERNAL SERVICE FUND

At June 30, 2025, the Workers' Compensation Fund had a deficit fund balance of \$1,488,500. The deficit is the result of updated actuarial information received after year end. When the actuarial report was provided, it required the District to record additional liabilities for incurred-but-not-reported (IBNR) claims and other adjustments. These entries increased the fund's expenses and liabilities for the year, which in turn created a negative fund balance. As future premiums, transfers, or funding sources are received, the fund balance is expected to return to a positive position.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

Schedule of Changes in the District's Total OPEB Liability and Related Ratios*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	2,237,968	\$ 2,027,269	\$ 2,498,799	\$ 1,913,320	\$ 1,703,085	\$ 2,217,303	\$ 2,137,175	\$ 2,247,244
Interest	1,932,217	1,611,766	957,762	875,380	1,070,396	1,687,938	1,660,825	1,414,845
Changes of Benefit Terms								
Difference Between Expected and Actual Experience	-	(278,113)	-	1,990,209	-	1,203,097	-	-
Changes of Assumptions	(253,930)	6,970,127	(5,796,695)	11,768,708	1,520,525	(13,876,444)	(164,102)	(1,770,820)
Benefit Payments	(4,371,390)	(3,955,841)	(2,829,051)	(3,129,919)	(2,814,872)	(3,480,822)	(3,995,770)	(3,169,008)
Net Change in Total OPEB Liability	(455,135)	6,375,208	(5,169,185)	13,417,698	1,479,134	(12,248,928)	(361,872)	(1,277,739)
Total OPEB Liability - Beginning	50,005,164	43,629,956	48,799,141	35,381,443	33,902,309	46,151,237	46,513,109	47,790,848
Total OPEB Liability - Ending	<u>\$ 49,550,029</u>	<u>\$ 50,005,164</u>	<u>\$ 43,629,956</u>	<u>\$ 48,799,141</u>	<u>\$ 35,381,443</u>	<u>\$ 33,902,309</u>	<u>\$ 46,151,237</u>	<u>\$ 46,513,109</u>
County's Covered-Employee Payroll	\$ 557,896,580	\$ 541,647,165	\$ 472,014,580	\$ 458,266,583	\$ 453,867,432	\$ 442,797,495	\$ 443,267,378	\$ 430,356,678
County's Total OPEB Liability as a Percentage of Covered-Employee Payroll	8.88 %	9.23 %	9.24 %	10.65 %	7.80 %	7.66 %	10.41 %	10.81 %

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying Notes to Required Supplementary Information.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

**Schedule of the District's Proportionate Share
of the Net Pension Liability -
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	District's Proportion of the 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	1.097838884%	\$ 141,800,616	\$ 445,311,752	31.84%	92.00%
2016	1.029955435%	260,064,556	459,070,936	56.65%	84.88%
2017	1.001097797%	296,118,011	464,416,622	63.76%	83.89%
2018	1.007763783%	303,543,675	478,426,152	63.45%	84.26%
2019	0.984926250%	339,194,888	492,457,337	68.88%	82.61%
2020	0.948056899%	410,901,832	492,693,497	83.40%	78.85%
2021	1.026312941%	77,526,278	500,470,247	15.49%	96.40%
2022	1.060983787%	394,771,231	401,982,208	98.21%	82.89%
2023	1.002488168%	399,459,807	561,365,006	71.16%	82.38%
2024	0.923637445%	357,306,402	568,019,629	62.90%	83.70%

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

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

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	\$ 25,117,106	\$ (25,117,106)	\$ -	\$ 459,070,936	5.47%
2017	26,061,040	(26,061,040)	-	464,416,622	5.61%
2018	28,720,458	(28,720,458)	-	478,426,152	6.00%
2019	30,539,821	(30,539,821)	-	492,457,337	6.20%
2020	31,499,730	(31,499,730)	-	492,693,497	6.39%
2021	39,098,089	(39,098,089)	-	500,470,247	7.81%
2022	39,970,250	(39,970,250)	-	531,344,187	7.52%
2023	45,901,845	(45,901,845)	-	561,365,006	8.18%
2024	52,302,201	(52,302,201)	-	568,019,629	9.21%
2025	52,653,079	(52,653,079)	-	557,896,580	9.44%

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

See accompanying Notes to Required Supplementary Information.
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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

**Schedule of the District's Proportionate Share
of the Net Pension Liability -
Health Insurance Subsidy Pension Plan (1)**

Fiscal Year Ending June 30	District's Proportion of the 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	1.463739376%	\$ 149,651,081	\$ 445,311,752	33.61%	50.00%
2016	1.486864795%	173,287,932	459,070,936	37.75%	97.00%
2017	1.456262136%	155,710,266	464,416,622	33.53%	1.64%
2018	1.464556036%	155,010,255	478,426,152	32.40%	2.15%
2019	1.453736711%	162,658,590	492,457,337	33.03%	2.63%
2020	1.419099053%	173,269,683	492,693,497	35.17%	3.00%
2021	1.413136219%	173,342,403	500,470,247	34.64%	3.56%
2022	1.456477038%	154,264,181	531,344,187	29.03%	4.81%
2023	1.415961416%	224,873,558	561,365,006	40.06%	4.12%
2024	1.341827536%	201,287,238	568,019,629	35.44%	4.80%

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

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

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	\$ 7,621,130	\$ (7,621,130)	\$ -	\$ 459,070,936	1.66%
2017	7,706,959	(7,706,959)	-	464,416,622	1.66%
2018	7,942,324	(7,942,324)	-	478,426,152	1.66%
2019	8,072,459	(8,072,459)	-	492,457,337	1.64%
2020	8,177,603	(8,177,603)	-	492,693,497	1.66%
2021	8,306,427	(8,306,427)	-	500,470,247	1.66%
2022	8,335,114	(8,335,114)	-	531,344,187	1.57%
2023	9,314,444	(9,314,444)	-	561,365,006	1.66%
2024	11,360,308	(11,360,308)	-	568,019,629	2.00%
2025	11,463,773	(11,463,773)	-	557,896,580	2.05%

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

See accompanying Notes to Required Supplementary Information.
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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

**NOTE 1 SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT
BENEFITS LIABILITY AND RELATED RATIOS**

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. The June 30, 2025, total OPEB liability increased from the prior fiscal year as a result of changes to assumptions as discussed below:

Changes of Assumptions

- The discount rate was changed from 3.86% as of the beginning of the measurement period to 3.93% as of June 30, 2025 (based on the Long-Term Municipal Bond Rate).
- The expected claims and premiums were updated to reflect recent information provided for this valuation.
- The ultimate healthcare cost trend rate did not change from 4.00%.

**NOTE 2 SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Changes of Assumptions

- The long-term expected rate of return did not change from 6.7%.

**NOTE 3 SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Changes of Assumptions

- The municipal bond rate used to determine total pension liability Increased from 3.65% to 3.93%.

Combining and Individual Fund Schedules and Statements



**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- **Food Services Fund** – Accounts for and reports on activities of the food service program
- **Other Federal Programs Fund** – Accounts for various granting agencies awarding application-based funds to enhance educational programs.
- **Federal Education Stabilization Fund** – Accounts for Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.
- **Miscellaneous Special Revenue Fund** – Accounts for and reports on Activities of programs received from sources other than the Federal and State government.

Debt Service Funds

The Debt Service Funds account for the payment of interest and principal of the current portion of long-term debt, primarily from tax proceeds and earnings on temporary investments.

- **State Board of Education Bonds Fund** – Accounts for and reports on payments of principal, interest, and related costs on various bond issues serviced by the State.
- **Other Debt Service Fund** – Accounts for and reports on payments of principal and related costs on various bond issues.
- **ARRA Debt Service Fund** – Accounts for and reports on payments of principal and related costs on various bond issues serviced by the Federal government.

Capital Projects Funds

The Capital Projects Funds account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects.

- **Capital Outlay Bond Issue Fund** – Accounts for and reports on bond issue proceeds received from the State Board of Education and issued at the request of the District.
- **Public Education Capital Outlay (PECO) Fund** – Accounts for and reports on funds received from the State for the construction and maintenance of schools.
- **Capital Outlay and Debt Service Fund** – Accounts for and reports on the funds received from the State Board of Education Capital Outlay Bonds.

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue				
	Food Services	Other Federal Programs	Federal Education Stabilization	Miscellaneous Special Revenue	Total
ASSETS					
Cash	\$ 10,965,794	\$ 4,921	\$ -	\$ 99,766	\$ 11,070,481
Investments	-	-	-	-	-
Accounts and Interest Receivable	12,840	71,187	-	-	84,027
Due from Other Governmental Agencies	421,923	19,390,405	-	3,862,123	23,674,451
Due from Other Funds	7,501,634	4,936,153	23,854,884	-	36,292,671
Inventories	2,846,550	-	-	-	2,846,550
Prepaid Items	-	20,816	-	-	20,816
Total Assets	<u>\$ 21,748,741</u>	<u>\$ 24,423,482</u>	<u>\$ 23,854,884</u>	<u>\$ 3,961,889</u>	<u>\$ 73,988,996</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and Contracts Payable	\$ 441,792	\$ 1,991,145	\$ 3,357,183	99,766	\$ 5,889,886
Salaries and Wages Payable	17,917	27,639	-	-	45,556
Due to Other Funds	3,000,066	22,347,541	20,472,057	3,862,123	49,681,787
Due to Other Governmental Agencies	188,953	40,130	25,644	-	254,727
Sales Tax Payable	431	-	-	-	431
Unearned Revenue	161,800	-	-	-	161,800
Total Liabilities	<u>3,810,959</u>	<u>24,406,455</u>	<u>23,854,884</u>	<u>3,961,889</u>	<u>56,034,187</u>
Fund Balances:					
Nonspendable:					
Inventories	2,846,550	-	-	-	2,846,550
Prepaid Amounts	-	20,816	-	-	20,816
Restricted:					
Debt Service	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Food Services	15,091,232	-	-	-	15,091,232
Unassigned	-	(3,789)	-	-	(3,789)
Total Fund Balances	<u>17,937,782</u>	<u>17,027</u>	<u>-</u>	<u>-</u>	<u>17,954,809</u>
Total Liabilities and Fund Balances	<u>\$ 21,748,741</u>	<u>\$ 24,423,482</u>	<u>\$ 23,854,884</u>	<u>\$ 3,961,889</u>	<u>\$ 73,988,996</u>

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025**

	Debt Service			
	State Board of Education Bonds	Other Debt Service	ARRA Debt Service	Total
ASSETS				
Cash	\$ -	\$ 3,664,558	\$ 573,468	\$ 4,238,026
Investments	40,000	-	15,845,952	15,885,952
Accounts and Interest Receivable	-	-	-	-
Due from Other Governmental Agencies	-	-	-	-
Due from Other Funds	-	11,166	2,145,983	2,157,149
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	<u>\$ 40,000</u>	<u>\$ 3,675,724</u>	<u>\$ 18,565,403</u>	<u>\$ 22,281,127</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and Contracts Payable	\$ -	\$ 1,186,250	\$ -	\$ 1,186,250
Salaries and Wages Payable	-	-	-	-
Due to Other Funds	-	1,145,011	6,587,339	7,732,350
Due to Other Governmental Agencies	-	-	-	-
Sales Tax Payable	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	-	2,331,261	6,587,339	8,918,600
Fund Balances:				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Amounts	-	-	-	-
Restricted:				
Debt Service	40,000	1,344,463	11,978,064	13,362,527
Capital Outlay	-	-	-	-
Food Services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>40,000</u>	<u>1,344,463</u>	<u>11,978,064</u>	<u>13,362,527</u>
Total Liabilities and Fund Balances	<u>\$ 40,000</u>	<u>\$ 3,675,724</u>	<u>\$ 18,565,403</u>	<u>\$ 22,281,127</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2025**

	Capital Projects				Total Nonmajor Governmental Funds
	Capital Outlay Bond Issue	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service	Total	
ASSETS					
Cash	\$ -	\$ -	\$ 575,605	\$ 575,605	\$ 15,884,112
Investments	-	-	9,859,182	9,859,182	25,745,134
Accounts and Interest Receivable	-	-	-	-	84,027
Due from Other Governmental Agencies	-	3,675,000	4,599,470	8,274,470	31,948,921
Due from Other Funds	-	-	-	-	38,449,820
Inventories	-	-	-	-	2,846,550
Prepaid Items	-	-	-	-	20,816
Total Assets	<u>\$ -</u>	<u>\$ 3,675,000</u>	<u>\$ 15,034,257</u>	<u>\$ 18,709,257</u>	<u>\$ 114,979,380</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and Contracts Payable	\$ -	\$ 86,200	7,702	\$ 93,902	\$ 7,170,038
Salaries and Wages Payable	-	-	-	-	45,556
Due to Other Funds	-	331,484	4,106,497	4,437,981	61,852,118
Due to Other Governmental Agencies	-	-	-	-	254,727
Sales Tax Payable	-	-	-	-	431
Unearned Revenue	-	3,675,000	16,648	3,691,648	3,853,448
Total Liabilities	-	4,092,684	4,130,847	8,223,531	73,176,318
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	-	2,846,550
Prepaid Amounts	-	-	-	-	20,816
Restricted:					
Debt Service	-	-	-	-	13,362,527
Capital Outlay	-	-	10,903,410	10,903,410	10,903,410
Food Services	-	-	-	-	15,091,232
Unassigned	-	(417,684)	-	(417,684)	(421,473)
Total Fund Balances	<u>-</u>	<u>(417,684)</u>	<u>10,903,410</u>	<u>10,485,726</u>	<u>41,803,062</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 3,675,000</u>	<u>\$ 15,034,257</u>	<u>\$ 18,709,257</u>	<u>\$ 114,979,380</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Special Revenue				
	Food Services	Other Federal Programs	Federal Education Stabilization	Miscellaneous Special Revenue	Total
REVENUES					
Local Sources:					
Food Services	\$ 790,962	\$ -	\$ -	\$ -	\$ 790,962
Other	700,029	43,010	-	-	743,039
Total Local Sources	1,490,991	43,010	-	-	1,534,001
State Sources:					
Workforce Development	-	817,291	-	-	817,291
Food Services	802,503	-	-	-	802,503
Other	-	-	-	-	-
Total State Sources	802,503	817,291	-	-	1,619,794
Federal Sources:					
Federal Direct	-	16,692,454	-	-	16,692,454
Federal Through State and Local:					
Food Services	73,405,681	-	-	-	73,405,681
Federal Grants Through State and Local	-	105,946,085	57,400,268	-	163,346,353
Miscellaneous	-	-	-	5,234,108	5,234,108
Total Federal Through State and Local	73,405,681	105,946,085	57,400,268	5,234,108	241,986,142
Total Federal Sources	73,405,681	122,638,539	57,400,268	5,234,108	258,678,596
Total Revenues	75,699,175	123,498,840	57,400,268	5,234,108	261,832,391
EXPENDITURES					
Current:					
Instruction	-	67,849,642	22,677,939	1,920,045	92,447,626
Student Personnel Services	-	8,355,458	4,114,534	89,755	12,559,747
Instructional Media Services	-	767,730	-	-	767,730
Instruction and Curriculum Development Services	-	14,096,854	70,250	267,595	14,436,699
Instructional Staff Training Services	-	21,471,760	686,599	465,258	22,623,617
Instructional Related Technology	-	194,804	17,105,793	553,499	17,854,096
General Administration	-	4,012,921	163,819	-	4,176,740
School Administration	-	74,044	-	-	74,044
Noncapitalizable Facilities Acquisition and Construction	-	-	2,619,526	106,412	2,725,938
Fiscal Services	-	-	24,221	-	24,221
Food Services	80,785,652	383,121	42	-	81,168,815
Central Services	-	101,490	98,235	5,651	205,376
Student Transportation Services	-	1,417,903	713,469	-	2,131,372
Operation of Plant	-	462,740	118,027	747,556	1,328,323
Maintenance of Plant	-	12,875	181,114	664,021	858,010
Administrative Technology Services	-	5,043	156,329	33,584	194,956
Community Services and Other	-	3,771,095	117,757	-	3,888,852
Debt Service:					
Principal Retirement	-	-	1,413,148	-	1,413,148
Interest	-	-	23,777	-	23,777
Dues, Fees, and Other	-	-	-	-	-
Capital Outlay:					
Facilities Acquisition and Construction	-	-	5,773,043	-	5,773,043
Other Capital Outlay	1,174,572	540,220	1,536,446	380,732	3,631,970
Total Expenditures	81,960,224	123,519,700	57,594,068	5,234,108	268,308,100
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,261,049)	(20,860)	(193,800)	-	(6,475,709)
OTHER FINANCING SOURCES (USES)					
SBITAs	-	-	193,800	-	193,800
Transfers In	246,507	-	-	-	246,507
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Uses	246,507	-	193,800	-	440,307
NET CHANGE IN FUND BALANCES	(6,014,542)	(20,860)	-	-	(6,035,402)
Fund Balances - Beginning of Year, as Originally Reported	23,952,324	-	-	-	23,952,324
Adjustments	-	37,887	-	-	37,887
Fund Balances - Beginning of Year, as Adjusted	23,952,324	37,887	-	-	23,990,211
FUND BALANCES - END OF YEAR	\$ 17,937,782	\$ 17,027	\$ -	\$ -	\$ 17,954,809

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Debt Service			
	State Board of Education Bonds	Other Debt Service	ARRA Debt Service	Total
REVENUES				
Local Sources:				
Food Services	\$ -	\$ -	\$ -	\$ -
Other	-	46,347	747,427	793,774
Total Local Sources	-	46,347	747,427	793,774
State Sources:				
Workforce Development	-	-	-	-
Food Services	-	-	-	-
Other	519,246	-	-	519,246
Total State Sources	519,246	-	-	519,246
Federal Sources:				
Federal Direct	-	-	-	-
Federal Through State and Local:				
Food Services	-	-	-	-
Federal Grants Through State and Local	-	-	-	-
Miscellaneous	-	-	-	-
Total Federal Through State and Local	-	-	-	-
Total Federal Sources	-	-	-	-
Total Revenues	519,246	46,347	747,427	1,313,020
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Student Personnel Services	-	-	-	-
Instructional Media Services	-	-	-	-
Instruction and Curriculum Development Services	-	-	-	-
Instructional Staff Training Services	-	-	-	-
Instructional Related Technology	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Noncapitalizable Facilities Acquisition and Construction	-	-	-	-
Fiscal Services	-	-	-	-
Food Services	-	-	-	-
Central Services	-	-	-	-
Student Transportation Services	-	-	-	-
Operation of Plant	-	-	-	-
Maintenance of Plant	-	-	-	-
Administrative Technology Services	-	-	-	-
Community Services and Other	-	-	-	-
Debt Service:				
Principal Retirement	434,000	24,410,000	20,543,000	45,387,000
Interest	96,010	8,728,000	1,335,929	10,159,939
Dues, Fees, and Other	86	11,190	3,781	15,057
Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	-	-	-	-
Total Expenditures	530,096	33,149,190	21,882,710	55,561,996
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,850)	(33,102,843)	(21,135,283)	(54,248,976)
OTHER FINANCING SOURCES (USES)				
SBITAs	-	-	-	-
Transfers In	-	34,274,640	1,862,347	36,136,987
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	34,274,640	1,862,347	36,136,987
NET CHANGE IN FUND BALANCES	(10,850)	1,171,797	(19,272,936)	(18,111,989)
Fund Balances - Beginning of Year, as Originally Reported	50,850	172,066	31,251,000	31,474,516
Adjustments	-	-	-	-
Fund Balances - Beginning of Year, as Adjusted	50,850	172,066	31,251,000	31,474,516
FUND BALANCES - END OF YEAR	\$ 40,000	\$ 1,344,463	\$ 11,978,064	\$ 13,382,527

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Capital Projects				Total	Nonmajor Governmental Funds
	Capital Outlay Bond Issue	Public Education Capital Outlay (PECO)	Capital Outlay and Debt Service			
REVENUES						
Local Sources:						
Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 790,962
Other	-	-	-	414,910	414,910	1,951,723
Total Local Sources	-	-	-	414,910	414,910	2,742,685
State Sources:						
Workforce Development	-	-	-	-	-	817,291
Food Services	-	-	-	-	-	802,503
Other	-	-	5,919,497	5,919,497	5,919,497	6,438,743
Total State Sources	-	-	5,919,497	5,919,497	5,919,497	8,058,537
Federal Sources:						
Federal Direct	-	-	-	-	-	16,892,454
Federal Through State and Local:						
Food Services	-	-	-	-	-	73,405,681
Federal Grants Through State and Local	-	-	-	-	-	163,346,353
Miscellaneous	-	-	-	-	-	5,234,108
Total Federal Through State and Local	-	-	-	-	-	241,986,142
Total Federal Sources	-	-	-	-	-	258,678,596
Total Revenues	-	-	6,334,407	6,334,407	6,334,407	269,479,818
EXPENDITURES						
Current:						
Instruction	-	-	-	-	-	92,447,626
Student Personnel Services	-	-	-	-	-	12,559,747
Instructional Media Services	-	-	-	-	-	767,730
Instruction and Curriculum Development Services	-	-	-	-	-	14,436,699
Instructional Staff Training Services	-	-	-	-	-	22,623,617
Instructional Related Technology	-	-	-	-	-	17,854,096
General Administration	-	-	-	-	-	4,176,740
School Administration	-	-	-	-	-	74,044
Noncapitalizable Facilities Acquisition and Construction	-	284,263	2,254,947	2,539,210	2,539,210	5,265,148
Fiscal Services	-	-	-	-	-	24,221
Food Services	-	-	-	-	-	81,168,815
Central Services	-	-	-	-	-	205,376
Student Transportation Services	-	-	-	-	-	2,131,372
Operation of Plant	-	-	-	-	-	1,328,323
Maintenance of Plant	-	-	-	-	-	858,010
Administrative Technology Services	-	-	-	-	-	194,956
Community Services and Other	-	-	-	-	-	3,888,852
Debt Service:						
Principal Retirement	-	-	-	-	-	46,800,148
Interest	-	-	-	-	-	10,183,716
Dues, Fees, and Other	-	-	5,381	5,381	5,381	20,438
Capital Outlay:						
Facilities Acquisition and Construction	-	-	1,383,222	1,383,222	1,383,222	7,156,265
Other Capital Outlay	-	-	-	-	-	3,631,970
Total Expenditures	-	284,263	3,643,550	3,927,813	3,927,813	327,797,909
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(284,263)	2,690,857	2,406,594	2,406,594	(58,318,091)
OTHER FINANCING SOURCES (USES)						
SBITAs	-	-	-	-	-	193,800
Transfers In	-	-	-	-	-	36,383,494
Transfers Out	(17,677)	-	-	(17,677)	(17,677)	(17,677)
Total Other Financing Sources and Uses	(17,677)	-	-	(17,677)	(17,677)	36,559,617
NET CHANGE IN FUND BALANCES	(17,677)	(284,263)	2,690,857	2,388,917	2,388,917	(21,758,474)
Fund Balances - Beginning of Year, as Originally Reported	17,677	(133,421)	8,212,553	8,096,809	8,096,809	63,523,649
Adjustments	-	-	-	-	-	37,887
Fund Balances - Beginning of Year, as Adjusted	17,677	(133,421)	8,212,553	8,096,809	8,096,809	63,561,536
FUND BALANCES - END OF YEAR	\$ -	\$ (417,684)	\$ 10,903,410	\$ 10,485,726	\$ 10,485,726	\$ 41,803,062

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
FOOD SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local Sources:				
Food Services	\$ 865,000	\$ 865,000	\$ 790,962	\$ (74,038)
Other	660	660	700,029	699,369
Total Local Sources	865,660	865,660	1,490,991	625,331
State Sources:				
Food Services	850,000	850,000	802,503	(47,497)
Total State Sources	850,000	850,000	802,503	(47,497)
Federal Sources:				
Federal Through State and Local:				
Food Services	73,741,000	73,741,000	73,405,681	(335,319)
Total Federal Sources	73,741,000	73,741,000	73,405,681	(335,319)
Total Revenues	75,456,660	75,456,660	75,699,175	242,515
EXPENDITURES				
Current:				
Food Service	84,416,170	84,416,170	80,785,652	3,630,518
Capital Outlay:				
Other Capital Outlay	2,045,000	2,045,000	1,174,572	870,428
Total Expenditures	86,461,170	86,461,170	81,960,224	4,500,946
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,004,510)	(11,004,510)	(6,261,049)	4,743,461
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	246,507	246,507
NET CHANGE IN FUND BALANCES	(11,004,510)	(11,004,510)	(6,014,542)	4,989,968
Fund Balances - Beginning of Year	23,952,324	23,952,324	23,952,324	-
FUND BALANCES - END OF YEAR	<u>\$ 12,947,814</u>	<u>\$ 12,947,814</u>	<u>\$ 17,937,782</u>	<u>\$ 4,989,968</u>

(98)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
OTHER FEDERAL PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Other	\$ -	\$ -	\$ 43,010	\$ 43,010
Total Local Sources	-	-	43,010	43,010
State Sources:				
Workforce Development	1,288,573	1,288,573	817,291	(471,282)
Other	93,000	93,000	-	(93,000)
Total State Sources	1,381,573	1,381,573	817,291	(564,282)
Federal Sources:				
Federal Direct	23,030,080	23,030,080	16,692,454	(6,337,626)
Federal Through State and Local	166,366,725	166,366,725	105,946,085	(60,420,640)
Total Federal Sources	189,396,805	189,396,805	122,638,539	(66,758,266)
Total Revenues	190,778,378	190,778,378	123,498,840	(67,279,538)
EXPENDITURES				
Current:				
Instruction	100,183,773	100,183,773	67,849,642	32,334,131
Student Personnel Services	12,476,121	12,476,121	8,355,458	4,120,663
Instructional Media Services	853,248	853,248	767,730	85,518
Instruction and Curriculum				
Development Services	25,069,881	25,069,881	14,098,854	10,971,027
Instruction Staff Training Services	37,487,437	37,487,437	21,471,760	16,015,677
Instruction Related Technology	636,733	636,733	194,804	441,929
General Administration	5,810,970	5,810,970	4,012,921	1,798,049
School Administration	109,076	109,076	74,044	35,032
Fiscal Services	404,528	404,528	383,121	21,407
Food Service	94,221	94,221	101,490	(7,269)
Central Services	1,780,193	1,780,193	1,417,903	362,290
Student Transportation	815,897	815,897	462,740	353,157
Operation of Plant	69,649	69,649	12,875	56,774
Maintenance of Plant	24,538	24,538	5,043	19,495
Community Services	3,800,520	3,800,520	3,771,095	29,425
Capital Outlay:				
Facilities Acquisition and				
Construction	54,903	54,903	-	54,903
Other Capital Outlay	1,106,690	1,106,690	540,220	566,470
Total Expenditures	190,778,378	190,778,378	123,519,700	67,258,678
NET CHANGE IN FUND BALANCES	-	-	(20,860)	(20,860)
Fund Balances - Beginning of Year	37,887	37,887	37,887	-
FUND BALANCES - END OF YEAR	<u>\$ 37,887</u>	<u>\$ 37,887</u>	<u>\$ 17,027</u>	<u>\$ (20,860)</u>

(99)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
FEDERAL EDUCATION STABILIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Sources:				
Federal Through State and Local	\$ 65,037,069	\$ 65,037,069	\$ 57,400,268	\$ (7,636,801)
Total Revenues	65,037,069	65,037,069	57,400,268	(7,636,801)
EXPENDITURES				
Current:				
Instruction	33,698,484	33,698,484	22,677,939	11,020,545
Student Personnel Services	4,193,822	4,193,822	4,114,534	79,288
Instruction and Curriculum				
Development Services	70,195	70,195	70,250	(55)
Instruction Staff Training Services	784,186	784,186	686,599	97,587
Instruction Related Technology	17,176,619	17,176,619	17,105,793	70,826
General Administration	425,262	425,262	163,819	261,443
Noncapitalizable Facilities				
Acquisition and Construction	288,219	288,219	2,619,526	(2,331,307)
Fiscal Services	24,221	24,221	24,221	-
Food Service	374	374	42	332
Central Services	129,806	129,806	98,235	31,571
Student Transportation	2,144,655	2,144,655	713,469	1,431,186
Operation of Plant	618,176	618,176	118,027	500,149
Maintenance of Plant	181,114	181,114	181,114	-
Administrative Technology Services	169,829	169,829	156,329	13,500
Community Services	-	-	117,757	(117,757)
Debt Service:				
Principal	-	-	1,413,148	(1,413,148)
Interest	-	-	23,777	(23,777)
Capital Outlay:				
Facilities Acquisition and				
Construction	5,132,107	5,132,107	5,773,043	(640,936)
Other Capital Outlay	-	-	1,536,446	(1,536,446)
Total Expenditures	65,037,069	65,037,069	57,594,068	7,443,001
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(193,800)	(193,800)
OTHER FINANCING SOURCES (USES)				
SBITAs	-	-	193,800	193,800
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(100)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
MISCELLANEOUS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Sources:				
Federal Through State and Local:				
Miscellaneous	\$ 10,007,564	\$ 10,007,564	\$ 5,234,108	\$ (4,773,456)
Total Revenues	10,007,564	10,007,564	5,234,108	(4,773,456)
EXPENDITURES				
Current:				
Instruction	3,028,380	3,028,380	1,920,045	1,108,335
Student Personnel Services	98,945	98,945	89,755	9,190
Instruction and Curriculum				
Development Services	325,073	325,073	267,595	57,478
Instruction Staff Training Services	763,126	763,126	465,258	297,868
Instruction Related Technology	569,133	569,133	553,499	15,634
Noncapitalizable Facilities				
Acquisition and Construction	320,762	320,762	106,412	214,350
Central Services	5,728	5,728	5,651	77
Operation of Plant	3,727,182	3,727,182	747,556	2,979,626
Administrative Technology Services	63,219	63,219	33,584	29,635
Community Services	681,500	681,500	664,021	17,479
Capital Outlay:				
Other Capital Outlay	424,516	424,516	380,732	43,784
Total Expenditures	10,007,564	10,007,564	5,234,108	4,773,456
NET CHANGE IN FUND BALANCES	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(101)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
DEBT SERVICE FUNDS
STATE BOARD OF EDUCATION BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State Sources:				
Other	\$ 528,780	\$ 528,780	\$ 519,246	\$ (9,534)
Total Revenues	528,780	528,780	519,246	(9,534)
EXPENDITURES				
Debt Service:				
Principal Retirement	434,000	434,000	434,000	-
Interest	94,780	94,780	96,010	(1,230)
Dues, Fees, and Other	50,850	50,850	86	50,764
Total Expenditures	579,630	579,630	530,096	49,534
NET CHANGE IN FUND BALANCES	(50,850)	(50,850)	(10,850)	40,000
Fund Balances - Beginning of Year	50,850	50,850	50,850	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
DEBT SERVICE FUNDS
OTHER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Other	<u>\$ 33,147,375</u>	<u>\$ 33,147,375</u>	<u>\$ 46,347</u>	<u>\$ (33,101,028)</u>
Total Revenues	33,147,375	33,147,375	46,347	(33,101,028)
EXPENDITURES				
Debt Service:				
Principal Retirement	23,935,000	23,935,000	24,410,000	(475,000)
Interest	9,212,375	9,212,375	8,728,000	484,375
Dues, Fees, and Other	-	-	11,190	(11,190)
Total Expenditures	<u>33,147,375</u>	<u>33,147,375</u>	<u>33,149,190</u>	<u>(1,815)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(33,102,843)	(33,102,843)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	34,274,640	34,274,640
Total Other Financing Sources and Uses	-	-	34,274,640	34,274,640
NET CHANGE IN FUND BALANCES	-	-	1,171,797	1,171,797
Fund Balances - Beginning of Year	172,666	172,666	172,666	-
FUND BALANCES - END OF YEAR	<u>\$ 172,666</u>	<u>\$ 172,666</u>	<u>\$ 1,344,463</u>	<u>\$ 1,171,797</u>

(103)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
DEBT SERVICE FUNDS
ARRA DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Other	<u>\$ 180,249</u>	<u>\$ 180,249</u>	<u>\$ 747,427</u>	<u>\$ 567,178</u>
Total Revenues	180,249	180,249	747,427	567,178
EXPENDITURES				
Debt Service:				
Principal Retirement	-	-	20,543,000	(20,543,000)
Interest	-	-	1,335,929	(1,335,929)
Dues, Fees, and Other	-	-	3,781	(3,781)
Total Expenditures	<u>-</u>	<u>-</u>	<u>21,882,710</u>	<u>(21,882,710)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	180,249	180,249	(21,135,283)	(21,315,532)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,862,347	1,862,347
Total Other Financing Sources and Uses	-	-	1,862,347	1,862,347
NET CHANGE IN FUND BALANCES	180,249	180,249	(19,272,936)	(19,453,185)
Fund Balances - Beginning of Year	31,251,000	31,251,000	31,251,000	-
FUND BALANCES - END OF YEAR	<u>\$ 31,431,249</u>	<u>\$ 31,431,249</u>	<u>\$ 11,978,064</u>	<u>\$ (19,453,185)</u>

(104)

SCHOOL BOARD OF POLK COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS
CAPITAL OUTLAY BOND ISSUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(17,677)	(17,677)
Total Other Financing Sources and Uses	-	-	(17,677)	(17,677)
NET CHANGE IN FUND BALANCES	-	-	(17,677)	(17,677)
Fund Balances - Beginning of Year	17,677	17,677	17,677	-
FUND BALANCES - END OF YEAR	<u>\$ 17,677</u>	<u>\$ 17,677</u>	<u>\$ -</u>	<u>\$ (17,677)</u>

(105)

SCHOOL BOARD OF POLK COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS
PUBLIC EDUCATION CAPITAL OUTLAY (PECO) FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ 5,866,579	\$ 5,866,579	\$ -	\$ -
EXPENDITURES				
Current:				
Noncapitalizable Facilities				
Acquisition and Construction	5,866,579	5,866,579	284,263	5,582,316
Total Expenditures	<u>5,866,579</u>	<u>5,866,579</u>	<u>284,263</u>	<u>5,582,316</u>
NET CHANGE IN FUND BALANCES	-	-	(284,263)	5,582,316
Fund Balances - Beginning of Year	(133,421)	(133,421)	(133,421)	-
FUND BALANCES - END OF YEAR	<u>\$ (133,421)</u>	<u>\$ (133,421)</u>	<u>\$ (417,684)</u>	<u>\$ 5,582,316</u>

(106)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS
CAPITAL OUTLAY AND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Other	\$ -	\$ -	\$ 414,910	\$ 414,910
Total Local Sources	-	-	414,910	414,910
State Sources:				
Other	3,974,292	3,974,292	5,919,497	1,945,205
Total State Sources	3,974,292	3,974,292	5,919,497	1,945,205
Total Revenues	3,974,292	3,974,292	6,334,407	2,360,115
EXPENDITURES				
Current:				
Noncapitalizable Facilities				
Acquisition and Construction	3,614,251	3,614,251	2,254,947	1,359,304
Debt Service:				
Dues, Fees, and Other	-	-	5,381	(5,381)
Capital Outlay:				
Facilities Acquisition and				
Construction	825,107	825,107	1,383,222	(558,115)
Total Expenditures	4,439,358	4,439,358	3,643,550	795,808
NET CHANGE IN FUND BALANCES	(465,066)	(465,066)	2,690,857	3,155,923
Fund Balances - Beginning of Year	8,212,553	8,212,553	8,212,553	-
FUND BALANCES - END OF YEAR	<u>\$ 7,747,487</u>	<u>\$ 7,747,487</u>	<u>\$ 10,903,410</u>	<u>\$ 3,155,923</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – OTHER CAPITAL PROJECTS



**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS
OTHER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Local Sales Tax	\$ 78,695,613	\$ 78,695,613	\$ 83,078,412	\$ 4,382,799
Impact Fees	-	-	111,632,236	111,632,236
Other	-	-	13,242,267	13,242,267
Total Local Sources	78,695,613	78,695,613	207,952,915	129,257,302
State Sources:				
Charter School Capital Outlay	7,630,800	7,630,800	7,630,800	-
Total Revenues	86,326,413	86,326,413	215,583,715	129,257,302
EXPENDITURES				
Current:				
Noncapitalizable Facilities				
Acquisition and Construction	-	-	5,176,931	(5,176,931)
Capital Outlay:				
Facilities Acquisition and				
Construction	139,951,244	139,951,244	65,341,061	74,610,183
Total Expenditures	139,951,244	139,951,244	70,517,992	69,433,252
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(53,624,831)	(53,624,831)	145,065,723	198,690,554
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(25,790,532)	(25,790,532)
Total Other Financing Sources and Uses	-	-	(25,790,532)	(25,790,532)
NET CHANGE IN FUND BALANCES	(53,624,831)	(53,624,831)	119,275,191	172,900,022
Fund Balances - Beginning of Year	269,618,552	269,618,552	269,618,552	-
FUND BALANCES - END OF YEAR	<u>\$ 215,993,721</u>	<u>\$ 215,993,721</u>	<u>\$ 388,893,743</u>	<u>\$ 172,900,022</u>

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES BUDGET
AND ACTUAL – NONVOTED CAPITAL
IMPROVEMENTS FUND**



**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CAPITAL PROJECTS FUNDS
NONVOTED CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Ad Valorem Taxes	\$ 108,806,057	\$ 108,806,057	\$ 109,360,582	\$ 554,525
Other	-	-	3,900,043	3,900,043
Total Revenues	108,806,057	108,806,057	113,260,625	4,454,568
EXPENDITURES				
Current:				
Noncapitalizable Facilities				
Acquisition and Construction	2,494,379	2,494,379	951,341	1,543,038
Capital Outlay:				
Facilities Acquisition and				
Construction	4,625	4,625	4,625	-
Other Capital Outlay	-	-	404,944	(404,944)
Total Expenditures	2,499,004	2,499,004	1,360,910	1,138,094
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	106,307,053	106,307,053	111,899,715	5,592,662
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(83,406,906)	(83,406,906)
Total Other Financing Sources and Uses	-	-	(83,406,906)	(83,406,906)
NET CHANGE IN FUND BALANCES	106,307,053	106,307,053	28,492,809	(77,814,244)
Fund Balances - Beginning of Year	60,558,360	60,558,360	60,558,360	-
FUND BALANCES - END OF YEAR	<u>\$ 166,865,413</u>	<u>\$ 166,865,413</u>	<u>\$ 89,051,169</u>	<u>\$ (77,814,244)</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
INTERNAL SERVICE FUNDS**

The Internal Service Funds account for the cost of the District's Insurance Funds.

- **Workers' Compensation Fund** – Accounts for and reports on the workers' compensation program.
- **General Liability/Fleet Liability Fund** – Accounts for and reports on the automobile and general liability programs.
- **Errors and Omissions/Boiler and Machinery Fund** – Accounts for and reports on the errors and omissions and boiler and machinery liability programs.
- **Group Health Insurance Fund** – Accounts for and reports on the health insurance program.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	Governmental Activities		Internal Service Funds		
	Workers' Compensation	General Liability/ Fleet Liability	Errors and Omissions/ Boiler and Machinery	Group Health Insurance	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 2,182,555	\$ 1,678,038	\$ 438,734	\$ 2,162,028	\$ 6,461,355
Investments	2,497,813	1,998,254	999,127	9,990,050	15,485,244
Accounts Receivable	289,258	-	-	1,125,779	1,415,037
Due from Other Funds	5,000,000	3,000,000	750,000	44,833,070	53,583,070
Total Current Assets	9,969,626	6,676,292	2,187,861	58,110,927	76,944,706
Noncurrent Assets:					
Buildings	-	-	-	1,329,281	1,329,281
Furniture, Fixtures, and Equipment	-	14,409	-	-	14,409
Right of Use - Building	-	-	-	137,784	137,784
Total Noncurrent Assets	-	14,409	-	1,467,065	1,481,474
Total Assets	9,969,626	6,690,701	2,187,861	59,577,992	78,426,180
LIABILITIES					
Current Liabilities:					
Accounts Payable	8,126	-	-	2,160,345	2,168,471
Payroll Deductions and Withholdings	-	-	-	179,233	179,233
Due to Other Agencies	-	-	-	1,490	1,490
Due to Other Funds	-	-	-	19,053,432	19,053,432
Estimated Liability for Claims	4,236,500	1,817,440	-	5,476,518	11,530,458
Total Current Liabilities	4,244,626	1,817,440	-	26,871,018	32,933,084
Noncurrent Liabilities:					
Estimated Liability for Claims	7,213,500	3,094,560	-	9,324,882	19,632,942
Total Noncurrent Liabilities	7,213,500	3,094,560	-	9,324,882	19,632,942
Total Liabilities	11,458,126	4,912,000	-	36,195,900	52,566,026
NET POSITION					
Investment in Capital Assets	-	14,409	-	1,467,065	1,481,474
Unrestricted	(1,488,500)	1,764,292	2,187,861	21,915,027	24,378,680
Total Net Position	<u>\$ (1,488,500)</u>	<u>\$ 1,778,701</u>	<u>\$ 2,187,861</u>	<u>\$ 23,382,092</u>	<u>\$ 25,860,154</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Governmental Activities		Internal Service Funds		
	Workers' Compensation	General Liability/ Fleet Liability	Errors and Omissions/ Boiler and Machinery	Group Health Insurance	Total
OPERATING REVENUES					
Premium Revenue from Other Funds	\$ 6,628,099	\$ 2,900,000	\$ -	\$ 145,369,719	\$ 154,897,818
Other Revenue	-	-	-	280,633	280,633
Total Operating Revenues	6,628,099	2,900,000	-	145,650,352	155,178,451
OPERATING EXPENSES					
Salaries	132,710	90,719	-	278,624	502,053
Benefits	57,965	55,473	-	123,423	236,861
Purchased Services	1,207,574	168,438	-	1,759,321	3,135,333
Energy Services	-	-	-	22,624	22,624
Materials and Supplies	150,000	-	-	1,195	151,195
Claims	7,589,463	2,363,442	-	150,033,692	159,986,597
Depreciation	-	-	-	30,578	30,578
Total Operating Expenses	9,137,712	2,678,072	-	152,249,457	164,065,241
OPERATING INCOME (LOSS)	(2,509,613)	221,928	-	(6,599,105)	(8,886,790)
NONOPERATING REVENUE(EXPENSE)					
Interest Revenue	246,631	154,310	79,251	847,185	1,327,377
Interest Expense	-	-	-	(2,652)	(2,652)
Loss Recoveries	681,858	104,130	-	-	785,988
Total Nonoperating Revenue (Expense)	928,489	258,440	79,251	844,533	2,110,713
INCOME (LOSS) BEFORE TRANSFERS	(1,581,124)	480,368	79,251	(5,754,572)	(6,776,077)
Transfers In	-	-	-	730,408	730,408
Transfers Out	(730,408)	-	-	-	(730,408)
CHANGE IN NET POSITION	(2,311,532)	480,368	79,251	(5,024,164)	(6,776,077)
Net Position - Beginning of Year	823,032	1,298,333	2,108,610	28,406,256	32,636,231
NET POSITION - END OF YEAR	<u>\$ (1,488,500)</u>	<u>\$ 1,778,701</u>	<u>\$ 2,187,861</u>	<u>\$ 23,382,092</u>	<u>\$ 25,860,154</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMPONENT UNITS**

Discretely Presented Component Units – Accounts for and reports on the Polk Education Foundation and Business Partnership, Inc. (Foundation) and the various charter schools.

	Governmental Activities		Internal Service Funds		
	Workers' Compensation	General Liability/ Fleet Liability	Errors and Omissions/ Boiler and Machinery	Group Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Interfund Services Provided	\$ 6,438,488	\$ 2,900,000	\$ -	\$ 139,285,624	\$ 148,624,112
Payment to Suppliers	(1,357,574)	(168,438)	-	(1,783,140)	(3,309,152)
Payment/Premium to Employees	(190,675)	(146,192)	-	(407,414)	(744,281)
Payments for Interfund Services Used	(8,931,275)	(4,668,952)	(750,000)	(153,961,585)	(168,311,812)
Other Receipts (Payments)	-	-	-	280,633	280,633
Net Cash Used by Operating Activities	(4,041,036)	(2,083,582)	(750,000)	(16,585,882)	(23,460,500)
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers from Other Funds	-	-	-	730,408	730,408
Transfers to Other Funds	(730,408)	-	-	-	(730,408)
Loss Recoveries	681,858	104,130	-	-	785,988
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(48,550)	104,130	-	730,408	785,988
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases (Sales) of Investments	4,232,022	1,923,684	1,034,376	12,172,864	19,362,946
Interest and Dividends Earned on Investments	246,631	154,310	79,251	844,533	1,324,725
Net Cash Provided by Investing Activities	4,478,653	2,077,994	1,113,627	13,017,397	20,687,671
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	389,067	98,542	363,627	(2,838,077)	(1,986,841)
Cash and Cash Equivalents - Beginning of Year	1,793,488	1,579,496	75,107	5,000,105	8,448,196
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,182,555</u>	<u>\$ 1,678,038</u>	<u>\$ 438,734</u>	<u>\$ 2,162,028</u>	<u>\$ 6,461,355</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (2,509,613)	\$ 221,928	\$ -	\$ (6,599,105)	\$ (8,886,790)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:					
Depreciation Expense	-	-	-	30,578	30,578
Change in Assets and Liabilities:					
Accounts Receivable	(189,611)	-	-	(304,457)	(494,068)
Due from Other Funds	(5,000,000)	(3,000,000)	(750,000)	(24,833,070)	(33,583,070)
Accounts Payable	(10,812)	(44,510)	-	(10,705,963)	(10,761,285)
Due to Other Funds	-	-	-	19,053,432	19,053,432
Lease Liability	-	-	-	-	-
Payroll Deductions and Withholdings	-	-	-	(5,367)	(5,367)
Due to Other Agencies	-	-	-	1,490	1,490
Estimated Liability for Claims Adjust Expense	3,669,000	739,000	-	6,776,580	11,184,580
Total Adjustments	(1,531,423)	(2,305,510)	(750,000)	(9,986,777)	(14,573,710)
Net Cash Used by Operating Activities	<u>\$ (4,041,036)</u>	<u>\$ (2,083,582)</u>	<u>\$ (750,000)</u>	<u>\$ (16,585,882)</u>	<u>\$ (23,460,500)</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2025**

	Dale R. Fair Babson Park Elementary School	Berkley Accelerated Middle School	Berkley Elementary School	Bridgeprep Academy
ASSETS				
Cash	\$ -	\$ 3,012,398	\$ 3,384,589	\$ 1,150,020
Certificates of Deposit	-	-	-	-
Investments	-	-	1,109,050	-
Accounts Receivable	-	93	-	-
Due from Other Funds	1,263,167	68,559	17,034	44,012
Prepaid Items	-	62,729	-	118,092
Other Assets	-	-	297,866	8,000
Capital Assets:				
Land	-	1,915,000	-	-
Land Improvements	-	-	-	-
Construction in Progress	-	145,387	-	-
Improvements Other than Buildings	151,615	-	-	-
Buildings and Systems	-	2,257,541	33,083	-
Furniture, Fixtures, and Equipment	42,894	115,441	100,359	360,399
Motor Vehicles	-	253,936	77,420	-
Right to Use - Equipment	-	-	-	20,965,915
Right to Use - Buildings	-	-	-	-
Computer Software	-	-	-	-
Total Assets	1,457,676	7,831,084	5,019,401	22,646,438
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	824,340	852,672	1,415,226	-
Total Assets and Deferred Outflows of Resources	<u>\$ 2,282,016</u>	<u>\$ 8,683,756</u>	<u>\$ 6,434,627</u>	<u>\$ 22,646,438</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 18,645	\$ 359,054	\$ 11,750
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	312,452	-	257,661
Compensated Absences Payable	-	-	318,974	12,851
Lease Liability Payable	-	-	-	100,175
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	9,598
Accrued Expenses:	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	202,834	164,284	-	184,493
Due in More than One Year	2,877,782	6,281,964	-	25,351,316
Net Pension Liability	-	2,657,355	4,098,862	-
Total Liabilities	3,080,616	9,434,700	4,776,890	25,927,844
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	356,743	267,270	664,527	-
NET POSITION				
Net Investment in Capital Assets	194,509	(1,610,041)	210,862	(3,487,060)
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	17,076	-	-
Unrestricted	(1,349,852)	574,751	782,348	205,654
Total Net Position	<u>(1,155,343)</u>	<u>(1,018,214)</u>	<u>993,210</u>	<u>(3,281,406)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,282,016</u>	<u>\$ 8,683,756</u>	<u>\$ 6,434,627</u>	<u>\$ 22,646,438</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	Edward W. Bok Academy South	Edward W. Bok Academy North	Compass Charter Middle School	Cypress Junction Montessori
ASSETS				
Cash	\$ -	\$ -	\$ 509,417	\$ 646,428
Certificates of Deposit	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	32,614	39,237	6,196	99,805
Due from Other Funds	1,368,552	1,469,519	180,191	-
Prepaid Items	-	-	-	-
Other Assets	43,245	118,167	-	19,887
Capital Assets:				
Land	-	62,000	-	-
Land Improvements	-	-	-	-
Construction in Progress	19,523	7,346,112	-	-
Improvements Other than Buildings	212,738	46,981	-	55,079
Buildings and Systems	1,856,489	7,545,608	-	215,580
Furniture, Fixtures, and Equipment	46,643	62,526	35,086	119,669
Motor Vehicles	-	-	335,599	3,999
Right to Use - Equipment	-	-	-	-
Right to Use - Buildings	1,602,163	-	-	-
Computer Software	-	-	-	-
Total Assets	5,181,967	16,690,150	1,066,489	1,160,447
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	943,281	1,134,802	295,842	-
Total Assets and Deferred Outflows of Resources	<u>\$ 6,125,248</u>	<u>\$ 17,824,952</u>	<u>\$ 1,362,331</u>	<u>\$ 1,160,447</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 4,548,349	\$ 29,022	\$ 92,116
Due to Other Governmental Agencies	-	-	24,929	-
Salaries and Wages Payable	-	-	83,651	-
Compensated Absences Payable	-	-	-	-
Lease Liability Payable	-	-	-	-
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Accrued Expenses:	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	282,030	312,029	-	246,602
Due in More than One Year	4,567,049	9,399,296	44,099	-
Net Pension Liability	-	-	864,737	-
Total Liabilities	4,849,079	14,259,674	1,046,438	338,718
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	435,272	296,580	103,945	-
NET POSITION				
Net Investment in Capital Assets	1,867,021	7,744,320	370,685	158,738
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Endowment - Nonexpendable	-	-	-	36,074
Other Purposes	-	-	-	7,851
Unrestricted	(1,026,124)	(4,475,622)	(158,737)	619,066
Total Net Position	<u>840,897</u>	<u>3,268,698</u>	<u>211,948</u>	<u>821,729</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 6,125,248</u>	<u>\$ 17,824,952</u>	<u>\$ 1,362,331</u>	<u>\$ 1,160,447</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	Discovery Academy of Lake Alfred	Discovery High School	Hartridge Academy	Hillcrest Elementary School
ASSETS				
Cash	\$ 2,980,543	\$ 101,665	\$ 721,057	\$ -
Certificates of Deposit	-	-	-	-
Investments	950	-	-	-
Accounts Receivable	-	-	51,199	-
Due from Other Funds	1,683,577	48,504	-	3,552,432
Prepaid Items	5,339	-	-	-
Other Assets	593,231	25,615,000	133,217	-
Capital Assets:				
Land	2,681,713	-	-	-
Land Improvements	-	-	-	-
Construction in Progress	289,204	-	-	-
Improvements Other than Buildings	-	-	151,469	23,129
Buildings and Systems	19,534,290	-	-	-
Furniture, Fixtures, and Equipment	329,809	232,522	67,389	73,621
Motor Vehicles	989,525	-	51,043	-
Right to Use - Equipment	-	-	-	-
Right to Use - Buildings	-	-	109,208	-
Computer Software	-	-	-	-
Total Assets	<u>29,088,181</u>	<u>25,997,691</u>	<u>1,284,582</u>	<u>3,649,182</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	1,606,730	-	-	1,003,064
Total Assets and Deferred Outflows of Resources	<u>\$ 30,694,911</u>	<u>\$ 25,997,691</u>	<u>\$ 1,284,582</u>	<u>\$ 4,652,246</u>
LIABILITIES				
Accounts Payable	\$ 355,711	\$ 72,857	\$ 267,938	\$ -
Due to Other Governmental Agencies	-	2,276,762	-	-
Salaries and Wages Payable	-	-	-	-
Compensated Absences Payable	250,364	163,729	-	-
Lease Liability Payable	-	-	-	-
Accrued Interest	106,204	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Accrued Expenses:	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	516,095	405,000	65,087	209,328
Due in More than One Year	25,720,418	25,210,000	-	3,666,739
Net Pension Liability	<u>7,090,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>34,039,348</u>	<u>28,128,348</u>	<u>333,025</u>	<u>3,876,067</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	1,357,173	-	-	419,806
NET POSITION				
Net Investment in Capital Assets	(3,005,203)	(360,663)	314,022	96,750
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Endowment - Nonexpendable	-	-	-	-
Other Purposes	2,661,049	-	104,771	-
Unrestricted	<u>(4,357,456)</u>	<u>(1,769,994)</u>	<u>532,764</u>	<u>259,623</u>
Total Net Position	<u>(4,701,610)</u>	<u>(2,130,657)</u>	<u>951,557</u>	<u>356,373</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 30,694,911</u>	<u>\$ 25,997,691</u>	<u>\$ 1,284,582</u>	<u>\$ 4,652,246</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	Janie Howard Wilson Elementary School	Lake Wales Senior High School	Lakeland Montessori Schoolhouse	IDEA Public Schools Lakeland
ASSETS				
Cash	\$ -	\$ -	\$ 4,981,300	\$ 825,847
Certificates of Deposit	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	-	48,558	2,498	1,806,476
Due from Other Funds	2,236,234	3,174,854	7,606	-
Prepaid Items	-	-	3,628	558
Other Assets	-	-	-	-
Capital Assets:				
Land	-	-	306,000	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	-
Improvements Other than Buildings	26,425	618,638	-	-
Buildings and Systems	-	-	717,052	-
Furniture, Fixtures, and Equipment	17,427	436,166	71,163	661,129
Motor Vehicles	-	-	-	600,558
Right to Use - Equipment	-	-	-	-
Right to Use - Buildings	-	-	-	5,305,639
Computer Software	-	-	-	-
Total Assets	<u>2,280,086</u>	<u>4,278,216</u>	<u>6,089,247</u>	<u>9,200,207</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	1,065,198	1,995,722	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 3,345,284</u>	<u>\$ 6,273,938</u>	<u>\$ 6,089,247</u>	<u>\$ 9,200,207</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 8,083	\$ 386,527
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	-	155,551	-
Compensated Absences Payable	-	-	-	-
Lease Liability Payable	-	-	-	1,014,895
Accrued Interest	-	-	-	-
Due to Other Funds	-	8,772	-	3,296,177
Unearned Revenue	-	-	249,513	25
Other Liabilities	-	-	-	-
Accrued Expenses:	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	87,078	246,848	34,642	-
Due in More than One Year	2,607,461	6,465,194	434,333	4,290,744
Net Pension Liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,694,539</u>	<u>6,720,814</u>	<u>882,122</u>	<u>8,988,368</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	311,645	1,028,705	-	-
NET POSITION				
Net Investment in Capital Assets	43,852	1,054,804	650,496	1,261,687
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	757
Unrestricted	<u>295,248</u>	<u>(2,530,385)</u>	<u>4,556,629</u>	<u>(1,050,605)</u>
Total Net Position	<u>339,100</u>	<u>(1,475,581)</u>	<u>5,207,125</u>	<u>211,839</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,345,284</u>	<u>\$ 6,273,938</u>	<u>\$ 6,089,247</u>	<u>\$ 9,200,207</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	Language & Literacy Academy for Learning	Mater Academy Middle School	Magnolia Montessori Academy	McKeel Schools System
ASSETS				
Cash	\$ 1,092,195	\$ 11,153	\$ 534,297	\$ 11,707,518
Certificates of Deposit	40,258	-	-	-
Investments	-	432,000	-	-
Accounts Receivable	206,754	-	16,538	229,887
Due from Other Funds	153,333	1,510,519	-	-
Prepaid Items	-	2,040	-	-
Other Assets	15,531	-	17,672	222,144
Capital Assets:				
Land	-	-	226,737	739,202
Land Improvements	-	-	-	55,875
Construction in Progress	177,690	-	-	6,703,127
Improvements Other than Buildings	40,640	-	-	-
Buildings and Systems	-	-	2,022,810	12,861,559
Furniture, Fixtures, and Equipment	157,040	815,957	100,547	3,159,303
Motor Vehicles	179,652	-	-	1,256,647
Right to Use - Equipment	12,679,244	7,016,711	7,585	-
Right to Use - Buildings	-	-	-	-
Computer Software	31,855	-	-	-
Total Assets	14,774,192	9,788,380	2,926,186	36,935,262
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	1,106,620	-	-	6,047,906
Total Assets and Deferred Outflows of Resources	<u>\$ 15,880,812</u>	<u>\$ 9,788,380</u>	<u>\$ 2,926,186</u>	<u>\$ 42,983,168</u>
LIABILITIES				
Accounts Payable	\$ 116,484	\$ 16,190	\$ 122,258	\$ 416,736
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	369,322	74,695	-	-
Compensated Absences Payable	-	15,208	-	-
Lease Liability Payable	250,640	131,078	-	-
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	-	12,485
Unearned Revenue	-	-	14,595	8,660
Other Liabilities	-	-	-	-
Accrued Expenses:	-	-	-	2,435,343
Noncurrent Liabilities:				
Due Within One Year	15,327	-	83,099	5,830,895
Due in More than One Year	12,590,340	8,815,894	1,797,496	22,161,996
Net Pension Liability	2,378,386	-	-	-
Total Liabilities	15,720,499	9,053,065	2,017,448	30,866,115
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	361,773	-	-	2,159,878
NET POSITION				
Net Investment in Capital Assets	586,877	(660,470)	505,224	15,907,510
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	(788,337)	1,395,785	403,514	(5,950,335)
Total Net Position	<u>(201,460)</u>	<u>735,315</u>	<u>908,738</u>	<u>9,957,175</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 15,880,812</u>	<u>\$ 9,788,380</u>	<u>\$ 2,926,186</u>	<u>\$ 42,983,168</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	Mi Escuela Montessori	Navigator Academy of Leadership	New Beginnings High School	Victory Ridge Academy
ASSETS				
Cash	\$ 363,377	\$ 11,740,212	\$ 2,127,303	\$ 2,987,752
Certificates of Deposit	-	-	-	-
Investments	417,734	-	-	-
Accounts Receivable	34,636	134,167	-	17,636
Due from Other Funds	-	36,448	321,595	9,167,401
Prepaid Items	-	100	167,252	-
Other Assets	52,029	-	-	963
Capital Assets:				
Land	-	1,100,000	-	-
Land Improvements	-	-	-	-
Construction in Progress	165,390	12,178,378	-	-
Improvements Other than Buildings	138,761	-	46,407	-
Buildings and Systems	-	12,735,855	-	14,759,120
Furniture, Fixtures, and Equipment	79,499	314,622	6,335	105,265
Motor Vehicles	112,445	-	-	770,903
Right to Use - Equipment	-	-	-	-
Right to Use - Buildings	127,189	-	3,186,559	45,006
Computer Software	-	-	-	-
Total Assets	1,491,060	38,239,782	5,855,451	27,854,046
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	-	3,315,000	424,558	2,800,074
Total Assets and Deferred Outflows of Resources	<u>\$ 1,491,060</u>	<u>\$ 41,554,782</u>	<u>\$ 6,280,009</u>	<u>\$ 30,654,120</u>
LIABILITIES				
Accounts Payable	\$ 218,047	\$ 76,320	\$ 158,401	\$ 865,690
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	161,948	-	-
Compensated Absences Payable	-	-	32,335	301,406
Lease Liability Payable	-	-	-	27,040
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	17,894	-	-	-
Other Liabilities	-	-	-	-
Accrued Expenses:	-	-	-	-
Noncurrent Liabilities:				
Due Within One Year	193,290	-	627,914	564,194
Due in More than One Year	-	41,259,902	2,607,239	19,234,834
Net Pension Liability	-	-	1,306,353	5,914,189
Total Liabilities	429,231	41,498,170	4,732,242	26,907,353
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	-	-	387,093	538,852
NET POSITION				
Net Investment in Capital Assets	447,063	(11,616,047)	404,442	15,635,288
Restricted for:				
Debt Service	-	3,926,492	-	-
Capital Outlay	-	4,886,904	-	-
Endowment - Nonexpendable	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	614,766	2,859,263	756,232	(12,427,373)
Total Net Position	<u>1,061,829</u>	<u>56,612</u>	<u>1,160,674</u>	<u>3,207,915</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,491,060</u>	<u>\$ 41,554,782</u>	<u>\$ 6,280,009</u>	<u>\$ 30,654,120</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	Polk Avenue Elementary School	Mater Academy	Ridgeview Global Studies Academy	Polk Education Foundation and Business Partnership, Inc.
ASSETS				
Cash	\$ -	\$ 167,564	\$ 1,466,674	\$ 15,499,461
Certificates of Deposit	-	-	6,199,516	-
Investments	-	285,000	-	5,116,134
Accounts Receivable	-	64,179	-	76,923
Due from Other Funds	2,252,760	443,697	115,125	-
Prepaid Items	-	653	-	2,055,915
Other Assets	-	-	1,909	-
Capital Assets:				
Land	-	-	1,254,590	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	247,604	-
Improvements Other than Buildings	132,824	449,927	-	-
Buildings and Systems	-	-	12,051,080	-
Furniture, Fixtures, and Equipment	28,778	920,533	457,222	-
Motor Vehicles	-	-	467,340	-
Right to Use - Equipment	-	-	-	-
Right to Use - Buildings	-	9,265,535	-	-
Computer Software	-	-	-	-
Total Assets	<u>2,414,362</u>	<u>11,597,088</u>	<u>22,261,060</u>	<u>22,748,433</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	878,098	-	2,930,249	-
Total Assets and Deferred Outflows of Resources	<u>\$ 3,292,460</u>	<u>\$ 11,597,088</u>	<u>\$ 25,191,309</u>	<u>\$ 22,748,433</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 263,702	\$ 50,258
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	246,106	-	-
Compensated Absences Payable	-	48,800	723,519	-
Lease Liability Payable	-	173,755	-	-
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Accrued Expenses:				
Noncurrent Liabilities:				
Due Within One Year	124,995	-	264,305	-
Due in More than One Year	2,952,718	10,126,428	15,217,845	-
Net Pension Liability	-	-	8,396,066	-
Total Liabilities	<u>3,077,713</u>	<u>10,595,089</u>	<u>24,865,437</u>	<u>50,258</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	372,527	-	1,213,266	-
NET POSITION				
Net Investment in Capital Assets	161,602	968,346	(1,004,314)	-
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Endowment - Nonexpendable	-	-	-	4,836,600
Other Purposes	-	-	-	13,013,576
Unrestricted	(319,382)	33,653	116,920	4,847,999
Total Net Position	<u>(157,780)</u>	<u>1,001,999</u>	<u>(887,394)</u>	<u>22,698,175</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,292,460</u>	<u>\$ 11,597,088</u>	<u>\$ 25,191,309</u>	<u>\$ 22,748,433</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	RCMA Mulberry Community Academy	Polk State College Chain of Lakes Collegiate Charter High School	Polk State College Lakeland Collegiate High School	Polk State College Lakeland Gateway To College Charter High School
ASSETS				
Cash	\$ 538,717	\$ 3,742,744	\$ 3,040,772	\$ 1,626,281
Certificates of Deposit	-	-	-	-
Investments	-	-	-	-
Accounts Receivable	235,044	18,616	32,275	55,919
Due from Other Funds	-	-	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Capital Assets:				
Land	-	-	-	-
Land Improvements	-	-	-	-
Construction in Progress	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Buildings and Systems	-	-	-	-
Furniture, Fixtures, and Equipment	324,009	-	-	-
Motor Vehicles	-	-	-	-
Right to Use - Equipment	-	-	-	-
Right to Use - Buildings	-	-	-	-
Computer Software	-	-	-	-
Total Assets	<u>1,097,770</u>	<u>3,761,360</u>	<u>3,073,047</u>	<u>1,682,200</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 1,097,770</u>	<u>\$ 3,761,360</u>	<u>\$ 3,073,047</u>	<u>\$ 1,682,200</u>
LIABILITIES				
Accounts Payable	\$ 340,277	\$ 9,855	\$ 6,909	\$ 4,515
Due to Other Governmental Agencies	-	-	-	-
Salaries and Wages Payable	-	37,862	47,586	43,635
Compensated Absences Payable	-	-	-	-
Lease Liability Payable	-	-	-	-
Accrued Interest	-	-	-	-
Due to Other Funds	-	-	225	-
Unearned Revenue	-	-	-	-
Other Liabilities	-	-	-	-
Accrued Expenses:				
Noncurrent Liabilities:				
Due Within One Year	-	-	-	-
Due in More than One Year	-	156,144	175,741	55,507
Net Pension Liability	-	-	-	-
Total Liabilities	<u>340,277</u>	<u>203,861</u>	<u>230,461</u>	<u>103,657</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows of Resources	299,317	-	-	-
NET POSITION				
Net Investment in Capital Assets	324,009	-	-	-
Restricted for:				
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Endowment - Nonexpendable	-	-	-	-
Other Purposes	(79,382)	-	-	-
Unrestricted	213,549	3,557,499	2,842,586	1,578,543
Total Net Position	<u>458,176</u>	<u>3,557,499</u>	<u>2,842,586</u>	<u>1,578,543</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,097,770</u>	<u>\$ 3,761,360</u>	<u>\$ 3,073,047</u>	<u>\$ 1,682,200</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
JUNE 30, 2025**

	Achievement Academy, Inc.	Achievement Academy Charter School	Totals Component Units
ASSETS			
Cash	\$ 2,011,182	\$ 145,655	\$ 77,116,121
Certificates of Deposit	-	-	6,239,774
Investments	327,892	-	7,668,760
Accounts Receivable	114,771	11,640	3,335,661
Due from Other Funds	34,579	-	29,149,698
Prepaid Items	21,481	20,735	2,458,522
Other Assets	300	-	27,139,161
Capital Assets:			
Land	219,596	160,000	8,664,838
Land Improvements	-	-	55,875
Construction in Progress	-	-	27,272,415
Improvements Other than Buildings	-	-	2,094,633
Buildings and Systems	-	-	86,590,067
Furniture, Fixtures, and Equipment	1,034,635	910,351	11,186,339
Motor Vehicles	-	-	5,099,067
Right to Use - Equipment	-	-	40,669,455
Right to Use - Buildings	-	-	19,641,299
Computer Software	-	-	31,855
Total Assets	<u>3,764,436</u>	<u>1,248,381</u>	<u>354,433,540</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows of Resources	-	-	28,639,382
Total Assets and Deferred Outflows of Resources	<u>\$ 3,764,436</u>	<u>\$ 1,248,381</u>	<u>\$ 383,072,922</u>
LIABILITIES			
Accounts Payable	\$ 264,963	\$ 252,874	\$ 9,333,531
Due to Other Governmental Agencies	-	-	2,301,691
Salaries and Wages Payable	-	-	1,790,469
Compensated Absences Payable	-	-	1,867,186
Lease Liability Payable	-	-	1,697,583
Accrued Interest	-	-	106,204
Due to Other Funds	-	-	3,317,659
Unearned Revenue	-	-	290,687
Other Liabilities	-	-	9,598
Accrued Expenses:	-	-	2,435,343
Noncurrent Liabilities:			
Due Within One Year	-	-	10,660,369
Due in More than One Year	-	-	254,068,479
Net Pension Liability	-	-	32,706,504
Total Liabilities	<u>264,963</u>	<u>252,874</u>	<u>319,189,210</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows of Resources	-	-	10,574,372
NET POSITION			
Net Investment in Capital Assets	1,070,351	1,070,351	29,305,011
Restricted for:			
Debt Service	-	-	3,926,492
Capital Outlay	-	-	4,886,904
Endowment - Nonexpendable	429,993	171,597	5,474,264
Other Purposes	-	-	15,725,698
Unrestricted	<u>1,999,129</u>	<u>(246,441)</u>	<u>(7,405,122)</u>
Total Net Position	<u>3,499,473</u>	<u>995,507</u>	<u>51,913,247</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,764,436</u>	<u>\$ 1,248,381</u>	<u>\$ 383,072,922</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2025**

	Dale R. Fair Babson Park Elementary School	Berkley Accelerated Middle School	Berkley Elementary School	Bridgeprep Academy
EXPENSES				
Instruction	\$ 3,336,402	\$ 3,811,972	\$ 4,571,698	\$ 2,076,351
Student Support Services	77,748	121,636	210,298	296,032
Instructional Media	98,683	-	43,288	-
Instruction and Curriculum Development	120,326	-	-	-
Instructional Staff Training	-	39,268	26,660	12,644
Instruction-Related Technology	2,176	-	-	90,592
Board	17,151	29,289	8,704	87,979
General Administration	18,892	-	41,355	100,198
School Administration	631,360	738,580	635,434	594,936
Facilities Acquisition and Construction	10,670	-	6,797	-
Fiscal Services	-	71,859	64,535	569,640
Food Services	-	220,503	400,682	389,768
Central Services	-	47,933	60,786	37,255
Pupil Transportation	129,980	205,613	276,692	-
Operation of Plant	345,828	452,555	657,921	1,372,003
Maintenance of Plant	1,650	-	-	86,168
Community Services	64,910	-	36,497	51,833
Interest	-	268,653	-	1,465,465
Other Operating Expenses	<u>1,323</u>	<u>-</u>	<u>-</u>	<u>28,971</u>
Total Expenses	<u>4,857,099</u>	<u>6,007,861</u>	<u>7,041,347</u>	<u>7,259,835</u>
PROGRAM REVENUES				
Charges for Services	176,123	128,926	335,726	111,421
Operating Grants and Contributions	212,589	259,115	614,951	559,827
Capital Grants and Contributions	-	384,884	-	372,000
Net Program Expenses	(4,468,387)	(5,234,936)	(6,090,670)	(6,216,587)
GENERAL REVENUES				
Federal	-	-	-	-
State and Local Sources	3,892,379	5,023,380	5,865,128	4,891,798
Grants and Contributions Not Restricted to Specific Programs	91,673	154,414	414,154	-
Investment Earnings	-	-	-	-
Miscellaneous	-	199,168	-	-
Total General Revenues	<u>3,984,052</u>	<u>5,376,962</u>	<u>6,279,282</u>	<u>4,891,798</u>
CHANGE IN NET POSITION	(484,335)	142,026	188,612	(1,324,789)
Net Position - Beginning of Year, as Originally Stated	(671,008)	(1,160,240)	804,598	(1,956,617)
Restatement	-	-	-	-
Net Position - Beginning of Year, as Restated	<u>(671,008)</u>	<u>(1,160,240)</u>	<u>804,598</u>	<u>(1,956,617)</u>
NET POSITION - END OF YEAR	<u>\$ (1,155,343)</u>	<u>\$ (1,018,214)</u>	<u>\$ 993,210</u>	<u>\$ (3,281,406)</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Edward W. Bok Academy South	Edward W. Bok Academy North	Compass Charter Middle School	Cypress Junction Montessori
EXPENSES				
Instruction	\$ 3,522,310	\$ 3,587,926	\$ 1,002,090	\$ 1,818,233
Student Support Services	143,287	182,231	373	-
Instructional Media	-	-	-	-
Instruction and Curriculum Development	253,276	167,022	-	-
Instructional Staff Training	-	-	12,781	42,586
Instruction-Related Technology	2,299	7,242	-	-
Board	16,528	16,528	11,922	54,252
General Administration	25,782	27,517	-	103,295
School Administration	1,021,712	885,044	270,676	460,954
Facilities Acquisition and Construction	12,500	282,460	-	-
Fiscal Services	-	-	39,043	29,479
Food Services	-	-	-	1,568
Central Services	-	-	-	-
Pupil Transportation	556,946	472,293	475,122	100,549
Operation of Plant	585,214	667,161	44,974	321,128
Maintenance of Plant	38,964	-	-	-
Community Services	3,648	26,115	-	29,505
Interest	139,466	181,536	-	18,383
Other Operating Expenses	-	-	32,657	-
Total Expenses	<u>6,321,932</u>	<u>6,503,075</u>	<u>1,889,638</u>	<u>2,979,932</u>
PROGRAM REVENUES				
Charges for Services	-	-	-	150,705
Operating Grants and Contributions	329,142	341,262	266,263	138,399
Capital Grants and Contributions	-	-	-	-
Net Program Expenses	(5,992,790)	(6,161,813)	(1,623,375)	(2,690,828)
GENERAL REVENUES				
Federal	-	-	-	-
State and Local Sources	5,595,057	6,276,103	1,344,552	2,792,426
Grants and Contributions Not Restricted to Specific Programs	-	2,170,593	161,457	21,179
Investment Earnings	-	-	-	-
Miscellaneous	-	-	153,829	-
Total General Revenues	<u>5,595,057</u>	<u>8,446,696</u>	<u>1,659,838</u>	<u>2,813,605</u>
CHANGE IN NET POSITION	(397,733)	2,284,883	36,463	122,777
Net Position - Beginning of Year, as Originally Stated	1,238,630	3,480,040	175,485	698,952
Restatement	-	(2,496,225)	-	-
Net Position - Beginning of Year, as Restated	<u>1,238,630</u>	<u>983,815</u>	<u>175,485</u>	<u>698,952</u>
NET POSITION - END OF YEAR	<u>\$ 840,897</u>	<u>\$ 3,268,698</u>	<u>\$ 211,948</u>	<u>\$ 821,729</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Discovery Academy of Lake Alfred	Discovery High School	Hartridge Academy	Hillcrest Elementary School
EXPENSES				
Instruction	\$ 4,662,065	\$ 4,578,287	\$ 1,361,130	\$ 4,447,587
Student Support Services	637,578	692,817	-	116,368
Instructional Media	51,588	-	-	138,358
Instruction and Curriculum Development	-	-	-	258,304
Instructional Staff Training	93,801	189,914	-	5,130
Instruction-Related Technology	-	-	-	10,867
Board	141,690	12,273	39,335	17,151
General Administration	-	-	35,283	27,611
School Administration	2,169,607	707,693	489,117	727,793
Facilities Acquisition and Construction	-	1,223,711	-	-
Fiscal Services	157,277	151,129	-	-
Food Services	878,405	239,169	-	-
Central Services	49,477	-	-	-
Pupil Transportation	1,538,787	323,659	78,149	171,194
Operation of Plant	662,250	642,323	403,743	495,105
Maintenance of Plant	-	26,333	55,127	7,428
Community Services	-	3,324	-	37,442
Interest	1,288,102	-	6,973	-
Other Operating Expenses	21,484	17,792	-	1,102
Total Expenses	<u>12,352,111</u>	<u>8,808,424</u>	<u>2,468,857</u>	<u>6,461,440</u>
PROGRAM REVENUES				
Charges for Services	1,616,129	23,864	-	192,730
Operating Grants and Contributions	1,475,580	891,701	94,859	325,510
Capital Grants and Contributions	-	544,319	-	-
Net Program Expenses	(9,260,402)	(7,348,540)	(2,373,998)	(5,943,200)
GENERAL REVENUES				
Federal	-	-	-	-
State and Local Sources	8,798,617	7,179,877	1,892,512	5,575,316
Grants and Contributions Not Restricted to Specific Programs	459,045	130,062	21,435	56,033
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total General Revenues	<u>9,257,662</u>	<u>7,309,939</u>	<u>1,913,947</u>	<u>5,631,349</u>
CHANGE IN NET POSITION	(2,740)	(38,601)	(460,051)	(311,851)
Net Position - Beginning of Year, as Originally Stated	(5,274,245)	(2,644,362)	1,411,608	668,224
Restatement	575,375	552,306	-	-
Net Position - Beginning of Year, as Restated	<u>(4,698,870)</u>	<u>(2,092,056)</u>	<u>1,411,608</u>	<u>668,224</u>
NET POSITION - END OF YEAR	<u>\$ (4,701,610)</u>	<u>\$ (2,130,657)</u>	<u>\$ 951,557</u>	<u>\$ 356,373</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Janie Howard Wilson Elementary School	Lake Wales Senior High School	Lakeland Montessori Schoolhouse	IDEA Public Schools Lakeland
EXPENSES				
Instruction	\$ 3,348,448	\$ 8,875,951	\$ 977,571	\$ 3,068,327
Student Support Services	108,577	744,469	41,929	233,512
Instructional Media	85,626	3,172	-	8,702
Instruction and Curriculum Development	240,829	63,764	-	-
Instructional Staff Training	16,534	32,533	39,514	-
Instruction-Related Technology	11,648	18,096	-	72,220
Board	17,151	23,076	26,401	-
General Administration	18,205	64,628	-	1,132,165
School Administration	573,931	1,901,911	310,200	-
Facilities Acquisition and Construction	-	12,496	-	-
Fiscal Services	-	-	-	35,990
Food Services	-	-	-	503,990
Central Services	-	-	-	284,251
Pupil Transportation	241,210	880,599	-	577,347
Operation of Plant	502,574	1,521,309	274,427	2,904,892
Maintenance of Plant	6,254	26,368	62,670	-
Community Services	-	784,654	-	15,837
Interest	-	-	32,750	-
Other Operating Expenses	286	2,866	-	-
Total Expenses	<u>5,171,273</u>	<u>14,955,892</u>	<u>1,765,462</u>	<u>8,837,233</u>
PROGRAM REVENUES				
Charges for Services	174,737	283,969	702,091	-
Operating Grants and Contributions	416,316	815,428	41,292	886,024
Capital Grants and Contributions	-	-	80,431	281,622
Net Program Expenses	(4,580,220)	(13,856,495)	(941,648)	(7,669,587)
GENERAL REVENUES				
Federal	-	149,852	-	-
State and Local Sources	4,107,863	13,288,406	1,291,635	6,721,425
Grants and Contributions Not Restricted to Specific Programs	45,288	-	-	1,063,772
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total General Revenues	<u>4,153,151</u>	<u>13,438,258</u>	<u>1,291,635</u>	<u>7,785,197</u>
CHANGE IN NET POSITION	(427,069)	(418,237)	349,987	115,610
Net Position - Beginning of Year, as Originally Stated	766,169	(1,057,344)	4,857,138	96,229
Restatement	-	-	-	-
Net Position - Beginning of Year, as Restated	<u>766,169</u>	<u>(1,057,344)</u>	<u>4,857,138</u>	<u>96,229</u>
NET POSITION - END OF YEAR	<u>\$ 339,100</u>	<u>\$ (1,475,581)</u>	<u>\$ 5,207,125</u>	<u>\$ 211,839</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Language & Literacy Academy for Learning	Mater Academy Middle School	Magnolia Montessori Academy	McKeel Schools System
EXPENSES				
Instruction	\$ 3,357,231	\$ 1,607,939	\$ 1,316,728	\$ 19,990,274
Student Support Services	1,572,738	45,106	23,770	963,106
Instructional Media	-	-	-	193,440
Instruction and Curriculum Development	-	-	-	-
Instructional Staff Training	49,763	17,456	-	544,685
Instruction-Related Technology	-	-	-	750,759
Board	2,328	25,643	23,719	69,001
General Administration	141,623	-	28,986	81,301
School Administration	1,034,014	400,870	305,413	2,370,291
Facilities Acquisition and Construction	1,076,680	-	-	-
Fiscal Services	84,127	53,200	-	987,802
Food Services	305,575	170,980	77,328	2,699,072
Central Services	128,298	53,768	-	-
Pupil Transportation	540,797	43,307	-	2,711,088
Operation of Plant	687,505	523,389	326,690	2,598,549
Maintenance of Plant	30,277	44,017	-	874,233
Community Services	-	-	88,704	558,958
Interest	6,721	-	71,651	388,891
Other Operating Expenses	-	382,816	-	-
Total Expenses	<u>9,017,677</u>	<u>3,368,491</u>	<u>2,262,969</u>	<u>35,781,450</u>
PROGRAM REVENUES				
Charges for Services	175,418	25,488	495,140	2,739,827
Operating Grants and Contributions	734,131	557,120	40,030	2,654,934
Capital Grants and Contributions	407,993	207,380	-	-
Net Program Expenses	(7,700,135)	(2,578,503)	(1,727,819)	(30,386,689)
GENERAL REVENUES				
Federal	-	-	-	-
State and Local Sources	7,590,624	2,621,508	1,594,985	30,533,858
Grants and Contributions Not Restricted to Specific Programs	-	-	-	855,887
Investment Earnings	-	33,890	-	-
Miscellaneous	574,380	-	198,162	-
Total General Revenues	<u>8,165,004</u>	<u>2,655,398</u>	<u>1,793,147</u>	<u>31,389,745</u>
CHANGE IN NET POSITION	464,869	76,895	65,328	1,003,056
Net Position - Beginning of Year, as Originally Stated	(666,329)	671,527	843,410	8,954,119
Restatement	-	(13,107)	-	-
Net Position - Beginning of Year, as Restated	<u>(666,329)</u>	<u>658,420</u>	<u>843,410</u>	<u>8,954,119</u>
NET POSITION - END OF YEAR	<u>\$ (201,460)</u>	<u>\$ 735,315</u>	<u>\$ 908,738</u>	<u>\$ 9,957,175</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Mi Escuela Montessori	Navigator Academy of Leadership	New Beginnings High School	Victory Ridge Academy
EXPENSES				
Instruction	\$ 2,325,935	\$ 4,090,547	\$ 2,299,270	\$ 5,364,864
Student Support Services	51,343	244,969	525,122	3,851,625
Instructional Media	-	-	-	-
Instruction and Curriculum Development	-	-	-	-
Instructional Staff Training	20,334	49,753	-	17,488
Instruction-Related Technology	18,712	246,782	-	-
Board	25,169	247,832	55,224	44,171
General Administration	108,430	476,925	102,524	147,561
School Administration	441,746	679,363	4,990,048	1,652,396
Facilities Acquisition and Construction	-	-	-	34,840
Fiscal Services	28,085	457,823	59,487	230,413
Food Services	158,675	478,627	251	14,166
Central Services	-	-	91,717	5,499
Pupil Transportation	46,970	56,725	415,761	1,930,762
Operation of Plant	262,317	203,255	1,347,519	932,340
Maintenance of Plant	-	508,375	-	110,027
Community Services	31,866	210,997	-	-
Interest	16,018	4,077,104	174,346	513,133
Other Operating Expenses	10,262	511,211	25,133	-
Total Expenses	<u>3,545,862</u>	<u>12,540,288</u>	<u>10,086,402</u>	<u>14,849,285</u>
PROGRAM REVENUES				
Charges for Services	457,546	201,712	-	-
Operating Grants and Contributions	231,267	529,030	588,149	1,391,699
Capital Grants and Contributions	-	511,399	580,755	206,995
Net Program Expenses	(2,857,049)	(11,298,147)	(8,917,498)	(13,250,591)
GENERAL REVENUES				
Federal	-	-	1,265,979	-
State and Local Sources	2,709,494	7,106,753	8,585,547	12,945,826
Grants and Contributions Not Restricted to Specific Programs	62,501	704,785	82,825	1,389,978
Investment Earnings	-	-	-	-
Miscellaneous	-	813,170	-	-
Total General Revenues	<u>2,771,995</u>	<u>8,624,708</u>	<u>9,934,351</u>	<u>14,335,804</u>
CHANGE IN NET POSITION	(85,054)	(2,673,439)	1,016,853	1,085,213
Net Position - Beginning of Year, as Originally Stated	1,146,883	2,730,051	143,821	2,122,702
Restatement	-	-	-	-
Net Position - Beginning of Year, as Restated	<u>1,146,883</u>	<u>2,730,051</u>	<u>143,821</u>	<u>2,122,702</u>
NET POSITION - END OF YEAR	<u>\$ 1,061,829</u>	<u>\$ 56,612</u>	<u>\$ 1,160,674</u>	<u>\$ 3,207,915</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Polk Avenue Elementary School	Mater Academy	Ridgeview Global Studies Academy	Polk Education Foundation and Business Partnership, Inc.
EXPENSES				
Instruction	\$ 3,574,252	\$ 4,471,155	\$ 11,117,145	\$ -
Student Support Services	96,204	94,551	699,001	-
Instructional Media	91,210	-	156,503	-
Instruction and Curriculum Development	275,872	-	-	-
Instructional Staff Training	-	46,056	1,413	-
Instruction-Related Technology	547	-	-	-
Board	17,151	45,270	48,019	-
General Administration	21,568	-	41,789	-
School Administration	686,068	937,071	1,592,951	-
Facilities Acquisition and Construction	-	-	428,146	-
Fiscal Services	-	129,675	81,591	-
Food Services	-	425,494	1,113,866	-
Central Services	-	140,842	9,465	-
Pupil Transportation	167,818	93,001	727,276	-
Operation of Plant	419,149	1,841,027	1,119,676	-
Maintenance of Plant	-	156,431	-	-
Community Services	-	298,651	188,275	-
Interest	-	487,893	460,854	-
Other Operating Expenses	152	36,656	-	2,842,649
Total Expenses	<u>5,349,991</u>	<u>9,203,773</u>	<u>17,785,970</u>	<u>2,842,649</u>
PROGRAM REVENUES				
Charges for Services	114,323	613,760	171,375	-
Operating Grants and Contributions	493,772	743,492	1,913,512	13,194,652
Capital Grants and Contributions	-	507,939	812,890	-
Net Program Expenses	(4,741,896)	(7,338,582)	(14,888,193)	10,352,003
GENERAL REVENUES				
Federal	-	-	-	-
State and Local Sources	4,479,607	7,050,560	13,461,760	-
Grants and Contributions Not Restricted to Specific Programs	31,471	300,000	557,847	-
Investment Earnings	-	-	-	1,345,364
Miscellaneous	-	75,970	-	190,041
Total General Revenues	<u>4,511,078</u>	<u>7,426,530</u>	<u>14,019,607</u>	<u>1,535,405</u>
CHANGE IN NET POSITION	(230,818)	87,948	(868,586)	11,887,408
Net Position - Beginning of Year, as Originally Stated	14,788	914,051	(18,808)	10,810,767
Restatement	58,250	-	-	-
Net Position - Beginning of Year, as Restated	<u>73,038</u>	<u>914,051</u>	<u>(18,808)</u>	<u>10,810,767</u>
NET POSITION - END OF YEAR	<u>\$ (157,780)</u>	<u>\$ 1,001,999</u>	<u>\$ (887,394)</u>	<u>\$ 22,698,175</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	RCMA Mulberry Community Academy	Polk State College Chain of Lakes Collegiate Charter High School	Polk State College Lakeland Collegiate High School	Polk State College Lakeland Gateway To College Charter High School
EXPENSES				
Instruction	\$ 797,065	\$ 1,556,093	\$ 1,554,281	\$ 1,340,408
Student Support Services	37,110	-	-	-
Instructional Media	-	-	-	-
Instruction and Curriculum Development	5,016	-	-	-
Instructional Staff Training	15,869	-	-	-
Instruction-Related Technology	-	-	-	-
Board	-	-	-	-
General Administration	-	641,346	540,810	316,041
School Administration	83,700	-	-	-
Facilities Acquisition and Construction	67,136	-	-	-
Fiscal Services	164,112	-	-	-
Food Services	194,344	-	-	-
Central Services	425,513	-	-	-
Pupil Transportation	44,607	-	-	-
Operation of Plant	66,319	-	-	-
Maintenance of Plant	37,914	-	-	-
Community Services	208,439	-	-	-
Interest	-	-	-	-
Other Operating Expenses	36,084	575,852	747,247	510,845
Total Expenses	<u>2,183,228</u>	<u>2,773,291</u>	<u>2,842,338</u>	<u>2,167,294</u>
PROGRAM REVENUES				
Charges for Services	-	-	-	-
Operating Grants and Contributions	1,077,768	2,816,276	2,595,881	2,260,162
Capital Grants and Contributions	67,136	-	-	-
Net Program Expenses	(1,038,324)	42,985	(246,457)	92,868
GENERAL REVENUES				
Federal	-	-	-	-
State and Local Sources	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	1,332,799	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	201,396	206,791	178,639
Total General Revenues	<u>1,332,799</u>	<u>201,396</u>	<u>206,791</u>	<u>178,639</u>
CHANGE IN NET POSITION	294,475	244,381	(39,666)	271,507
Net Position - Beginning of Year, as Originally Stated	163,701	3,313,118	2,882,252	1,307,036
Restatement	-	-	-	-
Net Position - Beginning of Year, as Restated	<u>163,701</u>	<u>3,313,118</u>	<u>2,882,252</u>	<u>1,307,036</u>
NET POSITION - END OF YEAR	<u>\$ 458,176</u>	<u>\$ 3,557,499</u>	<u>\$ 2,842,586</u>	<u>\$ 1,578,543</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Achievement Academy, Inc.	Achievement Academy Charter School	Totals Component Units
EXPENSES			
Instruction	\$ 3,451,175	\$ 2,095,029	\$ 125,355,739
Student Support Services	-	-	11,811,500
Instructional Media	-	-	870,570
Instruction and Curriculum Development	-	-	1,364,409
Instructional Staff Training	-	1,813	1,275,995
Instruction-Related Technology	-	-	1,231,940
Board	-	23,160	1,146,117
General Administration	800,602	60,755	5,105,192
School Administration	-	370,959	27,663,838
Facilities Acquisition and Construction	-	-	3,155,436
Fiscal Services	-	76,658	3,471,925
Food Services	-	-	8,272,463
Central Services	-	-	1,334,804
Pupil Transportation	-	2,180	12,808,432
Operation of Plant	-	182,273	22,363,415
Maintenance of Plant	15,596	41,899	2,129,731
Community Services	-	-	2,639,655
Interest	-	-	9,597,939
Other Operating Expenses	90,888	273,220	6,149,496
Total Expenses	<u>4,358,261</u>	<u>3,127,946</u>	<u>247,768,596</u>
PROGRAM REVENUES			
Charges for Services	-	-	8,891,010
Operating Grants and Contributions	-	-	39,490,133
Capital Grants and Contributions	-	-	4,965,743
Net Program Expenses	(4,358,261)	(3,127,946)	(194,421,710)
GENERAL REVENUES			
Federal	-	70,151	1,485,982
State and Local Sources	338,776	2,926,203	186,481,975
Grants and Contributions Not Restricted to Specific Programs	3,257,854	-	13,365,052
Investment Earnings	56,749	-	1,436,003
Miscellaneous	768,726	76,761	3,637,033
Total General Revenues	<u>4,422,105</u>	<u>3,073,115</u>	<u>206,406,045</u>
CHANGE IN NET POSITION	63,844	(54,831)	11,984,335
Net Position - Beginning of Year, as Originally Stated	3,435,629	1,050,338	41,252,313
Restatement	-	-	(1,323,401)
Net Position - Beginning of Year, as Restated	<u>3,435,629</u>	<u>1,050,338</u>	<u>39,928,912</u>
NET POSITION - END OF YEAR	<u>\$ 3,499,473</u>	<u>\$ 995,507</u>	<u>\$ 51,913,247</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
DISTRICT STATISTICS**

This part of the Polk County School Board's annual comprehensive financial report presents detail information as a context to understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's Financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenues sources, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**STATISTICAL SECTION
(UNAUDITED)**



**SCHOOL BOARD OF POLK COUNTY, FLORIDA
NET POSITION BY COMPONENT – GOVERNMENT-WIDE
LAST TEN FISCAL YEARS**

**TABLE 1
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year					Fiscal Year				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Government activities:										
Net investment in capital assets	\$ 1,225,129	\$ 1,128,349	\$ 1,043,025	\$ 937,302	\$ 867,688	\$ 696,724	\$ 669,794	\$ 849,717	\$ 822,501	\$ 797,167
Restricted	566,037	427,536	355,542	357,320	264,977	389,447	371,159	140,890	127,208	105,167
Unrestricted	(512,583)	(445,211)	(422,449)	(430,014)	(415,940)	(372,616)	(358,078)	(347,043)	(296,766)	(252,998)
Total governmental activities net position	1,278,583	1,110,674	976,118	864,608	716,725	713,555	682,875	643,564	652,943	649,356
Business-type activities:										
Unrestricted	-	-	-	-	-	-	-	-	398	290
Total primary government	\$ 1,278,583	\$ 1,110,674	\$ 976,118	\$ 864,608	\$ 716,725	\$ 713,555	\$ 682,875	\$ 643,564	\$ 653,341	\$ 649,646

Note: The District terminated business-type activities in December of 2017.

Source: District Records

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CHANGES IN NET POSITION – GOVERNMENT-WIDE
LAST TEN FISCAL YEARS**

**TABLE 2
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year				
	2025	2024	2023	2022	2021
GOVERNMENTAL ACTIVITIES					
EXPENSES					
Instructional services	\$ 861,013	\$ 848,139	\$ 770,101	\$ 711,902	\$ 708,268
Instructional support services	172,114	187,478	131,384	148,497	123,828
Student transportation services	72,964	50,089	57,648	47,310	40,515
Operation and maintenance of plant	124,783	129,330	125,176	100,604	91,821
School administration	68,901	65,056	54,768	51,460	51,058
General administration	74,615	97,083	70,411	110,744	72,518
Food services	85,765	82,356	69,908	59,157	55,617
Community services and other	6,381	4,719	4,152	3,522	3,358
Interest on long term debt	12,685	14,914	36,177	19,045	11,738
Unallocated fiscal charges on long-term debt and	-	-	-	-	-
Unallocated depreciation expense	430	447	447	562	260
Total primary government expenses	<u>1,479,651</u>	<u>1,479,611</u>	<u>1,320,172</u>	<u>1,252,803</u>	<u>1,158,981</u>
PROGRAM REVENUES					
Charges for services:					
Instructional services	4,736	3,485	3,121	2,915	2,477
Student transportation services	548	522	494	349	146
Food services	791	868	827	724	570
Operating grants and contributions	74,208	72,243	72,526	68,004	48,040
Capital grants and contributions	112,151	539	30,832	8,997	7,967
Total primary government program revenues	<u>192,434</u>	<u>77,657</u>	<u>107,800</u>	<u>80,989</u>	<u>59,200</u>
Total primary government net (expenses)	<u>revenues</u>				
	<u>(1,287,217)</u>	<u>(1,401,954)</u>	<u>(1,212,372)</u>	<u>(1,171,814)</u>	<u>(1,099,781)</u>
GENERAL REVENUES					
Property taxes					
Property taxes levied for operational purposes	276,745	264,130	232,428	204,597	191,141
Levied for debt services	-	-	-	-	-
Property taxes levied for capital projects	109,361	101,367	86,751	71,094	63,714
Local sales taxes	83,078	79,321	77,180	71,195	59,124
Unrestricted grants and contributions	944,925	971,017	895,702	862,746	763,551
Investment earnings	31,433	23,968	16,505	220	4,373
Miscellaneous	9,584	19,707	15,315	18,492	11,013
Impact Fees	-	77,000	-	91,353	10,035
Total primary government general revenues	<u>1,455,126</u>	<u>1,536,510</u>	<u>1,323,881</u>	<u>1,319,697</u>	<u>1,102,951</u>
CHANGE IN NET POSITION					
Total governmental activities	167,909	134,556	111,509	147,883	3,170
BUSINESS-TYPE ACTIVITIES					
EXPENSES	-	-	-	-	-
PROGRAM REVENUES					
Charges for services	-	-	-	-	-
CHANGE IN NET POSITION					
Total business-type activities	-	-	-	-	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 167,909</u>	<u>\$ 134,556</u>	<u>\$ 111,509</u>	<u>\$ 147,883</u>	<u>\$ 3,170</u>

Note: The District terminated business-type activities in December 2017

Source: District Records

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CHANGES IN NET POSITION – GOVERNMENT-WIDE (CONTINUED)
LAST TEN FISCAL YEARS**

**TABLE 2
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year				
	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES					
EXPENSES					
Instructional services	\$ 677,891	\$ 643,843	\$ 631,644	\$ 593,877	\$ 554,005
Instructional support services	116,799	102,525	100,814	93,061	90,111
Student transportation services	29,380	34,350	36,464	30,558	31,946
Operation and maintenance of plant	83,618	82,113	73,057	70,149	66,475
School administration	50,695	48,737	47,568	45,929	42,959
General administration	96,189	64,201	52,499	58,518	50,970
Food services	58,056	59,938	57,653	56,311	52,535
Community services and other	3,601	3,651	3,321	2,598	2,335
Interest on long term debt	2,225	6,723	8,599	12,995	15,789
Unallocated fiscal charges on long-term debt and	-	-	-	-	-
Unallocated depreciation expense	505	516	547	1,075	241
Total primary government expenses	<u>1,118,959</u>	<u>1,046,597</u>	<u>1,012,166</u>	<u>965,071</u>	<u>907,366</u>
PROGRAM REVENUES					
Charges for services:					
Instructional services	2,904	2,965	2,774	2,552	3,662
Student transportation services	364	552	560	586	572
Food services	757	1,142	1,907	2,157	2,820
Operating grants and contributions	52,921	57,600	52,075	51,939	49,120
Capital grants and contributions	7,960	10,802	5,888	6,882	5,672
Total primary government program revenues	<u>64,906</u>	<u>73,061</u>	<u>63,204</u>	<u>64,116</u>	<u>61,846</u>
Total primary government net (expenses)	<u>revenues</u>				
	<u>(1,054,053)</u>	<u>(973,536)</u>	<u>(948,962)</u>	<u>(900,955)</u>	<u>(845,520)</u>
GENERAL REVENUES					
Property taxes					
Property taxes levied for operational purposes	181,854	175,403	170,105	162,002	162,423
Levied for debt services	-	-	-	-	-
Property taxes levied for capital projects	59,536	55,363	50,873	45,862	42,918
Local sales taxes	50,907	50,197	45,161	43,048	40,757
Unrestricted grants and contributions	721,445	686,695	663,408	630,276	607,096
Investment earnings	9,523	6,220	2,467	1,290	1,393
Miscellaneous	22,344	8,306	12,473	22,064	18,104
Impact Fees	39,123	30,663	-	-	-
Total primary government general revenues	<u>1,084,732</u>	<u>1,012,847</u>	<u>944,487</u>	<u>904,542</u>	<u>872,691</u>
CHANGE IN NET POSITION					
Total governmental activities	30,679	39,311	(4,475)	3,587	27,171
BUSINESS-TYPE ACTIVITIES					
EXPENSES	-	-	108	637	391
PROGRAM REVENUES					
Charges for services	-	-	234	744	560
CHANGE IN NET POSITION					
Total business-type activities	-	-	126	107	169
TOTAL PRIMARY GOVERNMENT	<u>\$ 30,679</u>	<u>\$ 39,311</u>	<u>\$ (4,349)</u>	<u>\$ 3,694</u>	<u>\$ 27,340</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
TABLE 3
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

Fiscal Year Ending June 30,	Sales Tax Revenue Bonds			
	Sales Tax	Debt Service		Coverage
		Principal	Interest	
2025	\$ 83,078	\$ 9,925	\$ 5,993	19.2%
2024	79,321	9,450	6,478	20.1%
2023	77,180	9,005	6,939	20.7%
2022	71,051	8,575	7,379	22.5%
2021	59,124	8,165	7,797	27.0%
2020	50,907	-	6,556	12.9%
2019	50,197	25,530	402	51.7%
2018	45,161	24,720	1,195	57.4%
2017	43,048	23,940	1,964	60.2%
2016	40,757	23,270	2,823	64.0%
2002	34,082	19,340	7,151	77.7%

Source: District Records

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
TABLE 4
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

Fiscal Year Ending June 30,	Property Tax		Sales Tax	Total
	General	Capital		
	Purposes	Projects		
2025	\$ 267,185	\$ 105,593	\$ 83,078	\$ 455,856
2024	253,929	97,471	79,321	430,721
2023	227,501	84,909	77,180	389,590
2022	199,446	69,312	71,051	339,809
2021	191,141	63,714	59,124	313,979
2020	179,854	59,394	50,907	290,155
2019	175,403	55,363	50,197	280,963
2018	170,105	50,873	45,161	266,139
2017	162,001	45,862	43,048	250,911
2016	162,423	42,918	40,757	246,098

Source: District Records

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

**TABLE 5
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year					Fiscal Year				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 11,440	\$ 14,678	\$ 13,838	\$ 12,884	\$ 14,509	\$ 11,265	\$ 13,301	\$ 9,972	\$ 9,354	\$ 9,148
Restricted	51,913	33,684	36,516	22,483	17,275	17,205	12,997	10,257	14,838	10,679
Committed										-
Assigned	7,491	9,901	2,131	1,495	1,130	975	452	442	336	1,588
Unassigned	63,559	95,230	72,754	77,873	66,841	51,687	29,443	33,527	36,153	42,409
Total general fund	<u>\$ 134,403</u>	<u>\$ 153,493</u>	<u>\$ 125,239</u>	<u>\$ 114,735</u>	<u>\$ 99,755</u>	<u>\$ 81,132</u>	<u>\$ 56,193</u>	<u>\$ 54,198</u>	<u>\$ 60,681</u>	<u>\$ 63,824</u>
All Other Governmental Funds										
Nonspendable, reported in:										
Special revenue funds	\$ 2,867	\$ 2,078	\$ 2,142	\$ 3,013	\$ 1,925	\$ 3,458	\$ 2,554	\$ 2,452	\$ 2,198	\$ 1,678
Restricted, reported in:										
Special revenue funds	15,091	21,912	24,376	58,754	6,195	6,597	7,285	5,770	6,474	6,421
Capital projects funds	488,848	338,274	271,330	247,207	215,245	346,681	325,310	101,045	86,328	71,583
Debt service funds	13,363	31,474	29,912	27,922	24,341	22,835	24,821	20,160	17,882	15,554
Unassigned, reported in:										
Special revenue funds	(4)	-	-	-	-	-	-	-	-	-
Capital projects funds	(417)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 519,748</u>	<u>\$ 393,738</u>	<u>\$ 327,760</u>	<u>\$ 336,896</u>	<u>\$ 247,706</u>	<u>\$ 379,571</u>	<u>\$ 359,970</u>	<u>\$ 129,427</u>	<u>\$ 112,882</u>	<u>\$ 95,236</u>

Source: District Records

(139)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

**TABLE 6
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year					Fiscal Year				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Local sources:										
Ad valorem taxes	\$ 386,105	\$ 365,497	\$ 319,179	\$ 275,691	\$ 254,855	\$ 241,390	\$ 230,766	\$ 220,978	\$ 207,864	\$ 205,341
Local sales tax	83,078	79,321	77,180	71,195	59,124	50,907	50,197	45,161	43,048	40,757
Impact Fees	111,632	77,000	26,448	91,218	10,010	39,234	30,807	4,334	13,545	10,325
Food services	791	868	827	724	570	756	1,142	1,907	2,157	2,820
Interest income	-	21,931	16,504	2,587	4,284	8,625	5,115	2,133	1,043	928
Other	47,967	19,626	12,867	19,389	13,726	25,163	11,823	10,872	11,007	10,814
Total local sources	<u>629,573</u>	<u>564,243</u>	<u>453,005</u>	<u>460,804</u>	<u>342,569</u>	<u>366,075</u>	<u>329,850</u>	<u>285,385</u>	<u>278,664</u>	<u>270,985</u>
State sources:										
Florida education finance program	609,855	585,493	546,428	498,910	497,720	483,036	455,521	430,572	420,095	400,711
Public education capital outlay	-	-	-	-	-	66	3,377	2,163	3,271	2,162
Food services	803	822	798	797	793	752	737	752	720	676
Grants and other	145,534	140,881	138,519	130,599	137,139	137,739	143,470	131,127	131,369	129,445
Total state sources	<u>756,192</u>	<u>727,196</u>	<u>685,745</u>	<u>630,306</u>	<u>635,652</u>	<u>621,593</u>	<u>603,105</u>	<u>564,614</u>	<u>555,455</u>	<u>532,994</u>
Federal sources:										
Food services	73,406	71,420	71,728	67,207	-	-	56,863	51,324	51,219	48,444
Federal grants direct	18,094	18,119	13,365	13,007	13,808	15,937	17,266	18,634	16,840	15,025
Federal grants through state and local	166,726	231,152	201,775	229,227	170,098	144,800	77,863	86,799	65,583	65,426
Other	5,234	-	-	-	-	-	-	-	-	-
Total federal sources	<u>263,460</u>	<u>320,691</u>	<u>286,868</u>	<u>309,441</u>	<u>183,906</u>	<u>160,737</u>	<u>151,992</u>	<u>156,757</u>	<u>133,642</u>	<u>128,895</u>
Total revenues	<u>1,649,225</u>	<u>1,612,130</u>	<u>1,425,618</u>	<u>1,400,551</u>	<u>1,162,127</u>	<u>1,148,405</u>	<u>1,084,947</u>	<u>1,006,756</u>	<u>967,761</u>	<u>932,874</u>

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

**TABLE 6
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year					Fiscal Year				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENDITURES										
Current:										
Instructional services:	821,532	799,240	740,071	682,562	651,375	625,580	605,887	592,456	556,426	533,801
Instructional support services:										
Student personnel services	61,067	54,406	55,429	51,171	50,099	44,214	40,103	40,068	38,215	38,302
Instructional media services	9,705	12,835	8,418	8,271	8,412	8,422	8,275	8,873	8,077	8,050
Instruction and curriculum development services	28,004	27,021	16,139	13,810	14,833	14,564	13,719	13,229	12,461	13,259
Instructional staff training services	30,160	29,207	11,589	9,669	21,458	24,672	24,227	22,555	19,976	17,215
Instructional related technology	26,130	37,082	26,885	60,397	19,091	17,423	10,466	10,081	9,429	10,577
Total instructional support services	155,066	160,551	118,460	143,318	113,893	109,295	96,790	94,806	88,158	87,403
Student transportation services	69,519	54,276	55,540	45,568	37,222	36,801	37,798	35,742	34,288	32,964
Operation and maintenance of plant:										
Operation of plant	105,415	87,690	89,616	72,113	62,788	55,147	54,890	46,326	44,545	44,030
Maintenance of plant	33,392	31,993	34,843	24,764	21,328	23,100	22,849	23,680	21,987	20,233
Total operation and maintenance of plant	138,807	119,683	124,459	96,877	84,116	78,247	77,739	70,006	66,532	64,263
School administration	65,553	62,335	52,675	49,276	47,131	46,658	45,797	44,462	42,984	41,258
General administration:										
Central services	12,134	16,615	19,708	23,388	12,641	13,422	14,882	13,138	12,528	12,413
Board	2,733	2,376	2,424	1,814	2,765	2,286	1,815	1,909	2,324	2,018
General administration	7,520	12,201	10,606	15,287	6,472	5,768	5,668	6,161	5,792	5,315
Fiscal services	3,987	3,914	3,552	2,897	3,182	2,924	3,261	3,232	2,884	3,121
Administrative technology services	15,052	8,284	7,727	6,927	7,475	6,711	6,652	5,862	5,942	6,009
Total general administration	41,426	43,390	44,017	50,313	32,535	31,111	32,278	30,302	29,470	28,876

Source: District Records

(141)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

**TABLE 6
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year					Fiscal Year				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENDITURES										
Non-capitalizable facilities acquisition and construction	27,246	22,281	23,687	52,072	15,517	17,722	12,211	7,373	8,990	11,174
Food services	81,533	77,399	67,230	56,644	50,927	53,673	56,849	54,239	53,220	50,985
Community services and other	6,101	4,338	3,993	3,367	3,064	3,315	3,430	3,125	2,449	2,255
Debt Service:										
Principal retirement	53,338	28,275	27,418	22,183	27,336	16,994	41,447	37,870	36,237	35,484
Interest	12,895	13,624	12,638	13,881	13,887	13,210	7,062	8,233	9,447	12,185
Fiscal charges	20	1,346	280	240	30	671	1,168	91	755	507
Capital outlay										
Facilities acquisitions & construction	72,925	117,454	107,746	68,759	179,991	67,807	20,587	11,097	15,763	35,377
Other capital outlay	20,386	69,885	55,162	12,140	18,346	10,189	11,725	8,561	10,402	7,401
Total expenditures	1,326,254	1,426,194	1,286,432	1,175,508	1,173,357	1,001,733	885,305	856,079	801,235	792,043
Excess (deficiency) of revenues over (under) expenditures	(1,326,254)	(1,426,194)	(1,286,432)	(1,175,508)	(1,173,357)	(1,001,667)	(881,928)	(853,916)	(797,964)	(789,881)
OTHER FINANCING SOURCES (USES):										
Long term bonds issued	-	-	-	-	-	-	160,025	-	-	-
Premium on sale of bonds	-	-	-	-	-	-	34,182	-	-	-
Refunding bonds issued	-	-	-	15,850	-	87,861	2,752	-	26,891	118,935
Premium on sale of refunding bonds	-	-	-	-	-	3	435	-	85	-
Issuance of debt	-	-	-	-	-	6,000	-	-	-	-
Proceeds from sale of capital assets	-	-	-	400	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(15,776)	-	(87,462)	-	-	(26,229)	(118,528)
Proceeds from capital leases	-	-	-	961	-	-	-	-	-	-
Insurance loss recoveries	-	-	-	-	-	315	-	601	-	1,199
Leases	2,080	51,412	37	-	-	-	-	-	-	-
SBITAs	21,961	4,768	8,474	-	-	-	-	-	-	-
Transfers in	109,462	96,461	114,069	90,950	86,436	79,519	96,635	85,342	81,080	77,260
Transfers out	(109,462)	(96,461)	(114,069)	(90,950)	(86,436)	(78,828)	(95,669)	(84,275)	(79,964)	(76,148)
Total other financing sources and uses	24,041	56,180	8,511	1,435	-	7,408	198,360	1,668	1,863	2,718
Net change in fund balances	\$ (1,302,213)	\$ (1,370,014)	\$ (1,277,921)	\$ (1,174,073)	\$ (1,173,357)	\$ (994,259)	\$ (683,568)	\$ (852,248)	\$ (796,101)	\$ (787,163)
Debt service as a percentage of non-capital expenditures	5.37%	3.38%	3.57%	3.29%	4.23%	3.27%	5.69%	5.51%	5.89%	6.36%

Source: District Records

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
TABLE 7
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

Fiscal Year Ended June 30,	Taxable Value for the School District							Net Taxable Assessed Value	Total Direct Tax Rate	Estimated Taxable Value	Net Assessed Value as a Percentage of of Estimated Taxable Value
	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Other (1) Property	Tangible Property	Less: Exemptions				
2025	\$ 73,634,353	\$ 8,085,989	\$ 5,558,739	\$ 2,853,211	\$ 5,958,715	\$ 10,286,661	\$ 30,699,507	\$ 75,678,161	5.4080	\$ 106,507,061	71.05%
2024	69,205,604	7,433,764	5,209,573	2,743,717	5,583,860	9,434,679	30,118,947	69,492,250	5.4080	99,740,427	69.67%
2023	57,577,648	6,701,546	5,036,306	2,428,422	5,208,580	9,070,650	13,801,527	60,185,638	5.5190	86,157,808	69.86%
2022	42,834,602	5,803,370	3,798,265	2,281,778	4,564,401	8,273,473	18,571,404	48,984,485	5.8290	67,681,190	72.38%
2021	38,866,706	5,672,090	3,411,087	2,190,133	4,462,899	7,838,273	17,448,526	44,992,662	5.9350	62,556,042	71.92%
2020	34,680,388	5,463,586	3,130,348	2,202,537	4,108,453	7,412,557	15,911,875	41,085,994	6.0860	57,101,226	71.95%
2019	31,491,549	5,224,663	2,885,916	2,174,082	3,885,577	7,241,148	14,727,845	38,175,090	6.2510	53,020,095	72.00%
2018	28,148,924	4,932,713	2,659,652	2,033,639	3,785,351	6,743,583	13,233,779	35,070,083	6.5140	48,404,657	72.45%
2017	25,612,576	4,547,618	2,022,272	2,071,902	3,537,946	6,074,402	12,292,797	31,573,919	6.7970	43,967,539	71.81%
2016	23,771,417	4,236,898	1,766,486	1,956,536	3,347,595	6,176,176	11,521,005	29,734,103	7.1490	41,350,735	71.91%

(1) Category includes institutional, government, non-ag, and miscellaneous.

Note: Net Taxable Values are net Assessed Values after deducting allowable statutory exemptions.
Tax revenues for each fiscal year are based on the prior calendar year's net taxable values, e.g.: FY 2025 tax revenues are based on FY 2024 net taxable values.

Source: Florida Department of Revenue

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
RATES PER \$1,000 ASSESSED VALUATION
LAST TEN FISCAL YEARS
TABLE 8
(UNAUDITED)

	Fiscal Year					Fiscal Year				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District School Board:										
Required Local Effort	3.0480	3.1600	3.2710	3.5810	3.6870	3.8380	3.9980	4.2660	4.5490	4.9010
Discretionary Local	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Improvement	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Total District School Board	5.2960	5.4080	5.5190	5.8290	5.9350	6.0860	6.2460	6.5140	6.7970	7.1490
Other County-Wide:										
Board of County Commissioners	6.6348	6.6348	6.6852	6.8990	6.8990	7.1565	7.1565	6.7815	6.7815	6.7815
Total County-Wide	11.9308	12.0428	12.2042	12.7280	12.8340	13.2425	13.4025	13.2955	13.5785	13.9305
Non-County Wide:										
Board of County Commissioners										
Public Library Service	0.1985	0.1985	0.1985	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109	0.2109
Parks & Recreation (unincorporated)	0.5286	0.5286	0.5286	0.5619	0.5619	0.5619	0.5619	0.5619	0.5619	0.5619
Municipalities:										
Auburndale	4.2515	4.2515	4.2515	4.2515	4.2515	4.2515	4.2515	4.2657	4.2657	4.2657
Bartow	6.1080	6.1080	6.1080	4.0000	3.0862	3.2768	3.5378	3.6541	3.8044	3.8387
Davenport	7.2500	7.2500	7.2500	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
Eagle Lake	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516	7.6516
Fort Meade	8.4403	8.5000	8.0000	8.6306	7.8899	7.8899	6.8704	6.8704	6.2458	5.6484
Frostproof	6.5530	6.5530	6.5530	6.5530	6.5530	6.9705	7.3045	7.4978	7.7716	8.0587
Haines City	7.3395	7.5895	7.5895	7.5895	7.5895	7.5895	7.5895	7.5895	7.5895	7.7900
Lake Alfred	6.7500	6.7500	6.8500	7.2390	7.2390	7.2390	7.2390	7.2390	7.2390	7.4890
Lake Wales	8.0462	7.0462	7.1214	6.7697	6.7974	6.9339	7.0438	7.0438	7.3273	7.3638
Lakeland	5.4323	5.4323	5.4323	5.4323	5.4644	5.4644	5.4644	5.5644	5.5644	5.5644
Mulberry	6.3900	6.3900	6.4400	6.4400	6.4400	6.4400	6.4400	6.5900	6.7900	7.2900
Polk City	5.2500	5.2500	5.5000	5.7000	6.0000	6.0000	7.2500	7.4877	8.0000	8.2500
Winter Haven	6.5900	6.5900	6.5900	6.7900	6.7900	6.7900	6.7900	5.7900	5.7900	5.7900

Note: Overlapping debt is the debt of a political entity, such as a state where its tax base overlaps the tax base of another political entity, such as a city within the county.

In addition to the non-voted operating levies, the School District may, based on State statutory law, levy additional millage for school operational purposes, which is subject to the approval by a majority of voters. The total combined operating levies (non-voted and voted) cannot exceed 10.000 mills.

Source: Polk County Property Appraiser

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
TABLE 9
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

Fiscal Year						
Taxpayer	Rank	2024		Rank	2015	
		Taxable Value	Percentage of Total Assessed Value		Taxable Value	Percentage of Total Assessed Value
Duke Energy/Florida Power	1	\$ 1,301,926	2.19%	1	\$ 1,000,103	3.95%
Tampa Electric	2	1,233,780	2.07%	2	537,856	2.13%
Mosaic/Streamsong/Stillwaters	3	826,510	1.39%	3	516,031	2.04%
Publix Supermarkets	4	572,467	0.96%	4	311,692	1.23%
Invitation Homes	5	378,892	0.64%	-	-	-
Amazon	6	330,478	0.55%	-	-	-
Walmart	7	271,585	0.46%	8	127,796	0.51%
Coca Cola	8	217,651	0.37%	5	229,289	0.91%
Frontier	9	173,293	0.29%	-	-	-
Florida Southeast Connection LLC	10	169,275	0.28%	-	-	-
Verizon Florida		-	-	6	187,930	0.74%
Gulfstream Natural Gas		-	-	7	148,014	0.59%
The Florida LLP/Invitation Homes		-	-	9	120,471	0.47%
Calpine Construction Finance		-	-	10	120,135	0.48%
Total		<u>\$ 5,475,857</u>	<u>9.20%</u>		<u>\$ 3,299,317</u>	<u>13.05%</u>

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Source: Polk County Property Appraiser
Polk County ACFR 2024 (most recent available at time of publishing)

**SCHOOL BOARD OF POLK COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
TABLE 10
(UNAUDITED)**

Fiscal Year	Total Tax Levy	Collected to End of Tax Year			Collected in Fiscal Year	
		Current Tax Collections (1)	Percent of Levy	Delinquent Collections (1)	Total Collections (1)	Percent of Levy
2025	\$ 417,014,326	\$ 372,778,163	89.39%	\$ 13,318,691	386,096,854	92.59%
2024	375,814,089	351,400,164	93.50%	14,096,676	3,654,966,839	97.25%
2023	330,022,292	317,336,715	96.16%	6,770,108	324,106,823	98.21%
2022	283,809,653	272,572,197	96.04%	3,118,953	275,691,150	97.14%
2021	265,833,122	254,281,875	95.65%	572,822	254,854,697	95.87%
2020	248,625,507	239,247,146	96.23%	2,142,650	241,389,796	97.09%
2019	237,554,259	228,164,079	96.05%	2,601,537	230,765,616	97.14%
2018	228,438,645	219,061,681	95.90%	1,916,099	220,977,780	96.73%
2017	214,850,226	206,273,679	96.01%	1,590,497	207,864,176	96.75%
2016	212,412,071	203,903,763	95.99%	1,437,488	205,341,251	96.67%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Source: District Records

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
TABLE 11
(AMOUNTS IN THOUSANDS, EXCEPT PER CAPITA)
(UNAUDITED)**

Fiscal Year	Governmental Activities (A)						Percentage of Personal Income (B)	Per Capita (B)
	Sales Tax Revenue Bonds	State Board of Education Bonds	Capital Leases & SBITAs	Certificates Of Participation	Notes Payable	Total Primary Government		
2025	\$ 116,924	\$ 1,519	\$ 63,940	\$ 111,908	\$ -	\$ 294,291	0.80%	347
2024	149,522	2,153	61,940	111,908	-	325,523	0.00%	394
2023	134,280	2,384	10,448	117,461	-	264,573	0.75%	332
2022	143,285	2,817	-	131,066	-	277,168	0.83%	360
2021	178,744	3,618	-	154,997	-	337,359	1.03%	451
2020	160,025	3,680	-	156,958	6,000	326,663	1.13%	451
2019	192,363	4,252	-	174,741	-	371,356	1.47%	538
2018	26,429	5,164	-	186,972	-	218,565	0.92%	325
2017	52,049	5,974	281	199,047	-	257,351	1.14%	389
2016	76,888	7,254	568	207,595	-	292,305	1.32%	452

(A) The primary government's business-type activities does not have any debt.

(B) Total Primary Government Debt divided by Personal Income and Population from the Demographics and Economics schedule.

Source: District Records

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SCHOOL DISTRICT OF POLK COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2025
TABLE 12
(UNAUDITED)

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Direct Debt</u>		<u>Direct and Overlapping Debt</u>	
		<u>Percentage Applicable to This Governmental Unit</u>	<u>Amount Applicable to This Governmental Unit</u>	<u>Percentage Applicable to Polk County</u>	<u>Amount Applicable to Polk County</u>
Polk County Board of County Commissioners	\$ 52,982,970	100%	\$ 52,982,970	100%	\$ 52,982,970
Polk County District School Board	-	100%	263,583,049	100%	-
Totals	<u><u>\$ 52,982,970</u></u>		<u><u>\$ 316,566,019</u></u>		<u><u>\$ 52,982,970</u></u>

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Sources: District Records
Polk County Clerk of the Circuit Court

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
LAST TEN FISCAL YEARS
TABLE 13
(UNAUDITED)**

Fiscal Year	Taxable Assessed Value (A)	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (B)
2025	\$ 75,678,161	\$ 17,219,625	0.2395
2024	69,788,110	16,910,908	0.2551
2023	60,185,638	17,056,058	0.2983
2022	48,984,485	17,038,065	0.3661
2021	44,992,663	17,033,126	0.3985
2020	41,085,994	21,438,752	0.5493
2019	38,175,090	17,218,320	0.4748
2018	35,020,604	17,401,051	0.5230
2017	31,573,919	16,539,022	0.5514
2016	29,734,103	16,990,132	0.6015

(A) Assessed Value is in Thousands.

(B) Millage rate calculated using 95 percent of the taxable assessed valuation.

Note: Capital lease arrangements financed by certificates of participation are not considered general obligation debt, as no specific property tax levy has beer pledged.

Source: Florida Department of Revenue and District Records

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
TABLE 14
(UNAUDITED)**

Fiscal Year	Population (A)	Personal Income (1) (B)	Per Capita Personal Income (B)	Unemployment Rate (B)
2025	** 846,896	36,703,179	44,430	4.4%
2024	826,090	36,703,179	44,430 *	4.4%
2023	797,616	35,438,079	44,430	3.8%
2022	770,019	33,282,531	43,223	3.2%
2021	748,365	32,595,786	43,556	4.9%
2020	725,046	28,827,829	39,760	7.9%
2019	690,606	25,310,019	36,649	3.5%
2018	673,028	23,867,592	35,463	3.5%
2017	661,645	22,636,860	34,213	4.1%
2016	646,989	22,126,377	34,199	5.9%

(1) Personal Income in thousands

Sources:

(A) University of Florida Bureau of Economic and Business Research

(B) Polk County BOCC ACFR 2024 (most recent available at time of publishing)

*Data provided by US Bureau of Economic Analysis. Per capita personal income was not available for 2024. The 2024 per capita income information was used, along with 2024 population data to determine the personal income data.

**Estimated population data from World Population Review

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
POLK COUNTY EMPLOYMENT
CURRENT YEAR AND NINE YEARS AGO
TABLE 15
(UNAUDITED)**

Employer	Calendar Year					
	2024			2015		
	Employees	Rank	Percentage of County Employment	Employees	Rank	Percentage of County Employment
Publix Super Markets	21,618	1	6.21%	10,249	2	3.62%
Polk County School Board	13,500	2	3.88%	13,135	1	4.64%
Lakeland Regional Health	7,865	3	2.26%	4,499	4	1.59%
Walmart	5,523	4	1.59%	6,238	3	2.20%
Amazon	5,500	5	1.58%	-	-	-
Polk County Government	4,998	6	1.44%	4,472	5	1.58%
BayCare	3,332	7	0.96%	2,139	8	0.76%
GEICO	3,000	8	0.86%	-	-	-
City of Lakeland	2,696	9	0.77%	2,359	7	0
Winter Haven Hospital	1,900	10	0.55%	2,567	6	0
Mosaic	-	-	-	1,993	9	0.70%
Watson Clinic	-	-	-	1,600	10	0.57%
Mosaic	-	-	-	-	0	0.00%
	<u>69,932</u>		<u>20.10%</u>	<u>49,251</u>		<u>17.40%</u>

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Note: 2025 data was not available at time of publishing.

Sources: Polk County ACFR 2024 (most recent available at time of publishing)

SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT
ENROLLMENT DATA
LAST TEN FISCAL YEARS
TABLE 16
(UNAUDITED)

	Fiscal Years					Fiscal Years				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Schools										
Elementary										
Locations	69	69	67	66	66	66	65	66	66	66
Square feet	6,844,776	6,667,505	6,475,309	6,364,400	6,249,626	6,181,996	6,069,905	6,293,636	6,515,678	6,102,843
Capacity	46,722	49,269	46,097	52,552	51,846	51,213	385,816	51,419	53,928	50,714
Enrollment	42,584	43,918	42,222	41,472	46,853	37,520	40,622	40,226	41,975	40,540
Middle										
Locations	22	22	21	20	20	20	20	20	20	20
Square feet	3,241,086	3,152,212	2,813,939	2,848,437	2,787,509	2,812,996	2,804,098	2,825,675	2,800,879	2,654,893
Capacity	23,326	23,604	22,707	25,034	24,493	24,542	24,179	22,578	21,803	24,321
Enrollment	16,556	18,164	17,667	17,128	16,089	15,793	17,123	17,867	16,084	16,409
Senior High										
Locations	15	15	15	15	15	14	14	15	15	15
Square feet	4,351,365	4,597,558	4,197,531	4,561,449	4,561,446	4,367,695	4,351,929	4,344,534	4,297,686	4,302,843
Capacity	34,703	34,778	32,986	37,391	37,337	35,438	34,771	33,106	32,237	33,846
Enrollment	28,942	28,557	27,154	25,431	24,215	25,489	25,798	25,923	25,523	25,537
Other (A)										
Locations	22	22	15	13	13	13	13	12	12	11
Square feet	2,079,175	2,036,959	1,813,920	1,720,478	1,543,291	1,567,074	1,268,049	1,067,481	1,143,280	988,116
Capacity	11,512	11,662	11,806	11,618	10,961	11,208	7,912	6,445	7,385	6,212
Enrollment	10,609	6,737	7,729	6,198	7,179	5,432	6,642	4,637	5,694	4,302
Conversion Charter (B)										
Locations	8	8	9	9	9	9	9	9	9	9
Square feet	996,713	914,665	1,115,318	1,179,108	1,177,484	1,177,484	1,165,534	1,163,225	1,160,446	1,160,446
Capacity	7,309	7,309	8,193	9,321	9,242	9,242	8,883	8,483	8,360	8,685
Enrollment	6,531	6,516	7,134	7,996	7,634	8,013	7,942	7,749	7,982	7,744
Administrative / Support Services										
Locations	23	23	21	18	17	19	13	15	16	17
Square feet	657,955	641,178	620,816	605,334	532,856	595,259	1,268,049	571,682	591,512	593,317
Total Enrollment in District Facilities	105,222	103,892	101,906	72,794	77,755	92,247	98,127	96,402	97,258	94,532

(A) Includes ESE, alternative education, and elementary-middle fine arts.
(B) District public schools that converted to charter school status.

Note: Does not include start-up charter schools or their enrollment.

Source: District Records

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS
TABLE 17
(UNAUDITED)**

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary
2025	\$ 47,500	\$ 81,925	\$ 51,538
2024	47,500	79,223	50,662
2023	46,980	74,468	49,135
2022	45,487	68,807	48,993
2021	45,172	67,292	47,397
2020	40,972	64,072	47,397
2019	40,972	64,072	47,857
2018	41,272	62,872	48,199
2017	40,672	62,872	47,368
2016	40,672	62,872	47,368
2015	40,000	59,300	46,323

Note: Includes only 10 Month Teachers
Performance Pay Schedule

Source: District Records

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS
TABLE 18
(UNAUDITED)**

	Fiscal Year					Fiscal Year				
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Days Meals Served:	138	178	174	180	175	131	180	174	178	180
Student Lunches Served:										
Paid Lunches (regular)	-	-	-	-	-	-	-	440,716	522,762	633,470
Reduced Lunches (regular)	-	-	-	-	-	-	-	29,460	47,065	106,093
Free Lunches (regular)	11,229,975	11,475,953	10,942,673	10,551,366	7,805,540	8,515,869	11,666,364	10,608,564	10,740,732	10,421,805
Total Student Lunches Served	11,229,975	11,475,953	10,942,673	10,551,366	7,805,540	8,515,869	11,666,364	11,078,740	11,310,559	11,161,368
Daily Average Student Lunches Served	81,377	64,472	62,889	58,619	44,603	65,007	64,813	63,671	63,542	62,008
Student Breakfasts Served:										
Paid Breakfasts (regular)	-	-	-	-	-	-	-	113,894	150,768	139,378
Reduced Breakfasts (regular)	-	-	-	-	-	-	-	8,377	12,374	25,546
Free Breakfasts (regular)	5,388,024	5,724,561	5,451,253	5,420,557	4,331,904	4,249,798	5,853,353	5,265,375	5,446,493	5,306,261
Total Student Breakfasts Served	5,388,024	5,724,561	5,451,253	5,420,557	4,331,904	4,249,798	5,853,353	5,407,646	5,609,635	5,471,185
Daily Average Student Breakfasts Served	39,044	32,160	31,329	30,114	24,754	32,441	32,519	31,078	31,515	30,395
LUNCH PRICES:										
Elementary	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00	\$2.00	\$2.00	\$2.00
Middle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.30	\$2.30	\$2.30	\$2.30
High	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.60	\$2.60	\$2.60	\$2.60
BREAKFAST PRICES:										
Elementary	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00
Secondary	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00
Free and Reduced Percentages:										
Paid	-	-	-	-	-	-	-	3.4%	4.0%	4.6%
Reduced	-	-	-	-	-	-	-	0.2%	0.4%	0.8%
Free	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	96.4%	95.7%	94.6%

Source: District Records

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Compliance Section



SCHOOL BOARD OF POLK COUNTY, FLORIDA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<u>Clustered</u>				
Child Nutrition Cluster				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	22002	\$ -	\$ 15,301,988
National School Lunch Program	10.555	22001, 22003	-	56,556,376
Summer Food Service Program for Children	10.559	21006, 21007, 22006, 22007	-	623,396
Total Child Nutrition Cluster			-	72,481,760
Student Financial Assistance Cluster				
United States Department of Education:				
Federal Pell Grant Program	84.063	N/A	-	3,274,605
Total Student Financial Assistance Cluster			-	3,274,605
Special Education Cluster				
United States Department of Education:				
Florida Department of Education				
Special Education - Grants to States	84.027	262, 263	2,237,569	32,979,553
Special Education - Preschool Grants	84.173	267	24,128	484,444
Total Special Education Cluster			2,261,697	33,463,997
<u>Not Clustered</u>				
United States Department of Agriculture				
Florida Department of Health:				
Child and Adult Care Food Program	10.558	S-4372	-	923,921
Total United States Department of Agriculture			-	923,921
United States Department of Defense				
Florida Department of Health:				
Army Junior Reserve Officers Training Corps	12.UNK	Not Available	-	1,140,742
Marine Corps Junior Reserve Officers Training Corps	12.UNK	Not Available	-	81,291
Air Force Junior Reserve Officers Training Corps	12.UNK	Not Available	-	115,714
Navy Junior Reserve Officers Training Corps	12.UNK	Not Available	-	64,147
Total United States Department of Defense Cluster			-	1,401,894
United States Department of Labor				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	-	311,815

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.
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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Not Clustered (Continued)				
United States Department of the Treasury				
Polk County Board of County Commissioners Coronavirus Relief Fund	21.019	N/A	\$ -	\$ 85,491
United States Department of Education				
Magnet Schools Assistance	84.165	N/A	-	2,627,292
Wellness Advocates Valuing Educators and Students	84.184	N/A	-	74,944
Education Stabilization Fund Under the COVID-19 - Coronavirus Aid, Relief, and Economic Security Act:	84.425			
Florida Department of Education:				
ARP: Elementary & Secondary School Emergency Relief Fund	84.425U	121	8,750,977	54,865,458
ARP: Homeless Children and Youth	84.425W	122	-	276,635
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	84.425		8,750,977	55,142,093
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	-	1,693,093
Title 1 Grants to Local Educational Agencies	84.010	126,212, 223, 226	1,964,929	54,785,669
Migrant Education - State Grant Program	84.011	217	-	1,160,197
Career and Technical Education - Basic Grants to States	84.048	161	161,390	2,008,469
Education for Homeless Children and Youth	84.196	127	-	213,228
Charter Schools	84.282	298	21,752	21,752
English Language Acquisition State Grants	84.365	102	-	1,969,034
Supporting Effective Instruction State Grants	84.367	224	-	5,945,302
Student Support and Academic Enrichment Program	84.424	241	-	4,396,434
Total United States Department of Education			10,899,048	130,037,507
United States Department of Health and Human Services				
Head Start Cluster	93.600	N/A	-	10,533,510
Total United States Department of Health and Human Services			-	10,533,510
Total Expenditures of Federal Awards			\$ 13,160,745	\$ 252,514,500

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Polk County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for the Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

NOTE 4 NONCASH ASSISTANCE – NATIONAL SCHOOL LUNCH PROGRAM

Includes \$5,222,233 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

NOTE 5 HEAD START

Expenditures include \$5,626,671 for grant number/program year 04CH019111105/25 and \$4,906,839 for 04CH0191104/24.

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

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CliftonLarsonAllen LLP
CLAAconnect.com

**INDEPENDENT AUDITORS' 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**

Honorable Members of the
School Board of Polk County, Florida
Bartow, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Polk County, Florida (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 26, 2026. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units and the fiduciary fund as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Honorable Members of the
School Board of Polk County, Florida

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

School Board of Polk County, Florida's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Lakeland, Florida
March 26, 2026



CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Members of the
School Board of Polk County, Florida
Bartow, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the School Board of Polk County, Florida's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Honorable Members of the
School Board of Polk County, Florida

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-003, 2025-004, 2025-005, 2025-007, 2025-008, 2025-009, and 2025-010. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-005 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-002, 2025-003, 2025-004, 2025-006, 2025-007, 2025-008, 2025-009, and 2025-010 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
March 26, 2026

Section I – Summary of the Auditors' Results			
Financial Statements			
1. Type of auditors' report issued:	Unmodified		
2. Internal control over financial reporting:			
• Material weakness(es) identified?	<u> X </u> yes	<u> </u> no	
• Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported	
3. Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no	
Federal Awards			
1. Internal control over major federal programs:			
• Material weakness(es) identified?	<u> X </u> yes	<u> </u> no	
• Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported	
2. Type of auditors' report issued on compliance for major federal programs:	Unmodified		
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> yes	<u> </u> no	
Identification of Major Federal Programs			
Assistance Listing Numbers		Name of Federal Program	
84.425 (U, W)		COVID-19 – Education Stabilization	
84.010		Title 1 Grants for Local Education Agencies	
84.063		Federal Pell Grant	
Dollar threshold used to distinguish between Type A and Type B programs:		\$ <u> 3,000,000 </u>	
Auditee qualified as low-risk auditee?		<u> </u> yes	<u> X </u> no

SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

2025-001 – Material Audit Adjustments

Type of Finding:

Material Weakness in Internal Control over Financial Reporting

Condition: The District did not maintain effective internal control over financial reporting. Specifically, deficiencies were noted in the District's year-end financial close and reporting processes.

- The accrual for the Self-Insurance Incurred-But-Not-Reported (IBNR) liability was not properly calculated, resulting in understated liabilities and expenditures of \$6,367,400.
- Interfund due to/from reconciling and eliminating entries were not properly recorded at year-end, resulting in the overstatement of receivables and liabilities.

Criteria or Specific Requirement: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework requires management to design and implement internal controls that provide reasonable assurance, regarding the reliability of financial reporting. Effective controls include appropriate review procedures, timely reconciliations, and adequate segregation of duties to ensure transactions are properly recorded and financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

Effect: The deficiencies in internal control increase the risk that errors or irregularities in account balances may occur and not be prevented or detected and corrected on a timely basis, resulting in the potential for materially misstated financial information.

Cause: The District's year-end close process did not identify these errors.

Repeat Finding: Yes. See prior year finding 2024-001.

Recommendation: We recommend the District evaluate its financial reporting processes and related internal controls to determine whether additional or enhanced controls can be implemented to provide reasonable assurance that financial statements are prepared in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs

2025-002 – Documentation of Monthly Reconciliation

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 685.300(b)(5) requires the District, on a monthly basis, to reconcile the institutional records with the Pell funds received from the Secretary and the Pell disbursement records submitted to and accepted by the Secretary.

Condition: During our audit we noted the District does not maintain documentation of the preparation and review of this reconciliation process.

Questioned costs: None

Context: Although the reconciliation is being performed, there is no documentation of the preparation and review of the reconciliation.

Cause: There was turnover in a key position during the year.

Effect: The District is not complying with internal policy and federal requirements.

Repeat Finding: No

Recommendation: We recommend the District establish policies and procedures to ensure proper documentation of preparation and review of monthly Title IV reconciliations.

Views of responsible officials: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs (Continued)

2025-003 – Eligibility

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance; Noncompliance (Other Matters)

Criteria or specific requirement: Per the Code of Federal Regulations, 34 CFR 673.5, students may not be awarded need based aid in excess of their calculated need.

Condition: Based on our testing, we noted one student who was awarded the wrong amount.

Questioned costs: \$60

Context: We noted one error in our sample of 40 students tested.

Cause: The student's award was initially miscalculated when the award letter was created. The correction was made during the disbursement process to adjust the Pell amount but a new award letter was never created.

Effect: The student's award exceeded the amount they were eligible for.

Repeat Finding: No

Recommendation: We recommend that a process be implemented to ensure the proper cost of attendance is used so that amounts awarded do not exceed calculated financial need.

Views of responsible officials: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs (Continued)

2025-004 – Title IV Credit Balances

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance; Noncompliance (Other Matters)

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 668.164(h)(2)(ii) requires title IV, HEA credit balances to be paid directly to the student or parent as soon as possible, but no later than fourteen (14) days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

Condition: We noted instances where Title IV credit balances were not paid to students in a timely manner.

Questioned costs: None

Context: We noted 11 instances in our sample of 40 where the refund was processed outside the 14 - day time frame.

Cause: The District's policies and procedures did not ensure Title IV credit balances were paid in a timely manner.

Effect: Certain title IV credit balances were not paid in a timely manner.

Repeat Finding: No

Recommendation: We recommend that the District review its policies and procedures for Title IV credit balances to ensure they are paid in a timely manner.

Views of responsible officials: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs (Continued)

2025-005 – Common Origination & Disbursement Reporting

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Material Weakness in Internal Control over Compliance; Noncompliance (Other Matters)

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR § 685.301(d)(2) and 34 CFR § 690.83(a)(2), institutions are required to report disbursement information to the Common Origination & Disbursement (COD) System no later than 15 days after making a Title IV disbursement or becoming aware of a change to previously reported disbursement data. Institutions must ensure that all disbursement dates reported to COD accurately reflect the actual date the disbursement was made or became ready for delivery to the student.

Condition: We noted instances of late or inaccurate reporting to COD.

Questioned costs: None

Context: Pell Disbursement dates for 38 of 40 awards were inaccurately reported in COD, with 15 reported outside the 15-day timeframe. This occurred because disbursements were posted one day prior to sending the COD file, causing timing discrepancies in reported dates.

Cause: Human error within the school's system and processing controls.

Effect: Issues with untimeliness reporting could result with potential non-compliance.

Repeat Finding: No

Recommendation: We recommend the District evaluate its procedures and policies around reporting Pell disbursements to COD to ensure that student information is reported accurately and timely.

Views of responsible officials: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs (Continued)

2025-006 – Return to Title IV

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 668.22(h)(4)(ii) states within 30 days of the date of the institution's determination that the student withdrew, an institution must send a notice to any student who owes a title IV, HEA grant overpayment as a result of the student's withdrawal from the institution in order to recover the overpayment in accordance with paragraph (h)(4)(i) of this section.

Condition: During our audit we noted instances where the District did not notify students that they were required to return funds to the U.S. Department of Education based on the refund calculation performed by the District. The District did not return funds on behalf of the student.

Questioned costs: None

Context: This was noted for 9 out of the 13 students tested.

Cause: Post-withdrawal disbursement notifications are not separately issued to students; the student's signed award letter is relied upon as the formal notification of potential PWD eligibility. The District did not have a process in place to notify all students when they were required to return funds to the Department of Education.

Effect: Federal Funds may not have been returned to the Department of Education, and the student was not informed that they needed to do so.

Repeat Finding: No

Recommendation: We recommend that a process is put in place to ensure that all students are notified upon withdrawal they may be required to return federal award funds back to the Department of Education.

Views of responsible officials: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs (Continued)

Views of responsible officials: There is no disagreement with the audit finding.

2025-007 – Special Tests and Provisions

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance; Noncompliance (Other Matters)

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR § 668.22, requires institutions administering Title IV funds to calculate Return of Title IV (R2T4) amounts using the correct number of clock hours a student was scheduled to attend as of the withdrawal date. Accurate use of scheduled hours is essential to determining the proper percentage of Title IV aid earned, the amount to be returned, and any post-withdrawal disbursement eligibility.

Condition: Financial Aid Coordinators made manual errors when determining the number of clock hours students were scheduled to complete as of their withdrawal dates. These miscalculations directly affected the accuracy of the R2T4 process, resulting in incorrect determinations of earned aid and improper calculation of post-withdrawal disbursement amounts. In several cases, these human errors caused students to be either over-awarded or under-awarded Title IV funds.

Questioned costs: \$396 CLA extrapolated the questioned costs and determined this is not a material weakness that would result in a material misstatement in the F/S.

Context: CLA determined that the District miscalculated scheduled clock hours for three students in the R2T4 process.

Cause: Financial Aid Coordinators made manual errors when determining the number of clock hours students were scheduled to complete as of their withdrawal dates.

Effect: As a result of these manual miscalculations, R2T4 determinations did not accurately reflect the amount of Title IV aid students had earned at the time of withdrawal. This led to improper post-withdrawal disbursements, with some students receiving more aid than they were entitled to and others receiving less.

Repeat Finding: No

Recommendation: It is recommended that the District strengthen its internal controls over the R2T4 calculation process by implementing a secondary review or quality-assurance check of scheduled clock hours prior to finalizing R2T4 calculations. Staff should receive targeted training on the requirements of 34 CFR § 668.22, particularly regarding the use of scheduled hours in determining earned aid and post-withdrawal disbursement eligibility. Additionally, standardized calculation worksheets or system-generated hour reports should be utilized to reduce reliance on manual entry and minimize the risk of human error.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs (Continued)

2025-008 – 240 Day Outstanding Payments

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance; Noncompliance (Other Matters)

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR § 668.164(h)(2), institutions must return Title IV credit balance funds to the U.S. Department of Education no later than 240 days from the date a check is issued if the student fails to negotiate the check. Institutions are required to monitor outstanding Title IV disbursements and complete timely returns to maintain compliance with federal cash management regulations.

Condition: During our testing we noted instances where Title IV checks were outstanding more than 240 days.

Questioned costs: \$633 This finding includes a questioned cost, however CLA determined this is not a material weakness that would result in a material misstatement in the F/S as the amount of the questioned cost is trivial.

Context: As of June 30, 2025 we noted three Title IV checks outstanding more than 240 days.

Cause: The client was not aware that the credit balance needed to be remitted back to the Department of Education.

Effect: These Title IV funds should be returned to the U.S. Department of Education.

Repeat Finding: No

Recommendation: We recommend the District implement a review process for outstanding student payments to ensure any that include Title IV funds are refunded to the U.S. Department of Education within 240 days.

Views of responsible officials: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Section III – Federal Award Findings and Questioned Costs (Continued)

2025-009 – Gramm-Leach-Bliley Act

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance; Noncompliance (Other Matters)

Criteria or specific requirement: The Gramm-Leach-Bliley Act (Public Law 106-102) requires financial institutions to explain their information-sharing practices to their customers and to safeguard sensitive data. (16 CFR 314) The Federal Trade Commission considers Title IV-eligible institutions that participate in Title IV Educational Assistance Programs as “financial institutions” and subject to the Gramm-Leach-Bliley Act (16 CFR 313.3(k)(2)(vi).

Condition: During our audit procedures, we noted three elements that are not addressed in the District’s written information security program: (1) it does not identify a qualified individual to coordinate the information security program, (2) it does not include a change management policy, (3) it does not document continuous monitoring capabilities.

Questioned costs: N/A

Context: The District has policies related to change management, continuous monitoring, and designating a qualified individual. However, those policies are not included in the District’s written information security program.

Cause: The District’s written information security program does not include all required elements.

Effect: Noncompliance with the Gramm-Leach-Bliley Act.

Repeat Finding: No

Recommendation: We recommend that the District update its written information security program to ensure it includes all required elements.

Views of responsible officials: There is no disagreement with the audit finding.

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SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025



CliftonLarsonAllen LLP
CLAAconnect.com

Section III – Federal Award Findings and Questioned Costs (Continued)

2025-010 – High School Diploma or Equivalent

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.063

Federal Award Identification Number and Year: N/A

Award Period: July 1, 2024 – June 30, 2025

Type of Finding: Significant Deficiency in Internal Control over Compliance; Noncompliance (Other Matters)

Criteria or specific requirement: 34 CFR 600.7(a)(1) establishes institutional eligibility thresholds for certain ratios, including the percentage students without a high school diploma or equivalent.

Condition: The District provided the percentage of students that lack a high school diploma or its equivalent. However, we were unable to substantiate the District's calculation of the percentage of students that lack a high school diploma or its equivalent.

Questioned costs: N/A

Context: The District's ratios indicate they are in compliance with 34 CFR 600.7(a)(1).

Cause: The District was unable to provide data or documentation to support the percentage of students that lack a high school diploma or its equivalent.

Effect: We were not able to determine the accuracy of the District's percentage of students that lack a high school diploma or its equivalent.

Repeat Finding: No

Recommendation: We recommend that the District establish policies and procedures to ensure the completeness and accuracy of documentation to support the percentage of students that lack a high school diploma or its equivalent.

Views of responsible officials: There is no disagreement with the audit finding.

MANAGEMENT LETTER

Honorable Chairman and Members of the
School Board of Polk County, Florida
Bartow, Florida

Report on the Financial Statements

We have audited the financial statements of the School Board of Polk County, Florida (the District) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated March 26, 2026. We did not audit the financial statements of the discretely presented component units nor the fiduciary fund; those financial statements were audited by other auditors.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.800, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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*, Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance, Schedule of Findings and Questioned Costs, and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of prior year audit findings is described below.

Honorable Chairman and Members of the
School Board of Polk County, Florida

Prior Audit Findings (Continued)

Prior Year Findings		Current Year Status		Current Year Finding #
		Not Reported	Reported	
2024-001- Material Audit Adjustments	Material Weakness in Internal Control over Financial Reporting		X	2025-001

Financial Condition and Management

Section 10.804(1)(f)2., Rules of the Auditor General, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, the results of our tests did not indicate that the District met any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District did not maintain on its website the information specified in Section 1011.035, Florida Statutes.

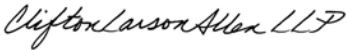
Additional Matters

Section 10.804(1)(f)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. Our recommendations are included in the accompanying Schedule of Findings and Responses as 2025-011 and 2025-012.

Honorable Chairman and Members of the
School Board of Polk County, Florida

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, District School Board members, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Lakeland, Florida
March 26, 2026



CliftonLarsonAllen LLP
CLAAconnect.com

SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Members of the
School Board of Polk County, Florida
Bartow, Florida

We have examined the School Board of Polk County, Florida's (the District), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended June 30, 2025. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination disclosed the following deviations from Section 218.415, Florida Statutes. While the District does have internal control procedures in place related to investment activity, it was determined the District's Director of Finance or designee responsible for making investment decisions did not obtain the required eight (8) hours of continuing education for the year ended June 30, 2025 as described in their investment policies as required by 218.415(14).

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, except for the deviation described above, the District complied, in all material respects, with the Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended June 30, 2025.

This report is intended solely for the information and use of the District and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
March 26, 2026

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclosure](https://www.claglobal.com/disclosure).

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2025-011 – Payroll Documentation

Type of Finding: Control Deficiency

Condition: Supervisory approval of payroll documentation is not clear and consistent across the District.

Criteria or Specific Requirement: Management is responsible for establishing and maintaining internal control to ensure transactions are properly approved and documented.

Effect: Inappropriate payroll transactions may not be detected in a timely manner. Additionally, the District could be out of compliance with various funding sources if proper and consistent documentation of payroll transactions is not maintained.

Cause: The District has multiple manual processes to document employee time and supervisory approval. A centralized record keeping system is not in place.

Repeat Finding: No

Recommendation: The District should implement a standardized payroll timekeeping and approval process across the District to ensure consistent and accurate documentation is maintained. An electronic records management system should be considered to aid in document storage and retention.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding.

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**SCHOOL BOARD OF POLK COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2025**

2025-012 – Noncompliance with Investment Policy and Florida Statute 218.415

Type of Finding: Control Deficiency

Condition: The District did not comply with its investment policy or the continuing education requirements of Section 218.415, Florida Statutes. The policy and statute require the Director of Finance or designee responsible for investment decisions to complete eight (8) hours of annual continuing education related to investment practices and products. No continuing education was completed during the fiscal year.

Criteria or Specific Requirement: The District should conform with all requirements within its investment policy and requirements of Section 218.415, Florida Statutes

Effect: The District is not in compliance with Section 218.415, Florida Statutes.

Cause: The District did not have adequate monitoring procedures in place to ensure compliance with its investment policy and the continuing education requirements outlined in Section 218.415, Florida Statutes. Specifically, there was no process to track or verify that the Director of Finance or designee completed the required eight (8) hours of annual continuing education related to investment practices and products.

Repeat Finding: No

Recommendation: The District should implement procedures to ensure compliance with its investment policy and Section 218.415, Florida Statutes. Specifically, the District should establish a process to track and verify that the Director of Finance or designee completes the required eight (8) hours of annual continuing education related to investment practices and products. This may include maintaining a compliance calendar, requiring documentation of completed training, and periodic review by management.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding.



APPENDIX C

DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS

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APPENDIX C

DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS

"Accreted Value" of a Capital Appreciation Certificate means the original principal amount thereof payable from the Principal Component of Basic Rent Payments plus interest payable from the Interest Component of Basic Rent Payments accrued thereon on the basis of a 360-day year consisting of twelve 30-day months compounded semi-annually on each Payment Date commencing on the Payment Date next succeeding the dated date of such Capital Appreciation Certificates to the date of maturity or redemption prior to maturity of such Capital Appreciation Certificates on the date of determination. The Accreted Value with respect to any date other than a Payment Date is the Accreted Value on the next preceding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates plus the percentage of the Accreted Value on the next succeeding Payment Date derived by dividing the number of days from the next preceding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates to the date of determination by the total number of days from the next succeeding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates to the next succeeding Payment Date.

"Act" means Chapters 230, 235 and 236, Florida Statutes, and other applicable provisions of law.

"Amortization Installment" means an annual amount designated as such by the Trust Agreement, such amount to be included in the Basic Rent Payments and to be deposited by the Trustee to the credit of the Principal Account for the purpose of paying Term Certificates.

"Architect" means, with respect to a Project involving the construction of a Building, the architect or firm of architects appointed to perform the duties of the Architect in accordance with Section 5.01 of the Lease Agreement. The Architect may be an employee of the Board, the Developer or the Contractor.

"Assignment of Lease Agreement" means the Assignment of Lease Agreement, dated as of June 1, 1993, by and between the Lessor and the Trustee, as now or hereafter amended.

"Assignment(s) of Ground Lease Agreement" means the Assignment of Ground Lease Agreement, dated as of June 1, 1993, from the Lessor to the Trustee, as now or hereafter amended and any other Assignment of Ground Lease Agreement thereafter delivered by the Lessor to the Trustee pursuant to the terms of a Ground Lease executed and delivered in connection with a Lease-Schedule.

"Authorized Officer," when used with respect to the Lessor, means the President, Vice President, Secretary or Treasurer of the Lessor or their deputies or assistants or any other officer of the Lessor who is designated by the Board of Directors of the Lessor as an Authorized Officer for purpose of the Lease Agreement and the Trust Agreement in a written certificate signed by the Chairman of the Board of Directors of the Lessor and filed with the Trustee. The term "Authorized Officer," when used with respect to the Board, means the Chairman, the Superintendent or his designee or any other officer or employee of the Board designated by the Board as an Authorized Officer for purposes of the Lease Agreement and the Trust Agreement in a written certificate signed by the Chairman of the Board and filed with the Trustee.

"Available Revenues" means the moneys and revenues of the Board legally available under the Act to make the Lease Payments. "Available Revenues" shall include, but not be limited to, PECO Funds, FEFP and the Capital Outlay Millage.

"Basic Rent" or "Basic Rent Payment" means (i) the Basic Rent Payments set forth in the Lease Schedules, as the same may be adjusted pursuant to the terms of the Lease Agreement, and (ii) Hedge Obligations.

"Basic Rent Payment Date" means the dates on which Basic Rent becomes due as described in the Lease Schedules. Such Basic Rent Payment Dates shall occur on the fifteenth (15th) day preceding each January 1 and July 1 unless a Lease Schedule states otherwise.

"Board" means the School Board of Polk County, Florida, and any successor thereto.

"Budget" means the annual budget of revenues and expenses and capital expenditures required to be adopted by the Board for each Fiscal Year pursuant to the laws of the State. "Budget" shall include both the Board's tentative Budget and its final Budget.

"Buildings" means, in regard to a Project, the structures to be financed or refinanced from a disbursement from the Project Account and leased to the Board as part of a Project pursuant to the terms of the Lease Agreement and Trust Agreement and which is more particularly described in the Lease Schedule relating to such Project, as the same may be modified or changed from time to time in accordance with the terms of the Lease Agreement and Trust Agreement.

"Business Day" means any day other than a Saturday or Sunday or a day on which the Trustee is authorized by law to be closed.

"Capital Appreciation Certificates" means the Certificates so designated by the Trust Agreement, which may be either Serial Certificates or Term Certificates and which shall bear interest payable at maturity or redemption.

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"Counterparty" shall mean the Person entering into a Hedge Agreement with the Board.

"Credit Bank" shall mean as to any particular Series of Certificates, the Person (other than an Insurer) providing a letter of credit, a line of credit or another credit or liquidity enhancement facility, as designated in the Lease Schedule relating to such Certificates.

"Credit Enhancer" means, with regard to a Series of Certificates, any Insurer or Credit Bank that provides a municipal bond insurance policy or Credit Facility, respectively, with regard to such Series of Certificates.

"Credit Facility" shall mean as to any particular Series of Certificates, a letter of credit, a line of credit or another credit or liquidity enhancement facility (other than a municipal bond insurance policy issued by an Insurer), as designated in the Lease Schedule relating to such Certificates.

"Current Interest Certificates" means Certificates so designated by the Trust Agreement and on which the interest on which is payable to the Owner thereof on the Payment Dates with respect thereto.

"Department" means the Department of Education of the State of Florida.

"Designated Equipment" means Equipment for which title is required by the Department to be in the name of the Board upon acquisition thereof and which is described as such in the Lease Schedule relating thereto. All Designated Equipment must be consented to by the Department or otherwise permitted by applicable law.

"Developer" means, with respect to a Project, the Person or Persons which shall enter into a Construction Contract with the Board to construct such Project, or portion thereof, on a "turn-key" basis.

"District" means the Polk County School District, and any successor thereto.

"Engineer" means, with respect to a Project involving the construction of a Building, the professional engineer or firm of engineers appointed to perform the duties of the Engineer in accordance with Section 5.01 of the Lease Agreement. The Engineer may be an employee of the Board, the Contractor or the Developer.

"Equipment" means, in regard to a Project, the items of personal property to be financed or refinanced by disbursements from the Project Account and leased to the Board pursuant to the terms and provisions of the Lease Agreement and which are more particularly described in the Lease Schedule relating to such Project, or any substitutions therefor or additions thereto made in accordance with the provisions of the Lease Agreement. "Equipment" shall include Designated

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"Capital Outlay Millage" means the revenues received by the Board from the levy of an ad valorem tax against non-exempt assessable property within the District and available to make Lease Payments pursuant to applicable law.

"Certificate" or "Certificates" means the certificates of participation prepared and delivered by the Trustee pursuant to the Trust Agreement.

"Certificate Register" means the books of the Trustee for registration of the ownership of the Certificates pursuant to Section 4.06 of the Trust Agreement.

"Closure Date" means, in regard to a Project, the date provided in the Lease Schedule relating thereto.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations and rules applicable thereto.

"Commencement Date" means, with respect to a Project, the date set forth in the Lease Schedule relating thereto.

"Completion Certificates" means Certificates issued for purposes of completing a Project pursuant to Section 4.12 of the Trust Agreement.

"Completion Date" shall have, in regard to a Project, the meaning ascribed thereto in Section 6.03(g) of the Trust Agreement.

"Construction Contract" means a contract entered into between the Board on behalf of the Lessor and the Contractor or Developer providing for the terms upon which the Contractor or Developer shall construct and install a Project, or portion thereof.

"Contractor" means, with respect to a Project, the Person or Persons appointed by the Board on behalf of the Lessor to act in such capacity.

"Costs of Issuance" means, in regard to a Series of Certificates and Lease Schedule related thereto, all costs and expenses related to the execution, sale and delivery of such Series of Certificates and execution and delivery of such Lease Schedule, including, but not limited to, costs paid or incurred by the Board, the Lessor or the Trustee for filing costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges and reimbursements, financial and other professional consultant fees and charges and reimbursements, auditors fees and charges and reimbursements, costs of rating agencies or credit ratings, fees for execution, registration, transportation and safekeeping of the Certificates, credit enhancement premiums and charges and fees in connection with the foregoing.

"Costs of Issuance Account" means the account by that name established under Section 6.02 of the Trust Agreement.

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Equipment. All Equipment must be consented to by the Department or otherwise permitted by applicable law.

"Escrow Account" means the trust fund or accounting, however named, into which cash and/or Refunding Securities are deposited in order to provide for the defeasance of the Prior Certificates or any Outstanding Certificates.

"Estimated Completion Date" means, with respect to a Project, the date provided in the Lease Schedule related thereto.

"Event of Default" or "Default," when referenced to the Lease Agreement, means an event of default or default under the Lease Agreement as set forth in Section 7.02 of the Lease Agreement, and, when referenced to the Trust Agreement, shall mean an event of default or default as set forth in Section 8.01 of the Trust Agreement.

"Event of Non-Appropriation" shall have the meaning ascribed thereto in Section 7.01 of the Lease Agreement.

"Extraordinary Prepayment" means the extraordinary prepayment by the Board of all or a portion of the Lease Payments pursuant to Sections 3.07 and 5.08 of the Lease Agreement.

"Extraordinary Prepayment Date" or "Extraordinary Payment Date" means, in regard to a Series of Certificates, the date on which such Certificates shall be prepaid pursuant to the Supplemental Trust Agreement authorizing the issuance thereof.

"FEFP" means moneys received by the Board from the Florida Education Finance Program pursuant to the Act, to the extent the Department permits such moneys to be used to make Lease Payments.

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

"Ground Leases" means, the Ground Lease Agreement, dated as of June 1, 1993, from the Board to the Lessor, as the same may be amended from time to time and any other Ground Lease Agreement or Supplement to the Ground Lease Agreement delivered in connection with a Lease Schedule.

"Group" means, in regard to a Project, the group or groups of leased property which shall constitute a portion of such Project as described in the Lease Schedule related thereto.

"Hedge Agreement" shall mean an agreement such as an interest rate swap agreement, collar, cap or other functionally similar agreement, or any other

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financial product which is used by the Board as a hedging device with respect to its obligation to pay the interest portion of Basic Rent Payments represented by any of the Outstanding Certificates, entered into between the Board and a Counterparty and designated by the Board as a "Hedge Agreement" for the purposes of the Trust Agreement and the Lease Agreement.

"Hedge Obligations" shall mean the regularly scheduled periodic amounts required to be paid by the Board determined by reference to interest on the related notional amount under a Hedge Agreement determined in accordance with a formula set forth in the Hedge Agreement (similar to payment of interest on the related notional amount), which may be net of any Hedge Receipts, but excluding Termination Fees.

"Hedge Receipts" shall mean amounts received by the Board determined by reference to interest on the related notional amount from a Counterparty under a Hedge Agreement which may be net of any Hedge Obligations, but excluding any termination fees, indemnification obligations or other fees payable by the Counterparty.

"Initial Lease Term" means, in regard to a Project, the initial term of the lease of such Project from the Lessor to the Board pursuant to the terms of the Lease Agreement, which Initial Lease Term shall commence on the Commencement Date and shall end on the next succeeding June 30.

"Initial Lease Termination Date" means, in regard to a Project, the last day of the Initial Lease Term.

"Insurance Consultant" means a recognized, independent insurance company or broker, selected by the Board, that has actuarial personnel experienced in the area of insurance for which the Board is to be self insured.

"Insurer" means such Person which shall be in the business of insuring or guaranteeing the scheduled payment of the principal of and interest on municipal securities.

"Interest Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Interest Component" means the portion of each Basic Rent Payment constituting interest as set forth in the Lease Schedules.

"Land" means, in regard to a Project, (1) the real property to be financed or refinanced by a disbursement from the Project Account, which shall be selected by

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the Supplemental Trust Agreement authorizing the issuance of such Certificates, that shall be the maximum rate of interest such Certificates may at any time bear.

"Maximum Lease Term" means, in regard to a Project, the maximum term of the lease of such Project as provided in the Lease Schedule relating thereto.

"Moody's" or "Moody's Investors Service" means Moody's Investors Service, or any successor thereto.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the amount of gross proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses incurred in the collection of such gross proceeds.

"Optional Prepayment Date" means the date on which the moneys deposited by the Board pursuant to the exercise of a prepayment option under Section 4.06 of the Lease Agreement shall be applied to the prepayment of a Series of Certificates in accordance with the Lease Schedule and Supplemental Trust Agreement relating thereto.

"Outstanding," when used with reference to Certificates means, as of a particular date, all Certificates theretofore issued under the Trust Agreement, except:

- (1) Certificates theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Certificates which have been paid or provision for payment has been made in accordance with Section 12.01 of the Trust Agreement; and
- (3) Certificates in exchange for or in lieu of which other Certificates have been issued.

"Overdue Rate" means a rate of interest equal to the highest rate of interest which any of the Outstanding Certificates shall bear.

"Owner" or "Certificate Owner" or "Owner of Certificates" or any similar term, when used with respect to the Certificates means any Person who shall be the registered owner of any Outstanding Certificate.

"Payment Dates" or "Lease Payment Date" means, with respect to the interest due on the Current Interest Certificates (other than Variable Rate Certificates), January 1 and July 1 of each year and, with respect to the principal of the Current Interest Certificates, July 1 in each of the years set forth in the Supplemental Trust Agreements relating to such Series of Certificates. With respect to Capital Appreciation Certificates, the Payment Date shall be July 1 in the years of maturity set forth in the Supplemental Trust Agreements relating to

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the Board in the manner required by law, which real property shall be leased by the Board to the Lessor pursuant to a Ground Lease; and (2) the Premises, if any, leased by the Board to the Lessor pursuant to a Ground Lease, which, in either case, shall be subleased to the Board as part of such Project pursuant to the terms of the Lease Agreement and which is more particularly described in the Lease Schedule relating thereto, to the extent identified and leased to the Lessor on the Commencement Date or any future date.

"Lease Agreement" means the Master Lease-Purchase Agreement, dated as of June 1, 1993, by and between the Lessor, as lessor, and the Board, as lessee, including all Lease Schedules, as now or hereafter amended, modified or supplemented.

"Lease Payment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Lease Payments" means, collectively, the Basic Rent, the Supplemental Rent and all other amounts owing under the Lease Agreement which are payable by the Board in connection with the lease of the Projects pursuant to the Lease Agreement; provided, however, such term shall not include Refunding Rent.

"Lease Schedule" means the Lease Schedule, the form of which is attached to the Lease Agreement as Exhibit C, which shall authorize the lease of a Project to the Board in accordance with the terms of the Lease Agreement.

"Lease Term" means, in regard to a Project, the term of the lease of such Project, pursuant to the provisions of the Lease Agreement and Lease Schedule relating thereto, which Lease Term shall commence on the first day of the Initial Lease Term and shall be equal to the Maximum Lease Term of such Project unless the Lease Agreement is earlier terminated in accordance therewith in which case the Lease Term shall end on such date of termination.

"Lessor" or "Corporation" means the Financing Corporation for the School Board of Polk County, Florida, a not-for-profit corporation organized and existing under the laws of the State, and any successor thereto.

"Letter of Instructions" means the Letter of Instructions attached to each Supplemental Trust Agreement authorizing the issuance of a Series of Certificates as required by Section 6.12 of the Trust Agreement.

"Maximum Cost" means, in regard to a Project, the maximum cost of such Project which shall be stated in the Lease Schedule relating thereto.

"Maximum Interest Rate" means, with respect to any particular Series of Variable Rate Certificates, a numerical rate of interest, which shall be set forth in

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such Series of Certificates. The Payment Dates for Variable Rate Certificates shall be established in the Supplemental Trust Agreement authorizing the issuance of such Certificates.

"PECO Funds" means moneys received by the Board from the Public Education Outlay and Debt Service Fund which are permitted by the Act to be used for payment of Lease Payments.

"Permitted Encumbrances" means, in regard to a Project:

- (1) the Lease Agreement and any liens and encumbrances created or permitted thereby;
- (2) the Assignment of Lease Agreement 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 and Assignment of Ground Lease applicable thereto and any liens and encumbrances created or permitted thereby;
- (5) subject to the provisions of Section 5.01(l) of the Lease Agreement, 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 good faith in accordance with the provisions of the Lease Agreement;
- (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 in good faith 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 and adversely impair the use of such property or materially and adversely affect the value thereof; 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; and
- (7) any other liens or encumbrances permitted by the Lease Schedule relating to such Project.

"Permitted Investments", except as otherwise provided in Supplemental Trust Agreements, means:

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(1) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America;

(2) Obligations of any federal agencies, the timely payment of the principal and interest on which obligations are fully and unconditionally secured by the full faith and credit of the United States of America, including:

- Export - Import Bank
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(3) Bonds, notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "AAA" by Moody's Investors Service issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 30 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated in the single highest classification, "A-1+" by Standard & Poor's and "P-1" by Moody's Investors Service and which matures not more than 270 days after the date of purchase;

(6) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation;

(7) Pre-refunded Obligations;

(8) Investment agreements approved in writing by the Credit Enhancers with notice to Standard & Poor's Corporation;

(9) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Section 218, Florida Statutes.

(10) Other forms of investments approved in writing by the Credit Enhancers with notice to Standard & Poor's Corporation and Moody's Investors Service.

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redemption premium, if any, on such bonds or other obligations on the date or dates pursuant to such irrevocable instructions, as appropriate, and (b) which fund 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 thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

"Principal Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Principal Component" means the portion of each Basic Rent Payment constituting principal as set forth in the Lease Schedules.

"Principal and Interest Requirements" means the respective amounts which are required in each Fiscal Year to provide for:

(1) the interest payable on all Certificates then Outstanding, which is payable on each interest Payment Date in such Fiscal Year,

(2) the principal on all Serial Certificates then Outstanding, which is payable upon the maturity of the Serial Certificates in such Fiscal Year, and

(3) the Amortization Installment for all Term Certificates then Outstanding, which is payable for such Fiscal Year.

In determining the amount of the Principal and Interest Requirements for any Fiscal Year, if interest on the Certificates is payable from the proceeds of such Certificates or from other amounts set aside irrevocably for such purpose at the time such Certificates are issued, interest on such Certificates shall be included in Principal and Interest Requirements only in proportion to the amount of interest payable in the then current Fiscal Year from amounts other than amounts so funded to pay such interest (so long as such funded interest is gross funded and invested in Permitted Investments described in clause (1) which matures no later than one Business Day prior to the related interest Payment Date. For purposes of this definition, all amounts payable on a Capital Appreciation Certificate shall be considered a principal payment due in the year of its maturity or earlier mandatory redemption.

"Principal Office" means the designated corporate trust office of the Trustee which shall initially be in Jacksonville, Florida, or the designated corporate trust office of any successor Trustee.

"Prior Certificates" shall mean the \$27,085,000 School Board of Polk County, Florida, Certificates of Participation Program, Series 1990 (Florida School Boards Association, Inc. School District Financing Program) and the \$22,550,000

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"Person" means an individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, government or political subdivision.

"Plans and Specifications" means, in regard to a Project, the Board's plans and specifications for such Project, on file or to be on file with the Board, as the same may be amended from time to time in accordance with the Lease Agreement.

"Pledged Accounts" means, in regard to each Series of Certificates, the separate account, if any, established in the Redemption Fund, and separate subaccounts, if any, established in the Project Account, Costs of Issuance Account, Capitalized Interest Account, the Reserve Account, the Principal Account and the Interest Account at the time such Series shall be issued.

"Premises" means, in regard to a Project, the parcels of real property owned in fee simple by the Board and leased by the Board to the Lessor pursuant to the Ground Lease, which real property shall be described in an exhibit to the Ground Lease.

"Prepayment Amount" means, in regard to a Project, the amount set forth in the Lease Schedule relating thereto.

"Prepayment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Prepayment Premium" means the amount of prepayment premium, if any, due on any Optional Prepayment Date. The amount of such prepayment premium shall be calculated in accordance with the Trust Agreement.

"Prepayment Price" means, with respect to any Certificate or portion thereof, the principal amount or portion thereof, the applicable Prepayment Premium, if any, plus accrued interest to the prepayment date of the Certificates payable upon prepayment thereof pursuant to such Certificate and the Trust Agreement.

"Prerefunded Obligations" means 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 the obligor has covenanted not to redeem such obligations other than as set forth in such instructions; and (1) which are rated, based on the escrow, in the highest rating category of S&P and Moody's; and (2)(a) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (1) of the definition of "Permitted Investments", which fund may be applied only to the payment of such principal of and interest and

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School Board of Polk County, Florida, Certificates of Participation, Series 1991 (Florida School Boards Association, Inc. School District Financing Program), and any other Certificates of Participation so designated by Lease Schedule.

"Prior Trust Agreement" means the Certificate Trust Agreement dated as of August 1, 1990, among the Board, the Prior Trustee and Florida School Boards Association, Inc., as supplemented and amended, pursuant to which the Prior Certificates were issued.

"Prior Trustee" means First Union National Bank of Florida, in its capacity as trustee under the Prior Trust Agreement, or any successor thereto as trustee under the Prior Trust Agreement.

"Project" shall mean the Land, the Buildings, and/or the Equipment, as described in the Lease Schedule relating thereto, as the same may be amended or modified from time to time in accordance with the terms of the Lease Agreement.

"Project Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Project Budget" means, in regard to a Project, the budget for expenditure of moneys in the subaccount in the Project Account established for such Project as set forth in the Lease Schedule relating thereto.

"Project Costs" or "Costs of the Project" means, in regard to a Project, all costs of payment of, or reimbursement for, acquisition, construction and installation of such Project, including but not limited to, architectural and engineering costs and costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs and sales and use taxes and the cost of title insurance, and, in addition, Costs of Issuance to the extent that the amounts on deposit in the Costs of Issuance Account are insufficient to pay all Costs of Issuance in full. Project Costs shall specifically include any portion of the total costs of such Project or any portion thereof paid by the Board from funds other than proceeds of the Certificates prior to the Closing Date for which the Board seeks reimbursement by filing a Requisition with the Trustee in the manner required by Section 6.03 of the Trust Agreement.

"Project Description" means, in regard to a Project, the description of such Project as set forth in the Lease Schedule relating thereto.

"Project Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Project Schedule" means, in regard to a Project, the timetable for disbursements from the subaccount of the Project Account established therefor for

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acquisition, construction, delivery and installation of the components of such Project as set forth in the Lease Schedule relating thereto.

"Purchasers" means the original purchasers of a Series of Certificates.

"Qualified Financial Institution" means (1) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America; or (2) the Government National Mortgage Association or any successor thereto or the Federal National Mortgage Association or any successor thereto; provided that, for each such entity delineated in clauses (1) and (2), its unsecured or uncollateralized long-term debt obligations, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such entity, have been assigned a credit rating by Moody's of "Aa" or better or by S&P of "AA" or better.

"Real Estate Taxes" shall mean all real estate taxes, public and governmental charges and assessments, including all extraordinary or special assessments, or assessments against any of the personal property included in the Projects, all costs, expenses and attorneys' fees incurred by Lessor in contesting or negotiating with public authorities as to any of same and all sewer and other similar taxes and charges.

"Rebate Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Record Date" means the 15th day of the month preceding any Payment Date (whether or not a Business Day).

"Refunding Certificates" means Certificates issued for purposes of refunding the Prior Certificates or Outstanding Certificates pursuant to Section 4.13 of the Trust Agreement.

"Refunding Rent" means the Refunding Rent payments set forth in the Lease Schedules payable with respect to Refunded Certificates pursuant to the Lease Agreement.

"Refunding Securities", except as otherwise provided by Supplemental Trust Agreement, means the United States Obligations and the Prerefunded Obligations.

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"Serial Certificates" means the Certificates designated as Serial Certificates pursuant to the Trust Agreement.

"Series" means all the Certificates delivered on original issuance in a simultaneous transaction and identified pursuant to Section 4.01 of the Trust Agreement and the Supplemental Trust Agreement authorizing the issuance of such Certificates as a separate Series, regardless of variations in maturity, interest rate and other terms.

"Special Counsel" shall mean Holland & Knight LLP, Lakeland, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exemption 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" means the State of Florida.

"Stipulated Loss Value" means an amount calculated in accordance with Section 5.08 of the Lease Agreement.

"Superintendent" means the Superintendent of the District, or such Person as shall be authorized to act on his or her behalf.

"Supplemental Rent" shall have the meaning set forth in Section 4.03(e) of the Lease Agreement.

"Supplemental Trust Agreement" means any supplement to or amendment to the Trust Agreement entered into in accordance with Article XI of the Trust Agreement.

"Taxable Certificates" means Certificates for which the Interest Component of the Basic Rent Payments relating thereto shall be includable in gross income for purposes of federal income taxation.

"Term Certificates" means those Certificates designated as Term Certificates pursuant to the Supplemental Trust Agreement authorizing the issuance thereof which are subject to mandatory prepayment by Amortization Installments.

"Termination Date" means the date on which the Lease Agreement terminates pursuant to the terms thereof.

"Termination Fees" means any payments due by the Board under a Hedge Agreement, other than Hedge Obligations, including but not limited to any termination fees, indemnification obligations or other fees or amounts payable to the Counterparty.

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"Renewal Lease Term" means, in regard to a Project, the period commencing on the day after the last day of the Initial Lease Term and ending on the following June 30. Thereafter, "Renewal Lease Term" shall refer to each succeeding one (1) year term commencing on the day after the last day of the previous Renewal Lease Term and ending on the following June 30.

"Renewal Term Termination Date" means, in regard to a Project, the termination date for the then current Renewal Lease Term which shall be the last day of such Renewal Lease Term.

"Request and Authorization" means a request and authorization from the Lessor and the Board to the Trustee to authenticate and deliver Certificates in accordance with the terms thereof and of the related Supplemental Trust Agreement, and substantially in the form attached to the Trust Agreement as Exhibit C.

"Requisition" means a requisition of the Board to receive amounts from the Project Fund to pay Project Costs or Costs of Issuance in the form attached to the Lease Agreement as Exhibit B.

"Reserve Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" means 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 subaccount of the Reserve Account in order to fulfill the Reserve Requirement relating thereto.

"Reserve Requirement" or **"Reserve Account Requirement"** means, in regard to a subaccount established in the 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 Lease Schedule relating thereto, provided such Requirement not exceed the lesser of (1) the maximum Principal and Interest Requirements on account of the Outstanding Certificates of the Series secured by such subaccount in the current or any subsequent Fiscal Year, (2) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements on account of the Outstanding Certificates of the Series secured by such subaccount in the current or any subsequent Fiscal Years, and (3) ten percent (10%) of the proceeds of such Series of Certificates.

"S&P" or **"Standard & Poor's Corporation"** means Standard & Poor's Corporation, or any successor thereto.

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"Trust Agreement" means the Master Trust Agreement, dated as of June 1, 1993, between the Lessor and the Trustee, as now and hereafter amended, modified or supplemented by Supplemental Trust Agreements.

"Trust Estate" means all right, title and interest of the Trustee in and to the property and interests therein described in Section 3.03 of the Trust Agreement.

"Trustee" means First Union National Bank of Florida, or its successor in interest as the Trustee under the Trust Agreement.

"United States Obligations" means the obligations and securities described in paragraph (1) of the definition of "Permitted Investments."

"Variable Rate Certificates" means Certificates issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereto at the date of issue.

"Vendor" means, with respect to a Project, the Person or Persons appointed by the Board to sell Equipment relating to such Project.

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APPENDIX D

COMPOSITE MASTER TRUST AGREEMENT AND FORMS OF SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT AND THIRD AMENDMENT TO MASTER TRUST AGREEMENT

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UNOFFICIAL CODIFIED
*(Includes Amendments from First Amendment to Master Trust Agreement
dated as of July 1, 2003 and Second Amendment to Master Trust Agreement
dated as of March 1, 2010)*

MASTER TRUST AGREEMENT

by and among

FIRST UNION NATIONAL BANK OF FLORIDA,
as Trustee

and

FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY, FLORIDA,
as Lessor

and

SCHOOL BOARD OF POLK COUNTY, FLORIDA,
as Lessee

Dated as of June 1, 1993

Securing

Certificates of Participation
(School Board of Polk County, Florida, Master Lease Program),
Series 1993A, Evidencing Fractional Undivided
Interests of the Owners thereof in Basic Rent Payments
to be made under a Master Lease-Purchase Agreement
by the School Board of Polk County, Florida

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MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT, is made and entered into as of June, 1993, by and among **FIRST UNION NATIONAL BANK OF FLORIDA**, a national banking association with corporate trust powers qualified to accept trusts of the type herein set forth (the "Trustee"), the **FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Lessor"), and the **SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a school board duly organized and existing under the laws of the State of Florida (the "Board"), acting as the governing body of the Polk County School District (the "District").

WITNESSETH:

WHEREAS, the Board deems it in the best interests of the District to lease-purchase certain real and/or personal property from time to time by entering into a master lease-purchase agreement, dated as of June 1, 1993 (the "Lease Agreement"), between the Lessor, as lessor, and the Board, as lessee; and

WHEREAS, pursuant to the Lease Agreement, the Board may from time to time, by execution of a lease schedule to the Lease Agreement (a "Lease Schedule"), direct the Lessor to acquire and lease purchase to the Board the items of property described in such Lease Schedule (which items of property are collectively referred to herein as the "Projects"); and

WHEREAS, the relationship between the Lessor and the Board under the Lease Agreement is to be a continuing one and Projects may be added to the Lease Agreement from time to time in accordance with the terms thereof and of the Lease Schedules describing such Projects; and

WHEREAS, provision for the payment of the cost of acquiring, constructing and installing each Project will be made by the issuance and sale from time to time of Certificates of Participation issued hereunder and under the Supplemental Trust Agreement related to each Series of such Certificates of Participation (the "Certificates"), which shall be secured by and be payable from the right of the Lessor to receive Basic Rent Payments (as defined herein) to be made by the Board pursuant to the Lease Agreement and related Lease Schedule; and

WHEREAS, the Trustee has agreed to deliver a Series of Certificates pursuant to and upon receipt of a Request and Authorization from the Lessor and the Board; and

WHEREAS, as of the date hereof, the Lessor will assign to the Trustee, by absolute assignment, all of its right, title and interest in and to the Lease Agreement and the Lease Payments (as defined herein), other than its rights of indemnification, its right to enter into Lease Schedules (as defined herein) from time to time and its obligations provided in Section 6.03 of the Lease Agreement, pursuant to an assignment agreement, dated as of June 1, 1993, between the Lessor and the Trustee; and

WHEREAS, the Board and the Lessor will enter into a Ground Lease, dated as of June 1, 1993 (the "Ground Lease"); whereby the Board, as lessor, has or will lease the Land (as defined herein) to the Lessor, as lessee, pursuant to such Ground Lease; and

WHEREAS, on the date hereof, the Lessor will absolutely assign to the Trustee all of its right, title and interest in and to the leasehold estate created and granted under the Ground Lease, pursuant to an Assignment of Ground Lease Agreement, dated as of June 1, 1993, between the Lessor and the Trustee; and

WHEREAS, the proceeds of the sale of each Series of Certificates will be deposited with the Trustee and such funds shall be held and disbursed pursuant to the terms of this Trust Agreement in order to, among other things, fund the acquisition, construction and installation of a Project or to refund other Certificates; and

WHEREAS, the Board may provide that a Credit Enhancer (as defined herein) may issue a letter of credit, insurance policy, guarantee or other instrument to secure the payment of the principal of interest in respect of a Series of Certificates; and

WHEREAS, each Series of Certificates shall be secured independently from each other Series of Certificates in accordance with the provisions hereof;

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows:

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ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.01. DEFINITIONS. The capitalized terms used herein shall have the meanings, for the purpose of this Trust Agreement, ascribed to them in Exhibit A attached hereto unless the context clearly requires some other meaning. The term "Agreement" or "Trust Agreement" as used herein shall mean this Trust Agreement unless the context clearly requires some other meaning.

SECTION 1.02. 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 otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, 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.

ARTICLE II

RECITALS AND REPRESENTATIONS

SECTION 2.01. LEASE AGREEMENT. The Lessor and the Board have entered into the Lease Agreement, and intend to enter into Lease Schedules from time to time, whereby the Lessor has agreed to lease the Projects from time to time to the Board and the Board has agreed to lease the Projects from time to time from the Lessor and to make Lease Payments therefor in accordance with the terms thereof.

SECTION 2.02. ASSIGNMENT OF LEASE AGREEMENT AND LEASE SCHEDULES. The Lessor has absolutely assigned and transferred to the Trustee all its rights, title and interest under (A) the Lease Agreement, other than (i) its rights of indemnification thereunder, (ii) its right to enter into Lease Schedules from time to time, pursuant to the terms and provisions of the Assignment of Lease Agreement and (iii) its obligations under Section 6.03 of the Lease Agreement and (B) the Ground Lease, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed herein to authenticate and deliver Series of Certificates from time to time each evidencing an interest in the Basic Rent Payments, as set forth in such Certificates.

SECTION 2.03. REPRESENTATIONS. In the Lease Agreement, the Lessor has agreed to cause the acquisition, construction and installation of each Project pursuant to the Plans and Specifications relating thereto as provided in the corresponding Lease Schedule, and the Board, as the agent of the Lessor, will be responsible for the letting of contracts and agreements for the acquisition, construction and installation of each such Project and for supervising the acquisition, construction and installation of each such Project.

SECTION 2.04. DESCRIPTION AND ESTIMATED COST OF THE PROJECT. The description of each Project to be acquired, constructed and leased by the Board from the Lessor pursuant to the terms and provisions of the Lease Agreement and the estimated Cost of such Project shall be as set forth in the Lease Schedule relating thereto.

SECTION 2.05. 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.

ARTICLE III

APPOINTMENT OF TRUSTEE; DECLARATION OF TRUST

SECTION 3.01. APPOINTMENT OF TRUSTEE. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Lessor and the Board hereby appoint the Trustee to receive, hold, invest and disburse the Trust Estate and to perform certain other functions, all as hereinafter provided and subject to the terms and conditions of this Trust Agreement.

SECTION 3.02. DECLARATIONS OF TRUST. (a) The Lessor and the Trustee hereby create this trust for the purpose of facilitating the lease purchase financing or refinancing of the Projects and the Trustee agrees to (i) accept the assignment and transfer of the rights of the Lessor in and to the Lease Agreement (other than the right of the Lessor to be indemnified by the Board upon the occurrence of various events described therein, its right to enter into Lease Schedules from time to time and its obligations under Section 6.03 of the Lease Agreement) pursuant to the terms and provisions of the Assignment of Lease Agreement, (ii) accept the assignment and transfer of the rights of the Lessor in and to the Ground Lease Agreement pursuant to the terms and provisions of the Assignment of Ground Lease Agreement(s), (iii) execute, authenticate and deliver the Certificates from time to time against receipt of the proceeds from the sale thereof, deposit such proceeds hereunder and disburse same, together with earnings thereon, in accordance with the terms and provisions hereof and of the Supplemental Trust Agreement(s) related thereto, and (iv) do all other things necessary or incidental to the purposes hereof.

(b) The Trustee hereby declares that it holds and will hold the Trust Estate upon the trusts and apply the moneys held hereunder as hereinafter set forth for the use and benefit of the Owners of the Certificates as set forth herein.

SECTION 3.03. TRUST ESTATE. The Trust Estate, which shall be held for the benefit of the Owners of the Certificates from time to time Outstanding hereunder, consists of the following:

(a) All right, title and interest in the funds, accounts and subaccounts established under this Trust Agreement and the cash, securities and investments of which they are comprised (other than the Rebate Fund);

(b) All right, title and interest of the Lessor in, to and under the Ground Lease(s) and the Lease Agreement and the right to receive the Lease Payments under the Lease Agreement but excluding any rights of indemnification set forth therein, its right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement;

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ARTICLE IV

ISSUANCE OF CERTIFICATES

SECTION 4.01. AUTHORIZATION OF CERTIFICATES. (a) The number of Series of Certificates which may be created 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 related Request and Authorization and Supplemental Trust Agreement and as restricted by the provisions of this Trust Agreement.

(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 a Lease Schedule. Each Series of Certificates shall be designated "Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series ____ Evidencing Fractional Undivided Interests of Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Polk County, Florida." The Certificates may, if and when authorized by this Trust Agreement, be designated 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.

(c) Each Series of Certificates shall be issued for the purposes of (a) funding the Costs of a Project, or completing a Project as provided in Section 4.12 hereof, (b) funding a subaccount established in the Reserve Account in an amount equal to the Reserve Requirement applicable thereto, (c) capitalizing interest on such Series of Certificates, and/or (d) paying the Costs of Issuance applicable thereto. Refunding Certificates may also be issued pursuant to Section 4.13 hereof.

(d) Each Series of Certificates, other than Variable Rate Certificates and Capital Appreciation Certificates, shall be substantially in the form set forth in Exhibit B hereto, with such appropriate variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Trust Agreement, including any use of a book-entry only system as described in Section 4.11 hereof. The form of Variable Rate Certificates and Capital Appreciation Certificates shall be provided in the Supplemental Trust Agreement authorizing the issuance of such Certificates. All Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules 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.

(e) Each Series of Certificates shall be issued for such authorized purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of

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(c) All right, title and interest of the Trustee under the Assignment of Lease Agreement and Assignment of Ground Lease Agreement(s);

(d) Any moneys received by the Trustee which are derived from the exercise by the Trustee, as assignee of the Lessor, of any of the remedies under this Trust Agreement, the Lease Agreement, the Ground Lease(s) or any mortgage agreement entered into pursuant to the terms hereof; and

(e) All property which by the express provisions of this Trust Agreement, the Lease Agreement or the Ground Lease(s) is required to be subject to the lien hereof, and any additional property that may from time to time hereafter expressly be made subject to the lien hereof by the Trustee, the Lessor or the Board or anyone authorized to act on their behalf;

PROVIDED, HOWEVER, that in each case any portion of the Trust Estate which is derived from the sale, re-letting or other disposition of a Project, moneys and damages received in relation to such Project and any cash, securities and investments in any Pledged Accounts relating to such Project shall be utilized solely for the benefit of the Owners of Certificates which financed or refinanced such Project and for whose benefit such Pledged Accounts were established.

SECTION 3.04. TRUST ESTATE FOR BENEFIT OF CERTIFICATE OWNERS. (a) Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Lessor and the Board hereby declare, and the Trustee acknowledges, that the Trust Estate shall secure the payment of the principal of, Prepayment Premium, if any, and interest on the Outstanding Certificates, which represent an undivided proportionate interest in the Basic Rent Payments under the Lease Agreement.

(b) The Trustee shall be entitled to and shall, subject to the provisions of Article IX hereof and after being provided with indemnity reasonably acceptable to it, take all steps, actions and proceedings necessary, in its judgment, to enforce all of the rights of the Lessor in and under the Lease Agreement and the Ground Lease(s) for the benefit of the Owners of the Certificates.

(c) If the Certificates shall be paid, or provision for payment shall be made in accordance with the terms and provisions of Section 12.01 hereof, and all other payments due hereunder shall be made as provided in Article XII hereunder, the Trust Estate shall terminate and the Owners of the Certificates shall have no right thereto, except as otherwise provided herein.

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America on such dates; all as determined pursuant to the Supplemental Trust Agreement authorizing the issuance thereof.

(f) Each Series of Certificates shall be issued in such denominations; shall be dated such date; shall bear such numbers; shall be payable at such place or places and at such time or times; shall contain such redemption provisions; shall consist of such amounts of Term Certificates, Serial Certificates, Capital Appreciation Certificates and Variable Rate Certificates; shall mature in such years and amounts; and the proceeds shall be used in such manner; all as determined pursuant to the Supplemental Trust Agreement authorizing the issuance thereof. Each Series of Certificates may be secured by a Credit Facility or municipal bond insurance policy all as shall be determined pursuant to the Supplemental Trust Agreement authorizing the issuance thereof.

(g) The principal of the Certificates shall be payable from the Principal Component of the Basic Rent Payments on July 1 of each year, except as otherwise provided by Supplemental Trust Agreement. The interest on the Current Interest Certificates shall be payable semiannually from the Interest Component of Basic Rent Payments on the Payment Dates, except as otherwise provided by Supplemental Trust Agreement. The Interest Component of Capital Appreciation Certificates shall be paid at maturity or upon prior prepayment. Interest on the Certificates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months, except as otherwise provided by Supplemental Trust Agreement. The Certificates shall be numbered in such manner as the Trustee deems appropriate.

(h) The principal of all Certificates and the Interest Component of any Capital Appreciation Certificates shall be payable at the Principal Office of the Trustee. Payment of the principal of all Certificates shall be made upon the presentation and surrender of such Certificates as the same shall become due and payable. Payment of interest on the Current Interest Certificates shall be by check or draft mailed to the Owner as of the close of business on the Record Date at his address as it appears on the Certificate Register maintained by the Trustee; except that, if and to the extent that there shall be a default in payment of interest due on such Payment Date, such defaulted interest payment shall be paid to the Owners in whose name any such Current Interest Certificates are registered at the close of business on the fifteenth day preceding the date of payment of such defaulted interest payment; provided, however, that at the request and expense of the Owner of \$1,000,000 or more in aggregate principal amount of Outstanding Current Interest Certificates, interest shall be paid by wire transfer on the interest Payment Date to a bank account located in the continental United States and designated in writing to the Trustee by said Owner at least five days prior to such Interest Payment Date.

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(i) Subject to the foregoing provisions of this Section, each Certificate delivered under this Trust Agreement upon transfer of or in exchange for or in lieu of any other Certificate of the same Series shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate and each such Certificate shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(j) Variable Rate Certificates must have a Maximum Interest Rate relating thereto which shall be established at the time of issuance of such Certificates. Prior to the termination of the Lease Agreement, any accelerated principal payments due to a Credit Bank in regard to Variable Rate Certificates or any interest due on such Variable Rate Certificates in excess of the interest on such Certificates to said Credit Bank shall be subordinate to the payment of Basic Rent Payments represented by the Certificates. The issuance of any Variable Rate Certificates hereunder must be approved by all Credit Enhancers of any Outstanding Certificates. Prior to issuance of any Variable Rate Certificates notice thereof shall be delivered to S&P and Moody's.

SECTION 4.02. DELIVERY OF CERTIFICATES. (a) Each Series of Certificates, other than Completion Certificates and Refunding Certificates, shall be executed substantially in the form and in the manner set forth herein, but before such Series of Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the President or Secretary of the Lessor, or his designee, of the resolution or resolutions of the Board of Directors of the Lessor approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, the Assignment of Lease Agreement, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates;

(ii) A copy, certified by the Chairman or Secretary of the Board, or his designee, of the resolution or resolutions of the Board approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates;

(iii) An executed copy of the Request and Authorization relating to such Series of Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates;

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that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles;

(x) An opinion of Special Counsel to the effect that (A) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles and (B) except for Taxable Certificates, the Interest Component of such Series of Certificates is excluded from the gross income of the Owners thereof for purposes of federal income taxation;

(xi) Either (A) written approval by the Department of Education or (B) an opinion of counsel to the Board or Special Counsel, to the effect that approval of the Department is not required by law.

(b) When the documents described in paragraphs (i) to (xi), inclusive, of Section 4.02(a) hereof shall have been filed with the Trustee and when the Certificates shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the Certificates at one time to, or upon the order of, the Purchasers of such Series, but only upon payment to the Trustee of the purchase price of such Certificates and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions described in paragraphs (i) and (ii) of Section 4.02(a) hereof as to all matters stated therein. The Trustee and the Credit Enhancer shall be entitled to rely upon the opinions described in paragraphs (viii), (ix), (x) and (xi)(b) of Section 4.02(a) hereof as to all matters stated therein.

SECTION 4.03. EXECUTION OF CERTIFICATES. The Certificates shall be executed with the manual or facsimile signature of an authorized officer of the Trustee. In case any officer whose signature or a facsimile of whose signature shall appear on any Certificates shall cease to be such officer before the delivery of such Certificates, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Certificates may bear the facsimile signature of, or may be signed by, such officer as at the actual time of the execution of such Certificates shall be the proper officer to sign such Certificates although at the dated date of such Certificates such officer may not have been such officer.

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(v) A fully executed counterpart of the Lease Agreement and the Lease Schedule relating to the Project to be financed from such Series of Certificates;

(vi) A fully executed counterpart of the Assignment of Lease Agreement;

(vii) A fully executed counterpart of each Ground Lease, if any, relating to the Project to be financed from such Series of Certificates and of the Assignment thereof;

(viii) An opinion of counsel for the Lessor to the effect that (A) the Lessor has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Lessor has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such Series of Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates and the Assignment of Lease Agreement and Assignment of Ground Lease, (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Series of Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates and the Assignment of Lease Agreement and the Assignment of Ground Lease Agreement have each been duly authorized, executed and delivered by the Lessor and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Lessor enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by usual equity principles;

(ix) An opinion of counsel to the Board to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent

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SECTION 4.04. AUTHENTICATION OF CERTIFICATES. Only such Certificates as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit B hereto, manually executed by the Trustee, shall be entitled to any benefit or security under this Trust Agreement. No Certificate shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Certificate shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Certificate shall be conclusive evidence that such Certificate has been duly authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Certificate shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates that may be issued hereunder at any one time.

SECTION 4.05. EXCHANGE OF CERTIFICATES. Certificates, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner 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, bearing interest at the same rate, and in the same form as the Certificates surrendered for exchange.

SECTION 4.06. NEGOTIABILITY, REGISTRATION AND TRANSFER OF CERTIFICATES. (a) The Trustee shall keep or cause to be kept a Certificate Register, which shall at all times be open to inspection by the Board, the Lessor and the Owners of ten percent (10%) or more of the aggregate principal amount of Certificates then Outstanding to which such Certificate Register relates; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on the Certificate Register, of Certificates as provided herein.

(b) The transfer of any Certificate may be registered only upon the Certificate Register upon surrender thereof to the Trustee together with an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such registration of transfer the Trustee shall authenticate and deliver in exchange for such Certificate a new registered Certificate or Certificates, registered in the name of the transferee, of any denomination or denominations authorized by this Trust Agreement in the aggregate principal amount equal to the principal amount of such Certificate surrendered or exchanged, of the same maturity and Series and bearing interest at the same rate.

(c) In all cases in which Certificates shall be exchanged or the transfer of Certificates shall be registered hereunder, the Trustee shall authenticate and

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deliver at the earliest practicable time Certificates in accordance with the provisions of this Trust Agreement. All Certificates surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. Upon the cancellation of any Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in duplicate by the signature of one of its authorized officers describing the Certificates so cancelled, and executed cancellation certificates shall be filed with the Board and the other executed cancellation certificate shall be retained by the Trustee. No service charge shall be made for any registration, transfer, or exchange of Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates as a condition precedent to such registration, transfer or exchange. The Trustee shall not be required to transfer or exchange Certificates (i) during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, (ii) so selected for redemption in whole or in part, or (iii) during a period beginning at the opening of business on the Record Date next preceding a date set for payment of interest and ending on such interest Payment Date.

SECTION 4.07. OWNERSHIP OF CERTIFICATES. The Trustee shall deem and treat the Person in whose name any Outstanding Certificate shall be registered upon the Certificate Register 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 and interest payments with respect to such Certificate and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and neither the Lessor, the Board nor the Trustee shall be affected by any notice to the contrary.

SECTION 4.08. MUTILATED, DESTROYED, STOLEN OR LOST CERTIFICATES. (a) In case any Certificate secured hereby shall become mutilated or be destroyed, stolen or lost, the Trustee shall cause to be executed, shall authenticate and deliver, a new Certificate of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Certificate or in lieu of and in substitution for such Certificate destroyed, stolen or lost, and the Owner shall pay the reasonable expenses and charges of the Trustee in connection therewith and, in case of a Certificate destroyed or lost, the Owner shall file with the Trustee evidence satisfactory to it and that such Certificate was destroyed or lost, and of his ownership thereof, and as a condition precedent to delivery of such new Certificate the Trustee may require indemnity satisfactory to it.

(b) Every Certificate issued pursuant to the provisions of this Section in exchange or substitution for any Certificate which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation pursuant to the terms

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or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions that the Persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(ii) The fact of the ownership of Certificates by any Certificate Owner and the amount, the principal Payment Date and the numbers of such Certificates and the date of his ownership of the same shall be proved by the Certificate Register held by the Trustee pursuant to this Trust Agreement.

(b) Nothing contained in this Article IV shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Board or the Trustee in pursuance of such request or consent.

SECTION 4.11. DEPOSITORY TRUST COMPANY AND BOOK ENTRY OBLIGATIONS. The Trustee is hereby authorized if so requested by the Purchasers of a Series of Certificates to take such actions as may be necessary from time to time to qualify such Series for registration in the name of Cede & Co., as nominee for The Depository Trust Company. No such arrangements with The Depository Trust Company may adversely affect the interests of any of the Owners of the Certificates; provided, however, that the Trustee shall not be liable with respect to any such arrangements it may make pursuant to this Section. The Trustee is further authorized if so requested by the Board to take such actions as may be necessary to qualify a Series of Certificates as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry only obligations, provided it shall establish a system of registration therefor by Supplemental Trust Agreement. Any expenses incurred by the Trustee pursuant to this Section shall be paid by the Board.

SECTION 4.12. COMPLETION CERTIFICATES. (a) Completion Certificates may be issued to provide necessary funds to complete payment of the Costs of a Project previously financed hereunder or to finance additional property which shall be added to a Project or which shall be substituted for a portion of a Project. Except for the purposes of Section 6.03 of the Lease Agreement, such Completion Certificates, for purposes of this Trust Agreement, the Lease Agreement and any applicable Ground Lease shall constitute a part of the same Series of Certificates as the Certificates issued to pay the original Costs of the Project. Such Completion Certificate shall be executed substantially in the form and in the manner set forth herein, but before such Completion Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

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hereof, whether or not the destroyed, lost or stolen Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Certificates duly issued under this Trust Agreement. All Certificates shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 4.09. TEMPORARY CERTIFICATES. (a) Until definitive Certificates are ready for delivery, there may be executed, and upon request of the Board, the Trustee shall authenticate and deliver, in lieu of definitive Certificates and subject to the same limitations and conditions, typewritten, printed, engraved or lithographed temporary Certificates, in the form of fully registered Certificates in denominations of \$5,000 or any whole multiple thereof, substantially of the tenor of the Certificates set forth in this Trust Agreement and with such appropriate omissions, insertions and variations as may be required.

(b) If temporary Certificates shall be issued, the Trustee, upon preparation of the definitive Certificates and presentation to it at its designated office of any temporary Certificate, shall cancel the same and authenticate and deliver to the Owner, without charge to such Owner, a definitive Certificate or Certificates of an equal aggregate principal amount, of the same maturity and Series and bearing interest at the same rate as the temporary Certificate surrendered. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefit and security of this Trust Agreement as the definitive Certificates to be issued and authenticated hereunder.

SECTION 4.10. EVIDENCE OF SIGNATURES OF CERTIFICATE OWNERS AND OWNERSHIP OF CERTIFICATES. (a) Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(i) The fact and date of the execution by any Certificate Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public,

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(i) A copy, certified by the Secretary of the Lessor, or his designee, of the resolution or resolutions of the Board of Directors of the Lessor approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, the Assignment of Lease Agreement, any applicable Assignment of Ground Lease, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(ii) A copy, certified by the Secretary of the Board, or his designee, of the resolution or resolutions of the Board approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(iii) An executed copy of the Request and Authorization relating to such Completion Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(v) A fully executed counterpart of the Lease Agreement and the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, the change, if any, to such Project and the additional Basic Rent Payments that would have to be made thereunder;

(vi) Fully executed counterparts of the Assignment of Lease Agreement and the Assignment of any applicable Ground Lease Agreement;

(vii) A fully executed counterpart of the Ground Lease;

(viii) An opinion of counsel for the Lessor to the effect that (A) the Lessor has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Lessor has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such Completion Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates and the Assignment of Lease Agreement, (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Completion Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates and the Assignment of Lease Agreement have each been duly authorized, executed and delivered by the Lessor and, assuming

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due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Lessor enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles;

(ix) An opinion of counsel to the Board to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles;

(x) An opinion of Special Counsel to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule relating to the Project to be financed from such Series of Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Series of Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles, (C) except for Taxable Certificates, the Interest Component of such Series of Certificates is excluded from the gross income of the Owners thereof for purposes of federal income taxation and (D) the issuance of such Certificates will not, in and of itself, adversely affect the exclusion from gross

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(b) Such Refunding Certificates shall be executed substantially in the form and manner set forth herein, but before the Refunding Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the Secretary of the Lessor, or his designee, of the resolution or resolutions of the Board of Directors of the Lessor approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificates to be refunded), the Assignment of Lease Agreement, any applicable Assignment of Ground Lease, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(ii) A copy, certified by the Secretary of the Board, or his designee, of the resolution or resolutions of the Board approving the form of and authorizing the execution and delivery of the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificate to be refunded), this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(iii) An executed copy of the Request and Authorization relating to such Refunding Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(v) A fully executed counterpart of the Lease Agreement and the Lease Schedule or Schedules relating to the Certificates to be refunded as amended to take into account the Refunding Certificates;

(vi) Fully executed counterparts of the Assignment of Lease Agreement and the Assignment of any applicable Ground Lease Agreement;

(vii) A fully executed counterpart of each Ground Lease, if any, relating to the Project or Projects which were financed by the Certificates to be refunded;

(viii) An opinion of counsel for the Lessor to the effect that (A) the Lessor has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Lessor has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such Refunding Certificates, the

income of the Interest Component of all other Outstanding Certificates, to the extent then excluded;

(xi) The written consent to the issuance of the Completion Certificates by the Credit Enhancer, if any, of the Series of Certificates relating to the original Project, or if there shall not be a Credit Enhancer, written evidence that the rating, if any, from Moody's and/or S&P on such Series of Certificates shall not be downgraded at the time of issuance of the Completion Certificates; and

(xii) Either (A) written approval by the Department of Education, or (B) an opinion of counsel to the Board or Special Counsel, to the effect that approval of the Department is not required by law.

(b) When the documents described in paragraphs (i) to (xii), inclusive, of Section 4.12(a) hereof shall have been filed with the Trustee and when the Completion Certificates shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the Completion Certificates at one time to, or upon the order of, the Purchasers of such Completion Certificates, but only upon payment to the Trustee of the purchase price of the Completion Certificates and the accrued interest thereon. The Trustee shall be entitled to rely upon the resolutions described in paragraphs (i) and (ii) of Section 4.12(a) hereof as to all matters stated therein. The Trustee and the Credit Enhancer shall be entitled to rely upon the opinions described in paragraphs (viii), (ix) and (x) of Section 4.12(a) hereof as to all matters stated therein.

(c) The proceeds of the Completion Certificates may also be used to fund a Reserve Requirement, capitalize interest on such Completion Certificates and/or pay Costs of Issuance, and shall be deposited in the Pledged Accounts established for the Series of Certificates which financed the original Project in such manner and in such amounts as determined by the Supplemental Trust Agreement relating to authorization of such Completion Certificates. The Completion Certificates shall be secured on parity with such Series of Certificates in accordance with the terms hereof.

SECTION 4.13. REFUNDING CERTIFICATES. (a) Refunding Certificates may be issued under and secured by this Trust Agreement, subject to the conditions hereinafter provided in this Section, at any time or times, for the purposes of (i) providing funds for refunding part or all of the Prior Certificates or the Certificates at or prior to their maturity or maturities, including the payment of any Prepayment Premium thereon and interest which will accrue on such Certificates to their date of payment, (ii) making a deposit, if necessary, to the subaccount of the Reserve Account which shall secure such Refunding Certificates, and (iii) paying the Costs of Issuance relating to said Refunding Certificates.

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Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificates to be refunded), any applicable Assignment of Ground Lease Agreement and the Assignment of Lease Agreement and Ground Lease, (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Refunding Certificates, the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificates to be refunded), any applicable Assignment of Ground Lease Agreement and the Assignment of Lease Agreement and Ground Lease have each been duly authorized, executed and delivered by the Lessor and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Lessor enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles;

(ix) An opinion of counsel to the Board to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificates to be refunded), this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates, and (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificates to be refunded), this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles;

(x) An opinion of Special Counsel to the effect that (A) the Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificates

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to be refunded), this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates, (B) the Lease Agreement, any applicable Ground Lease, the Lease Schedule or Schedules relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule or Schedules relating to the Certificates to be refunded), this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates have each been duly authorized, executed and delivered by the Board and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles, (C) except in the case of Taxable Certificates, the Interest Component of the Refunding Certificates and the refunded Certificates is or will remain excluded from the gross income of the Owner thereof for purposes of federal income taxation and (D), in the case of an advance refunding, the refunded Certificates have been defeased in accordance with the terms hereof; and

(xi) For Refunding Certificates issued to defease Certificates in accordance with Article XII hereof, to the extent required under said Article XII, a report of a certified public accountant or firm of certified public accountants verifying the mathematical accuracy of calculations supplied by the Board, or its designee, that the proceeds of such Refunding Certificates plus any other moneys available for such purpose, including investment earnings, shall be not less than an amount sufficient to pay the principal of and the Prepayment Premium, if any, on the Certificates to be refunded and the Interest Component of Basic Rent represented by the Certificates which will accrue thereon to the redemption date or maturity dates applicable thereto.

In connection with a partial refunding of a Series, consent of Credit Enhancer unless annual debt service in each year and aggregate debt service will be less subsequent to such refunding.

(c) When the documents described in paragraphs (i) through (xii), inclusive, of Section 4.13(b) hereof shall have been filed with the Trustee and when the Refunding Certificates shall have been executed and authenticated, the Trustee shall deliver such Refunding Certificates to or upon the order of the Purchasers thereof, but only upon payment to the Trustee of the purchase price of such Refunding Certificates, plus accrued interest, if any. The Trustee and the Credit

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(b) Except as otherwise expressly provided in Section 4.14(a) above, and elsewhere herein, all amounts payable by the Trustee with respect to a Series of Certificates, Hedge Obligations with respect to such Series or to any Credit Enhancer who shall have issued a Credit Facility or municipal bond insurance policy securing such Series pursuant to this Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Rent Payments made pursuant to the Lease Schedule corresponding to such Series, any other amounts derived from the Project corresponding to such Series and any related Hedge Agreement 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 Certificateholder agrees, and each such Credit Enhancer, by its execution and delivery of a Credit Facility or municipal bond insurance policy shall be deemed to have agreed, and each Counterparty by its execution and delivery of a Hedge Agreement 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, each such Credit Enhancer and each Counterparty as herein provided and that the Trustee is not personally liable to any Certificateholder, Counterparty or any such Credit Enhancer for any amounts payable under this Trust Agreement or subject to any liability under this Trust Agreement except as a result of negligence or willful misconduct by the Trustee.

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Enhancer shall be entitled to rely upon the opinions described in paragraphs (viii), (ix), (x) and (xi) of Section 4.13(b) hereof as to all matters stated therein.

(d) Other than for amounts required to pay Costs of Issuance or to make deposits to the Reserve Account, the proceeds of such Refunding Certificates and any other moneys received by the Trustee or other escrow agent acceptable to the Board for such purpose, shall be held by the Trustee or such other escrow agent in a special fund appropriately designated, to be held in trust for the sole and exclusive purpose of paying the principal of, Prepayment Premium, if any, and interest on the Certificates to be refunded, all as provided in Section 12.01 hereof.

(e) The Trustee is hereby authorized, at the direction of the Board, to remove moneys from the appropriate subaccount or subaccounts of the Principal Account, the Interest Account and the Reserve Account pledged to the payment of the Certificates to be refunded and apply the same in the manner required by the Supplemental Trust Agreement authorizing the issuance of the Refunding Certificates.

(f) The Refunding Certificates shall be secured in the same manner and from the same Pledged Accounts as were the Certificates to be refunded in accordance with the terms hereof.

SECTION 4.14. PAYMENTS FROM TRUST ESTATE ONLY; DISTRIBUTION OF TRUST ESTATE. (a) 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 Trust Agreement and each Hedge Obligation related thereto shall rank pari passu and be equally and ratably secured under this Trust Agreement with each other Certificate of such Series and each Hedge Obligation related thereto, but not with any Certificate of any other Series issued pursuant to this Trust Agreement and Outstanding or any Hedge Obligation related thereto, without preference, priority or distinction of any such Certificate or Hedge Obligation over any other such Certificate or Hedge Obligation, except that to the extent that Basic Rent Payments available for payment to all Certificateholders and all Hedge Obligations related thereto, are less than all amounts owed with respect to all Series of Certificates and all Hedge Obligations on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificateholders of all Series and all related Counterparties 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.

Termination Fees shall be secured by the Trust Estate junior and subordinated to the security provided for each Series of Certificates and Hedge Obligations and payable only if and to the extent Supplemental Rent for such amounts has been received for distribution pursuant to Section 6.06(b) hereof.

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ARTICLE V PREPAYMENT

SECTION 5.01. PREPAYMENT. The terms of this Article V shall apply to the prepayment of Certificates of a Series other than Capital Appreciation Certificates and Variable Rate Certificates. The terms and provisions relating to the prepayment of Capital Appreciation Certificates and Variable Rate Certificates shall be provided by the Supplemental Trust Agreement relating to the issuance thereof.

SECTION 5.02. SELECTION OF CERTIFICATES TO BE PREPAID. (a) When Certificates are prepaid by lot, selection of Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be prepaid shall be in the principal amount of \$5,000 or any whole multiple thereof, and that in selecting portions of Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount with respect to such Certificate by \$5,000.

(b) Upon any prepayment pursuant to this Article V, the Trustee shall provide the Board with, or cause to be provided, a revised schedule of Basic Rent Payments which schedule shall take into account such prepayment and shall be and become for all purposes part of the Lease Agreement.

SECTION 5.03. NOTICE OF PREPAYMENT. (a) When prepayment of Certificates is authorized or required pursuant to the provisions hereof and of any Supplemental Trust Agreement relating to such Certificates, the Trustee shall give to the Owners of Certificates to be prepaid notice, at the expense of the Board, of the prepayment of the Certificates. Such notice shall state: (i) the CUSIP numbers of all Certificates being prepaid, (ii) the original issue date of such Certificates, (iii) the maturity date, Series and rate of interest borne by each Certificate being prepaid, (iv) the prepayment date, (v) the Prepayment Price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Certificate, the principal amount) of each Certificate to be prepaid, (viii) that on such prepayment 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 thereon to the prepayment date, and that from and after such date interest thereon shall cease to accrue and be payable, (ix) that the Certificates to be prepaid, whether as a whole or in part, are to be surrendered for payment of the Prepayment Price at the designated corporate trust office of the Trustee at an address specified, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such prepayment.

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(b) Notice of such prepayment shall be given by mail, postage prepaid, not more than sixty (60) days or fewer than thirty (30) days prior to said date of prepayment, to the Owners of any Certificates to be prepaid. Such mailing shall not be a condition precedent to such prepayment, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the prepayment of the Certificates.

(c) In addition to the mailing of the notice described above, each notice of prepayment shall be sent to the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board or such other similar system hereafter established for similar disclosure purposes; provided, however, that failure to provide such further notice of prepayment to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for prepayment if notice thereof is given as prescribed in Sections 5.03(a) and 5.03(b) hereof.

SECTION 5.04. DEPOSIT OF PREPAYMENT AMOUNT; EFFECT OF CALLING FOR PREPAYMENT.

(a) Notwithstanding any other provisions herein, except as otherwise expressly provided in a Supplemental Trust Agreement with respect to a Series of Certificates being issued thereunder, the Board shall not be required to deposit funds with the Trustee prior to the mailing by the Trustee of notice of prepayment hereunder.

(b) On the date fixed for prepayment, notice having been given in the manner and under the conditions hereinabove provided, the Certificates or portions thereof called for prepayment shall be due and payable at the Prepayment Price provided therefor, plus accrued interest to such date. If money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Price of the Certificates to be prepaid, plus accrued interest thereon to the date fixed for prepayment, are held by the Trustee in trust for the Owners of Certificates to be prepaid, interest on the Certificates called for redemption shall cease to accrue as of the date set for prepayment; such Certificates shall cease to be entitled to any benefits or security under this Trust Agreement or to be deemed Outstanding; and the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the Prepayment Price thereof, plus accrued interest to the date fixed for prepayment from the moneys and/or Refunding Securities held therefor. Certificates and portions of Certificates for which irrevocable instructions to pay on one or more specified dates or to call for prepayment at the earliest prepayment date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Trust Agreement and shall cease to be entitled to the security of or any rights under this Trust Agreement, other than rights to receive payment of the Prepayment Price thereof and accrued interest thereon to the date fixed for prepayment, to be given notice of prepayment in the

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ARTICLE VI

ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

SECTION 6.01. APPLICATION OF CERTIFICATE PROCEEDS. On the date of delivery of each Series of Certificates, the Trustee agrees to deposit the proceeds of the Certificates as provided in the Request and Authorization relating to each such Series, which shall be in substantially the form provided in Exhibit C attached hereto.

SECTION 6.02. CREATION OF FUNDS AND ACCOUNTS. (a) There is hereby established with the Trustee the following funds and accounts:

(i) The "School Board of Polk County, Florida Master Lease Project Fund." The Trustee shall maintain three separate accounts in the Project Fund: the "Project Account," the "Costs of Issuance Account" and the "Capitalized Interest Account."

(ii) The "School Board of Polk County, Florida Master Lease Payment Fund". The Trustee shall maintain three separate accounts in the Lease Payment Fund: the "Principal Account," the "Interest Account" and the "Reserve Account."

(iii) The "School Board of Polk County, Florida Master Lease Prepayment Fund."

(iv) The "School Board of Polk County, Florida Master Lease Rebate Fund."

Moneys in the aforementioned funds and accounts (other than the Rebate Fund), until applied in accordance with the provisions hereof, shall be subject to an exclusive first lien and charge in favor of the Owners of the Certificates and for the further security of such Owners in accordance with the terms hereof. The Trustee shall keep and hold moneys in the funds, accounts and subaccounts established pursuant to this Section separate and apart from all other funds and moneys held by it.

(b) Except as may otherwise be provided by Supplemental Trust Agreement, the Trustee shall establish, upon the issuance of any Series of Certificates (i) a separate subaccount in the Project Account, the Capitalized Interest Account (if the proceeds of such Series shall be used to capitalize interest therefor), the Costs of Issuance Account, the Principal Account, the Interest Account and the Reserve Account (if proceeds of such Series shall be required to be deposited therein), and (ii) a separate account in the Prepayment Fund. Such separate account and subaccounts described above (the "Pledged Accounts") shall be established for the sole benefit of the Owners of the Series of Certificates for which

manner provided in Section 5.03 hereof, and, to the extent hereinafter provided, to receive Certificates for any unpaid portions of Certificates if money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Price of such Certificates or portions thereof, together with accrued interest thereon to the date upon which such Certificates are to be prepaid, are held in separate accounts by the Trustee in trust for the Owners of such Certificates.

(c) Notwithstanding the foregoing or any other provision hereof, notice of optional prepayment may indicate that such prepayment is conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional prepayment and that such notice may also be subject to rescission by the Board.

SECTION 5.05. PREPAYMENT OF A PORTION OF CERTIFICATES. If a portion of an Outstanding Certificate shall be selected for prepayment, the Owner thereof or his attorney or legal representative shall present and surrender such Certificate to the Trustee for payment of the principal amount thereof so called for prepayment and the Prepayment Premium, if any, on such principal amount, and the Trustee shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge therefor, for the unpaid portion of the principal amount of the Certificate so surrendered, a Certificate of the same maturity and Series and bearing interest at the same rate; provided, however, that if the Owner is a securities depository nominee, the securities depository, in its discretion, (a) may surrender such Certificate to the Trustee and request that the Trustee authenticate and deliver a new Certificate for the portion of the principal amount of the Certificate so surrendered which was not prepaid, or (b) shall make an appropriate notation on the Certificate indicating the dates and amounts of such reduction in principal.

SECTION 5.06. CANCELLATION. Certificates so prepaid, presented and surrendered shall be cancelled upon the surrender thereof.

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they shall be established. The Trustee shall also establish, at the request of the Board, a separate account in the Rebate Fund for a Series of Certificates. Each such account and subaccount shall be designated by the Trustee with the Series of the Certificates to which they shall secure.

SECTION 6.03. PROJECT ACCOUNT. (a) The Trustee shall deposit into each subaccount of the Project Account (i) the proceeds from the Series of Certificates for which it was established in accordance with the Request and Authorization relating to such Series, (ii) any additional amounts deposited with the Trustee by the Board for the purpose of paying additional Project Costs in accordance with Section 3.05 of the Lease Agreement, and (iii) any Net Proceeds deposited with the Trustee by the Board pursuant to Section 5.08(b) of the Lease Agreement. Amounts in each subaccount of the Project Account shall be disbursed for Costs of the Project for which it was established and for no other purpose. Disbursements from each subaccount of the Project Account shall be made by the Trustee upon receipt of a completed Requisition requesting disbursement, duly executed by an Authorized Officer of the Board.

(b) The Trustee shall make payment for each item or portion of a Project to the Board or the designee of the Board (which may include the Vendor, Developer or Contractor of any portion of such Project) in the amount thereof by transferring such amount from the appropriate subaccount of the Project Account by wire transfer into an account (including an account of the Vendor, Developer or Contractor) designated in writing in advance by the Board, by check to the designee of the Board or by crediting such amount to an account of the Board maintained with the banking department of the Trustee for such purpose within two Business Days of the receipt of a Requisition from the Board (provided the Requisition is in compliance with the terms hereof) and any materials or instruments required by the terms hereof and of the Lease Agreement. The parties acknowledge that the Trustee, pursuant to a certificate of an Authorized Officer of the Board, shall, with the consent of the Credit Enhancer, waive any noncompliance with the requirements for the disbursement of Project Account moneys. The Board agrees to indemnify and hold harmless the Trustee for any cost or expenses suffered by the Trustee as a result of such waiver. The Trustee is also authorized to rely upon the Board's written approval of the Requisition without independently confirming compliance with or satisfaction of such requirements or the requirements set forth in this Trust Agreement. The Trustee may also rely upon the certification of the Board in the Requisition or in any documents, certificates or instruments submitted in connection therewith as to the factual conditions precedent to any disbursements hereunder and shall have no responsibility or duty to review the attachments to such Requisition (but must determine that all required attachments are present) or investigate the basis for such certifications or representations. The Trustee has no responsibility or duty to review the attachments to any Requisition, provided the Trustee shall determine that all necessary attachments to such Requisition are, in fact, attached.

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(c) The Trustee shall make payment for each item of Equipment or interest in Land constituting a portion of a Project in the amount of the purchase price therefor from the appropriate subaccount of the Project Account by transferring such amount in accordance with the procedures described in Section 6.03(b) hereof within two Business Days of the receipt of (i) a Requisition, and (ii) a schedule prepared by the Board of the amounts billed or invoiced to the Board, or expended by the Board, for Equipment or the construction of a Building on Land relating to such Project for which payment is requested under such Requisition generally identifying the Equipment, improvements and Buildings financed with proceeds of the related Certificates or in the case of Land, a schedule reflecting the purchase price of such Land. Except as otherwise provided by a Supplemental Trust Agreement for a Series of Certificates, before the Trustee is authorized to make any disbursements for the acquisition of Land, the Trustee shall have received an ALTA leasehold title insurance policy, or a commitment with respect thereto, with a reputable title insurance company, indicating the Trustee as a named insured to the extent that its interest is insurable under Florida law, which shall insure the Trustee's title to its interest in such Land in the sum of the acquisition cost of the Land, plus the budgeted construction cost of any Building to be constructed on such Land.

In the case of acquisition of Land, the Trustee shall, at the request of the Board, transfer, pursuant to a Requisition, moneys to an escrow account held by the attorney to the Board which moneys shall be used to purchase the Land within three Business Days of such transfer.

(d) (i) Before the Trustee is authorized to make any disbursements for the construction of a Building (except for the payment of Architect's or Engineer's progress payments as described below), the Trustee shall have received from the Board certification that the following documents are then on file with the Board and open to inspection by the Trustee upon reasonable request:

(A) A copy certified as true of the Construction Contract or Contracts for such Building.

(B) A copy of all permits or government approvals obtained by the Lessor or the Board for the construction and operation of such Building, if any, including, without limitation, building permits and water management district permits or approvals.

(C) One copy of a recent survey plat of the portion of the Land upon which such Building is to be constructed prepared and sealed by a licensed Florida surveyor. The survey plat must (i) include a legal description of such portion of the Land and certify the number of acres included in such portion of the Land; (ii) include the boundaries of such Land; (iii) indicate the size and location of all existing improvements, roads, paths, culverts, drainage

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schedule prepared by the Board of the amounts billed or invoiced to, or paid by, the Board and must be approved in writing by an Authorized Officer of the Board.

(e) Execution by the Board of a Requisition shall constitute approval and acceptance of the items or portions of the Project identified therein for purposes of disbursements hereunder and under the Lease Agreement.

(f) Upon the receipt by the Trustee of a completed Requisition therefor, the Trustee shall disburse moneys from the appropriate subaccount of the Project Account in the manner required in this Section to reimburse the Board for Project Costs paid by the Board prior to the Commencement Date relating to such Project in anticipation of the issuance of the Series of Certificates which shall finance such Project.

(g) Upon the earlier of (i) receipt of a certificate executed by an Authorized Officer of the Board stating that all the Costs of a Project have been paid and the acquisition, construction and installation of such Project has been completed in accordance with the Plans and Specifications relating thereto and such Project has been approved and accepted by the Board or (ii) on the Closure Date provided in the Lease Schedule relating to such Project for the closure of the related subaccount of the Project Account (the "Completion Date"), the subaccount of the Project Account established in relation to such Project shall be closed and if amounts remaining in such subaccount of the Project Account equal or exceed the Prepayment Amount provided in the Lease Schedule relation to such Project, such amount shall be deposited into the account of the Prepayment Fund established for the Series of Certificates which financed such Project and shall be applied by the Trustee to effect an extraordinary mandatory prepayment of the Series of Certificates which financed such Project in accordance with the provisions hereof; provided, if the excess amount then remaining in such subaccount of the Project Account is less than such Prepayment Amount, such excess amount shall be deposited into the subaccount of the Interest Account established in relating to such Project. If a subaccount of the Project Account has not been earlier closed and if, on or before the Closure Date provided in the Lease Schedule for closure of such subaccount, the Board provides a certificate of an Authorized Officer that all or a portion of moneys then on deposit in such subaccount of the Project Account are required to pay Project Costs for items which have been or will be ordered or contracted, or Project Costs constituting sales or use taxes of items installed if such sales or use taxes are or will be payable but have not yet been paid, then such remaining amounts or portions thereof shall not be deemed excess amounts within the meaning of this Section 6.03(g) and shall be retained in such subaccount of the Project Account for the purpose of payment of said Project Costs described in said certificate. Said certificate may direct the deposit of Project Costs constituting said sales and use taxes in a separate subaccount to be used for payment of said sales and use taxes at the time and in the manner as an Authorized Officer of the Board shall direct, but

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ditches, easements, utility lines and encroachments on such portion of the Land; (iv) indicate the size and location of all easements affecting such portion of the Land; (v) indicate the location of the nearest public streets and access of such portion of the Land to those streets; and (vi) indicate the flood hazard designation (if any).

(D) A payment and performance bond, or appropriate substitute therefor, meeting the requirements of Section 255.05, Florida Statutes, in the full amount of the Construction Contracts to be entered into pursuant thereto naming the Trustee as co-obligee.

(E) A copy of the Plans and Specifications for such Building.

(F) A Phase I environmental audit relating to the portion of the Land upon which the Project is to be constructed prepared by an independent engineer or other qualified consultant and concluding that such portion of the Land is "environmentally acceptable" and not recommending the performance of more intensive procedures.

(ii) Each Requisition submitted by the Board for payment of Project Costs constituting construction costs (except for the payment of Architect's or Engineer's progress payments as described below) must be approved in writing by an Authorized Officer of the Board and must include certificates and/or affidavits from the Architect, Engineer, Contractor or Developer (as is appropriate under the circumstances), certifying with respect to the portion of such Project to which such Requisition relates:

(A) The estimated percentage of the construction completed at that time based upon the Plans and Specifications of such Project;

(B) That all claims for labor and materials have been paid;

(C) That there are no liens other than Permitted Encumbrances outstanding against such portion of the Project;

(D) That all construction completed to date has been done in accordance with the Plans and Specifications relating thereto;

(E) That all required surety bonds are in full force and effect; and

(F) That the Building can be completed in accordance with the Plans and Specifications and the Project Budget relating thereto on or before the Estimated Completion Date.

(iii) Each Requisition submitted by the Board for payment of Project Costs constituting Architect's or Engineer's progress payments must be accompanied by a

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in no event shall the Trustee be responsible or liable for payment of said sales and use taxes except as may be so directed by an Authorized Officer of the Board.

SECTION 6.04. COSTS OF ISSUANCE ACCOUNT. (a) Amounts in each subaccount of the Costs of Issuance Account shall be disbursed for Costs of Issuance relating to the Series of Certificates for which it was established within six months from the date of delivery of such Certificates. Disbursements from the Costs of Issuance Account shall be made by the Trustee upon receipt of a Requisition executed by an Authorized Officer of the Board.

(b) Upon receipt of a certificate executed by an Authorized Officer of the Board stating that all Costs of Issuance relating to the Series of Certificates for which it was established have been paid or provision for payment thereof has been made, the Trustee shall transfer any amounts remaining in such subaccount of the Costs of Issuance Account to the subaccount of the Project Account relating to such Series of Certificates and such subaccount of the Costs of Issuance Account shall be closed.

SECTION 6.05. CAPITALIZED INTEREST ACCOUNT. Funds in each subaccount of the Capitalized Interest Account relating to a Series of Certificates shall be transferred to the subaccount of the Interest Account relating to such Series of Certificates in an amount necessary to pay the interest coming due on the Series of Certificates for which such subaccount was established. Such transfer shall be made on each Payment Date for such Series until the amounts in such subaccount have been fully expended.

SECTION 6.06. DISPOSITION OF LEASE PAYMENTS. (a) Basic Rent Payments paid in accordance with each Lease Schedule to the Trustee, as assignee of the Corporation pursuant to the Lease Agreement and to the Assignment of Lease Agreement, and in accordance with each Hedge Agreement shall be deposited as received by the Trustee in the Lease Payment Fund in the following manner and in the following order of priority:

(i) There shall be deposited to the subaccount of the Interest Account established for the payment of a Series of Certificates from the Interest Component of Basic Rent (including Hedge Receipts) made in relation to such Series of Certificates an amount which shall be sufficient to pay the interest becoming due on such Series of Certificates on the next succeeding Payment Date and any Hedge Obligations next coming due. Moneys in each subaccount of the Interest Account shall be used to pay the interest on the Series of Certificates (or the Hedge Obligations related thereto) for which it was established as and when the same become due, whether by redemption or otherwise, and for no other purpose. No further deposit need be made to the Interest Account when the moneys therein are

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equal to the interest coming due on all Outstanding Certificates (and any Hedge Obligations related thereto) on the next succeeding Payment Date.

(ii) There shall be deposited to the subaccount of the Principal Account established for the payment of a Series of Certificates from the Principal Component of Basic Rent made in relation to such Series of Certificates an amount which shall be sufficient to pay the principal and the Amortization Installment becoming due on such Series of Certificates on the next succeeding principal Payment Date. Moneys in each subaccount of the Principal Account shall be used to pay the principal and the Amortization Installment of the Series of Certificates for which it was established as and when the same shall mature or are redeemed, and for no other purpose. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal and the Amortization Installment coming due on all Outstanding Certificates on the next succeeding principal Payment Date.

(b) Supplemental Rent payments made by the Board pursuant to Section 4.03(f) of the Lease Agreement shall be deposited as received by the Trustee to the appropriate subaccount of the Reserve Account. Supplemental Rent payments made by the Board pursuant to Section 4.03(g) of the Lease Agreement shall be deposited as received by the Trustee to the Rebate Fund. Any Supplemental Rent payments made by the Board representing Termination Fees pursuant to Section 4.03(e) of the Lease Agreement shall be paid as received by the Trustee to the appropriate Counterparty. Any other Supplemental Rent payments received by the Trustee shall be applied to the payment of Persons entitled to such Supplemental Rent, or, if the Trustee determines such Supplemental Rent payment is surplus, it shall be utilized in such manner as shall be directed by the Board.

(c) Whenever there has been a prepayment of Basic Rent Payments, for any reason, the Trustee shall prepare, or cause to be prepared, and transmit to the Board a revised Basic Rent Payment schedule for each affected Lease Schedule reflecting such prepayment.

(d) In the event a Series of Certificates is secured by a Credit Facility, the Trustee, at the request of the Board, may deposit moneys in the subaccounts established in the Interest Account and the Principal Account at such other times and in such other amounts from those provided in this Section as shall be necessary to pay the principal of and interest on such Certificates as the same shall become due, all as provided by the Supplemental Trust Agreement authorizing such Certificates. In the case of Certificates secured by a Credit Facility, amounts on deposit in any subaccounts established for such Certificates shall be applied as provided in the applicable Supplemental Trust Agreement to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of or Prepayment Price, if applicable, and interest on such Certificates or to pay the

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payment of all past due interest with respect to such Series of Certificates, and, second, to the payment of that portion of the unpaid principal or Amortization Installment of such Series of Certificate which is then past due, pro rata if necessary.

(e) Whenever the moneys in the Lease Payment Fund for an applicable Series of Certificates, including the corresponding Subaccount of the Reserve Account, if any, shall be sufficient to pay the principal of, Amortization Installments and interest coming due on such Series of Certificates, moneys in the Reserve Account shall be deposited to the appropriate subaccounts of the Interest Account and Principal Account as required to pay such Series of Certificates, and no further Basic Rent Payments shall be required under the Lease Agreement.

(f) If, after the date Certificates are prepaid pursuant to the provisions of Article V and Section 6.08 hereof, the amounts in a subaccount of the Reserve Account established for a Series of Certificates exceed the Reserve Requirement applicable thereto then in effect, adjusted to reflect such redemption, or the Reserve Requirement is decreased for any other reason, the Trustee shall deposit such excess to the subaccount of the Interest Account relating to such Series of Certificates.

SECTION 6.08. PREPAYMENT FUND. The Trustee shall deposit to each account of the Prepayment Fund for prepayment of Certificates secured by each such account in accordance with Article V hereof (a) any amounts deposited by the Board for the purpose of paying the Prepayment Price of all or a portion of such Series of Certificates on an Optional Prepayment Date in accordance with the Supplemental Trust Agreement pursuant to which such Series of Certificates is authorized to be issued, (b) any amounts remaining in the Project Account and required to be transferred to such account of the Prepayment Fund pursuant to Section 6.03(g) hereof, and (c) any Net Proceeds required to be transferred to such account of the Prepayment Fund pursuant to Section 5.08(b) of the Lease Agreement. Said moneys shall be set aside in such account of the Prepayment Fund solely for the purpose of prepaying the Certificates secured by such account in advance of their maturity and shall be applied to the prepayment at the applicable Prepayment Price of such Certificates being redeemed on such prepayment date. Interest on such prepaid Certificates shall be paid from the subaccount of the Interest Account established for payment of such Certificates, except to the extent moneys for payment of interest were deposited to such account of the Prepayment Fund, in which case it shall be paid from such account of the Prepayment Fund.

SECTION 6.09. NO UNAUTHORIZED TRANSFERS. No amount shall be withdrawn or transferred from or paid out of any fund or account except as expressly provided in this Trust Agreement.

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purchase price of any such Certificates which are tendered by the Owners thereof for payment.

(e) At the time of issuing any Variable Rate Certificates there shall be established the Maximum Interest Rate with respect thereto and a maximum interest rate with respect to amounts owed to the Credit Bank which provides liquidity for such Certificates.

SECTION 6.07. RESERVE ACCOUNT. (a) If on any Payment Date, the amounts in any subaccount of the Interest Account or the Principal Account are less than the interest, principal and Amortization Installment then due in relation to a Series of Certificates for which it was established, the Trustee shall transfer, from the subaccount of the Reserve Account established in relation to such Series of Certificates, to such subaccount or subaccounts, an amount sufficient to make up any deficiency therein. In the event of any such transfer, the Trustee, except subsequent to an Event of Non-Appropriation, shall, within five (5) days after making such transfer, provide written notice to the Board of the amount and date of such transfer and the Board shall, within thirty (30) days of receipt of such written notice, pay from moneys budgeted and appropriated as Basic Rent during the current Fiscal Year as Supplemental Rent to the Trustee for deposit into the appropriate subaccount of the Reserve Account an amount necessary to cause the moneys in each such subaccount of the 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 Board in satisfaction of the Reserve Requirement for a subaccount of the Reserve Account pursuant to Section 4.03(f) of the Lease Agreement. 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 Reserve Account.

(c) Moneys in each subaccount of the Reserve Account shall only be used for the purpose of making up for deficiencies in the subaccount of the Interest Account or Principal Account relating thereto in the event that moneys therein are less than the Interest Component and Principal Component of Basic Rent 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 subaccount of the Interest Account and the Principal Account relating to such Series, taking into account any transfers made from the related subaccount of the Reserve Account which was established for the benefit of such Series pursuant to Sections 6.07(a) and 6.07(b) hereof, the Trustee shall apply the moneys on hand therein first to the

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SECTION 6.10. DEPOSIT AND INVESTMENT OF MONEYS IN ACCOUNTS. (a) All moneys held by the Trustee in any of the funds, accounts or subaccounts established pursuant to this Trust Agreement shall be deposited or invested in Permitted Investments, provided, however, that all moneys in each subaccount of the Reserve Account shall be invested only in Permitted Investments with maturities of not longer than seven (7) years. Prior to termination of the Lease Agreement, the Board, through an Authorized Officer, shall provide the Trustee written instructions with respect to investment of the moneys held hereunder in Permitted Investments and the Trustee shall make investments in accordance with said instructions. In the event the Board does not provide the Trustee with written instructions with respect to investments, the Trustee shall invest such funds in a money market fund qualifying under clause (6) of the definition of Permitted Investments and the Trustee shall notify the Board thereof. Permitted Investments of moneys in Pledged Accounts may be modified as they relate to such Pledged Accounts pursuant to the Supplemental Trust Agreement authorizing the establishment of such Pledged Accounts.

(b) All interest and other income received by the Trustee from investment of funds on deposit in each subaccount of the Reserve Account and the Capitalized Interest Account established for the benefit of a Series of Certificates shall, prior to the Completion Date, be deposited in the subaccount of the Project Account which was funded by such Series of Certificates and, after said Date, be deposited in the subaccount of the Interest Account established for such Series of Certificates and be applied as set forth in Section 6.06 hereof; provided, however, that all interest and other income received by the Trustee on investment of a subaccount of the Reserve Account shall be retained in such subaccount in the event that amounts on deposit in such subaccount are less than the Reserve Requirement applicable thereto. Transfers to the Interest Account of interest and income from investments shall be made by the Trustee prior to each Payment Date, and shall be applied as set forth herein. At the time of deposit of said moneys in the Interest Account, the Trustee shall report the amount of said credit to the Board. All interest and other income derived from investments of each subaccount of the Project Account and each subaccount of the Interest Account shall be retained in such respective subaccounts. All interest or other income derived from investments of each subaccount of the Costs of Issuance Account established for the benefit of a Series of Certificates shall be deposited in the subaccount of the Project Account which was funded by such Series of Certificates. All interest and other income derived from investments of each subaccount of the Principal Account and each account of the Prepayment Fund established for a Series of Certificates shall be deposited in the subaccount of the Interest Account established for such Series of Certificates.

(c) For the purpose of determining the amount on deposit in any fund, account or subaccount, Permitted Investments in which money in such fund, account or subaccount is invested shall be valued at one hundred per centum (100%) of the principal or face amount thereof.

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SECTION 6.11. CREDIT AGAINST LEASE PAYMENTS. Not earlier than thirty (30) days and not later than fifteen (15) days prior to each Payment Date, the Trustee shall report to the Board the amount of the credit against Basic Rent Payments available to the Board under the Lease Agreement. Such credit shall be an amount equal to the sum of (a) the amount of interest and other income deposited in each subaccount of the Interest Account pursuant to Section 6.10 hereof since the date of the previous report made by the Trustee pursuant to this Section, (b) the amount of moneys, if any, transferred to the Interest Account and Prepayment Fund pursuant to Section 6.03(g) hereof since the date of the previous report made by the Trustee pursuant to this Section, (c) the amount of moneys, if any, transferred to each subaccount of the Interest Account pursuant to Section 6.07(f) hereof since the date of the previous report made by the Trustee pursuant to this Section, plus (d) the amount, if any, on deposit in each subaccount of the Principal Account and the Interest Account on the date of the report made by the Trustee pursuant to this Section which is not derived from the sources described in clauses (a), (b) and (c) above. In addition to the credit referenced in the preceding sentence, the Trustee and the Lessor acknowledge that, there shall be applied as a credit against Basic Rent Payments payable on a Payment Date an amount equal to the amount then on deposit in each subaccount of the Interest Account representing accrued interest and that the amount in the Reserve Account shall be applied as a credit against the last Basic Rent Payments as provided in Section 6.07(e) hereof. In the event that the total amount of the credit exceeds the Basic Rent Payment due on the Payment Date following said report, the amount of said excess shall be applied as a credit against the next subsequent Basic Rent Payments.

SECTION 6.12. APPLICATION OF MONEY IN THE REBATE FUND. (a) The Trustee shall be deemed conclusively to have complied with the provisions of this Section and each Letter of Instructions if it follows the directions of the Board and the Lessor, and the Trustee shall have no liability or responsibility to enforce compliance by the Board and the Lessor with the terms of this Section and each such Letter of Instructions. The Trustee shall have no responsibility for calculating the amount required to be rebated to the United States Treasury Department pursuant to the Code, nor shall the Trustee have any responsibility for determining the accuracy of any such amount calculated by any Person.

(b) Any funds remaining in the Rebate Fund, after redemption and payment of all of the Certificates and any amounts required to be paid to the United States, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees or other amounts to the Trustee and the Credit Enhancer and satisfaction of the rebate requirement described in the Letter of Instructions, shall be withdrawn by the Trustee and remitted to the Board.

(c) Upon the Board's written direction, the Trustee shall pay to the United States, out of amounts in the Rebate Fund, the rebate requirement, in the amounts and at the times described in each Letter of Instructions.

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ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

SECTION 7.01. BOARD TO PERFORM AGREEMENTS. The Board covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement to the extent so imposed.

SECTION 7.02. LESSOR TO PERFORM AGREEMENTS. The Lessor covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement, Ground Lease Agreement, Assignment of Ground Lease Agreement and the Assignment of Lease Agreement to the extent so imposed.

SECTION 7.03. NO OBLIGATION WITH RESPECT TO PERFORMANCE BY TRUSTEE. The Lessor and the Board shall not have any obligation or liability to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 7.04. NO LIABILITY TO OWNERS FOR PAYMENT. Except as provided in this Trust Agreement, neither the Lessor nor the Trustee shall have any obligation or liability to the Owners of the Certificates with respect to the payment of the Lease Payments by the Board when due, or with respect to the performance by the Board of any other covenants made by it in the Lease Agreement.

SECTION 7.05. COVENANT NOT TO IMPAIR TAX STATUS OF CERTIFICATES. Prior to an Event of Default or an Event of Non-appropriation, neither the Lessor nor the Board shall take nor permit nor suffer to be taken nor fail to take any action within its control, or direct the Trustee to take or fail to take any action, which action or failure to act would impair the exclusion, if applicable, from gross income for federal income tax purposes of the Interest Component of the Basic Rent Payment, including the calculation and payment of any rebate necessary to preserve the exclusion, if applicable, from gross income for federal income tax purposes of the Interest Component of the Basic Rent Payment received by the Owners. Prior to an Event of Default or an Event of Non-appropriation, neither the Lessor nor the Board shall permit or direct the investment of any proceeds of the Certificates or the Lease Payments by the Trustee in such a manner that would result in the Certificates (other than Taxable Certificates) or the Lease Agreement being characterized as "arbitrage bonds" under Section 148 of the Code. Prior to an Event of Default or an Event of Non-appropriation, the Lessor and the Board will comply with the provisions of the arbitrage certificate and the exhibits thereto executed by the Board which relates to the issuance of a Series of Certificates. This Agreement shall not be construed to constrain in any manner the ability of the

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(d) In the event that, prior to the time of any required payment out of the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Board shall deposit with the Trustee for application to the Rebate Fund an amount equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this subsection shall be made in the manner described in the Letters of Instructions.

(e) Any Letter of Instructions shall be amended from time to time as, in the opinion of Special Counsel, shall be necessary to reflect the current status of the Code in regard to the rebate requirement.

(f) Each Supplemental Trust Agreement authorizing the issuance of a Series of Certificates shall have attached thereto a Letter of Instructions relating to the rebate requirement described herein, unless Special Counsel determines such Letter of Instructions is unnecessary.

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Trustee to sublease, sell or dispose of the Project in the Event of a Default or Event of Non-appropriation under the Lease Agreement. With respect to the obligations of the Trustee pursuant to this Section, the Trustee shall use its best efforts and shall be liable only as a result of negligence or willful misconduct.

SECTION 7.06. DIRECTORS, MEMBERS, OFFICERS AND EMPLOYEES OF TRUSTEE, LESSOR AND BOARD EXEMPT FROM PERSONAL LIABILITY. No recourse shall be had for the obligations specified hereunder, under the Certificates or under the Lease Agreement or for any claim based hereon or thereon or upon any representation, obligation, covenant or agreement in this Trust Agreement or the Certificates or the Lease Agreement against any past, present or future officer, vendor, employee, director or agent of the Trustee, the Lessor or the Board as such, either directly or through the Trustee, the Lessor or the Board, or any successor thereto under any statute or rule of law or equity, statute or constitution or by the enforcement or any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Trust Agreement, the Lease Agreement and the issuance of the Certificates.

SECTION 7.07. LESSOR OBLIGATIONS FOR PROJECTS. (a) Except as provided in Section 4.07(b) of the Lease Agreement, the Board has, pursuant to the terms of the Ground Lease, granted to the Lessor a leasehold estate to the Projects, other than the Designated Equipment and except for such portions thereof which may be specifically excluded under the Ground Lease(s), subject to the rights of the Board under the Lease Agreement. In consideration of the issuance of the Certificates, the Lessor agrees that if an Event of Default described in Section 8.01(d) hereof occurs, it shall, at the request of the Trustee, take all actions necessary in order to fully transfer its leasehold estate in all or a portion of the Projects to the Trustee in accordance with the terms and provisions of the Ground Lease(s) and the Assignment(s) of Ground Lease, except as otherwise provided in Section 4.07(b) of the Lease Agreement in the case of Designated Equipment. In accordance with the terms of Section 8.03 hereof and except as provided in Sections 4.07(b) and 7.03 of the Lease Agreement, the Trustee may exercise such remedies with respect to the leasehold estate in and to the Projects if an Event of Default described in Section 8.01(d). The proceeds from the exercise of any such remedies shall be used as provided in Section 8.04 hereof. If the Board relinquishes possession of the Projects pursuant to the Lease Agreement subsequent to an Event of Default described in Section 8.01(e) hereof, the Lessor hereby agrees that the Trustee shall take possession of the Projects and shall have complete authority over the disposition of the Projects in accordance with the terms hereof, of the Lease Agreement, of the Assignment of Ground Lease(s) and of the Ground Lease(s). The Lessor will promptly comply with all directions of the Trustee in regard to such disposition. As a condition to the acceptance by the Trustee of possession of the Project the Trustee shall have the right to receive from the Board such assurances,

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reports and opinions as to the absence of hazardous substances and such other environmental matters with respect to the Projects as the Trustee may reasonably request.

(b) The Board and Lessor agree that they shall not place any lien or encumbrance on the Projects, except Permitted Encumbrances. In addition, the Lessor shall not join in or consent to the sale or re-letting of the Projects, or any portion thereof, except as may be directed by the Trustee or as shall be required by the terms of the Lease Agreement, the Assignment(s) of Ground Lease(s) or Ground Lease(s).

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Payment Date), and the charges, compensations, expenses, disbursements, advances and liabilities of the Trustee and the Credit Enhancer and all other amounts then payable by the Board under the Lease Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Certificates or in this Trust Agreement (other than a default in the payment of the principal of such Certificates then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee and the Credit Enhancer, then and in every such case the Trustee may, with the consent of the Credit Enhancer, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates not then due and payable by their terms (Certificates then due and payable only because of a declaration under this Section shall not be deemed to be due and payable by their terms) and then Outstanding, with the consent of the Credit Enhancer, or at the direction of the Credit Enhancer, shall, by written notice to the Board and the Lessor, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default hereunder or impair any right consequent thereon.

SECTION 8.03. ENFORCEMENT OF REMEDIES. (a) Upon the happening and continuance of any Event of Default specified in Section 8.01 hereof, then and in every such case the Trustee may, with the consent of the Credit Enhancer, proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding, with the consent of the Credit Enhancer, or at the direction of the Credit Enhancer, shall proceed, subject to the provisions of Sections 9.02 and 8.14 of this Trust Agreement, to protect and enforce its rights and the rights of the Owners under the laws of the State, under this Trust Agreement, the Lease Agreement or the Ground Lease(s) by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee, shall deem most effectual to protect and enforce such rights. The Trustee may also exercise all remedies it or the Lessor may have under law and under the Trust Agreement, the Lease Agreement, and any Ground Lease(s) and any mortgage or security interest relating to a Project.

(b) In the enforcement of any remedy under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default hereunder becoming and remaining due from the Board for principal, interest or otherwise under any of the provisions of this Trust Agreement or of the Certificates, together with interest on overdue payments of principal at the Overdue Rate and all reasonable costs and expenses of collection and of all proceedings hereunder, without prejudice to any other right or

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ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. EVENTS OF DEFAULT. Each of the following events is hereby declared an Event of Default under the Trust Agreement:

(a) Payment of any installment of interest on any Certificate shall not be made by the Board when the same shall become due and payable; or

(b) Payment of the principal, Amortization Installment or the redemption premium, if any, of any Certificate shall not be made by the Board when the same shall become due and payable, whether at maturity or by proceedings for mandatory redemption or otherwise; or

(c) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Trust Agreement or any Supplemental Trust Agreement and such default shall continue for thirty (30) days (or such further time as may be granted in writing by the Trustee with the consent of the Credit Enhancer) after receipt by the Board and the Lessor of a written notice from the Trustee or the Credit Enhancer specifying such default and requiring the same to be remedied; or

(d) An "Event of Default" or "Event of Non-Appropriation" shall have occurred under the Lease Agreement, and, in the case of such "Event of Default," it shall not have been remedied or waived.

SECTION 8.02. ACCELERATION OF MATURITIES. Upon the happening and continuance of any Event of Default specified in Section 8.01 hereof, the Trustee, in regard to each Series of Certificates, may, with the consent of the Credit Enhancer, and upon the written request of the Owners of not less than a majority in aggregate principal amount of a Series of Certificates then Outstanding, with the consent of the Credit Enhancer, or at the direction of the Credit Enhancer, by notice in writing to the Board and the Lessor, shall declare the principal of all Certificates of such Series then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Certificates or in this Trust Agreement to the contrary notwithstanding; provided, further, that if at any time after the principal of a Series of Certificates shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Trust Agreement, moneys shall have accumulated in or shall have been paid into the Lease Payment Fund sufficient to pay the principal of all matured Certificates and all arrears of interest, if any, upon all Certificates then Outstanding (except the principal of any Certificate not then due and payable by its terms and the interest accrued on such since the last interest

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remedy of the Trustee or of the Owners and to recover and enforce any judgment or decree against the Lessor, but solely as provided herein, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

(c) As provided in Section 7.07 hereof and subject to the limitations thereof, the Trustee, upon an Event of Default described in Section 8.01(d) hereof, may take possession of the Projects, and it shall, if the Board relinquishes possession of the Projects pursuant to the Lease Agreement subsequent to an Event of Default described in Section 8.01(d) hereof, take possession of the Projects, in accordance with the provisions of Section 7.07 hereof and of the Ground Lease(s). Upon taking possession of the Projects the Trustee is authorized to sell, re-let or otherwise dispose of the leasehold estate of the Lessor in the Projects, or any portion thereof, for the benefit of the Owners of the Series of Certificates which financed or refinanced each such Project.

SECTION 8.04. PRO-RATA APPLICATION OF FUNDS. (a) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the Lease Payment Fund shall not be sufficient to pay the interest on or the principal of the Certificates as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 8.02 hereof) and the Hedge Obligations related thereto, the Trustee, subsequent to payment of all reasonable costs and expenses relating to collection of such moneys and fees and expenses of the Trustee, including reasonable fees and expenses of Trustee's Counsel, shall deposit all moneys derived from the sale, re-letting or other disposition of each Project, including moneys and damages collected in connection therewith, and all moneys in the Pledged Accounts relating thereto (amounts in a subaccount of the Project Account for such Project may, at the discretion of the Trustee, be retained in such subaccount to continue payment of the acquisition and construction of such Project) into a special account established for the sole benefit of the Owners of the Series of Certificates or the Counterparty or Counterparties to any Hedge Agreements related thereto which financed or refinanced such Project and shall apply moneys in such special account as follows:

(i) If the principal of such Series of Certificates shall not have become or shall not have been declared due and payable, all such money in the special account established for such Series shall be applied:

- First: to the payment to the Persons entitled thereto of
- (a) all installments of interest on such Series of Certificates and
 - (b) the Hedge Obligations related thereto; in each case, then due and payable in the order in which such installments or amounts became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment or amount,

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then to the payment, ratably according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates specified in such Series of Certificates and the Hedge Obligations related thereto;

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Certificates of such Series that shall have become due and payable, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Certificates of such Series due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference;

Third: to the payment of the interest on and the principal of such Series of Certificates, to the purchase and retirement of such Series of Certificates, and to the redemption of such Series of Certificates, all in accordance with the provisions hereof;

Fourth: to the payment of any amounts owed and unpaid to the Credit Bank or Credit Enhancer for such Series or under the reimbursement agreement relating to the Credit Facility for such Series to the extent unpaid pursuant to First and Second above;

Fifth: to the payment of any Termination Fees related to such Series of Certificates.

Sixth: to the payment of any amounts owing in regard to Ground Leases relating to such Series; and

Seventh: to the payment of any surplus moneys to the Board.

(ii) If the principal of such Series of Certificates shall have become or shall have been declared due and payable, all such money in the special account established for such Series shall be applied to the payment of principal and interest then due upon such Series of Certificates (or, in the case of Capital Appreciation Certificates, the Accredited Value thereof) and all Hedge Obligations related thereto without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest or any such Certificate over any other such Certificate ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discrimination or preference and then to the payment of any amounts owed

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SECTION 8.06. CONTROL OF PROCEEDINGS BY OWNERS. The Owners of a majority in aggregate principal amount of each Series of Certificates then Outstanding shall have the right, subject to the provisions of Sections 8.14 and 9.02 of this Trust Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in regard to such Series, provided that such direction shall be in accordance with law and the provisions of this Trust Agreement and the Lease Agreement.

SECTION 8.07. RESTRICTIONS UPON ACTIONS BY INDIVIDUAL OWNERS. Except as provided in Section 8.13 of this Trust Agreement, no Owner shall have any right to institute any suit, action or proceeding in equity or at law on any Certificate or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner previously shall have obtained the prior written consent of the Credit Enhancer and shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding of the Series of which such Owner belongs shall have made a written request of the Trustee after the right to exercise such powers or right of action as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder. It is understood and intended that, except as otherwise above provided, no one or more Owners shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Agreement, or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners and that any individual rights of action or other right given to one or more of such Owners by law are restricted by this Trust Agreement to the rights and remedies herein provided and are further subject to the provisions of Section 8.14 below.

SECTION 8.08. APPOINTMENT OF A RECEIVER. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Trust Agreement, the Trustee shall be entitled, with the consent or at the direction of the Credit Enhancer, to the appointment of a receiver or receivers for the Projects with such powers as the court making such appointments shall confer.

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and unpaid the Credit Bank or Credit Enhancer for such Series or under the reimbursement agreement relating to the Credit Facility for such Series and not already paid in accordance with the foregoing, then to the payment of any Termination Fees related thereto and then to the payment of any amounts owing in regard to Ground Leases relating to such Series. Any surplus moneys shall be paid to the Board.

(iii) If the principal of such Series of Certificates shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 8.02 hereof, then, subject to the provisions of paragraph (a)(ii) of this Section in the event that the principal of such Series of Certificates shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the special account established for such Series shall be applied in accordance with the provisions of paragraph (a)(i) of this Section.

(b) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section and, subject to any direction given by a Credit Enhancer pursuant to Section 8.14 hereof, such money shall be applied by the Trustee at such times and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future; the setting aside of such money, in trust for the proper purpose, shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Lessor, the Board, to any Owner or to any other Person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be 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 notice by first class mail, postage prepaid, to all Owners of the fixing of any such date, and shall not be required to make payment to the Owner of any Certificates until such Certificates shall be surrendered to the Trustee for cancellation if fully paid.

SECTION 8.05. EFFECT OF DISCONTINUANCE OF PROCEEDINGS. If any proceeding taken by the Trustee or Owners on account of any Event of Default hereunder shall have been discontinued or abandoned for any reason, then and in every such case, the Lessor, the Board, each Credit Enhancer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

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SECTION 8.09. ENFORCEMENT OF RIGHTS OF ACTION. All rights of action (including the right to file proof of claim) under this Trust Agreement or under any Certificates may be enforced by the Trustee without the possession of any Certificates or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners hereby secured, and any recovery of judgment shall be for the equal benefit of the Owners.

SECTION 8.10. NO REMEDY EXCLUSIVE. No remedy herein conferred upon or reserved to the Trustee, a Credit Enhancer or to the Owners is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

SECTION 8.11. WAIVERS. No delay or omission by the Trustee or of any Owner in the exercise of any right or power occurring upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver of any such Event of Default hereunder or any acquiescence therein; and every power or remedy given by this Trust Agreement to the Trustee and to the Owners may be exercised from time to time and as often as may be deemed expedient. The Trustee may, with the consent of the Credit Enhancer, and upon written request of the Owners of not less than a majority in principal amount of the Certificates then Outstanding, with the consent or at the direction of the Credit Enhancer shall waive any Event of Default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any rights of the Trustee hereunder, but such waiver shall not waive any subsequent Event of Default hereunder or impair any rights or remedies consequent thereon.

SECTION 8.12. NOTICE OF DEFAULT. (a) The Trustee shall mail to all Owners at their addresses as they appear on the Certificate Register written notice of the occurrence of any Event of Default set forth in Section 8.01 hereof within thirty (30) days after the Trustee shall have notice of the same; provided that, except upon the happening of an Event of Default specified in clauses (a) and (b) of Section 8.01 of this Trust Agreement, the Trustee may withhold such notice to the Owners, but not to the Credit Enhancers, if in its opinion such withholding is in the interest of the Owners; and provided, further, that the Trustee shall not be subject to any liability to any Owner by reason of its failure to mail any such notice.

(b) The Trustee shall mail to each Credit Enhancer written notice of the occurrence of any Event of Default set forth in Section 8.01 hereof within five (5) Business Days after the Trustee shall have notice of the same.

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(c) Upon the occurrence and continuance of an Event of Default or Event of Non-Appropriation, the Trustee shall provide each Credit Enhancer with access to the Certificate Register for the Series of Certificates for which it provides credit enhancement for purposes of inspection and copying the same.

SECTION 8.13. RIGHT TO ENFORCE PAYMENT OF CERTIFICATES UNIMPAIRED. If the Trustee shall fail to take actions required of it pursuant to this Article, nothing in this Article shall affect or impair the right of any Owner to enforce the payment of the principal of and interest on his Certificate or the obligation to pay the principal of and interest on each Certificate to the Owner thereof at the time and place in said Certificate expressed.

SECTION 8.14. CONTROL BY INSURER OR CREDIT BANK. Any provision hereunder or under the Lease Agreement or Ground Lease to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Credit Enhancer for a Series of Certificates, if such Credit Enhancer, shall not be in payment default under its municipal bond insurance policy or Credit Facility, as the case may be, shall be entitled to initiate, direct, consent to and control the enforcement of all rights and remedies with respect to such Series of Certificates, including without limitations any waiver of an Event of Default and removal of the Trustee and the Trustee shall provide such Credit Enhancers and their designated agents access to inspect and copy the applicable Certificate register with respect to such Series of Certificates.

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the same to determine whether or not it conforms to the requirements of this Trust Agreement, the Lease Agreement or the Assignment of Lease Agreement, and

(ii) At all times, regardless of whether or not any such Event of Default shall exist:

(A) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(B) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners as provided in Article VIII hereof (subject to Section 8.14 hereof), relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under this Trust Agreement and the Lease Agreement; and

(C) the Trustee may consult with counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder and in good faith and reliance thereon.

(c) None of the provisions contained in this Trust Agreement, the Lease Agreement or the Assignment of Lease Agreement shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(d) Notwithstanding any other provision of this Trust Agreement, in determining whether the rights of the Owners of the Certificates will be adversely affected by any action taken pursuant to the terms and provisions of this Trust Agreement, the Trustee shall consider the effect on the Owners of the Certificates as if there were no municipal bond insurance policy or Credit Facility.

SECTION 9.02. INDEMNIFICATION OF TRUSTEE AS CONDITION FOR REMEDIAL ACTION. The Trustee shall be under no obligation to institute any suit or to take 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, 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 which may reasonably arise out

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ARTICLE IX

CONCERNING THE TRUSTEE

SECTION 9.01. ACCEPTANCE OF DUTIES. (a) The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement. Prior to the occurrence of any Event of Default hereunder and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Trust Agreement. During the existence of any such Event of Default that has not been cured the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) No provision of this Trust Agreement, any Certificate, the Lease Agreement, the Assignment of Ground Lease or the Assignment of Lease Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) Unless an Event of Default shall have occurred and be continuing:

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, the Lease Agreement, the Assignment of Ground Lease and the Assignment of Lease Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement, the Lease Agreement, the Assignment of Ground Lease and the Assignment of Lease Agreement, and no implied covenants or obligations shall be read into this Trust Agreement, the Lease Agreement, the Assignment of Ground Lease or the Assignment of Lease Agreement against the Trustee, and

(B) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it by the Board and the Lessor conforming to the requirements of this Trust Agreement, the Lease Agreement or the Assignment of Lease Agreement, but in the case of any such certificate or opinion by which any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine

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of the remedial proceeding proposed to be taken. The Trustee nevertheless may, in its sole discretion, with the consent of the Credit Enhancer, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Trustee shall be entitled to reimbursement from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Certificates Outstanding hereunder.

SECTION 9.03. LIMITATIONS ON OBLIGATIONS AND RESPONSIBILITIES OF TRUSTEE. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Board or the Lessor, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. 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 Lessor, the Board, any depositary other than a Trustee as 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 9.04. TRUSTEE NOT LIABLE FOR FAILURE OF LESSOR OR BOARD TO ACT. The Trustee shall not be liable or responsible because of the failure of the Lessor or the Board or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Lessor or the 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 exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 9.05. COMPENSATION AND INDEMNIFICATION OF TRUSTEE. Subject to the provisions of any contract between the Lessor, the Board and the Trustee relating to the compensation of the Trustee, the Lessor shall pay or cause the Board to pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and

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about the administration and the performance of its powers and duties hereunder and shall, to the extent permitted by applicable law, indemnify and save the Trustee harmless against any liabilities that it may incur in the proper exercise and performance of its powers and duties hereunder and under the Lease Agreement.

SECTION 9.06. MONTHLY STATEMENTS FROM TRUSTEE. (a) It shall be the duty of the Trustee, on a month basis, to file with the Board a statement setting forth in respect of the preceding one-month period:

(i) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund, account or subaccount held by it under the provisions of this Trust Agreement,

(ii) the amount on deposit with it at the end of such period in each such fund, account or subaccount,

(iii) a brief description of all obligations held by it as an investment of money in each such fund, account or subaccount,

(iv) the amount applied to the purchase or redemption of Certificates under the provisions of Article V of this Trust Agreement and a description of the Certificates or portions thereof so purchased or redeemed, and

(v) any other information that the Board may reasonably request.

(b) In addition, on each anniversary date of the issuance of the Certificates the Trustee shall file with the Board the information necessary to determine the Rebutable Arbitrage as set forth in Letters of Instructions.

(c) All records and files pertaining to Certificates, the Lessor and the Board in the custody of the Trustee shall be open at all reasonable times to the inspection of the Board, the Lessor and their agents and representatives.

SECTION 9.07. TRUSTEE MAY RELY ON CERTIFICATES. If at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Trust Agreement provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Agreement, and any such certificate shall be evidence of such fact or protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Agreement, any request, notice, certificate or other instrument from the Lessor or the Board to the Trustee shall be deemed to have been signed by the proper party or parties if signed by any Authorized Officer

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effect as stated in said instrument or instruments. A photostatic copy of any instrument or instruments filed with the Board under the provisions of this paragraph, duly certified by the Superintendent of the Board as having been received by the Board, shall be delivered promptly to the Trustee.

(b) The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding.

(c) The removal of a Trustee shall not become effective until a successor Trustee has been appointed pursuant to the terms hereof.

(d) The Trustee may be removed at any time, at the request of a Credit Enhancer of a majority of the Outstanding Certificates hereunder, provided, that the Credit Enhancer is not in default of its payment obligations under its municipal bond insurance policy or Credit Facility.

SECTION 9.13. APPOINTMENT OF SUCCESSOR TRUSTEE. (a) If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the Board shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee shall sell or assign substantially all of its trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee is (i) a bank or trust company within the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing, and (iii) having, or its parent having, a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars (\$50,000,000) or if otherwise approved by the Board. The Board shall mail notice of any such appointment made by it, postage prepaid, to all Owners and each Credit Enhancer.

(b) At any time within one (1) year after any such vacancy shall have occurred, the Owners of not less than twenty-five percent (25%) in principal amount of Certificates then Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners and filed with the Board, may nominate a successor Trustee, which the Board shall appoint and which shall supersede any Trustee theretofore appointed by the Board. Photostatic copies, duly certified by the Superintendent of the Board as having been received by the Board, of each such

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of the Lessor or the Board, as the case may be, and the Trustee may accept and rely upon a certificate signed by any such representative as to any action taken by the Lessor or the Board.

SECTION 9.08. TRUSTEE MAY PAY TAXES AND ASSESSMENTS. In case the Lessor or the Board shall fail to pay or cause to be paid any tax, assessment or governmental or other charge payable on the part of the Board or the Lessor relating to the Lease Agreement to the extent, if any, that the Board or the Lessor may be deemed by the Trustee liable for same, the Trustee, subject to Section 9.01(c) hereof, may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid upon demand by the Trustee by the Lessor from funds made available by the Board, but the Trustee shall be under no obligation to make any such payment from sources provided in the Trust Agreement unless it shall have available or be provided with adequate funds for the purpose of such payment.

SECTION 9.09. CERTAIN RIGHTS OF THE TRUSTEE. Subject to the provisions of Section 9.01 hereof, the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

SECTION 9.10. RESIGNATION AND REMOVAL OF TRUSTEE SUBJECT TO APPOINTMENT OF SUCCESSOR. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.14.

SECTION 9.11. RESIGNATION OF TRUSTEE. Subject to the provisions of Section 9.10, the Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the Board and the Lessor, and mailed, postage prepaid, at the Trustee's expense, to each Owner, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof. No resignation shall take effect until a successor Trustee has been appointed pursuant to the terms hereof. Each Credit Enhancer shall receive notice of such resignation.

SECTION 9.12. REMOVAL OF TRUSTEE. (a) The Trustee may be removed at any time by the Board (provided an Event of Default described in Section 8.01(e) hereof has not occurred and has not been cured), or by an instrument or concurrent instruments in writing, executed by the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding and filed with the Board, not less than sixty (60) days before such removal is to take

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instrument shall be delivered promptly by the Board to the predecessor Trustee and to the Trustee so appointed by the Owners.

(c) If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Owner hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(d) Any successor Trustee hereafter appointed shall be (i) a bank or trust company within the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing, and (iii) having, or its parent having, a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars (\$50,000,000) or if otherwise approved by the Board.

SECTION 9.14. VESTING OF DUTIES IN SUCCESSOR TRUSTEE. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor; but such predecessor shall nevertheless, on the written request of its successor or of the Board and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Section 9.05 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities and powers of such predecessor hereunder; and every predecessor Trustee shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the Board be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Board.

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ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS, PROOF OF OWNERSHIP OF CERTIFICATES, AND DETERMINATION OF CONCURRENCE OF OWNERS

SECTION 10.01. EXECUTION OF INSTRUMENTS BY OWNERS. (a)

Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by any Owner may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee, the Board and the Lessor with regard to any action taken by either under such instrument if made in the following manner:

(i) The fact and date of the execution by any Person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a Person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(ii) The ownership of Certificates shall be proved by the registration books kept under the provisions of this Trust Agreement.

(b) Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner shall bind every future Owner of the same Certificate in respect of anything done by the Trustee in pursuance of such request or consent.

(c) Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any Person as an Owner or to take any action at his request unless such Certificates shall be deposited with it.

SECTION 10.02. PRESERVATION OF INFORMATION; COMMUNICATIONS TO OWNERS. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Owners received by the Trustee.

(b) If an Owner (hereinafter referred to as "applicant") applies in writing to the Trustee and furnishes reasonable proof that such applicant has owned a Certificate for a period of at least six (6) months preceding the date of such application, and such application states that the applicant desires to communicate

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ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

SECTION 11.01. SUPPLEMENTAL TRUST AGREEMENTS WITHOUT CONSENT OF OWNERS. The Lessor, the Board and the Trustee, from time to time and at any time, may enter into Supplemental Trust Agreements, without the consent of the Owners of the Certificates, for the following purposes; provided, that the prior consent of the Credit Enhancer, if any, shall be required with respect to such Supplemental Trust Agreements for the purposes described in clause (a), (b), (c), (d), (i), (j), and (k) below:

(a) To cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Trust Agreement; provided, that any such modification, alteration, amendment, addition or replacement does not materially adversely affect the interests of the Owners, or

(b) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee, including provisions relating to a mortgage and security interest on a Project pursuant to Section 7.07 hereof, or

(c) To add to the provisions of this Trust Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) To add to the covenants and agreements of the Lessor or the Board in this Trust Agreement other covenants and agreements thereafter to be observed by the Lessor or the Board or to surrender any right or power herein reserved to or conferred upon the Lessor or the Board, or

(e) To permit the qualification of this Trust Agreement under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Lessor and the Board so determine, to add to this Trust Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(f) To provide for the issuance of Taxable Certificates in bearer form, or

(g) To provide for the issuance of Certificates under a book-entry system, or

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with other Owners with respect to their rights under this Trust Agreement or under the Certificates, and such application is accompanied by a copy of the communication which such applicant wishes to transmit to other Owners, then the Trustee shall, within five (5) Business Days after receipt of such communication, transmit such communication to the Owners of Certificates, at their addresses as they appear on the Certificate Register as of fifteen (15) days before the mailing date, by first class mail, postage prepaid and, promptly after such mailing, shall furnish to the applicant an affidavit to the effect that such communication was so mailed. Postage and other expenses of such mailing shall be paid by the applicant and the Trustee may estimate the amount of such expenses and require payment by the applicant of such estimated amount as a condition precedent to the mailing of such communication. Under no circumstances shall the Trustee be obligated to furnish to the applicant the names or addresses of the Certificate Owners.

(c) Every Owner, by receiving and holding one or more Certificates, agrees with the Lessor, the Board and the Trustee that neither the Lessor, the Board nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Owners in accordance with paragraph (b) of this Section 10.02, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection.

(h) To provide for the issuance of Certificates, including Completion Certificates and Refunding Certificates, or

(i) To provide, in regard to a Series of Certificates, for the addition, modification or deletion of any of the provisions in Section 6.03 relating to conditions which shall be necessary in order to draw moneys from a subaccount of the Project Account, or

(j) To make any other modifications hereto which in the opinion of the Trustee, who may rely upon a written opinion of Special Counsel, shall not materially adversely affect the Owners.

(k) To determine how, when and what information concerning the Board, the Lessor, the Credit Enhancer and the Certificates should be disclosed by the Trustee to the Owners and the investment community in accordance with published guidelines.

SECTION 11.02. MODIFICATION OF TRUST AGREEMENT WITH CONSENT OF OWNERS AND CREDIT ENHANCERS. (a) Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Lessor, the Board and the Trustee of such Supplemental Trust Agreement or Supplemental Trust Agreements as shall be deemed necessary or desirable by the Lessor and the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (i) an extension of the maturity of the principal or of the interest on any Certificates issued hereunder, or (ii) a reduction in the principal amount of any Certificates or the prepayment premium or the rate of interest thereon, or (iii) a preference or priority of any Certificate over any other Certificate, except as provided herein, or (iv) a reduction in the aggregate principal amount of Certificates required for consent to such Supplemental Trust Agreement. For purposes of making amendments made pursuant to this Section 11.02, Owners of Certificates which will no longer be Outstanding at the time the Supplemental Trust Agreement takes effect shall not have any rights of consent hereunder. Each Supplemental Trust Agreement entered into pursuant to this Section must be consented to by each Credit Enhancer. Nothing contained in this Section 11.02, however, shall be construed as making necessary the approval by the Owners of the adoption and acceptance of any Supplemental Trust Agreement as authorized in Sections 11.01 and 11.03 hereof.

(b) If at any time the Lessor and the Board shall request the Trustee to enter into any Supplemental Trust Agreement for any of the purposes of this

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Section, the Trustee shall, at the expense of the Board, cause notice of the proposed execution of such Supplemental Trust Agreement to be mailed, postage prepaid, to all affected Owners, to each Credit Enhancer and to each rating agency which shall rate the Certificates. Such notice shall briefly set forth the nature of the proposed Supplemental Trust Agreement and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such Supplemental Trust Agreement when approved and consented to as provided in this Section.

(c) Whenever, at any time within three years after the date of the mailing of such notice, the Lessor or the Board shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding as required hereunder and each Credit Enhancer, which instrument or instruments shall refer to the proposed Supplemental Trust Agreement described in such notice and shall, specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee may execute such Supplemental Trust Agreement in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

(d) If the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding as required hereunder and each Credit Enhancer at the time of the execution of such Supplemental Trust Agreement shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to the adoption of such Supplemental Trust Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Lessor, the Board and the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Trust Agreement pursuant to the provisions of this Section, this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Lessor, the Board the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Trust Agreement as so modified and amended.

SECTION 11.03. MODIFICATION OF TRUST AGREEMENT WITH CONSENT OF CREDIT ENHANCERS ONLY. If each Series of Certificates adversely affected by an amendment or amendments in a Supplemental Trust Agreement is insured or guaranteed by a Credit Enhancer, and such Credit

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ARTICLE XII DEFEASANCE

SECTION 12.01. DEFEASANCE. (a) If the principal, Prepayment Premium, if any, and interest due or to become due on the Certificates shall be paid at the times and in the manner stipulated therein, and if all other sums of money due or to become due according to the provisions hereof shall be paid or provision for payment shall be made, including any amounts owing to any Credit Enhancer or the issuer of a Reserve Account Letter of Credit/Insurance Policy, then these presents and the Trust Estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of this Trust Agreement and execute and deliver to the Lessor and the Board such instruments in writing as shall be requisite to cancel and discharge the lien hereof and all surplus in, and balances remaining in, all funds and accounts, other than moneys held for the redemption or payment of Certificates and money held for the United States Treasury in the Rebate Fund, shall be delivered to the Board.

(b) If the principal, Prepayment Premium, if any, and interest due or to become due on a Series of Certificates shall be paid at the times and in the manner stipulated therein, and if all other sums of money due or to become due according to the provisions hereof shall be paid or provision for payment shall be made, including any amounts owing to any Credit Enhancer, then the balance in the Pledged Accounts relating to such Series shall be delivered to the Board.

(c) Any Certificates shall be deemed to be paid within the meaning of this Article when payment of the principal of and Prepayment Premium, if any, on such Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Trust Agreement, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (A) moneys sufficient to make such payment and/or (B) Refunding Securities verified by an independent certified public accountant as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees and expenses of the Trustee pertaining to the Certificates with respect to which such deposit is made. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or Prepayment Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Prepayment Price, if applicable, of the Certificates for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, new Refunding Securities and moneys may be

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Enhancer has honored all its payment obligations under its municipal bond insurance policy or Credit Facility, as the case may be, the Board, the Trustee and the Lessor may enter into one or more Supplemental Trust Agreements which amends all or any part of Articles I, II, III, IV, V, VI, VII, VIII, IX, X or XIII hereof with the written consent of such Credit Enhancers. The consent of the Owners shall not be necessary. Notice of all amendments shall be delivered to S&P and Moody's prior to the effective date of any such amendment. The foregoing right of amendment does not apply to any amendments to Section 7.05 hereof nor may such amendment permit modifications prohibited in Section 11.02(a) hereof. Upon filing with the parties hereto of the consent of the Credit Enhancers as aforesaid, a Supplemental Trust Agreement may be entered into. Subsequent to execution of such Supplemental Trust Agreement notice thereof shall be mailed to the Owners in the same manner as notice of amendment under Section 11.02 hereof.

SECTION 11.04. RESPONSIBILITIES OF TRUSTEE, BOARD AND LESSOR UNDER THIS ARTICLE. The Trustee, the Board and the Lessor shall be entitled to exercise their discretion in determining whether or not any proposed Supplemental Trust Agreement or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Lessor and the Board, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Lessor, the Board or to any Owner or to anyone whomsoever for its refusal in good faith to execute any such Supplemental Trust Agreement if such trust agreement is deemed by it to be contrary to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Lessor or the Board or Special Counsel, as conclusive evidence that any such proposed Supplemental Trust Agreement does or does not comply with the provisions of this Trust Agreement, and that it is or is not proper for it, under the provisions of this Article, to accept such Supplemental Trust Agreement.

SECTION 11.05. CONSENT OF BOARD NOT REQUIRED. Anything herein to the contrary notwithstanding, no such Supplemental Trust Agreement need be consented to or executed by the Board if the Board is in default hereunder, under the Lease Agreement or an Event of Non-Appropriation has occurred.

SECTION 11.06. NOTICE TO RATING AGENCIES. Copies of any proposed Supplemental Trust Agreement or any other proposed modification or amendment of this Trust Agreement, the Lease, the Ground Lease, the Assignment of Lease, the Assignment of Ground Lease or the Escrow Deposit Agreement shall be mailed or otherwise sent to S&P and Moody's at least 15 days prior to the effective date thereof.

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substituted for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of or Prepayment Price, if applicable, and interest on the refunded Certificates as verified by an independent certified public accounting firm. At such time as a Certificate shall be deemed to be paid hereunder as aforesaid such Certificate shall no longer be deemed to be Outstanding hereunder and shall no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of any such payment from such moneys or Refunding Securities. Notwithstanding the foregoing, the provisions of this Trust Agreement relating to the maturity of the Certificates, interest payments and interest Payment Dates, redemption provisions, exchange, transfer and registration of Certificates, replacement of mutilated, destroyed, lost or stolen Certificates, the safekeeping and cancellation of Certificates, non-presentment of Certificates, the holding of moneys in trust, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners notwithstanding the release and discharge of the lien of the Trust Agreement. Prepayments received pursuant to Section 4.06(c) of the Lease Agreement shall be applied in accordance with Section 4.06 of the Lease Agreement and shall be held for the benefit of the Certificates described in the notice given by the Board pursuant to such Section.

(d) If Certificates for which Refunding Securities have been set aside are to be called for redemption, irrevocable instructions to call the Certificates for redemption shall be given by the Board to the Trustee.

(e) The Trustee shall cause a notice signed by the Trustee, to be mailed, postage prepaid, to all Owners for which Refunding Securities have been or will be set aside, setting forth (i) the date or dates, if any, designated for the redemption of the Certificates, (ii) a description of the Refunding Securities so held or to be held by it, and (iii) that such Certificates have been or will be defeased as provided in this Trust Agreement.

(f) For purposes of determining whether Variable Rate Certificates shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section, the interest to come due on such Variable Rate Certificates on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Certificates having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Certificates is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Certificates in order to satisfy this Section, such excess shall be paid to the Board free and clear of any trust, lien, pledge or assignment securing the Certificates or otherwise existing under this Trust Agreement.

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(g) Notwithstanding anything to the contrary set forth in this Article XII, the obligations of the Board under Section 6.03 of the Lease Agreement with respect to any Certificates (other than Taxable Certificates) defeased pursuant to this Article XII shall survive any such defeasance.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.01. EFFECT OF DISSOLUTION OF LESSOR. In the event the Lessor for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Trust Agreement by or on behalf of or for the benefit of the Lessor shall bind or inure to the benefit of the successor or successors of the Lessor from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "Lessor" as used in this Trust Agreement shall include such successor or successors.

SECTION 13.02. NOTICES. (a) All written notices, certificates, reports or statements to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto, with a copy to each of the other parties to this Trust Agreement, at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery, to the address set forth below.

If to the Board:	School Board of Polk County, Florida 1915 Floral Avenue Bartow, Florida 33830 Attention: Superintendent
If to the Lessor:	Financing Corporation for the School Board of Polk County, Florida 1915 Floral Avenue Bartow, Florida 33830 Attention: Superintendent
If to the Trustee:	First Union National Bank of Florida 214 Hogan Street, 2nd Floor Jacksonville, Florida 32202 Attention: Corporate Trust Department
If to the Credit Enhancer of the Series 1993A Certificates:	Financial Security Assurance Inc. 350 Park Avenue New York, New York 10022 Attention: Managing Director-Surveillance

(b) Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

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(c) All documents received by the Trustee under the provisions of this Trust Agreement, or photostatic copies thereof, shall be retained in its possession until this Trust Agreement shall be released under the provisions of Section 12.01 of this Trust Agreement, subject at all reasonable times to the inspection of the Lessor, the Board and any Owner and the agents and representatives thereof.

SECTION 13.03. CAPITAL APPRECIATION CERTIFICATES. For the purposes of (A) receiving payment of the Prepayment Price if a Capital Appreciation Certificate is prepaid prior to maturity, or (B) receiving payment of a Capital Appreciation Certificate if the principal of all Certificates becomes due and payable under the provisions of this Trust Agreement, or (C) computing the amount of Certificates held by the Owner of a Capital Appreciation Certificate in giving to the Trustee any notice, consent, request or demand pursuant to this Trust Agreement for any purpose whatsoever, the principal amount of a Capital Appreciation Certificate shall be deemed to be its Accreted Value.

SECTION 13.04. SUBSTITUTE MAILING. If, because of the temporary or permanent suspension of postal service, the Lessor, the Board or the Trustee shall be unable to mail any notice required to be given by the provisions of this Trust Agreement, the Lessor, the Board or the Trustee shall give notice in such other manner as in the judgment of the Lessor, the Board or the Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 13.05. PARTIES AND OWNERS ALONE HAVE RIGHTS UNDER TRUST AGREEMENT. Except as herein otherwise expressly provided, nothing in this Trust Agreement, express or implied, is intended or shall be construed to confer upon any Person, other than the Trustee, the Lessor, the Board, the Credit Enhancers and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the Lessor, the Board, the Credit Enhancers and the Owners.

SECTION 13.06. EFFECT OF PARTIAL INVALIDITY. In case any one or more of the provisions of this Trust Agreement or the Certificates shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or the Certificates, but this Trust Agreement and the Certificates shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Certificates or this Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Board or the Lessor to the full extent permitted by law.

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SECTION 13.07. NO RECOURSE AGAINST MEMBERS, OFFICERS OR EMPLOYEES OF LESSOR OR THE BOARD. No recourse under, or upon, any statement, obligation, covenant, or agreement contained in this Trust Agreement, or in any Certificate hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Lessor or the Board or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee, as such, of the Lessor or the Board, either directly or through the Lessor or the Board, respectively, or otherwise, for the payment for or to, the Lessor or the Board or any receiver of either of them, or for, or to, any Owner or otherwise, of any sum that may be due and unpaid upon any such Certificate. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Lessor or the Board or any receiver of either of them, or for, or to, any Owner or otherwise, of any sum that may remain due and unpaid upon the Certificates hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Trust Agreement and the issuance of the Certificates.

SECTION 13.08. EXPENSES PAYABLE UNDER TRUST AGREEMENT. All expenses incurred in carrying out this Trust Agreement, except those expenses incurred by the Trustee in mailing resignation notices, shall be payable solely from funds derived from the Board as Supplemental Rent.

SECTION 13.09. DEALING IN CERTIFICATES. The Trustee, its directors, officers, employees or agents, and any officer, employee or agent of the Lessor or the Board, may in good faith, buy, sell, own, hold and deal in any Certificates issued under the provisions of this Trust Agreement and may join in any action which any Owner may be entitled to take with like effects as if such Trustee were not a Trustee under this Trust Agreement or as if such officer, employee or agent of the Lessor or the Board did not serve in such capacity.

SECTION 13.10. MULTIPLE COUNTERPARTS. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

SECTION 13.11. 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 Trust Agreement, nor shall they affect its meaning, construction or effect.

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SECTION 13.12. LAWS. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

(SEAL)

FIRST UNION NATIONAL BANK OF
FLORIDA, as Trustee

By: _____
Title:

(SEAL)

FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Lessor

By: _____
President

ATTEST:

Secretary

(SEAL)

SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Lessee

By: _____
Chairman

ATTEST:

Superintendent

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EXHIBIT A

DEFINITIONS

"Accreted Value" of a Capital Appreciation Certificate means the original principal amount thereof payable from the Principal Component of Basic Rent Payments plus interest payable from the Interest Component of Basic Rent Payments accrued thereon on the basis of a 360-day year consisting of twelve 30-day months compounded semi-annually on each Payment Date commencing on the Payment Date next succeeding the dated date of such Capital Appreciation Certificates to the date of maturity or redemption prior to maturity of such Capital Appreciation Certificates on the date of determination. The Accreted Value with respect to any date other than a Payment Date is the Accreted Value on the next preceding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates plus the percentage of the Accreted Value on the next succeeding Payment Date derived by dividing the number of days from the next preceding Payment Date or the dated date of such Capital Appreciation Certificates for the period between such dated date and the initial Payment Date for such Certificates to the next succeeding Payment Date.

"Act" means Chapters 230, 235 and 236, Florida Statutes, and other applicable provisions of law.

"Amortization Installment" means an annual amount designated as such by the Trust Agreement, such amount to be included in the Basic Rent Payments and to be deposited by the Trustee to the credit of the Principal Account for the purpose of paying Term Certificates.

"Architect" means, with respect to a Project involving the construction of a Building, the architect or firm of architects appointed to perform the duties of the Architect in accordance with Section 5.01 of the Lease Agreement. The Architect may be an employee of the Board, the Developer or the Contractor.

"Assignment of Lease Agreement" means the Assignment of Lease Agreement, dated as of June 1, 1993, by and between the Lessor and the Trustee, as now or hereafter amended.

"Assignment(s) of Ground Lease Agreement" means the Assignment of Ground Lease Agreement, dated as of June 1, 1993, from the Lessor to the Trustee, as now or hereafter amended and any other Assignment of Ground Lease

Agreement thereafter delivered by the Lessor to the Trustee pursuant to the terms of a Ground Lease executed and delivered in connection with a Lease-Schedule.

"Authorized Officer," when used with respect to the Lessor, means the President, Vice President, Secretary or Treasurer of the Lessor or their deputies or assistants or any other officer of the Lessor who is designated by the Board of Directors of the Lessor as an Authorized Officer for purpose of the Lease Agreement and the Trust Agreement in a written certificate signed by the Chairman of the Board of Directors of the Lessor and filed with the Trustee. The term "Authorized Officer," when used with respect to the Board, means the Chairman, the Superintendent or his designee or any other officer or employee of the Board designated by the Board as an Authorized Officer for purposes of the Lease Agreement and the Trust Agreement in a written certificate signed by the Chairman of the Board and filed with the Trustee.

"Available Revenues" means the moneys and revenues of the Board legally available under the Act to make the Lease Payments. "Available Revenues" shall include, but not be limited to, PECO Funds, FEFP and the Capital Outlay Millage.

"Basic Rent" or "Basic Rent Payment" means (i) the Basic Rent Payments set forth in the Lease Schedules, as the same may be adjusted pursuant to the terms of the Lease Agreement, and (ii) Hedge Obligations.

"Basic Rent Payment Date" means the dates on which Basic Rent becomes due as described in the Lease Schedules. Such Basic Rent Payment Dates shall occur on the fifteenth (15th) day preceding each January 1 and July 1 unless a Lease Schedule states otherwise.

"Board" means the School Board of Polk County, Florida, and any successor thereto.

"Budget" means the annual budget of revenues and expenses and capital expenditures required to be adopted by the Board for each Fiscal Year pursuant to the laws of the State. "Budget" shall include both the Board's tentative Budget and its final Budget.

"Buildings" means, in regard to a Project, the structures to be financed or refinanced from a disbursement from the Project Account and leased to the Board as part of a Project pursuant to the terms of the Lease Agreement and Trust Agreement and which is more particularly described in the Lease Schedule relating to such Project, as the same may be modified or changed from time to time in accordance with the terms of the Lease Agreement and Trust Agreement.

"Business Day" means any day other than a Saturday or Sunday or a day on which the Trustee is authorized by law to be closed.

"Capital Appreciation Certificates" means the Certificates so designated by the Trust Agreement, which may be either Serial Certificates or Term Certificates and which shall bear interest payable at maturity or redemption.

"Capital Outlay Millage" means the revenues received by the Board from the levy of an ad valorem tax against non-exempt assessable property within the District and available to make Lease Payments pursuant to applicable law.

"Certificate" or **"Certificates"** means the certificates of participation prepared and delivered by the Trustee pursuant to the Trust Agreement.

"Certificate Register" means the books of the Trustee for registration of the ownership of the Certificates pursuant to Section 4.06 of the Trust Agreement.

"Closure Date" means, in regard to a Project, the date provided in the Lease Schedule relating thereto.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations and rules applicable thereto.

"Commencement Date" means, with respect to a Project, the date set forth in the Lease Schedule relating thereto.

"Completion Certificates" means Certificates issued for purposes of completing a Project pursuant to Section 4.12 of the Trust Agreement.

"Completion Date" shall have, in regard to a Project, the meaning ascribed thereto in Section 6.03(g) of the Trust Agreement.

"Construction Contract" means a contract entered into between the Board on behalf of the Lessor and the Contractor or Developer providing for the terms upon which the Contractor or Developer shall construct and install a Project, or portion thereof.

"Contractor" means, with respect to a Project, the Person or Persons appointed by the Board on behalf of the Lessor to act in such capacity.

"Costs of Issuance" means, in regard to a Series of Certificates and Lease Schedule related thereto, all costs and expenses related to the execution, sale and delivery of such Series of Certificates and execution and delivery of such Lease Schedule, including, but not limited to, costs paid or incurred by the Board, the Lessor or the Trustee for filing costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges and reimbursements, financial and other professional consultant fees and charges and reimbursements, auditors fees and charges and reimbursements, costs of rating agencies or credit ratings, fees for execution, registration, transportation and

Exhibit A-3

"Equipment" means, in regard to a Project, the items of personal property to be financed or refinanced by disbursements from the Project Account and leased to the Board pursuant to the terms and provisions of the Lease Agreement and which are more particularly described in the Lease Schedule relating to such Project, or any substitutions therefor or additions thereto made in accordance with the provisions of the Lease Agreement. "Equipment" shall include Designated Equipment. All Equipment must be consented to by the Department or otherwise permitted by applicable law.

"Escrow Account" means the trust fund or accounting, however named, into which cash and/or Refunding Securities are deposited in order to provide for the defeasance of the Prior Certificates or any Outstanding Certificates.

"Estimated Completion Date" means, with respect to a Project, the date provided in the Lease Schedule related thereto.

"Event of Default" or **"Default,"** when referenced to the Lease Agreement, means an event of default or default under the Lease Agreement as set forth in Section 7.02 of the Lease Agreement, and, when referenced to the Trust Agreement, shall mean an event of default or default as set forth in Section 8.01 of the Trust Agreement.

"Event of Non-Appropriation" shall have the meaning ascribed thereto in Section 7.01 of the Lease Agreement.

"Extraordinary Prepayment" or **"Extraordinary Payment Date"** means the extraordinary prepayment by the Board of all or a portion of the Lease Payments pursuant to Sections 3.07 and 5.08 of the Lease Agreement.

"Extraordinary Prepayment Date" means, in regard to a Series of Certificates, the date on which such Certificates shall be prepaid pursuant to the Supplemental Trust Agreement authorizing the issuance thereof.

"FEFP" means moneys received by the Board from the Florida Education Finance Program pursuant to the Act, to the extent the Department permits such moneys to be used to make Lease Payments.

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

"Ground Leases" means, the Ground Lease Agreement, dated as of June 1, 1993, from the Board to the Lessor, as the same may be amended from time to time and any other Ground Lease Agreement or Supplement to the Ground Lease Agreement delivered in connection with a Lease Schedule.

Exhibit A-5

safekeeping of the Certificates, credit enhancement premiums and charges and fees in connection with the foregoing.

"Costs of Issuance Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Counterparty" shall mean the Person entering into a Hedge Agreement with the Board.

"Credit Bank" shall mean as to any particular Series of Certificates, the Person (other than an Insurer) providing a letter of credit, a line of credit or another credit or liquidity enhancement facility, as designated in the Lease Schedule relating to such Certificates.

"Credit Enhancer" means, with regard to a Series of Certificates, any Insurer or Credit Bank that provides a municipal bond insurance policy or Credit Facility, respectively, with regard to such Series of Certificates.

"Credit Facility" shall mean as to any particular Series of Certificates, a letter of credit, a line of credit or another credit or liquidity enhancement facility (other than a municipal bond insurance policy issued by an Insurer), as designated in the Lease Schedule relating to such Certificates.

"Current Interest Certificates" means Certificates so designated by the Trust Agreement and on which the interest on which is payable to the Owner thereof on the Payment Dates with respect thereto.

"Department" means the Department of Education of the State of Florida.

"Designated Equipment" means Equipment for which title is required by the Department to be in the name of the Board upon acquisition thereof and which is described as such in the Lease Schedule relating thereto. All Designated Equipment must be consented to by the Department or otherwise permitted by applicable law.

"Developer" means, with respect to a Project, the Person or Persons which shall enter into a Construction Contract with the Board to construct such Project, or portion thereof, on a "turn-key" basis.

"District" means the Polk County School District, and any successor thereto.

"Engineer" means, with respect to a Project involving the construction of a Building, the professional engineer or firm of engineers appointed to perform the duties of the Engineer in accordance with Section 5.01 of the Lease Agreement. The Engineer may be an employee of the Board, the Contractor or the Developer.

Exhibit A-4

"Group" means, in regard to a Project, the group or groups of leased property which shall constitute a portion of such Project as described in the Lease Schedule related thereto.

"Hedge Agreement" shall mean an agreement such as an interest rate swap agreement, collar, cap or other functionally similar agreement, or any other financial product which is used by the Board as a hedging device with respect to its obligation to pay the interest portion of Basic Rent Payments represented by any of the Outstanding Certificates, entered into between the Board and a Counterparty and designated by the Board as a "Hedge Agreement" for the purposes of the Trust Agreement and the Lease Agreement.

"Hedge Obligations" shall mean the regularly scheduled periodic amounts required to be paid by the Board determined by reference to interest on the related notional amount under a Hedge Agreement determined in accordance with a formula set forth in the Hedge Agreement (similar to payment of interest on the related notional amount), which may be net of any Hedge Receipts, but excluding Termination Fees.

"Hedge Receipts" shall mean amounts received by the Board determined by reference to interest on the related notional amount from a Counterparty under a Hedge Agreement which may be net of any Hedge Obligations, but excluding any termination fees, indemnification obligations or other fees payable by the Counterparty.

"Initial Lease Term" means, in regard to a Project, the initial term of the lease of such Project from the Lessor to the Board pursuant to the terms of the Lease Agreement, which Initial Lease Term shall commence on the Commencement Date and shall end on the next succeeding June 30.

"Initial Lease Termination Date" means, in regard to a Project, the last day of the Initial Lease Term.

"Insurance Consultant" means a recognized, independent insurance company or broker, selected by the Board, that has actuarial personnel experienced in the area of insurance for which the Board is to be self insured.

"Insurer" means such Person which shall be in the business of insuring or guaranteeing the scheduled payment of the principal of and interest on municipal securities.

"Interest Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Interest Component" means the portion of each Basic Rent Payment constituting interest as set forth in the Lease Schedules.

Exhibit A-6

"Land" means, in regard to a Project, (1) the real property to be financed or refinanced by a disbursement from the Project Account, which shall be selected by the Board in the manner required by law, which real property shall be leased by the Board to the Lessor pursuant to a Ground Lease; and (2) the Premises, if any, leased by the Board to the Lessor pursuant to a Ground Lease, which, in either case, shall be subleased to the Board as part of such Project pursuant to the terms of the Lease Agreement and which is more particularly described in the Lease Schedule relating thereto, to the extent identified and leased to the Lessor on the Commencement Date or any future date.

"Lease Agreement" means the Master Lease-Purchase Agreement, dated as of June 1, 1993, by and between the Lessor, as lessor, and the Board, as lessee, including all Lease Schedules, as now or hereafter amended, modified or supplemented.

"Lease Payment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Lease Payments" means, collectively, the Basic Rent, the Supplemental Rent and all other amounts owing under the Lease Agreement which are payable by the Board in connection with the lease of the Projects pursuant to the Lease Agreement; provided, however, such term shall not include Refunding Rent.

"Lease Schedule" means the Lease Schedule, the form of which is attached to the Lease Agreement as Exhibit C, which shall authorize the lease of a Project to the Board in accordance with the terms of the Lease Agreement.

"Lease Term" means, in regard to a Project, the term of the lease of such Project, pursuant to the provisions of the Lease Agreement and Lease Schedule relating thereto, which Lease Term shall commence on the first day of the Initial Lease Term and shall be equal to the Maximum Lease Term of such Project unless the Lease Agreement is earlier terminated in accordance therewith in which case the Lease Term shall end on such date of termination.

"Lessor" or "Corporation" means the Financing Corporation for the School Board of Polk County, Florida, a not-for-profit corporation organized and existing under the laws of the State, and any successor thereto.

"Letter of Instructions" means the Letter of Instructions attached to each Supplemental Trust Agreement authorizing the issuance of a Series of Certificates as required by Section 6.12 of the Trust Agreement.

"Maximum Cost" means, in regard to a Project, the maximum cost of such Project which shall be stated in the Lease Schedule relating thereto.

Exhibit A-7

Supplemental Trust Agreements relating to such Series of Certificates. With respect to Capital Appreciation Certificates, the Payment Date shall be July 1 in the years of maturity set forth in the Supplemental Trust Agreements relating to such Series of Certificates. The Payment Dates for Variable Rate Certificates shall be established in the Supplemental Trust Agreement authorizing the issuance of such Certificates.

"PECO Funds" means moneys received by the Board from the Public Education Outlay and Debt Service Fund which are permitted by the Act to be used for payment of Lease Payments.

"Permitted Encumbrances" means, in regard to a Project:

- (1) the Lease Agreement and any liens and encumbrances created or permitted thereby;
- (2) the Assignment of Lease Agreement 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 and Assignment of Ground Lease applicable thereto and any liens and encumbrances created or permitted thereby;
- (5) subject to the provisions of Section 5.01(l) of the Lease Agreement, 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 good faith in accordance with the provisions of the Lease Agreement;
- (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 in good faith 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 and adversely impair the use of such property or materially and adversely affect the value thereof; 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; and
- (7) any other liens or encumbrances permitted by the Lease Schedule relating to such Project.

Exhibit A-9

"Maximum Interest Rate" means, with respect to any particular Series of Variable Rate Certificates, a numerical rate of interest, which shall be set forth in the Supplemental Trust Agreement authorizing the issuance of such Certificates, that shall be the maximum rate of interest such Certificates may at any time bear.

"Maximum Lease Term" means, in regard to a Project, the maximum term of the lease of such Project as provided in the Lease Schedule relating thereto.

"Moody's" or "Moody's Investors Service" means Moody's Investors Service, or any successor thereto.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the amount of gross proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses incurred in the collection of such gross proceeds.

"Optional Prepayment Date" means the date on which the moneys deposited by the Board pursuant to the exercise of a prepayment option under Section 4.06 of the Lease Agreement shall be applied to the prepayment of a Series of Certificates in accordance with the Lease Schedule and Supplemental Trust Agreement relating thereto.

"Outstanding," when used with reference to Certificates means, as of a particular date, all Certificates theretofore issued under the Trust Agreement, except:

- (1) Certificates theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Certificates which have been paid or provision for payment has been made in accordance with Section 12.01 of the Trust Agreement; and
- (3) Certificates in exchange for or in lieu of which other Certificates have been issued.

"Overdue Rate" means a rate of interest equal to the highest rate of interest which any of the Outstanding Certificates shall bear.

"Owner" or "Certificate Owner" or "Owner of Certificates" or any similar term, when used with respect to the Certificates means any Person who shall be the registered owner of any Outstanding Certificate.

"Payment Dates" or "Lease Payment Date" means, with respect to the interest due on the Current Interest Certificates (other than Variable Rate Certificates), January 1 and July 1 of each year and, with respect to the principal of the Current Interest Certificates, July 1 in each of the years set forth in the

Exhibit A-8

"Permitted Investments," except as otherwise provided in Supplemental Trust Agreements, means:

- (1) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America;
- (2) Obligations of any federal agencies, the timely payment of the principal and interest on which obligations are fully and unconditionally secured by the full faith and credit of the United States of America, including:
 - Export - Import Bank
 - Farmers Home Administration
 - General Services Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - Government National Mortgage Association (GNMA)
 - U.S. Department of Housing & Urban Development (PHA's)
 - Federal Housing Administration;
- (3) Bonds, notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "AAA" by Moody's Investors Service issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 30 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);
- (5) Commercial paper which is rated in the single highest classification, "A-1+" by Standard & Poor's and "P-1" by Moody's Investors Service and which matures not more than 270 days after the date of purchase;
- (6) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation;
- (7) Pre-refunded Obligations;
- (8) Investment agreements approved in writing by the Credit Enhancers with notice to Standard & Poor's Corporation;
- (9) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Section 218, Florida Statutes.

Exhibit A-10

(10) Other forms of investments approved in writing by the Credit Enhancers with notice to Standard & Poor's Corporation and Moody's Investors Service.

"Person" means an individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, government or political subdivision.

"Plans and Specifications" means, in regard to a Project, the Board's plans and specifications for such Project, on file or to be on file with the Board, as the same may be amended from time to time in accordance with the Lease Agreement.

"Pledged Accounts" means, in regard to each Series of Certificates, the separate account, if any, established in the Redemption Fund, and separate subaccounts, if any, established in the Project Account, Costs of Issuance Account, Capitalized Interest Account, the Reserve Account, the Principal Account and the Interest Account at the time such Series shall be issued.

"Premises" means, in regard to a Project, the parcels of real property owned in fee simple by the Board and leased by the Board to the Lessor pursuant to the Ground Lease, which real property shall be described in an exhibit to the Ground Lease.

"Prepayment Amount" means, in regard to a Project, the amount set forth in the Lease Schedule relating thereto.

"Prepayment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Prepayment Premium" means the amount of prepayment premium, if any, due on any Optional Prepayment Date. The amount of such prepayment premium shall be calculated in accordance with the Trust Agreement.

"Prepayment Price" means, with respect to any Certificate or portion thereof, the principal amount or portion thereof, the applicable Prepayment Premium, if any, plus accrued interest to the prepayment date of the Certificates payable upon prepayment thereof pursuant to such Certificate and the Trust Agreement.

"Prerefunded Obligations" means 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 the obligor has covenanted not to redeem such obligations other than as set forth in such instructions; and (1) which are rated, based on the escrow, in the highest rating category of S&P and

Exhibit A-11

"Prior Certificates" shall mean the \$27,085,000 School Board of Polk County, Florida, Certificates of Participation Program, Series 1990 (Florida School Boards Association, Inc. School District Financing Program) and the \$22,550,000 School Board of Polk County, Florida, Certificates of Participation, Series 1991 (Florida School Boards Association, Inc. School District Financing Program), and any other Certificates of Participation so designated by Lease Schedule.

"Prior Trust Agreement" means the Certificate Trust Agreement dated as of August 1, 1990, among the Board, the Prior Trustee and Florida School Boards Association, Inc., as supplemented and amended, pursuant to which the Prior Certificates were issued.

"Prior Trustee" means First Union National Bank of Florida, in its capacity as trustee under the Prior Trust Agreement, or any successor thereto as trustee under the Prior Trust Agreement.

"Project" shall mean the Land, the Buildings, and/or the Equipment, as described in the Lease Schedule relating thereto, as the same may be amended or modified from time to time in accordance with the terms of the Lease Agreement.

"Project Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Project Budget" means, in regard to a Project, the budget for expenditure of moneys in the subaccount in the Project Account established for such Project as set forth in the Lease Schedule relating thereto.

"Project Costs" or "Costs of the Project" means, in regard to a Project, all costs of payment of, or reimbursement for, acquisition, construction and installation of such Project, including but not limited to, architectural and engineering costs and costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs and sales and use taxes and the cost of title insurance, and, in addition, Costs of Issuance to the extent that the amounts on deposit in the Costs of Issuance Account are insufficient to pay all Costs of Issuance in full. Project Costs shall specifically include any portion of the total costs of such Project or any portion thereof paid by the Board from funds other than proceeds of the Certificates prior to the Closing Date for which the Board seeks reimbursement by filing a Requisition with the Trustee in the manner required by Section 6.03 of the Trust Agreement.

"Project Description" means, in regard to a Project, the description of such Project as set forth in the Lease Schedule relating thereto.

"Project Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

Exhibit A-13

Moody's; and (2)(a) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (1) of the definition of "Permitted Investments", which fund 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 date or dates pursuant to such irrevocable instructions, as appropriate, and (b) which fund 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 thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

"Principal Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Principal Component" means the portion of each Basic Rent Payment constituting principal as set forth in the Lease Schedules.

"Principal and Interest Requirements" means the respective amounts which are required in each Fiscal Year to provide for:

(1) the interest payable on all Certificates then Outstanding, which is payable on each interest Payment Date in such Fiscal Year,

(2) the principal on all Serial Certificates then Outstanding, which is payable upon the maturity of the Serial Certificates in such Fiscal Year, and

(3) the Amortization Installment for all Term Certificates then Outstanding, which is payable for such Fiscal Year.

In determining the amount of the Principal and Interest Requirements for any Fiscal Year, if interest on the Certificates is payable from the proceeds of such Certificates or from other amounts set aside irrevocably for such purpose at the time such Certificates are issued, interest on such Certificates shall be included in Principal and Interest Requirements only in proportion to the amount of interest payable in the then current Fiscal Year from amounts other than amounts so funded to pay such interest (so long as such funded interest is gross funded and invested in Permitted Investments described in clause (1) which matures no later than one Business Day prior to the related interest Payment Date. For purposes of this definition, all amounts payable on a Capital Appreciation Certificate shall be considered a principal payment due in the year of its maturity or earlier mandatory redemption.

"Principal Office" means the designated corporate trust office of the Trustee which shall initially be in Jacksonville, Florida, or the designated corporate trust office of any successor Trustee.

Exhibit A-12

"Project Schedule" means, in regard to a Project, the timetable for disbursements from the subaccount of the Project Account established therefor for acquisition, construction, delivery and installation of the components of such Project as set forth in the Lease Schedule relating thereto.

"Purchasers" means the original purchasers of a Series of Certificates.

"Qualified Financial Institution" means (1) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America; or (2) the Government National Mortgage Association or any successor thereto or the Federal National Mortgage Association or any successor thereto; provided that, for each such entity delineated in clauses (1) and (2), its unsecured or uncollateralized long-term debt obligations, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such entity, have been assigned a credit rating by Moody's of "Aa" or better or by S&P of "AA" or better.

"Real Estate Taxes" shall mean all real estate taxes, public and governmental charges and assessments, including all extraordinary or special assessments, or assessments against any of the personal property included in the Projects, all costs, expenses and attorneys' fees incurred by Lessor in contesting or negotiating with public authorities as to any of same and all sewer and other similar taxes and charges.

"Rebate Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Record Date" means the 15th day of the month preceding any Payment Date (whether or not a Business Day).

"Refunding Certificates" means Certificates issued for purposes of refunding the Prior Certificates or Outstanding Certificates pursuant to Section 4.13 of the Trust Agreement.

"Refunding Rent" means the Refunding Rent payments set forth in the Lease Schedules payable with respect to Refunded Certificates pursuant to the Lease Agreement.

Exhibit A-14

"Refunding Securities", except as otherwise provided by Supplemental Trust Agreement, means the United States Obligations and the Prerefunded Obligations.

"Renewal Lease Term" means, in regard to a Project, the period commencing on the day after the last day of the Initial Lease Term and ending on the following June 30. Thereafter, "Renewal Lease Term" shall refer to each succeeding one (1) year term commencing on the day after the last day of the previous Renewal Lease Term and ending on the following June 30.

"Renewal Term Termination Date" means, in regard to a Project, the termination date for the then current Renewal Lease Term which shall be the last day of such Renewal Lease Term.

"Request and Authorization" means a request and authorization from the Lessor and the Board to the Trustee to authenticate and deliver Certificates in accordance with the terms thereof and of the related Supplemental Trust Agreement, and substantially in the form attached to the Trust Agreement as Exhibit C.

"Requisition" means a requisition of the Board to receive amounts from the Project Fund to pay Project Costs or Costs of Issuance in the form attached to the Lease Agreement as Exhibit B.

"Reserve Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Reserve Account Letter of Credit/Insurance Policy" means 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 subaccount of the Reserve Account in order to fulfill the Reserve Requirement relating thereto.

"Reserve Requirement" means, in regard to a subaccount established in the 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 Lease Schedule relating thereto, provided such Requirement not exceed the lesser of (1) the maximum Principal and Interest Requirements on account of the Outstanding Certificates of the Series secured by such subaccount in the current or any subsequent Fiscal Year, (2) one hundred twenty-five percent (125%) of the average annual Principal and Interest Requirements on account of the Outstanding Certificates of the Series secured by such subaccount in the current or any subsequent Fiscal Years, and (3) ten percent (10%) of the proceeds of such Series of Certificates.

Exhibit A-15

"Termination Fees" means any payments due by the Board under a Hedge Agreement, other than Hedge Obligations, including but not limited to any termination fees, indemnification obligations or other fees or amounts payable to the Counterparty.

"Trust Agreement" means the Master Trust Agreement, dated as of June 1, 1993, between the Lessor and the Trustee, as now and hereafter amended, modified or supplemented by Supplemental Trust Agreements.

"Trust Estate" means all right, title and interest of the Trustee in and to the property and interests therein described in Section 3.03 of the Trust Agreement.

"Trustee" means First Union National Bank of Florida, or its successor in interest as the Trustee under the Trust Agreement.

"United States Obligations" means the obligations and securities described in paragraph (1) of the definition of "Permitted Investments."

"Variable Rate Certificates" means Certificates issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereto at the date of issue.

"Vendor" means, with respect to a Project, the Person or Persons appointed by the Board to sell Equipment relating to such Project.

Exhibit A-17

"S&P" or "Standard & Poor's Corporation" means Standard & Poor's Corporation, or any successor thereto.

"Serial Certificates" means the Certificates designated as Serial Certificates pursuant to the Trust Agreement.

"Series" means all the Certificates delivered on original issuance in a simultaneous transaction and identified pursuant to Section 4.01 of the Trust Agreement and the Supplemental Trust Agreement authorizing the issuance of such Certificates as a separate Series, regardless of variations in maturity, interest rate and other terms.

"Special Counsel" shall mean Holland & Knight, Lakeland, Florida, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exemption 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" means the State of Florida.

"Stipulated Loss Value" means an amount calculated in accordance with Section 5.08 of the Lease Agreement.

"Superintendent" means the Superintendent of the District, or such Person as shall be authorized to act on his or her behalf.

"Supplemental Rent" shall have the meaning set forth in Section 4.03(e) of the Lease Agreement.

"Supplemental Trust Agreement" means any supplement to or amendment to the Trust Agreement entered into in accordance with Article XI of the Trust Agreement.

"Taxable Certificates" means Certificates for which the Interest Component of the Basic Rent Payments relating thereto shall be includable in gross income for purposes of federal income taxation.

"Term Certificates" means those Certificates designated as Term Certificates pursuant to the Supplemental Trust Agreement authorizing the issuance thereof which are subject to mandatory prepayment by Amortization Installments.

"Termination Date" means the date on which the Lease Agreement terminates pursuant to the terms thereof.

Exhibit A-16

EXHIBIT B

(FORM OF CERTIFICATE OF PARTICIPATION)

Certificate of Participation
(School Board of Polk County, Florida, Master Lease Program),
Series ___, Evidencing Fractional Undivided Interests of the
Owners thereof in Basic Rent Payments to be made under a
Master Lease-Purchase Agreement by the School Board of
Polk County, Florida

Interest Rate Dated Date Maturity Date CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

This is to certify that the Registered Owner stated above is the registered owner of this Certificate and is entitled to receive on the Maturity Date stated above, the Principal Amount stated above. This Certificate and the "Certificate Principal Amount" and "Certificate Interest Payments" hereunder (as each is defined below) represent a proportionate undivided interest in the right to receive the Principal Component and Interest Component of Basic Rent Payments payable under the Master Lease-Purchase Agreement, dated as of June 1, 1993 (the "Lease Agreement"), between the Financing Corporation for the School Board of Polk County, Florida, a not-for profit corporation, as lessor (the "Lessor") and the School Board of Polk County, Florida, a school board of the State of Florida, as lessee (the "Board"). Pursuant to a Ground Lease dated as of June 1, 1993 (the "Ground Lease") the Board has or will demise to the Lessor the Premises and the portions of the Projects on or part thereof to the extent set forth therein (as each such term are defined in the Lease Agreement) and granted to the Lessor a leasehold estate the portion of Projects constituting real property (except for certain exceptions set forth in the Ground Lease). The Lessor's rights under the Lease Agreement (other than certain rights specified in the Lease Agreement) and the Ground Lease have been assigned by outright assignment, without recourse, to First Union National Bank of Florida, as trustee (the "Trustee") under the Master Trust Agreement, dated as of June 1, 1993 (the "Trust Agreement") among the Trustee, the Lessor and the Board and under the Assignment of Lease Agreement and Assignment of Ground Lease Agreement, each dated as of June 1, 1993, between the Lessor and the Trustee.

The Basic Rent Payments under the Lease Agreement are payable solely from moneys appropriated from the Board's Available Revenues (as defined in the

Trust Agreement) and the moneys on deposit with the Trustee under the Trust Agreement. The Lease Agreement is subject to renewal at the end of each fiscal year of the Board which renewal will only occur if the Board approves a budget for such ensuing fiscal year which appropriates funds for such purpose. The designated corporate trust office of the Trustee is located in Jacksonville, Florida (the "Principal Office"). The aforesaid Principal Amount represents a proportionate undivided interest in the Principal Component of the Basic Rent Payment (the "Certificate Principal Amount") under the Lease Agreement coming due on the Maturity Date. The Owner is also entitled to receive, on January 1, 1994, and semiannually thereafter on each January and July (each such date being referred to herein as a "Payment Date") to and including the Maturity Date or the date of redemption, whichever is earlier, the Owner's proportionate undivided interest in the Interest Component of the Basic Rent Payment (the "Certificate Interest Payments") coming due with respect to such Payment Dates. Interest on the Principal Amount represented by this Certificate shall accrue from the Dated Date at the Interest Rate set forth above. This Certificate is one of a series of certificates of participation in the aggregate principal amount of \$_____ (the "Certificates") issued to finance _____ (the "Series ___ Project") for lease to the Board pursuant to the Lease Agreement.

The Board may, from time to time, lease other Projects (as defined in the Trust Agreement) from the Lessor pursuant to the Lease Agreement. The acquisition, construction and installation of each such Project shall be financed by the issuance of a series of certificates of participation pursuant to the Trust Agreement. Each series of certificates of participation issued to finance a Project shall be secured independently of other series of certificates of participation. The Board has agreed in the Lease Agreement to budget and appropriate in each fiscal year from Available Revenues sufficient moneys to make the Lease Payments (as defined in the Trust Agreement) for all Projects, including the Series ___ Project, leased under the Lease Agreement or for none of them. The Board may issue Completion Certificates (as defined in the Trust Agreement) which shall be on parity with the Certificates upon satisfying the conditions described therefor in the Trust Agreement.

Said amounts are payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. The Principal Amount is payable at the Principal Office of the Trustee and interest is payable by check or draft of the Trustee mailed on each Payment Date to the Registered Owner of record on the fifteenth (15th) day of the month preceding the Payment Date (the "Record Date"); provided, however, that at the request and expense of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Certificates, interest shall be paid by wire transfer on the Payment Date to a bank account located in the continental United States and designated in writing to the Trustee by the Registered Owner at least five days prior to said Payment Date.

Exhibit B-2

CERTIFICATE OF AUTHENTICATION

This Certificate is one of the Certificates designated as Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series ___ Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Polk County, Florida described in the within-mentioned Trust Agreement.

Date of Authentication:

FIRST UNION NATIONAL BANK OF FLORIDA, not in its individual capacity but solely as Trustee, under the Master Trust Agreement, dated as of June 1, 1993.

(SEAL)

By: _____
Authorized Signature

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 IN THIS PLACE.

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Trust Agreement.

THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE BOARD'S AVAILABLE REVENUES. THE BASIC RENT PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE BOARD. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE BOARD UNDER THE LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE BOARD UNDER THE LEASE AGREEMENT DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Trustee has no obligation or liability to the Registered Owner to make payments of the Certificate Principal Amount or Certificate Interest Payments with respect to this Certificate, other than from the Trust Estate. The Trustee's sole obligations are to administer, for the benefit of the Certificate Owners, the various funds and accounts established under the Trust Agreement and to exercise various responsibilities under the Trust Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by facsimile signature of an authorized officer as of the date stated above.

FIRST UNION NATIONAL BANK OF FLORIDA, not in its individual capacity but solely as Trustee, under the Master Trust Agreement, dated as of June 1, 1993.

(SEAL)

By: _____
Authorized Signature

Exhibit B-3

(Reverse Side of Form of Certificate of Participation)

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Lease Agreement, the Ground Lease, the Assignment of Lease Agreement, the Assignment of Ground Lease Agreement and the Trust Agreement are on file at the Principal Office of the Trustee, and reference to the Lease Agreement, the Ground Lease, the Assignment of Lease Agreement, the Assignment of Ground Lease Agreement and the Trust Agreement and any and all amendments to said agreements is made for a description of the covenants of the Board, the nature, extent and manner of enforcement of such covenants, the rights and remedies of the Owners of the Certificates with respect thereto and the terms and conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms thereof, the provisions of the Lease Agreement and the Trust Agreement may be amended by the parties thereto.

This Certificate may be transferred only by recording the transfer on the Certificate Register, which shall be kept for that purpose by the Trustee at the Principal Office of the Trustee in Jacksonville, Florida. A transfer of this Certificate shall be registered and a new Certificate prepared, authenticated and delivered upon surrender of this Certificate for cancellation accompanied by a written instrument of transfer in a form approved by the Trustee and duly executed by the Registered Owner hereof or his or her duly authorized attorney or legal representative. Upon the registration of the transfer and the surrender of this Certificate, the Trustee shall provide in the name of the transferee, a new fully registered Certificate or Certificates of the same aggregate principal amount, maturity and tenor as the surrendered Certificate. No exchange or transfer of any Certificates shall be required of the Trustee (1) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, (2) for Certificates called for redemption, or (3) during a period beginning at the opening of business on the Record Date next preceding a date set for payment of interest and ending on such date set for payment of interest. Interest on the Certificates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

The Certificates are delivered in the form of fully registered Certificates in denominations of \$5,000 each or any whole multiple thereof, and upon surrender thereof at the Principal Office of the Trustee with a written request of exchange satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney or legal representative in writing, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate Principal Amount of Certificates of any other authorized denominations and of the same Interest Rate and Maturity Date.

[INSERT OPTIONAL AND MANDATORY PREPAYMENT PROVISIONS.]

Exhibit B-4

Exhibit B-5

ASSIGNMENT

When Certificates are redeemed by lot, selection of Certificates for prepayment and redemption shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be redeemed shall be in the principal amount of \$5,000 or any whole multiple thereof, and that in selecting portions of Certificates for redemption, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount of such Certificates by \$5,000.

When redemption is authorized or required, the Trustee shall give to the Registered Owner notice, at the expense of the Board, of the redemption of this Certificate. Such notice shall specify, among other things: (1) that the whole or a designated portion of this Certificate is to be redeemed, (2) the date of redemption, and (3) the place or places where the redemption will be made.

Notice of such redemption shall be mailed, postage prepaid, not more than 60 days or fewer than 30 days prior to said date of redemption, to the Registered Owner of any Certificate to be redeemed. Such mailing shall not be a condition precedent to such redemption, and failure to so mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the redemption of the Certificates.

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 right of survivorship and not as tenants in common

UNIF TRANS MIN ACT — _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

For value received _____, the undersigned do(es) hereby sell, assign and transfer unto _____, whose Social Security or other identifying number is _____, the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate Register of the Trustee with full power of substitution in the premises.

Dated: _____

Note: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, or trust company.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Certificates in every particular without alteration or enlargement or any change whatsoever.

Exhibit B-6

Exhibit B-7

EXHIBIT C

(FORM OF REQUEST AND AUTHORIZATION)

1. The undersigned, being the duly qualified and acting President of Financing Corporation for the School Board of Polk County, Florida, a Florida not-for-profit corporation (the "Lessor"), hereby authorizes and requests First Union National Bank of Florida, as Trustee under that certain Trust Agreement, dated as of June 1, 1993 (the "Trust Agreement"), among it, the Lessor and the School Board of Polk County, Florida to deliver the _____ aggregate principal amount of Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series _____ Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Polk County, Florida (the "Series _____ Certificates"), dated as of _____, 1993, in the respective maturities and at the respective interest rates set forth in Schedule A hereto, as authorized by the Trust Agreement, in fully registered form, to _____ (the "Underwriters"), on the date hereof, upon receipt from the Underwriters of the purchase price for the Series _____ Certificates, which is computed as follows:

Principal Amount \$ _____
Less: Underwriters' Discount \$ _____
Less: Original Issue Discount \$ _____

Plus: Accrued interest from _____
to the date hereof \$ _____

Purchase Price \$ _____

Amount received on date hereof \$ _____

2. Said sum shall be immediately deposited by you in the Pledged Accounts relating to such Series _____ Certificates as follows in accordance with the provisions of the Trust Agreement.

TO THE CREDIT OF THE "SERIES
SUBACCOUNT OF THE PROJECT ACCOUNT" \$ _____

TO THE CREDIT OF THE "SERIES
SUBACCOUNT OF THE COSTS OF
ISSUANCE ACCOUNT" \$ _____

TO THE CREDIT OF THE "SERIES
SUBACCOUNT OF THE CAPITALIZED
INTEREST ACCOUNT" \$ _____

Exhibit C-1

TO THE CREDIT OF THE "SERIES
SUBACCOUNT OF THE RESERVE ACCOUNT" \$ _____

TO THE CREDIT OF THE "SERIES
SUBACCOUNT OF THE INTEREST ACCOUNT" \$ _____

TOTAL DEPOSITS \$ _____

3. The following terms shall have the following meanings with respect to the Series _____ Certificates:

- (a) "Reserve Requirement" shall mean _____
- (b) "Credit Enhancer" shall mean _____
- (c) "Commencement Date" shall mean _____

4. The redemption provisions relating to the Series _____ Certificates shall be as provided in Schedule A attached hereto.

DATED: _____

**FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

By: _____
Title: President

**SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

By: _____
Title:

ACCEPTED:

**FIRST UNION NATIONAL BANK OF
FLORIDA, as Trustee**

By: _____
Title:

Exhibit C-2

SCHEDULE A

TERMS OF SERIES __ CERTIFICATES

#528096343_v3

SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT

by and among

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
(successor in interest to U.S. Bank National Association), as Trustee

and

FINANCING CORPORATION FOR THE SCHOOL BOARD
OF POLK COUNTY, FLORIDA,
as Lessor

and

THE SCHOOL BOARD OF POLK COUNTY, FLORIDA,
as Lessee

Dated as of [] 1, 2026

Relating to

Certificates of Participation
(School Board of Polk County, Florida, Master Lease Program), Series 2026
Evidencing Fractional Undivided Interests of the Owners
thereof in Basic Rent Payments to be made under a Master Lease-Purchase
Agreement by The School Board of Polk County, Florida

Exhibit C-3

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Schedule 1 – Letter of Instructions

Exhibit A – Maturity Schedule

SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT

THIS SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT, dated as of [] 1, 2026 (the "Series 2026 Supplemental Trust Agreement"), supplementing the Master Trust Agreement, dated as of June 1, 1993, as heretofore amended and supplemented (the "Trust Agreement"), by and among **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association (successor in interest to First Union National Bank of Florida and U.S. Bank National Association) with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement (the "Trustee"), the **FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and **THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, acting as the governing body of the School District of Polk County, Florida (the "Board").

WITNESSETH:

WHEREAS, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time and has heretofore entered into a Master Lease-Purchase Agreement, dated as of June 1, 1993, as heretofore amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

WHEREAS, pursuant to the Lease Agreement, the Board may from time to time, by execution of a Lease Schedule to the Lease Agreement (a "Lease Schedule"), direct the Corporation to acquire, construct and lease-purchase to the Board the items of property described in such Lease Schedule (which items of property are collectively referred to herein as the "Projects"); and

WHEREAS, provision for the payment of the cost of acquiring, constructing and installing each Project will be made by the issuance and sale from time to time of a 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 the right of the Corporation to receive Basic Rent Payments (as defined in the Trust Agreement) to be made by the Board pursuant to the Lease Agreement and related Lease Schedule; and

WHEREAS, at the request of the Board and the Corporation, the Trustee has agreed to deliver the hereinafter described Series 2026 Certificates, pursuant to and upon receipt of a Request and Authorization (as defined in the Trust Agreement) from the Corporation and the Board and the terms of this Series 2026 Supplemental Trust Agreement; and

WHEREAS, the Corporation has assigned by absolute outright assignment to the Trustee all of its right, title and interest in and to the Lease Agreement and the Lease Payments (as defined in the Trust Agreement), other than its rights of indemnification, its obligations pursuant to Section 6.03 of the Lease Agreement and its right to enter into Lease Schedules from time to time, pursuant to the Assignment of Lease Agreement, dated as of June 1, 1993, as heretofore amended and supplemented (the "Assignment of Lease Agreement"), between the Corporation and the Trustee; and

WHEREAS, each Series of Certificates shall be secured independently from each other Series of Certificates; and

WHEREAS, the proceeds of the Series 2026 Certificates shall be deposited with the Trustee on [_____] 2026, for the purposes of (a) financing the acquisition, construction and installation of the Series 2026 Project, and (b) paying Costs of Issuance of the Series 2026 Certificates; and

WHEREAS, the Board has agreed to enter into a Lease Schedule No. 2026, dated as of [_____] 1, 2026 (the "Lease Schedule No. 2026"), with the Corporation, and agreed to make Basic Rent Payments sufficient to pay the Principal Component and Interest Component related to the Series 2026 Certificates; and

WHEREAS, the Trustee has received a Request and Authorization from the Corporation and the Board relating to the issuance of \$[_____] aggregate principal amount of "Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026 Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida" (the "Series 2026 Certificates"); and

WHEREAS, the Series 2026 Certificates shall be secured in the manner provided herein and in the Trust Agreement and shall have the terms and provisions contained in this Series 2026 Supplemental Trust Agreement; and

WHEREAS, all things necessary to make the Series 2026 Certificates, when authenticated 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 hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS SERIES 2026 SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:

ARTICLE I DEFINITIONS

SECTION 101. DEFINITIONS.

Capitalized words and terms which are defined in the Trust Agreement, 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 capitalized 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 meanings unless the context or use indicates another or different meaning or intent:

"2026 Insurer" or "Credit Enhancer" means [_____] , or any successor thereto or assignee thereof.

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"Series 2026 Supplemental Trust Agreement" means this instrument, as may be amended and supplemented from time to time.

"Trustee" means U.S. Bank Trust Company, National Association and any successor thereto.

References herein to "principal" of the Series 2026 Certificates shall be deemed to mean the Principal Component of Basic Rent Payments represented by the Series 2026 Certificates. References herein to "interest" on the Series 2026 Certificates shall be deemed to mean the Interest Component of Basic Rent Payments represented by the Series 2026 Certificates.

ARTICLE II THE SERIES 2026 CERTIFICATES

SECTION 201. 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 (School Board of Polk County, Florida, Master Lease Program), Series 2026 Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida." The aggregate Principal Component of Series 2026 Certificates which may be issued is hereby expressly limited to \$[_____]. The Series 2026 Certificates shall be issued for the purposes of (a) financing the acquisition, construction and installation of the Series 2026 Project, and (b) paying Costs of Issuance of the Series 2026 Certificates. The Interest Component of Basic Rent Payments represented by the Series 2026 Certificates shall be made up of interest that begins to accrue from the dated date of the Series 2026 Certificates. The Series 2026 Certificates shall be issuable as fully registered Certificates without coupons in denominations of \$5,000 and integral multiples thereof. The Series 2026 Certificates shall be lettered and numbered R-1 and upward.

(b) Except as otherwise provided in the Trust Agreement, the Series 2026 Certificate shall be dated as of their date of delivery. The Interest Component of the Series 2026 Certificates shall be payable on each Payment Date, commencing January 1, 2027. The Series 2026 Certificates shall be payable in the manner provided in the Trust Agreement.

(c) The Interest Component of Basic Rent Payments represented by the Series 2026 Certificates shall be calculated at the respective rates and the Principal Component shall be due on January 1 of each of the years in the respective amounts set opposite each year in the schedule attached hereto as Exhibit "A."

(d) The Series 2026 Certificates shall be substantially in the form set forth in Exhibit B to the Trust Agreement.

SECTION 202. ISSUANCE OF SERIES 2026 CERTIFICATES.

The Series 2026 Certificates shall be issued upon delivery to the Trustee of the documents referred to in Section 4.02(a) of the Trust Agreement and the payment of the purchase price therefor.

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"Lease Schedule No. 2026" means the Lease Schedule No. 2026 relating to the Series 2026 Project, dated as of [_____] 1, 2026, which shall be part of the Lease Agreement, as amended from time to time.

"Financing Documents" means the Trust Agreement, the Lease Agreement, the Ground Lease, the Assignment of Lease Agreement and the Assignment of Ground Lease, as supplemented and amended.

"Ground Lease" means the Ground Lease Agreement dated as of [_____] 1, 2026, between the Board and the Corporation.

"Insurance Policy" means the municipal bond insurance policy issued by [_____] that guarantees the schedule payment of the Principal Component and Interest Component represented by the Insured Series 2026 Certificates when due.]

"Insured Series 2026 Certificates" means the Series 2026 Certificates maturing _____, _____, and _____.]

"Series 2026 Project" means the property and improvements described as the "Series 2026 Project" in the Lease Schedule No. 2026, as the same may be amended or modified from time to time.

"Series 2026 Account of the Prepayment Fund" means the account established in the Prepayment Fund established pursuant to Section 6.02 of the Trust Agreement and Section 401 hereof.

"Series 2026 Certificates" means the \$[_____] aggregate principal amount of Certificates of Participation authorized to be issued under Section 4.02 of the Trust Agreement and Section 201 hereof.

"Series 2026 Pledged Accounts" means the Series 2026 Subaccount of the Project Account, Series 2026 Subaccount of the Costs of Issuance Account, the Series 2026 Subaccount of the Debt Service Account, and the Series 2026 Account of the Prepayment Fund.

"Series 2026 Rebate Account" means the School Board of Polk County, Florida, Series 2026 Rebate Account established in Section 401 hereof.

"Series 2026 Subaccount of the Costs of Issuance Account" means the subaccount established in the Costs of Issuance Account pursuant to Sections 6.02 and 6.04 of the Trust Agreement and Section 401 hereof.

"Series 2026 Subaccount of the Debt Service Account" means the subaccounts established in the Interest Account and the Principal Account pursuant to Sections 6.02 and 6.06 of the Trust Agreement and Section 401 hereof.

"Series 2026 Subaccount of the Project Account" means the subaccount established in the Project Account pursuant to Section 6.02(b) of the Trust Agreement and Section 401 hereof.

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SECTION 203. THE SERIES 2026 PROJECT.

The Series 2026 Project shall be acquired, constructed and installed as provided in the Trust Agreement, the Lease Agreement and Lease Schedule No. 2026.

SECTION 204. LETTER OF INSTRUCTIONS.

Attached hereto as Schedule 1 is the Letter of Instructions relating to the Series 2026 Certificates as required by Section 6.12 of the Trust Agreement. The Trustee and the Board agree to abide by the provisions of such Letter of Instructions in accordance with and to the extent of the terms of the Trust Agreement.

SECTION 205. FULL BOOK-ENTRY.

Notwithstanding the provisions set forth in Section 201 hereof or Section 4.06 of the Trust Agreement, the Series 2026 Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2026 Certificate for each of the maturities of the Principal Component evidenced by the Series 2026 Certificates. Upon initial issuance, the ownership of each such Series 2026 Certificate shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Except as provided in this Section, all of the Outstanding Series 2026 Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC. As long as the Series 2026 Certificates shall be registered in the name of Cede & Co., all payments of the Interest Component related to the Series 2026 Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Owner of the Series 2026 Certificates.

With respect to Series 2026 Certificates registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the Board, the Corporation and the Trustee shall have no responsibility or obligation to any participant in the DTC book-entry program or to any indirect participant (collectively, a "Participant"). Without limiting the immediately preceding sentence, the Board, the Corporation and the Trustee shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2026 Certificates, (B) the delivery to any Participant or any other Person other than a Certificate Owner, as shown in the registration books kept by the Trustee, of any notice with respect to the Series 2026 Certificates, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Certificate Owner, as shown in the registration books kept by the Trustee, of any amount with respect to the Principal Component, Prepayment Premium, if any, or Interest Component related to the Series 2026 Certificates. The Board, the Corporation and the Trustee may treat and consider the Person in whose name each Series 2026 Certificate is registered in the registration books kept by the Trustee as the Owner and absolute owner of such Series 2026 Certificate for the purpose of payment of the Principal Component, Prepayment Premium, if any, and Interest Component with respect to such Series 2026 Certificate, for providing notices with respect to such Series 2026 Certificate, for the purpose of registering transfers with respect to such Series 2026 Certificate, for the purpose of providing notices of prepayment, and for all other purposes whatsoever. The Trustee shall pay the Principal Component, Prepayment Premium, if any, and Interest Component related to the Series 2026 Certificates only to or upon the order of the respective holders, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, as provided

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herein and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of the Principal Component, Prepayment Premium, if any, and Interest Component related to the Series 2026 Certificates to the extent of the sum or sums so paid. No Person other than a holder, as shown in the registration books kept by the Trustee, shall receive a certificated Series 2026 Certificate evidencing the obligation of the Board to make payments of the Principal Component, Prepayment Premium, if any, or Interest Component pursuant to the provisions hereof. Upon delivery by DTC to the Board of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Trust Agreement with respect to transfers during certain time periods, the words "Cede & Co." herein shall refer to such new nominee of DTC; and upon receipt of such notice, the Board shall promptly deliver a copy of the same to the Trustee.

Upon (A) receipt by the Board of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2026 Certificates be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2026 Certificates or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Board, in its sole discretion upon compliance with applicable DTC policies and procedures, that such book-entry only system should be discontinued, the Series 2026 Certificates shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders shall designate, in accordance with the provisions of the Trust Agreement. In such event, the Board shall issue and the Trustee shall authenticate, transfer and exchange Series 2026 Certificates of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the holders thereof in accordance with the provisions of the Trust Agreement.

SECTION 206. AMENDMENTS TO THE TRUST AGREEMENT AND THE LEASE AGREEMENT.

By acceptance of the Series 2026 Certificates, the Owners of the Series 2026 Certificates shall be deemed to have consented to and accepted the amendments to the Trust Agreement and the Lease Agreement set forth in the Third Amendment to Master Trust Agreement by and among the Trustee, the Corporation and the Board, dated [____], 2026, and the Third Amendment to Master Lease-Purchase Agreement, by and between the Corporation and the Board dated [____], 2026, and to changes after the date hereof to Lease Schedule No. 2026 as set forth therein.

ARTICLE III APPLICATION OF SERIES 2026 CERTIFICATE PROCEEDS

SECTION 301. APPLICATION OF SERIES 2026 CERTIFICATE PROCEEDS.

The proceeds of the Series 2026 Certificates in the net amount of \$[_____] (\$[_____] principal amount, [less the premium for the Insurance Policy in the amount of \$[_____] which was wired directly to the 2026 Insurer by the underwriters for the Series

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Subaccount of the Interest Account or the Series 2026 Subaccount of the Principal Account, to be credited against the payments next due to such accounts or subaccounts, or applied toward the optional redemption of the Series 2026 Certificates.

SECTION 402. SECURITY FOR SERIES 2026 CERTIFICATES.

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 which is derived from the sale, re-letting or other disposition of the Series 2026 Project and any cash, securities and investments in the Series 2026 Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2026 Certificates. The Owners 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 Projects, other than the Series 2026 Project or any cash, securities and investments in the Pledged Accounts, other than the Series 2026 Pledged Accounts.

SECTION 403. SERIES 2026 REBATE ACCOUNT.

(a) Upon the Board's written direction, the Trustee shall pay to the United States, out of amounts in the Series 2026 Rebate Account, the amounts necessary to pay the Rebate Amount and at the times described in each Letter of Instructions or such other amounts or times as necessary to satisfy such Rebate Amount. The Trustee shall have no responsibility for calculating the Rebate Amount, nor shall the Trustee have any responsibility for determining the accuracy of any such amount calculated by any Person. For purposes of this Section "Rebate Amount" shall mean the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the applicable Certificates, plus any income attributable to such excess, but shall not include any amount exempted by Section 148(f) of the Code from payment to the United States, together with any interest or penalties thereon.

(b) In the event that, prior to the time of any required payment out of the Series 2026 Rebate Account, the amount in the Series 2026 Rebate Account is not sufficient to pay the Rebate Amount when such payment is due, the Board shall deposit with the Trustee for application to the Series 2026 Rebate Account an amount equal to such deficiency in the Series 2026 Rebate Account prior to the time such payment is due.

(c) Any funds remaining in the Series 2026 Rebate Account after the payment of all Rebate Amounts, shall at the written direction of the Board, be withdrawn by the Trustee and used as directed by the Board.

[SECTION 404. CREDIT ENHANCEMENT].

[The Insured Series 2026 Certificates shall be further secured by an Insurance Policy issued by the 2026 Insurer, which shall be the Credit Enhancer and Insurer for the Insured Series 2026 Certificates. The 2026 Insurer shall have all the rights provided for such Credit Enhancer under the terms of the Trust Agreement and under the terms hereof.]

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2026 Certificates], less an underwriting discount of \$[_____] and plus/less net original issue premium/discount of \$[_____] shall be applied by the Trustee as follows:

(a) Deposit to the credit of a Series 2026 Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance of the Series 2026 Certificates (\$[____]);

(b) The Trustee is hereby directed to transfer and deposit to the credit of the Series 2026 Subaccount of the Project Account the remaining proceeds of the Series 2026 Certificates in the amount of \$[____].

All moneys on deposit in the Subaccounts described in this Section shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement.

ARTICLE IV ESTABLISHMENT OF SERIES 2026 PLEDGED ACCOUNTS

SECTION 401. ESTABLISHMENT OF SERIES 2026 PLEDGED ACCOUNTS.

In accordance with Section 6.02(b) of the Trust Agreement, there are hereby established with the Trustee, solely for the benefit of the Owners of the Series 2026 Certificates, the following accounts and subaccounts:

(a) The "School Board of Polk County, Florida, Series 2026 Subaccount of the Project Account".

(b) The "School Board of Polk County, Florida, Series 2026 Subaccount of the Costs of Issuance Account."

(c) The "School Board of Polk County, Florida, Series 2026 Subaccount of the Interest Account."

(d) The "School Board of Polk County, Florida, Series 2026 Subaccount of the Principal Account."

(e) The "School Board of Polk County, Florida, Series 2026 Account of the Prepayment Fund."

(f) The "School Board of Polk County, Florida, Series 2026 Rebate Account."

The moneys on deposit in the Accounts and Subaccounts described in this Section shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement. The moneys in the Series 2026 Pledged Accounts shall be invested solely in Permitted Investments.

Notwithstanding anything to the contrary in the Trust Agreement, any excess funds remaining in the Series 2026 Subaccount of the Project Account after the acquisition, construction and installation of the Series 2026 Project has been completed, or upon the Closure Date, including application of proceeds for any modifications, additions or substitutions of the Series 2026 Project in accordance with Section 3.03(b) of the Lease Agreement, may be transferred to the Series 2026

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ARTICLE V PREPAYMENT OF SERIES 2026 CERTIFICATES

SECTION 501. PREPAYMENT DATES AND PRICES OF SERIES 2026 CERTIFICATES.

(a) The Series 2026 Certificates are not subject to extraordinary mandatory prepayment pursuant to Section 6.03(g) of the Trust Agreement or Sections 5.08(c) or 5.08(d) of the Lease Agreement.

(b) The Series 2026 Certificates maturing on or before [January 1, 20__] shall not be subject to prepayment at the option of the School Board.

The Series 2010A Certificates maturing after January 1, 20__, shall be subject to prepayment at the option of the Board from prepayments of Basic Rent Payments made by the Board pursuant to the Lease Schedule No. 2026 in whole or in part on January 1, 20__ and any date thereafter and, if in part, in such order of maturities as may be designated by the School Board and by lot within a maturity in such manner as may be designated by the Trustee, at a Prepayment Price equal to the principal amount thereof, without premium, together with interest accrued to the Optional Prepayment Date.

(c) The Series 2026 Certificates maturing on January 1, 20__ shall be subject to mandatory prepayment commencing on January 1, 20__ from Amortization Installments in the amounts and in the years set forth below (the Trustee shall select such Series 2026 Certificates by lot in such manner as it deems appropriate):

Year	Amortization
(January 1)	Installment

*Maturity

(d) The Series 2026 Certificates shall be called for prepayment upon the notice and in the manner provided in Article V of the Trust Agreement.

ARTICLE VI [PROVISIONS REGARDING INSURANCE POLICY] [TO COME]

SECTION 601. INSURANCE POLICY.

The Insured Series 2026 Certificates shall be secured by a municipal bond insurance policy issued by the 2026 Insurer. The 2026 Insurer shall be the Credit Enhancer and Insurer for the Insured Series 2026 Certificates and shall have all the rights provided for such Credit Enhancer and Insurer under the terms of the Trust Agreement.

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SECTION 602. SUPPLEMENTAL PROVISIONS REQUIRED BY 2026 INSURER.

For purposes of the Insured Series 2026 Certificates, unless otherwise waived in writing by the 2026 Insurer, the following provisions shall apply notwithstanding any provision to the contrary contained in the Trust Agreement, the Lease related to the Series 2026 Project, the Ground Lease related to the Series 2026 Project, the Assignment of Lease Agreement or the Assignment of Ground Lease (sometimes referred to collectively, as the "Financing Documents"), any such contrary provisions being deemed superseded hereby to the fullest extent permitted by law.

[TO COME]

SECTION 603. CLAIMS UPON THE INSURANCE POLICY.

[TO COME]

**ARTICLE VII
MISCELLANEOUS**

SECTION 701. 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 702. THIRD PARTY BENEFICIARIES.

Nothing in this Series 2026 Supplemental Trust Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancer and the Board any rights, remedies or claims under or by reason of this Series 2026 Supplemental Trust Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Series 2026 Supplemental Trust Agreement contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Credit Enhancer and the Board. The 2026 Insurer shall be deemed a third party beneficiary of this Series 2026 Supplemental Trust Agreement.

SECTION 703. 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 704. 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.

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SECTION 705. LAWS.

This Series 2026 Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties have executed this Series 2026 Supplemental Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**, as Trustee

By: _____
Name: _____
Title: _____

**FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA**, as Lessor

By: _____
President

ATTEST:

Secretary

**THE SCHOOL BOARD OF POLK
COUNTY, FLORIDA**, as Lessee

By: _____
Chair

ATTEST:

Superintendent of Schools, ex officio
Secretary to The School Board of
Polk County, Florida

SCHEDULE 1

LETTER OF INSTRUCTIONS

See Tab [] of Transcript

[Signature Page to Supplemental Trust Agreement]

Exhibit A

Maturity Schedule

<u>Year</u> <u>(January 1)</u>	<u>Principal</u> <u>Component</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>

THIRD AMENDMENT TO MASTER TRUST AGREEMENT

by and among

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as successor in interest to First Union National Bank of Florida and U.S. Bank National Association, as Trustee

and

FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY,
FLORIDA,
as Lessor

and

SCHOOL BOARD OF POLK COUNTY, FLORIDA,
as Lessee

Dated as of [] 1, 2026

Relating to
Certificates of Participation
(School Board of Polk County, Florida, Master Lease Program)
Evidencing Fractional Undivided Interests of the Owners
thereof in Basic Rent Payments to be made under a Master Lease-Purchase
Agreement by The School Board of Polk County, Florida

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THIRD AMENDMENT TO MASTER TRUST AGREEMENT

THIS THIRD AMENDMENT TO MASTER TRUST AGREEMENT, dated as of [] 1, 2026 (the "Third Amendment"), amending the Master Trust Agreement, dated as of June 1, 1993, as heretofore amended and supplemented (the "Trust Agreement"), by and among **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION** (successor in interest to First Union National Bank of Florida and U.S. Bank National Association), a national banking association, as Trustee (the "Trustee"), **FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the **SCHOOL BOARD OF POLK COUNTY, FLORIDA**, acting as the governing body of the Polk County School District (the "Board").

WITNESSETH:

WHEREAS, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time (each a "Project") and has heretofore entered into a Master Lease-Purchase Agreement, dated as of June 1, 1993, as amended and supplemented (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

WHEREAS, provision for the payment of the cost of acquiring, constructing and installing each Project is made by the issuance and sale from time to time of a series of certificates of participation issued under the Trust Agreement, secured by and payable from the right of the Corporation to receive Basic Rent Payments (as defined in the Trust Agreement) to be made by the Board pursuant to the Lease Agreement and related Lease Schedules; and

WHEREAS, the Board desires to amend the Trust Agreement in various respects; and

WHEREAS, the aforementioned amendments are permitted upon consent of each of the Credit Enhancers of the Outstanding Certificates, if any or the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding when there is no Credit Enhancer of a particular Series of Certificates; and

WHEREAS, there are no Outstanding Certificates which are insured by a Credit Enhancer; and

WHEREAS, pursuant to Section 11.02 of the Trust Agreement, notice of this Third Amendment will be delivered to S&P and Moody's prior to its effective date, and further, subsequent to the execution of this Third Amendment, notice setting forth the nature of the amendment will be mailed to all affected Owners; and

WHEREAS, upon the issuance of the \$[] Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026, Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida, the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding shall have

given sufficient consent and all other conditions under Section 11.02 shall have been satisfied and such amendments shall be immediately effective; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants in the Trust Agreement and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. AUTHORIZATION. This Third Amendment is being entered into in accordance with (i) the provisions of the Act, (ii) a resolution of the Board adopted on [____], 2026 and (iii) the provisions of Sections 11.02 of the Trust Agreement as described in Section 13 herein.

SECTION 2. DEFINITIONS. All words and terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement (as amended hereby), unless the context or use indicates a different meaning or intent.

SECTION 3. AMENDMENT TO SECTION 6.03 OF THE TRUST AGREEMENT. Pursuant to Section 11.02 of the Trust Agreement, upon approval of the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding, the following amendments to the Trust Agreement shall be effective. By acceptance of a Series of Certificates each Owner of such Certificates shall be deemed to have consented to the following amendments:

(1) Subsection (b) of Section 6.03 of the Trust Agreement is hereby amended in its entirety to read as follows (with underlining to reflect inserts and strikethroughs to reflect deletions):

(b) The Trustee shall make payment for each item or portion of a Project to the Board or the designee of the Board (which may include the Vendor, Developer or Contractor of any portion of such Project) in the amount therefor by transferring such amount from the appropriate subaccount of the Project Account by wire transfer into an account (including an account of the Vendor, Developer or Contractor) designated in writing in advance by the Board, by check to the designee of the Board or by crediting such amount to an account of the Board maintained with the banking department of the Trustee for such purpose within two Business Days of the receipt of a Requisition from the Board (provided the Requisition is in compliance with the terms hereof) and any materials or instruments required by the terms hereof and of the Lease Agreement. The parties acknowledge that the Trustee, pursuant to a certificate of an Authorized Officer of the Board, shall, ~~with the consent of the Credit Enhancer,~~ waive any noncompliance with the requirements for the disbursement of Project Account moneys. ~~The~~To the extent permitted by law, the Board agrees to indemnify and hold harmless the Trustee for any cost or expenses suffered by the Trustee as a result of such waiver. Notwithstanding the foregoing, (i) the parties hereto acknowledge the limitations on liability for tort claims against the State of Florida and its agencies and subdivisions set forth in Section 768.28, Florida Statutes, and (ii) the Board does not waive its defense of sovereign immunity for torts or similar claims under Section 768.28, Florida Statutes or other similar applicable provisions of law. The Trustee is also authorized to rely upon the Board's written

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"Equipment" means, in regard to a Project, the items of personal property to be financed or refinanced by disbursements from the Project Account and leased to the Board pursuant to the terms and provisions of the Lease Agreement and which are more particularly described in the Lease Schedule relating to such Project, or any substitutions therefor or additions thereto made in accordance with the provisions of the Lease Agreement. "Equipment" shall include Designated Equipment. ~~All Equipment must be consented to by the Department or otherwise permitted by applicable law.~~

"Project" shall mean the Land, the Buildings, and/or the Designated Equipment, as described in the Lease Schedule relating thereto, as the same may be amended or modified from time to time in accordance with the terms of the Lease Agreement.

SECTION 5. 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 Third Amendment, the terms hereof shall control.

SECTION 6. THIRD PARTY BENEFICIARIES. Nothing in this Third Amendment, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancers, Counterparties and the Board any rights, remedies or claims under or by reason of this Third Amendment or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Third Amendment contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Trustee, the Credit Enhancers, Counterparties and the Board.

SECTION 7. COUNTERPARTS. This Third Amendment 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 8. 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 Third Amendment, nor shall they affect its meaning, construction or effect.

SECTION 9. LAWS. This Third Amendment shall be construed and governed in accordance with the laws of the State.

SECTION 10. NOTICE TO OWNERS. Pursuant to Section 11.02 of the Trust Agreement, subsequent to the execution of this Third Amendment, the Trustee shall cause notice of this Third Amendment to Master Trust Agreement to be mailed to the registered owners of the Outstanding Certificates issued under the Trust Agreement.

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approval of the Requisition without independently confirming compliance with or satisfaction of such requirements or the requirements set forth in this Trust Agreement. The Trustee may also rely upon the certification of the Board in the Requisition or in any documents, certificates or instruments submitted in connection therewith as to the factual conditions precedent to any disbursements hereunder and shall have no responsibility or duty to review the attachments to such Requisition (but must determine that all required attachments are present) or investigate the basis for such certifications or representations. The Trustee has no responsibility or duty to review the attachments to any Requisition, provided the Trustee shall determine that all necessary attachments to such Requisition are, in fact, attached.

(2) Subsection (d) of Section 6.03 of the Trust Agreement is hereby deleted in its entirety and replaced to read as follows:

(d) The Trustee shall make payments upon receipt of a requisition substantially in the form of the requisition attached as Exhibit B to the Master Lease-Purchase Agreement dated as of June 1, 1993, by and between the Lessor and Lessee, signed by an Authorized Officer of the Board 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, are Project Costs comprising the related Project and has not been the basis of any previous withdrawal, and (5) that the payment of the Project Costs of the Building comprising such Project will not cause the balance remaining in such subaccount after such payment to be less than the amount necessary to pay the remaining estimated Project Costs to be paid from such subaccount or that sufficient other moneys are available therefor. Payments may be made from such subaccount in order to reimburse the School Board for payments previously made to pay the Project Costs of the Building comprising such Project. The Trustee may rely upon all assertions made by the School Board in the requisition.

SECTION 4. AMENDMENTS TO EXHIBIT A (DEFINITIONS) TO THE TRUST AGREEMENT. The following definitions as defined in Exhibit A to the Trust Agreement are hereby amended and replaced in their entirety to read as follows (with underlining to reflect inserts and strikethroughs to reflect deletions):

"Act" means Chapters 1001, 1010 and 1013 (or any successor provisions), 230, 235 and 236, Florida Statutes, and other applicable provisions of law.

"Designated Equipment" means Equipment or other facilities for which title is ~~required by the Department to be vested~~ in the name of the Board upon acquisition thereof and which is described as such in the Lease Schedule relating thereto. ~~All Designated Equipment must be consented to by the Department or otherwise permitted by applicable law.~~

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IN WITNESS WHEREOF, the parties have executed this Third Amendment by their officers thereunto duly authorized as of the date and year first written above.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**

By: _____
Name: _____
Title: _____

**FINANCING CORPORATION FOR
THE SCHOOL BOARD OF POLK
COUNTY, FLORIDA, as Lessor**

By: _____
President

ATTEST:

Secretary

**THE SCHOOL BOARD OF POLK
COUNTY, FLORIDA, as Lessee**

By: _____
Chair

ATTEST:

Superintendent of Schools, ex officio
Secretary to The School Board of Polk
County, Florida

[Signature Page to the Third Amendment to Master Trust Agreement]

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APPENDIX E

**COMPOSITE MASTER LEASE AND
FORMS OF LEASE SCHEDULE NO. 2026 AND
THIRD AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT**

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UNOFFICIAL CODIFIED

*(Includes Amendments from First Amendment to Master Lease-Purchase Agreement dated as of July 1, 2003 and
Second Amendment to Master Lease-Purchase Agreement dated as of March 1, 2010)*

MASTER LEASE-PURCHASE AGREEMENT

by and between

FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY, FLORIDA,
as Lessor

and

SCHOOL BOARD OF POLK COUNTY, FLORIDA,
as Lessee

Dated as of June 1, 1993

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MASTER LEASE-PURCHASE AGREEMENT

THIS MASTER LEASE-PURCHASE AGREEMENT, is made and entered into as of June 1, 1993 (the "Lease Agreement"), by and between the **FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Lessor"), and the **SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a school board duly organized and existing under the laws of the State of Florida (the "Board"), acting as the governing body of the Polk County School District;

WITNESSETH:

In consideration of the mutual covenants hereinafter contained and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.01. DEFINITIONS. The capitalized words and terms used herein shall have the meanings assigned to such words and terms in Exhibit A attached hereto, unless the context clearly requires some other meaning.

SECTION 1.02. 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 otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Lease Agreement, refer to this Lease Agreement.

ARTICLE II

RECITALS

SECTION 2.01. STATUS AND POWERS OF LESSOR. The Lessor is a not-for-profit corporation duly organized and validly existing pursuant to the laws of the State of Florida, and is authorized to purchase and to sell or lease or otherwise dispose of property, including, without limitation, the undertaking of the actions and duties more particularly described herein.

SECTION 2.02. STATUS AND POWERS OF BOARD. The Board is a school board of the State of Florida and is authorized by the laws and Constitution of the State of Florida, particularly the Act, to lease-purchase and acquire real and personal property in furtherance of its public purposes.

SECTION 2.03. PURPOSE OF AGREEMENT. In order to provide for its governmental and proprietary needs and in furtherance of its public purposes, the Board desires from time to time to lease Projects from the Lessor. Lessor is able and willing, for adequate consideration, to lease such Projects to the Board.

SECTION 2.04. RELATED AGREEMENTS. The parties hereto acknowledge, approve of, and consent to the terms of the following documents:

(a) the Assignment of Lease Agreement, pursuant to which the Lessor assigns by absolute assignment all of its right, title and interest in this Lease Agreement to the Trustee, other than its rights of indemnification, its right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement;

(b) the Ground Lease(s), pursuant to which the Board has or will lease the Premises (as defined herein) to the Lessor and has or will grant a leasehold estate in the Projects and the Premises not otherwise excluded under such Ground Lease;

(c) the Assignment(s) of Ground Lease Agreement, pursuant to which the Lessor by absolute assignment assigns all of its right, title and interest in the Ground Lease to the Trustee; and

(d) the Trust Agreement pursuant to which the Trustee, the Board and the Lessor agree to implement this Lease Agreement by providing from time to time for the delivery of Series of Certificates to fund the Projects, for the administration of certain funds, accounts and subaccounts for the benefit of the Owners and, under the circumstances contemplated in such Trust Agreement and in this Lease Agreement, the exercise by the Trustee of certain remedies for the benefit of the Owners.

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ARTICLE III

ACQUISITION OF PROJECTS; BOARD TO BE AGENT OF LESSOR

SECTION 3.01. DEPOSIT OF MONEYS; LEASE SCHEDULES. (a) In order to induce the Board to lease a Project from the Lessor and to assure the Board that the moneys needed to pay the Costs of such Project and Costs of Issuance relating to such Project will be available without delay, the Lessor and the Board, simultaneous with the delivery of a Lease Schedule relating to such Project by the Board, shall cause to be deposited with the Trustee, the proceeds of the Series of Certificates which shall finance the acquisition, construction and installation of such Project. Such proceeds shall be deposited in such funds, accounts and subaccounts established pursuant to the Trust Agreement as shall be described in the Lease Schedule relating to such Project and the Supplemental Trust Agreement pursuant to which such Series of Certificates are authorized to be issued.

(b) Whenever the Board, in its discretion, determines to lease a Project hereunder, it shall prepare and submit to the Lessor a Lease Schedule relating to such Project. Such Lease Schedule shall be in substantially the form set forth as Exhibit C hereto. The Lessor shall have no obligation to acquire, construct or install, or cause to be acquired, constructed or installed pursuant to Section 3.03 hereof, any portion of a Project until the Lessor has been furnished with a Lease Schedule describing such Project and complying with the provisions of the following paragraph.

(c) Each Lease Schedule submitted by the Board to the Lessor shall be accompanied by the following items:

(i) A certified copy of a resolution duly adopted by the Board authorizing the lease-purchase of the Project described in the Lease Schedule, the Lease Schedule and the Supplemental Trust Agreement relating to the Series of Certificates for which such Lease Schedule was established;

(ii) A certificate of the Chairman of the Board reaffirming the Board's covenants, representations and warranties made hereunder, except as modified by the Lease Schedule, and stating no default has occurred and is continuing under this Lease Agreement;

(iii) An executed copy of any applicable Ground Lease relating to the Project described in the Lease Schedule;

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SECTION 2.05. CONSTRUCTION OF THIS LEASE AGREEMENT.

For all purposes of this Lease Agreement, reference to the "assignee" of Lessor means the Trustee acting on behalf of the Owners of the Certificates issued pursuant to the Trust Agreement.

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(iv) An executed copy of the Supplemental Trust Agreement relating to the issuance of the Series of Certificates which shall fund the Project described in the Lease Schedule;

(v) An executed copy of a Memorandum of Lease with respect to the Project described in the Lease Schedule; and

(vi) An executed copy of a Memorandum of Ground Lease with respect to the Project described in the Lease Schedule.

SECTION 3.02. RIGHT OF ENTRY. In order to enable the Lessor to carry out the terms of this Lease Agreement, to provide for the acquisition, construction and installation of the Projects and to facilitate the exercise of remedies upon an Event of Default or Event of Non-Appropriation hereunder, the Board hereby grants a right of entry to the Lessor, its agents and assignees, including, without limitation, the Trustee, to each of the Projects. The Board represents that it is empowered to grant such right of entry to the Lessor and the Trustee.

SECTION 3.03. ACQUISITION AND CONSTRUCTION OF THE PROJECTS. (a) The Lessor shall provide for the acquisition, construction and installation of each Project by the Board, as agent of the Lessor, pursuant to applicable State law and Section 3.08 hereof. Fee simple title to the Projects shall be in the name of the Board who shall grant the Lessor a leasehold estate therein pursuant to the Ground Lease(s), which leasehold estate shall be assigned by the Lessor by absolute assignment to the Trustee pursuant to the Assignment(s) of Ground Lease, except as otherwise provided in Section 4.07 hereof or in Section 7.07 of the Trust Agreement. The Trustee shall establish a separate subaccount in the Project Account for each Project leased hereunder in accordance with Section 6.02 of the Trust Agreement. Amounts on deposit in each subaccount of the Project Account held by the Trustee pursuant to the Trust Agreement shall be disbursed by the Trustee to the Board or the Person designated by the Board to pay Costs of the Project for which such subaccount was established. Such disbursements shall be made pursuant to Requisitions submitted by the Board to the Trustee in accordance with the procedures set forth in the Trust Agreement. Such Requisitions shall be in the form set forth as Exhibit B hereto and shall be accompanied by such further documentation as set forth herein and in Section 6.03 of the Trust Agreement. The Lessor hereby agrees that the Board may be reimbursed for expenditures of moneys made by the Board for Project Costs in anticipation of the issuance of Certificates to fund such Project Costs by filing Requisitions, with the documentation required by Section 6.03 of the Trust Agreement. The Board hereby agrees that, upon its receipt of such reimbursement, the Board will grant to the Lessor a leasehold estate to any portion of a Project previously acquired (other than Designated Equipment and other than as may be specifically excluded from the applicable Ground Lease) in accordance with the terms hereof and of the applicable Ground Lease.

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(b) The Lessor and the Board agree that they will assure that each Project will be acquired, constructed and installed in accordance with the Plans and Specifications. The Lessor and the Board further agree that each Project will be acquired, constructed and installed in accordance with the Project Budget and the Project Schedule relating thereto, which shall be provided in the Lease Schedule for such Project. The Board may, at any time prior to the Completion Date for a Project, make modifications to such Project and substitute items or components constituting a portion of such Project, subject to the provisions of this Section 3.03(b), if (i) the Board files with the Trustee, as assignee of the Lessor, a certificate of an Authorized Officer of the Board notifying the Trustee of such modification, addition or substitution, identifying the portion of such Project which is modified, added or substituted, and certifying that after such modification, addition or substitution, amounts on deposit in the subaccount of the Project Account relating to such Project, together with interest earnings thereon and any additional legally available sums of the Board deposited therein, will be sufficient to pay all remaining Costs of such Project, including Project Costs incurred in connection with such modification, addition or substitution and any Project Costs which shall have accrued but remain unpaid as of such date, (ii) if the modification, addition or substitution involves Equipment, either the items of substituted Equipment have a useful life equal to or greater than the useful life of the items of Equipment for which it has been substituted or the Credit Enhancer, if any, of the Certificates which shall finance the acquisition of such Equipment approves of a shorter useful life for such substituted Equipment in writing, (iii) the Plans and Specifications, the Project Description, the Project Budget, the Project Schedule and, if necessary, the Estimated Completion Date for such amended or modified Project are each amended, as necessary, to take into account the portion of such Project which is modified, added or substituted, (iv) title to the substituted, added or modified portion of the Project shall be in the name of the Board and, except as otherwise provided in Section 4.07 hereof, the Board shall grant to the Lessor a leasehold estate therein in accordance with the terms of the applicable Ground Lease, (v) if the modification or substitution involves Equipment, the substituted, added or modified Equipment shall be placed in the same Group as the Equipment for which there has been a substitution or the Credit Enhancer, if any, of the Certificates which shall finance the acquisition of such Equipment approves of the substituted or modified Equipment being placed in a different Group in writing, (vi) no change shall be made in the schedule of Basic Rent Payments, and (vii) the Board obtains the prior written consent of the Credit Enhancer in respect of the Series of Certificates for which such modification, substitution or addition is being made. If the total Costs of such Project exceed the amount estimated therefor, the Board shall take the actions set forth in Section 3.05 hereof as a condition precedent to such modification, addition or substitution. The Board agrees not to lease-purchase any Equipment hereunder except to the extent consented to by the Department or otherwise permitted by applicable law.

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(f) The Lessor and the Board shall at all times keep title to each Project and their respective interests hereunder and under the Ground Lease(s) free and clear of all liens and encumbrances of every kind whatsoever, except Permitted Encumbrances.

SECTION 3.04. PAYMENT OF COSTS OF ISSUANCE. Payment of Costs of Issuance for each Series of Certificates shall be made pursuant to Requisitions from moneys deposited with the Trustee in the subaccount of the Costs of Issuance Account established for such Series or in the subaccount of the Project Account established for such Series. Costs of Issuance shall be disbursed in accordance with and upon compliance with Section 6.04 of the Trust Agreement.

SECTION 3.05. LIMITATIONS ON ACQUISITION AND CONSTRUCTION. The amount of moneys available under the Trust Agreement to pay for Project Costs and Costs of Issuance for each Project is limited to an aggregate dollar amount of not more than the Maximum Cost provided in the Lease Schedule for such Project. If the Board agrees to an increase in the cost with respect to any portion of a Project or there is a cost overrun as a result of a substitution or modification in a Project as described in Section 3.03(b) hereof, and in either case, the amount in the subaccount of the Project Account relating thereto, together with interest earnings thereon, is not sufficient to pay such Project Costs and complete the acquisition, construction and installation of such Project, then either (a) the Board shall deposit to the credit of such subaccount of the Project Account the additional funds necessary to reduce such deficiency to zero (as certified to the Trustee in writing by an Authorized Officer of the Board), or (b) shall provide to the Lessor an amended Project Budget showing changes to such Project the result of which is no cost deficiency and certified to the Trustee as accurate in writing by an Authorized Officer of the Board.

SECTION 3.06. WARRANTIES; DISCLAIMERS. The Board, upon execution of a Requisition for any portion of a Project, thereby shall represent, without further act, that it has (a) thoroughly inspected such portion of such Project described therein, and (b) satisfied itself that such portion of such Project is suitable for its purposes. THE LESSOR, NOT BEING THE VENDOR, THE DEVELOPER OR THE CONTRACTOR OF ANY PROJECT OR THE VENDOR'S AGENT, DEVELOPER'S AGENT OR CONTRACTOR'S AGENT, MAKES NO WARRANTY OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE TO, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY, CAPACITY OF THE MATERIAL OR WORKMANSHIP IN ANY PROJECT OR ANY WARRANTY THAT ANY PROJECT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATIONS OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY, OPERATORS OR SPECIAL METHODS. It is agreed that all such risks, as among the Lessor and the Board, are to be borne by the Board at its sole risk and expense, and the Board hereby agrees to look solely to the Vendors,

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(c) For purposes of this Lease Agreement, all materials and services in respect of which amounts are paid by the Trustee for the acquisition, construction and installation of a Project (including moneys disbursed pursuant to Section 6.04 of the Trust Agreement for Costs of Issuance) shall be deemed accepted by the Board hereunder upon execution of the corresponding Lease Schedule and the Board shall thereby be deemed to have agreed that it has received valuable consideration for the portion of the Basic Rent representing Costs of Issuance and will, subject to the provisions of Section 7.01 hereof, pay the Lease Payments in respect of same. The provisions of this Section 3.03(c) shall not in any way limit or affect the Lessor's or the Board's rights to pursue warranty or other claims arising therefrom against any contractor, vendor or supplier of labor or materials of a Project, or any portion thereof. Execution by the Board of a Requisition shall constitute full approval and acceptance of the items or portions of the Project identified therein for all purposes hereunder.

(d) The Lessor and the Board further agree to assure that, where applicable, the Contractors and Developers of a Project involving construction of a Building carry appropriate performance bonds, agree to liquidated damages on a daily basis for construction and delivery delays and comply with workers' compensation laws and affirmative action standards of the Board; provided, however, that (i) this provision shall not apply to any contract the total payments on which do not exceed \$200,000 and (ii) this provision shall not prohibit or limit the Board to provide for actual damages with respect to design or construction defects. Proceeds of liquidated damages received by the Lessor or the Board shall be deposited, before the Completion Date, into the subaccount of the Project Account relating to such Project and, after the Completion Date, into the subaccount of the Interest Account relating to such Project to be held for Basic Rent Payments; provided, however, that if liquidated damages are to be imposed through withholding payment from the Contractors, then the Board shall direct the Trustee to withdraw from the subaccount of the Project Account relating to such Project an amount equal to said liquidated damages and to deposit such amount in the subaccount of the Interest Account relating to such Project.

(e) The Estimated Completion Date of a Project may be extended if the Trustee shall receive an amended Lease Schedule but in no event shall such date extend beyond the third anniversary of the date of issuance of the Certificates financing said Project unless the Trustee shall receive an opinion of Special Counsel that such extension will not cause the Interest Component on the Basic Rent Payments to become includible in gross income of the recipients thereof for the purpose of federal income taxation. The Board shall take possession of each Project, or portion thereof, upon delivery and acceptance and, where applicable, substantial completion of installation thereof. No delay in the completion of a Project, or any portion thereof, nor any extension of the Estimated Completion Date as permitted herein shall relieve the Board of its obligation to pay the Lease Payments to the extent provided herein.

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Contractors or Developers of the Projects for all such matters. THE LESSOR MAKES NO PATENT WARRANTIES OR REPRESENTATIONS WHATSOEVER. THE LESSOR SHALL NOT BE LIABLE FOR ANY ACTUAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES.

SECTION 3.07. UNEXPENDED MONEYS. The Lessor and the Board agree that unexpended moneys remaining in a subaccount of the Costs of Issuance Account funded from a Series of Certificates, shall, upon payment in full of Costs of Issuance relating to such Series, be deposited in the subaccount of the Project Account relating to such Series and the excess moneys, if any, remaining in a subaccount of the Project Account funded from a Series of Certificates shall, on the Completion Date, be applied in accordance with Section 6.03(g) of the Trust Agreement.

SECTION 3.08. APPOINTMENT OF AGENCY. (a) The Lessor hereby appoints the Board as its agent to carry out all phases of the acquisition, construction and installation of the Projects, and the Board, as agent of the Lessor, assumes all rights, duties, responsibilities and liabilities of the Lessor regarding acquisition, construction and installation of the Projects, except as limited herein.

(b) The Board, as agent of the Lessor, may enter into any purchase order, agreement or contract required for acquisition, construction and installation of a Project, or any portion thereof, including a turn-key Construction Contract with a Developer, upon being assured that moneys sufficient for the payment thereof are then on deposit in the subaccount of the Project Account related thereto. Each such purchase order, agreement and contract shall be executed by the Board, as agent for the Lessor, in accordance with Section 6A-2, Florida Administrative Code. The benefits of all bids received by the Board for the components of a Project shall be deemed to be assigned by the Board to Lessor. The Board shall comply with all applicable laws in letting contracts or purchase orders in regard to the acquisition, construction and installation of a Project.

(c) Prior to the Completion Date for such Project, the Board, as agent of the Lessor, shall have the right to make any changes in the description of a Project or modify or substitute components thereof, or of any component or portion thereof, whenever the Board deems such changes to be necessary and appropriate; provided, however, that the Board must comply with the provisions of Section 3.03(b) hereof.

(d) The Board, as agent of the Lessor, shall have sole responsibility for, and shall supervise, the acquisition, construction and installation of each Project. The Board shall monitor the performance by each Vendor, Developer or Contractor to the extent the Board deems appropriate. The Board shall permit the Lessor, or its assignee, to inspect each Project at any and all reasonable times upon giving the Board prior notice of the inspection. The Lessor or its assignee shall comply with all

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rules and regulations established by the Board with respect to personal safety and security during such inspections.

(e) The Lessor hereby assigns to the Board all rights and powers to enforce and execute in its own name or the name of the Lessor such purchase orders, agreements or contracts as are required for each Project which enforcement may be at law or in equity; provided, however, that the assignment made by the Lessor herein shall not prevent the Lessor, or its assignee, from asserting said rights and powers in its own behalf following written notice to the Board.

(f) The Lessor shall not be responsible for payment of, nor shall it pay nor permit to be paid by the Trustee pursuant to the Trust Agreement, any amount for a Project in excess of the amount available therefor in the subaccount of the Project Account related thereto held by the Trustee pursuant to the Trust Agreement. The Board shall pay said excess amount as provided in Section 3.05 hereof.

(g) The Lessor, or its assignee, shall have the right to inspect periodically the books and records of the Board relating to each Project, and the Board shall permit the Lessor, or its assignee, to make such inspections thereof at all reasonable times as the Board shall deem appropriate.

(h) The Board agrees that it will be the sole responsibility of the Board that each Project will be acquired, constructed and installed in accordance with the Plans and Specifications, as the same may be amended from time to time as permitted herein. The Board shall be obligated, subject to the conditions stated herein, to pay in full the Lease Payments regardless of whether such Project is acquired, constructed or installed in accordance with the Plans and Specifications.

(i) The Board shall use its best efforts to acquire, construct and install each Project by the dates set forth in the Project Schedule relating thereto. The Board hereby agrees to use its best efforts to obtain, in each Construction Contract, provisions such that if the acquisition, construction or installation of any portion of such Project has not been completed by the Contractor or Developer through the fault of such Contractor or Developer by such dates, the Board may assess liquidated damages against the Contractor or Developer for each day completion is delayed in an amount equal to the part of the Lease Payments associated with such portion of such Project not completed, prorated to obtain a daily rate.

(j) To the extent that a Project consists of the acquisition of Land (rather than improvements to real property), nothing in this Lease Agreement shall be construed to prohibit the acquisition of such Land by the exercise of the power of eminent domain so long as the fee simple title to such real property will ultimately vest in the Board and so long as such acquisition shall be permitted by applicable law. The Lessor hereby agrees to take all action reasonably requested by the Board

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ARTICLE IV

LEASE OF PROJECTS; LEASE PAYMENTS

SECTION 4.01. LEASE OF PROJECTS. In consideration of the payment of the Board to the Lessor, or its assignee, of the Lease Payments and for other valuable consideration, the Lessor hereby leases from time to time each Project to the Board upon the terms and conditions contained herein, as supplemented by the Lease Schedule relating to such Project. The Board may modify each Project or may substitute or dispose of components or portions of a Project as provided in Sections 3.03(b), 5.13 and 5.14 hereof.

SECTION 4.02. TERM OF AGREEMENT. Effective as of the Commencement Date described in the Lease Schedule relating to each Project, the Lessor agrees to rent and lease to the Board and the Board agrees to rent and lease from the Lessor each such Project for the Initial Lease Term. The Initial Lease Term of each Project shall commence on the Commencement Date relating thereto and terminate on the Initial Lease Termination Date relating thereto. Unless this Lease Agreement is terminated pursuant to Sections 4.06, 7.01 or 7.03 hereof, this Lease Agreement will automatically be renewed on the Initial Lease Termination Date for each Project and each succeeding Renewal Term Termination Date relating thereto for the next succeeding Renewal Lease Term until all Lease Payments in regard to all the Projects shall be made and the Certificates are no longer Outstanding. Each Renewal Lease Term shall be for a period of one (1) year. The number of Renewal Lease Terms plus the Initial Lease Term for a Project shall not exceed the Maximum Lease Term described in the Lease Schedule for such Project.

SECTION 4.03. LEASE PAYMENTS. (a) For the right to use and possession of each of the Projects, the Board shall, subject to the provisions of Sections 4.06 and 7.01 hereof, pay to the Trustee, as assignee of the Lessor, the Basic Rent and the Supplemental Rent as hereinafter described.

(b) The Board agrees to pay as lease rental hereunder for each Project, the Basic Rent no later than the Basic Rent Payment Dates as set forth in the Lease Schedule and/or Hedge Agreement relating thereto, as the same may be modified or amended from time to time by the Trustee, as assignee of the Lessor, following any prepayment of Basic Rent for the lease of such Project. Basic Rent Payments consist of a Principal Component and an Interest Component which shall be stated in each Lease Schedule; provided that Hedge Obligations shall always constitute an Interest Component. The portion of the Basic Rent attributable to the Interest Component shall not exceed the maximum rate permitted by Section 215.84, Florida Statutes. Each Project may be divided into Groups of leased property as described in the Lease Schedule relating thereto. The Principal Component and Interest Component attributed to each Group of leased property shall be provided in

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to enable the Board to institute and prosecute successfully any eminent domain proceedings so instituted by the Board.

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the Lease Schedule relating thereto. The Board hereby agrees that it shall make all Basic Rent Payments coming due on each Basic Rent Payment Date on or prior to each such Basic Rent Payment Date in accordance with the applicable Lease Schedule and/or Hedge Agreement, subject to the provisions of Sections 4.06 and 7.01 hereof. THE BOARD SHALL NOT BUDGET AND APPROPRIATE AVAILABLE REVENUES FOR A PORTION OF THE PROJECTS LEASED PURSUANT TO THIS LEASE AGREEMENT; IT MUST BUDGET AND APPROPRIATE LEASE PAYMENTS FOR ALL OF THE PROJECTS DESCRIBED ON ALL LEASE SCHEDULES ENTERED INTO PURSUANT TO THIS LEASE AGREEMENT OR NONE OF THEM. All Basic Rent Payments shall be paid in arrears. The Board shall pay the Basic Rent due hereunder to the Trustee at its Principal Office and the Trustee shall apply same as provided in the Trust Agreement. The Board shall specify which subaccount of the Interest Account and Principal Account the Basic Rent Payments shall be deposited in, provided that all Hedge Receipts shall be deposited in a subaccount of the Interest Account. To the extent that moneys have been deposited and are available with the Trustee from the proceeds of a Series of Certificates for the purpose of paying Basic Rent relating to a Project pursuant to Section 6.01 of the Trust Agreement, the amount to be appropriated shall not be reduced but the Board shall not be required to transfer funds to the Trustee for payments of such Basic Rent, and the Board shall receive a credit against its obligation to pay such Basic Rent for such amounts on deposit with the Trustee.

(c) Each annual aggregate payment of Basic Rent due hereunder shall be for the right to possess the Projects for each Fiscal Year in which moneys have been appropriated by the Board to pay the Basic Rent coming due in such Fiscal Year, provided that the Basic Rent for the period for which a portion of the proceeds of a Series of the Certificates have been deposited with the Trustee shall be paid from such proceeds, it being hereby acknowledged that said moneys constitute special funds held by the Trustee pursuant to this Lease Agreement and the Trust Agreement to be applied for such purpose.

(d) Commencing with the first Basic Rent Payment Date for the initial Project and on each Basic Rent Payment Date thereafter during which any Projects are leased hereunder, there shall be applied as a credit (provided there are no delinquent Basic Rent Payments) against the aggregate amount of Basic Rent payable on such date for the corresponding Lease Schedule an amount which shall be stated in a report of the Trustee given to the Board pursuant to Section 6.11 of the Trust Agreement, which amount shall be equal to the sum of (i) the amount of interest and other income deposited in each subaccount of the Interest Account pursuant to Sections 6.05 and 6.10 of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Trust Agreement, (ii) the amount of moneys, if any, transferred to the subaccounts of the Interest Account and Prepayment Fund pursuant to Section 6.03(g) of the Trust Agreement since the date of the previous report made by the Trustee pursuant to

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Section 6.11 of the Trust Agreement, (iii) the amount of moneys, if any, transferred to each subaccount of the Interest Account pursuant to Section 6.07(f) of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Trust Agreement, plus (iv) the amount, if any, on deposit in each subaccount of the Principal Account and Interest Account on the date of the report made by the Trustee pursuant to Section 6.11 of the Trust Agreement which is not derived from the sources described in clauses (i), (ii) and (iii) above. In the event that the total amount of credit exceeds the Basic Rent due on the Basic Rent Payment Date for the corresponding Lease Schedule, the amount of said excess shall be applied as a credit against subsequent Basic Rent Payments for such Lease Schedule. In addition, the Basic Rent may be reduced if the Board chooses to prepay any or all of the Basic Rent. Whenever moneys in the Lease Payment Fund, including all subaccounts of the Reserve Account, shall be sufficient to pay the principal of, Amortization Installments, and interest coming due on the Certificates, moneys in the Reserve Account shall be deposited in the corresponding subaccount of the Interest Account and the Principal Account as required to pay the Certificates of such Series, and no further Basic Rent Payments shall be required hereunder. Should any Basic Rent be paid later than the Basic Rent Payment Date to which such Basic Rent pertains, such Basic Rent shall bear interest at the Overdue Rate from such Basic Rent Payment Date to and inclusive of the date of actual payment.

(e) In addition to the Basic Rent, the Board hereby agrees to pay and discharge from time to time as provided herein, as Supplemental Rent, all other amounts, liabilities and obligations which the Board assumes or agrees to pay to the Corporation, the Trustee (which amounts shall be specifically set forth in the Lease Schedules except for extraordinary fees or expenses of the Corporation or the Trustee which the Board is otherwise obligated to pay hereunder or under the Trust Agreement or any Supplemental Trust Agreement), any Credit Enhancers, Termination Fees due any Counterparties, and any amounts due to the issuer of any Reserve Account Insurance Policy or Reserve Account Letter of Credit pursuant to the terms and provisions of any agreements between the Board and such parties, or to others with respect to this Lease Agreement, the Trust Agreement, any Hedge Agreement or the Projects, together with interest on any overdue amount, at the Overdue Rate to the date of actual payment. Supplemental Rent shall include, but not be limited to, any redemption premium attributable to the Certificates, the fees and expenses (including reasonable counsel fees and expenses) incurred by the Trustee pursuant to the Trust Agreement or hereunder, all fees and expenses of the Lessor relating to the lease of the Projects or to its corporate existence, all rebate payments to the federal government and all expenses of recordkeeping and necessary calculations with respect thereto, and all ongoing expenses relating to the financing of the Projects. The Supplemental Rent shall be paid to Trustee for application in accordance with the terms hereof and of the Trust Agreement or, in the case of a Termination Fee, directly to the Counterparty.

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(h) The Lessor and the Trustee are entitled to accept, receive and cash or deposit any payment made by the Board for any reason or purpose in any amount whatsoever. No endorsement or statement on any check or letter of the Board shall be deemed an accord and satisfaction or otherwise recognized for any purpose whatsoever. The acceptance of any such payment shall be without prejudice to the Lessor's and Trustee's right to recover any and all amounts owed by the Board hereunder and the Lessor's and Trustee's right to pursue any other available remedy but in all events payable only from Available Revenues lawfully appropriated to the payment of amounts coming due under this Lease Agreement.

SECTION 4.04. PAYMENT IN LAWFUL MONEY; NO SET-OFF. Each Lease Payment shall be paid by the Board in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, to or upon the order of the Lessor at the Principal Office of Trustee or at such other place as the Lessor, or its assignee, shall designate. Notwithstanding any dispute between the Board and the Lessor, but in all events subject to Sections 4.06 and 7.01 hereof, the Board shall make or cause to be made each and all Lease Payments when due and shall not withhold or permit to be withheld any Lease Payments pending the final resolution of such dispute nor shall the Board assert or permit to be asserted any right of setoff, abatement or counter-claim against the obligation to make Lease Payments as set forth herein.

SECTION 4.05. SOURCE OF LEASE PAYMENTS. (a) The Board represents and warrants that for each Initial Lease Term and upon the renewal hereof for any Renewal Lease Term for the Projects the obligation of the Board to make Lease Payments hereunder, for such Fiscal Year of the Board, shall constitute a current expense of the Board and shall not in any way be construed to be a debt of the Board in contravention of any applicable constitutional, statutory or charter limitations or requirements concerning the creation of indebtedness by the Board. THE PAYMENTS DUE HEREUNDER ARE TO BE MADE ONLY FROM THE BOARD'S AVAILABLE REVENUES APPROPRIATED FOR SUCH PURPOSE AND NEITHER THE BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE LESSOR OR THE TRUSTEE HEREUNDER FROM SOURCES OTHER THAN APPROPRIATED AVAILABLE REVENUES AND THE FAITH AND CREDIT OF NEITHER THE BOARD, THE DISTRICT, NOR THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED FOR PAYMENT OF SUCH SUMS DUE HEREUNDER AND THE OBLIGATIONS ARISING HEREUNDER DO NOT CONSTITUTE AN INDEBTEDNESS OF THE BOARD, THE DISTRICT, OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION.

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(f) The Board hereby authorizes the Trustee, as assignee of the Lessor, (i) to create a Reserve Account to be held by the Trustee under the Trust Agreement and to create a separate subaccount within the Reserve Account for each Series of Certificates unless otherwise provided by the Lease Schedule relating thereto, (ii) to deposit in each subaccount of the 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 amounts 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 6.07 of the Trust Agreement. In the event the aggregate amount of any cash, the value of any Permitted Investments and the stated amount of any Reserve Account Letter of Credit/Insurance Policy in a subaccount of the Reserve Account shall be less than the Reserve Requirement provided therefor, the Board shall pay to the Trustee (x) in the event such deficiency is due to a transfer from the Reserve Account, from moneys budgeted and appropriated as Basic Rent during the current Fiscal Year and (y) in the event such deficiency is due to a reduction in value of amounts on deposit in the Reserve Account, the Board shall pay to the Trustee, as Supplemental Rent, 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 debt service on a Series of Certificates, the Board shall cause the amount which the Trustee can draw upon such Reserve Account Letter of Credit/Insurance Policy to be reinstated to equal the Reserve Requirement for such Series (or its original stated amount, if the Board shall have deposited into the related subaccount of the Reserve Account a combination of cash and a Reserve Account Letter of Credit/Insurance Policy pursuant to this Section). In the event a Reserve Account Letter of Credit/Insurance Policy on deposit in a subaccount of the Reserve Account expires or is terminated, the 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 subaccount of the 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.

(g) The Board hereby agrees to deposit with the Trustee from Available Revenues as required from time to time, any amounts required to be deposited in the Rebate Fund pursuant to Section 6.12 of the Trust Agreement. Such amounts shall be deemed Supplemental Rent hereunder. The obligation of the Board to pay such rebate requirement shall survive a Default or Event of Non-Appropriation, termination of this Lease Agreement and payment of all Outstanding Certificates; provided, however, the Board shall be liable only for such rebate requirement which would be owing to the United States Treasury if the same became due at the time of the termination of the Lease Agreement.

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(b) All payments of Basic Rent required to be made by the Board under this Lease Agreement shall be made when due without notice or demand, and, subject to Section 7.01 hereof, shall be absolute and unconditional and without any set-off, counterclaim, abatement, deduction or defense (other than satisfaction and discharge of the Series of Certificates to which such payment relates) whatsoever. The Board shall not make partial payment of the Basic Rent coming due on any Basic Rent Payment Date.

(c) Subject to the Board's right of Non-Appropriation pursuant to Section 7.01 hereof, the Board hereby covenants to direct its Superintendent to provide for the Lease Payments in each annual tentative Budget which shall be submitted to the Board. Except as otherwise provided in Section 7.01 hereof, the Board agrees to take such action as may be necessary to include all Lease Payments (other than Lease Payments to the extent paid from Certificate proceeds then on deposit in the Lease Payment Fund) due hereunder as a separately stated line item in its Budget and to appropriate in each Fiscal Year from Available Revenues an amount necessary to make the Lease Payments due in such Fiscal Year. During the term of this Lease Agreement, the Board will furnish to the Trustee, as assignee of the Lessor, and each Credit Enhancer a copy of the portion of each official tentative and final Budget of the Board relating to such line item within twenty (20) days after it is printed. Anything in this Lease Agreement or the Trust Agreement notwithstanding, the Board and the Lessor agree that this Lease Agreement, the Trust Agreement and all of the Board's obligations to make the Lease Payments are subject to, and can be terminated by the Board upon the happening of, an Event of Non-Appropriation as described in Section 7.01 hereof; provided, however, that the Board shall not be released from or subject to relief with respect to any obligations on its part arising or accruing prior to such termination including, without limitation, any obligation to deposit rebatable arbitrage in the Rebate Fund which may accrue prior to such termination.

(d) The Board hereby agrees that within three Business Days after the adoption or approval of either the tentative or the final Budget which does not include the full amount of the Lease Payments, it will give notice of that fact to the Trustee and each Credit Enhancer.

(e) In the event the Interest Component of a Basic Rent Payment for the lease of a Project shall be calculated on a variable rate basis, the Board agrees that, subject to Section 7.01 hereof, it shall budget for the payment of such Interest Component for each Fiscal Year an amount equal to such Interest Component which would be payable if it were calculated at the lesser of (i) one hundred twenty percent (120%) of the average interest rate on the Variable Rate Certificates during the preceding six months (or such lesser period as such Variable Rate Certificates have been Outstanding), or (ii) the Maximum Interest Rate relating to such Variable Rate Certificates.

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SECTION 4.06. OPTIONAL PREPAYMENT; DEFEASANCE.

(a) The Board shall have the option, so long as no Event of Default or Event of Non-Appropriation hereunder has occurred and is continuing, from any moneys then available for such purpose, on any Optional Prepayment Date for the Series of Certificates relating to a Project, to prepay all or a portion of the Basic Rent relating to such Project or Group within such Project upon written notice to the Trustee not less than four (4) Business Days (or such lesser time as agreed upon by the Trustee) prior to the mailing to the Certificate Holders of the such Optional Prepayment Date by the Trustee. Optional prepayments made pursuant to this Section 4.06 may be allocated to a particular Project, or any Group of leased property within a Project. Any prepayment notice delivered pursuant to this Section 4.06(a) shall state (i) that the Board is exercising its right of prepayment pursuant to Section 4.06(a) of the Lease Agreement, (ii) the amount of such prepayment and the Lease Schedule or Lease Schedules to which it pertains, (iii) the Optional Prepayment Date to which such prepayment applies, (iv) the amount of prepayment applicable to a Project or Group within a Project and, therefore, to the Series of Certificates and maturities of such Series relating thereto, and (v) that the deposit with the Trustee of such prepaid amount constitutes an irrevocable option of the Board to prepay Basic Rent in the amount of such prepayment. Each prepayment shall be in an amount equal to the Prepayment Price of Certificates (in denominations of \$5,000 or any whole multiple thereof in the case of Current Interest Certificates and in denominations of \$5,000 maturity value and any whole multiples thereof in the case of Capital Appreciation Certificates or such other authorized denomination permitted under a Supplemental Trust Agreement related to such Certificates being prepaid) to be prepaid on such Optional Prepayment Date designated by the Board in such notice of prepayment, all as provided in the Trust Agreement. Interest on Certificates to be prepaid pursuant to an optional prepayment under this Section accrued to the Optional Prepayment Date set forth in the notice of prepayment above shall be paid by the Trustee from moneys on deposit in the account of the Prepayment Fund and the subaccount of the Interest Account which are pledged to the payment of such Certificates. Notwithstanding any other provisions herein, except as otherwise expressly provided in a Lease Schedule, the Board shall not be required to deposit funds with the Trustee prior to the giving of notice of an optional prepayment.

(b) In the event of a prepayment, in part, of Basic Rent Payments for a Project or Group within a Project, such Basic Rent Payments provided in the Lease Schedule relating thereto shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component of the remaining Basic Rent resulting from such prepayment. Such adjustment shall be done in such manner as to match remaining payments of Basic Rent provided in such Lease Schedule with principal and interest coming due on Certificates which remain Outstanding related thereto.

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SECTION 4.07. TITLE. (a) Fee simple title to the Project (including all substitutions thereto) upon acquisition, construction and installation thereof shall vest in the Board, subject to Permitted Encumbrances and subject to the terms of the Trust Agreement and the grant of any leasehold estate in such Projects to the Lessor in accordance with the terms hereof and of the Ground Lease. At such time as payment, or provision for payment as provided in Section 4.06(c) hereof, of all Lease Payments and all Certificates of a Series relating to a Project, other than Designated Equipment, has been made in full, the leasehold estate in such Project created by the terms hereof and of the Ground Lease shall terminate and be released. Title to a portion of the Project which has been substituted for pursuant to Section 5.14 hereof and a portion of a Project disposed by the Board pursuant to Section 5.13 hereof shall vest automatically in the Board free and clear of any leasehold estate in the Lessor and its assignee. The Lessor and its assignee shall deliver any and all documents required to assure vesting of title to the Projects in the Board and the release of any leasehold interest therein granted to the Lessor and its assignee by the Board when required by the terms hereof and of the Ground Lease. The Lessor and its assignee hereby appoints the 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 Project to be in the Board.

(b) Title to all Designated Equipment shall, upon acquisition thereof, vest in the Board. If this Lease Agreement is terminated pursuant to Sections 7.01 or 7.03 hereof prior to the time Basic Rent Payments for Designated Equipment have been made in full by the Board, the Certificate Owners shall have no rights to or remedies against the Designated Equipment.

SECTION 4.08. REFUNDING RENT Pursuant to Lease Schedule 1993 hereto, a portion of the proceeds of the initial series of Certificates issued hereunder shall be deposited in the Escrow Account to provide for the defeasance of the Prior Certificates pursuant to the provisions of the Prior Trust Agreement. Commencing on the execution and delivery of Lease Schedule 1993 hereto, the Board hereby agrees to pay Refunding Rent on the dates and in the amounts set forth in Lease Schedule 1993 designated therein as "Refunding Rent," provided, however, that by depositing into the Escrow Account cash and/or Refunding Securities sufficient to pay, when due, all such Refunding Rent, the Board shall be deemed to have paid in full such Refunding Rent and further payments of Refunding Rent shall in no event thereafter be due and owing hereunder. Pursuant to the terms of the Escrow Deposit Agreement establishing the Escrow Account, the Escrow Agent shall be irrevocably directed by the Board to use and apply the cash and maturing principal, interest and investment earnings of the Refunding Securities on deposit in the Escrow Account to the payment, when due, to the Prior Trustee for the benefit of the principal of, interest on, and prepayment premium, if any, with respect to the Prior Certificates as the same come due. Such payments from the Escrow Account to the Prior Trustee for payment to the holders of the Prior Certificates shall constitute payments by the Board to such holders of Refunding Rent pursuant to

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(c) So long as no Event of Default or Event of Non-Appropriation has occurred and is continuing, the Board may secure the payment of Basic Rent for a Project or Group within a Project by a deposit with the Trustee, as provided in, and subject to the terms and provisions of, Section 12.01 of the Trust Agreement, of either (i) an amount of moneys which is sufficient to pay such Basic Rent, including the Principal Component, Interest Component and Prepayment Premium, if any, on the Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due, or (ii) Refunding Securities, together with cash, if required, in such amount as will, together with interest to accrue thereon, be fully sufficient to pay such Basic Rent including the Principal Component, Interest Component and Prepayment Premium, if any, on their Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due. Upon the Board meeting the requirement of this Section 4.06(c), the Lessor and its assignee shall be entitled to payment of such Basic Rent Payments solely from such cash and/or Refunding Securities.

(d) In the event Refunding Certificates are issued which refund only a portion of an Outstanding Series of Certificates, the schedule of Basic Rent Payments for the corresponding Project and Group within such Project affected by such Refunding Certificates will remain the same but a credit will be given to the Board by the Trustee to take into account that payment of a portion of the Principal Component and the Interest Component has been provided for by such refunding or defeasance of such portion of such Series of Certificates from the issuance of said Refunding Certificates.

(e) In the event of a deposit with the Trustee of moneys and/or Refunding Securities for the purpose of paying or providing for payment of Certificates in accordance with Article XII of the Trust Agreement, all covenants, agreements and other obligations of the Board under this Lease Agreement, with respect to such Certificates shall be deemed performed except (i) those provisions hereof which by their express terms survive any such payment and defeasance and (ii) the obligation of the Board to make or cause to be made, Basic Rent Payments and Supplemental Rent payments on or for such Certificates from the moneys and/or Refunding Securities deposited pursuant to said Article XII of the Trust Agreement.

(f) In the event the Board prepays Basic Rent for a Group within a Project pursuant to Sections 4.06(a) or 4.06(c) hereof, such Prepayment shall be allocated, to the extent practicable, to maturities of Certificates relating to such Group.

(g) Notwithstanding the foregoing or any other provision hereof, any notice of optional prepayment of Basic Rent relating to a Project may indicate that such prepayment is conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and that such notice may also be subject to rescission by the Board.

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this Lease Agreement. The obligation to pay Refunding Rent in the manner aforesaid shall, any provision of this Lease Agreement to the contrary notwithstanding, survive the termination of this Lease Agreement. Refunding Rent shall be deemed for all purposes of the Prior Certificates and the Prior Trust Agreement as Basic Rent payable under the Prior Lease Agreement, as hereby amended.

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ARTICLE V

COVENANTS; REPRESENTATIONS AND WARRANTIES

SECTION 5.01. THE BOARD'S GENERAL COVENANTS. The Board agrees that this Lease Agreement shall continue in full force and effect, subject to the provisions of Section 7.01 hereof, regardless of the inability or unwillingness of the Board to use any Project because of any reason whatsoever, including, but not limited to, war, act of God, war, strike, condemnation, loss or damage, defect, failure of title or consideration, obsolescence or breach of warranty. The Board covenants and represents that this Lease Agreement and the performance of the Board's obligations hereunder have been duly approved, authorized, executed and delivered with all proper procedures fully complied with, and that this Lease Agreement is a valid, legal and binding obligation of the Board enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles. The Board further covenants and represents as follows:

(a) The Board is a duly created school board existing under the laws of the State of Florida and is the governing body of the District.

(b) There are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization or performance of, or expenditure of funds pursuant to, this Lease Agreement.

(c) The Board shall only lease Projects for which it has an immediate need and for which it expects to make immediate use, which need shall not be temporary or be expected to diminish during the Maximum Lease Term related thereto, except for the Designated Equipment.

(d) Prior to leasing any Project hereunder the Board shall certify to the Trustee that there are no circumstances presently known to the Board affecting the Board that could reasonably be expected to alter its foreseeable need for such Project or adversely affect its ability or willingness to budget and appropriate Available Revenues for the payment of all sums due hereunder.

(e) Prior to leasing any Project hereunder the Board shall review its projected revenues, expenses and anticipated Available Revenues for the Maximum Lease Term and shall not lease such Project unless it reasonably expects that it shall have on hand Available Revenues sufficient to timely make all payments as they become due under this Lease Agreement during the term this Lease Agreement is anticipated to be outstanding.

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payment bonds covering one hundred percent (100%) of the value or costs under each Construction Contract for the construction of such Project.

(m) In the case of a Project involving construction of a Building, the Board shall provide the Lessor, Credit Enhancer for the Certificates the proceeds of which shall be used to finance the acquisition and construction of such Project and the Trustee the following additional assurances:

(i) If requested and applicable, but only as and when available, all certificates of occupancy, footing or foundation surveys, "as built" surveys, certificates, appraisals, reports, endorsements, and agreements, the names of all Persons with whom the Board has contracted or intends to contract with in connection with the acquisition, construction and installation of such Project, schedules of all statements for labor and materials for the acquisition, construction and installation of such Project together with copies of all statements, copies of all budget revisions concerning the acquisition, construction and installation of such Project indicating the funds required at any given time to complete such acquisition, construction and installation, and any other documents reasonably required to be furnished.

(ii) If requested, during the acquisition, construction and installation of such Project and upon completion of such acquisition, construction and installation, furnish an Architect's or Engineer's written opinion to the effect that such Project, as constructed, complies with all restrictions recorded and with all applicable governmental laws, regulations, rules, ordinances, orders and codes relating to the construction thereof.

(iii) Furnish when available, a certificate of occupancy and all other similar certificates required to be issued by any governmental agency in connection with the acquisition, construction, installation or occupancy of such Project.

(n) In the case of a Project involving construction of a Building, the Board shall continuously employ or cause to be employed a licensed Architect to supervise the acquisition, construction and installation of such Project.

(o) In the case of a Project involving construction of a Building, the Board shall continuously employ or cause to be employed a licensed Engineer to supervise the acquisition, construction and installation of such Project.

(p) Simultaneously with the acquisition of any component of a Project constituting Land, the Lessor and the Board shall amend the Lease Schedule relating thereto and, if applicable, the Ground Lease to include a metes and bounds description of the Land so acquired.

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(f) Subject to the provisions of Section 7.01 of this Lease Agreement, the Board intends to make appropriations for payments for each Fiscal Year only from Available Revenues.

(g) All procedures required by applicable law regarding the award or negotiation of contracts relating to the acquisition, construction and installation of a Project will be complied with by the Board.

(h) At the Lessor's or the Trustee's request, the Board shall execute and deliver to the Lessor or the Trustee all instruments and do all other acts reasonably necessary to effectuate the intent of this Lease Agreement.

(i) The Board shall permit the Lessor and the Trustee, and their representatives and agents, at all reasonable times, to inspect the Projects; provided, however, that the Trustee and the Lessor are not obliged to make any inspections of the Projects.

(j) The Board shall promptly correct (or cause the Vendor, Contractor or Developer to correct) any defect in the acquisition, construction and installation of a Project or departure from the Plans and Specifications related thereto, except to the extent said Plans and Specifications are modified pursuant to the provisions hereof.

(k) The Board shall give the Trustee and each Credit Enhancer prompt written notice of any material litigation or proceedings concerning the Board or any Project and of any dispute concerning the Board or any Project if the dispute may substantially interfere with the timely acquisition, construction and installation of such Project or the Board's utilization thereof or with the Board's ability to meet its obligations under this Lease Agreement.

(l) The Board shall commence (or cause the Contractor or Developer to commence) construction of a Project involving construction of a Building and diligently pursue construction to completion of such Project on or before the Estimated Completion Date without permitting any lien, claim, or assessment (actual or contingent) to be asserted or filed against such Project for any material, labor, or other item furnished in connection with the construction, which claim, lien, or assessment is not satisfied or transferred to bond within twenty (20) days after it is asserted or filed. At all times during the acquisition and construction of such Project, and to the extent required by law, the Board shall, or shall cause the Contractor or Developer to, comply with the Florida Mechanics' Lien Law, Chapter 713, Florida Statutes, and with all requirements imposed by all governmental authorities having jurisdiction over the acquisition and construction and by all insurance underwriters providing insurance for such Project. Except for Construction Contracts which do not exceed \$100,000, the Board shall cause each Contractor or Developer to obtain and deliver to the Board performance and

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(q) If an Event of Default or an Event of Non-Appropriation hereunder has occurred, at the Trustee's option with the consent of the applicable Credit Enhancer, the Trustee, as assignee of the Lessor, may make, but is not required to make, any or all subsequent disbursements from a subaccount of the Project Account directly to the Vendors, Contractors or Developers of the Project related to such subaccount. The Board's execution of this Lease Agreement and the related Lease Schedule(s) constitutes an irrevocable authorization for the Trustee to make disbursements directly to such Vendors, Contractors or Developers in accordance with the provisions of the Trust Agreement. In the absence of negligence or misconduct on the part of the Trustee, the Board agrees that all disbursements made to the Vendors, Contractors or Developers shall constitute full performance of the Trustee's obligations to the Board under this Lease Agreement. The Trustee's decision to make a disbursement shall not constitute a waiver of any of the provisions of this Lease Agreement and the related Lease Schedule(s). If the Board is in default under this Lease Agreement and the Board is unable to cure its default, the Trustee's decision to make a disbursement shall not preclude the Trustee, as assignee of the Lessor, from declaring the Board in default under this Lease Agreement.

SECTION 5.02. ADDITIONAL COVENANTS, REPRESENTATIONS AND WARRANTIES. The Board represents and warrants that execution of each Requisition by the Board shall constitute an affirmation of the completeness and accuracy of the following representations and warranties as of the date of such execution:

(i) The Board has delivered to the Trustee a schedule prepared by the Board of the amounts billed or invoiced to, or paid by, the School Board for the acquisition, construction and installation of the Project or Land described in such Requisition to the extent described in Section 6.03 of the Trust Agreement; the Board is not in default under such contracts, purchase orders and agreements; and the Board has no knowledge of any violation of such contracts, purchase orders and agreements.

(ii) There are no governmental actions or proceedings (except actions or proceedings that are fully covered by insurance) pending or, to the Board's knowledge, threatened affecting the Board or the Project described in such Requisition, which, if adversely determined, would materially adversely impair the Board's ability to perform its obligations under this Lease Agreement.

(iii) The Board knows of no violation and has no notice of a violation of any court order or of any law, regulation, ordinance, rule, order, code or requirement of any governmental authority having jurisdiction over all or any portion of the Project described in such Requisition that may materially

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detrimentally affect the development and operation of such Project as planned.

(iv) In the case of a Project involving construction of a Building, all governmental permits and approvals required for the construction and installation of such Project have been obtained, except for permits which may be obtained in the normal course without undue delay or unusual expense and which the Board hereby covenants to obtain.

(v) All utility services necessary for the construction of the Project and the operation of the Project have been extended to the Project, including, but not limited to, water, storm and sanitary sewer facilities, electricity and telephone service or sufficient amounts have been deposited in the corresponding account of the Project Fund for such purpose.

(vi) Except for drives located on the Project, the rights of way for all roads necessary for the proposed utilization of the Project have either been acquired by the appropriate governmental authority or dedicated to and accepted by the appropriate governmental authority or sufficient amounts have been deposited in the corresponding account of the Project Fund for such purpose. All such roads are improved or, if not improved, all necessary steps have been taken by the Board and the responsible governmental authority to assure their completion before the date when access to the Project via such roads will be necessary. All curb cuts and traffic signals required in connection with the operation of the Project are complete or are approved for construction by all necessary governmental authorities.

(vii) All representations, warranties, covenants and agreements made by the Board in connection with this Lease Agreement may be relied upon by the Lessor and the Trustee notwithstanding any independent investigation made on behalf of the Lessor or the Trustee.

SECTION 5.03. QUIET ENJOYMENT. The parties hereto mutually covenant that the Board, by keeping and performing the covenants and agreements herein contained, shall at all times, prior to an Event of Default or an Event of Nonappropriation, during the term of this Lease Agreement peaceably and quietly have, hold and enjoy each Project without suit, trouble or hindrance from the Lessor and free from any claims against the Lessor and the Trustee and all persons claiming thereunder, by or through the Trustee or the Lessor.

SECTION 5.04. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE. The Board shall maintain or cause to be maintained, throughout the Lease Term, subject to the requirements of State law and if reasonably available from a commercial carrier, a standard comprehensive general liability insurance policy or policies in protection of the Board and the Lessor, their

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In the event the Board considers flood insurance to be unavailable at commercially reasonable rates, it shall so notify the Trustee and the Credit Enhancer(s), if any, for the Project(s) to which such flood insurance relates. If such Credit Enhancer(s) identify insurance for such coverage at commercially reasonable rates, the Board shall be obligated to obtain such insurance. In the event that such Credit Enhancer(s) and the 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 Board in compliance with the provisions of Section 5.07 hereof.

(c) The insurance required to be maintained by the Board pursuant to this Section 5.05 shall be provided by carriers rated at least "A" by Standard & Poor's Corporation (a "Qualified Insurer") unless the Trustee and the Credit Enhancer(s), if any, for the Project(s) to which such insurance relates shall approve an insurer with a lower rating. If an insurer's rating falls below "A" (or, with respect to an insurer approved as aforesaid with a rating lower than "A", falls below the rating such insurer had when approved), such insurer shall be replaced with a Qualified Insurer unless the Trustee and the Credit Enhancer(s), if any, for the Project(s) to which such insurance relates shall approve an insurer with a lower rating.

(d) Notwithstanding anything in the Lease Agreement to the contrary, with respect to a particular Project the foregoing provisions may be waived by the Credit Enhancer of Outstanding Certificates related to a particular Lease Schedule for such Project or a majority of Owners of an aggregate principal amount of Certificates then Outstanding of a particular Lease Schedule for such Project.

SECTION 5.06. NET PROCEEDS OF INSURANCE; FORM OF POLICIES. Each policy of insurance obtained pursuant to or required by Section 5.05 hereof which relates to the Projects shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Owners of the Certificates. Proceeds of self-insurance maintained pursuant to Sections 5.05 and 5.07 hereof shall be paid by the Board to the Trustee for the benefit of the Owners of the Certificates. Copies of all policies of insurance required by this Lease Agreement shall be delivered to the Trustee. The Board shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement, and shall promptly furnish or cause to be furnished to the Trustee evidence of such payments. All such policies shall provide that the Trustee shall be given not less than thirty (30) days notice of each expiration, any intended cancellation and any intended reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The Board shall obtain the prior written consent of the applicable Credit Enhancer of a Series of Certificates the proceeds of which were used to provide the Project which is the subject of the insurance claim if an adjustment, compromise or settlement exceeds \$250,000.

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members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by the acquisition, installment or operation of the Projects. Said policy or policies shall provide coverage equal to the liability limits set forth in Section 768.28, Florida Statutes, as the same may be amended from time to time, and in a minimum amount of \$100,000 for damage to property (subject, in each case, to a deductible clause of not to exceed \$25,000). Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Board, and may be maintained in whole or in part in the form of self-insurance by the Board, provided such self-insurance complies with the provisions of Section 5.07 hereof. The Board hereby agrees to provide coverage in the form of self-insurance in compliance with the requirements of Section 5.07 hereof for any such insurance not reasonably available from a commercial carrier. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

SECTION 5.05. FIRE AND EXTENDED COVERAGE INSURANCE AND FLOOD INSURANCE. (a) The Board shall procure and maintain, or cause to be procured and maintained, throughout the Lease Term, subject to the requirements of State law, insurance against loss or damage to any part of the Projects by fire or lightning, with extended coverage and vandalism and malicious mischief insurance. Said 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 shall be in an amount equal to one hundred percent (100%) of the replacement cost of the Projects, or the aggregate coverage of all such policies on the Projects shall at least equal the aggregate of the Principal Components of the Basic Rent Payments then remaining unpaid, whichever is greater (except that such insurance may be subject to deductible clauses not to exceed \$100,000 in the aggregate for any one loss). 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 Board, and may be maintained in whole or in part in the form of self-insurance by the Board, provided such self-insurance complies with the provisions of Section 5.07 hereof. The Net Proceeds of such insurance shall be applied as provided in Section 5.06 hereof. The Board agrees to provide such coverage in the form of self-insurance in compliance with Section 5.07 hereof if such insurance is not available at commercially reasonable cost from a commercial carrier.

(b) Flood insurance shall be separately maintained by the Board for any property included in a Project 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.

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SECTION 5.07. SELF-INSURANCE. Any self-insurance maintained by the Board pursuant to the foregoing provisions, shall comply with the following terms:

(a) Except with respect to general liability reserves, the self-insurance program shall be approved by the Insurance Consultant;

(b) The self-insurance program shall include a 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 the Insurance Consultant (by the Board with respect to general liability reserves); and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant or, with respect to general liability reserves, in accordance with the Board's evaluation;

(c) The self-insurance claims reserve fund shall be held in a bank account credited for the purpose of maintaining such self-insurance funds, which bank account may be under the control of the Board and may be commingled with other Board moneys; and

(d) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained; and

(e) The Board may obtain the required insurance coverages through a self-insured governmental pool which meets the criteria described above.

(f) Amounts deposited into the self-insurance claims reserve fund shall not be subject to appropriation by the Board in order to apply such funds to pay claims.

SECTION 5.08. RISK OF LOSS; STIPULATED LOSS VALUES; USE OF PROCEEDS. (a) As between the Lessor and the Board, the Board hereby assumes the entire risk of loss, from any and every cause whatsoever to the Projects.

(b) Except as provided in Section 5.08(c) hereof, the Board shall cause the Net Proceeds relating to a Project of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election received pursuant to Sections 5.05 and 5.07 hereof and of any title insurance award equal to or in excess of the amount required to repair, restore or replace such Project (the "Replacement Amount") for such Project to be applied to the prompt repair, restoration or replacement of such destroyed, damaged, lost or condemned Project (which repair, restoration or replacement property shall become part of such Project). The fee simple title to all replacement portions to such Project shall be in the name of the Board subject, however, to the leasehold interest of the Lessor therein (except for Designated Equipment) as set forth herein and in the Ground Lease(s) and subject further to Permitted Encumbrances. Except as otherwise

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provided herein, any such Net Proceeds shall be deposited with the Trustee in the subaccount of the Project Account from which the acquisition and construction of such Project was financed and shall be disbursed by the Trustee in accordance with the Trust Agreement; provided, however, that any amounts remaining after completion of such repair, restoration or replacement shall be paid to the Board. If such Net Proceeds are insufficient to pay for such repair, restoration or replacement, the Board shall (from the Board's Available Revenues) simultaneously deposit the amount of such deficiency with the Trustee, which deficiency shall constitute Supplemental Rent. Any Net Proceeds of insurance or condemnation award or of any appropriation made in connection with self-insurance election which is equal to or less than the Replacement Amount for such Project may, at the option of the Board, be deposited to the subaccount of the Interest Account relating to Certificates which financed or refinanced such Project.

(c) The Board may elect not to repair, restore or replace a Project which has been destroyed, damaged, lost or condemned, or any portion thereof, with the Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election, by filing a certificate with the Trustee stating that (i) it has made such election, (ii) it is not in the best interests of the Board to repair, restore or replace such Project, or portion thereof, and (iii) the Board intends to abandon and cease to operate such Project, or portion thereof, damaged, destroyed, lost or condemned; provided, further, there shall be an Extraordinary Prepayment in the amount of the Stipulated Loss Value (as hereinafter described) of the Project, or portion thereof, which is not repaired, restored or replaced, and if the Net Proceeds are insufficient therefor, the deficiency shall constitute Supplemental Rent hereunder and shall be immediately due and payable from the Board's Available Revenues.

(d) The Stipulated Loss Value attributable to a loss of all of a Project shall be computed as the amount necessary to pay the Principal Component of and Interest Component on the Series of Certificates, the proceeds of which financed or refinanced the acquisition and construction of such Project, on the next succeeding Extraordinary Prepayment Date. In the event that less than all of a Project then subject to this Lease Agreement suffers such a loss, damage or destruction, the Stipulated Loss Value shall be the product of (i) the result computed by the foregoing sentence multiplied by (ii) a fraction, the numerator of which is the original Cost of the portion of such Project suffering such loss, damage or destruction and the denominator of which is the aggregate Project Cost for the entire Project then subject to this Lease Agreement, including those items suffering such loss, damage or destruction. In each case, the Stipulated Loss Value shall also include any Supplemental Rent then due hereunder. Upon payment of such Stipulated Loss Value by Board, such Stipulated Loss Value shall be deposited to the credit of the account established in the Prepayment Fund for the sole benefit of the Owners of the Series of Certificates, the proceeds of which were used to finance or refinance the acquisition and construction of such Project. In the event of

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any interruption of use or loss of service or use or performance of any Project, any loss of business or other consequence or damage, whether or not resulting directly or indirectly from any of the foregoing.

(b) All obligations of the Board under this Section shall be at the Board's sole cost and expense. All costs of operation of each Project and all costs of repair and replacement of each Project resulting from ordinary wear and tear or want of care on the part of the Board shall be the sole responsibility of the Board.

SECTION 5.11. INVENTORY. The Board shall maintain an inventory of the Equipment leased from the Lessor hereunder, which inventory may describe the Equipment by category or type or other general description. The Board agrees not to lease-purchase any Equipment hereunder except to the extent consented to by the Department or otherwise permitted by applicable law.

SECTION 5.12. OTHER LIENS. (a) The Board shall keep each Project and all parts thereof free from judgments and, except as to Permitted Encumbrances, free from all liens, claims, demands and encumbrances of whatsoever nature or character, to the end that each Project may at all times be maintained and preserved, and the Board shall keep each Project free from any claim or liability which might impair or impede the operation of such Project or the security granted in the Trust Estate to Certificate Owners by the Trust Agreement; provided, however, that the Board shall not be required to pay any such liens, claims or demand if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, the interest of the Lessor and the Trustee shall not be in immediate jeopardy and if the Board shall set aside or cause to be set aside reserves deemed by it to be adequate with respect thereto; and, provided, further, that the Board upon the commencement of any proceedings to foreclose the lien of any such charge or claim, will forthwith pay or cause to be paid any such charge or claim unless contested in good faith as aforesaid. The Board agrees not to lease-purchase any Equipment hereunder except to the extent consented to by the Department or otherwise permitted by applicable law.

(b) The Board shall never, under any circumstances, have the power to subject the interest of the Lessor or its assignee in the Project to any mechanic's or materialman's lien or liens of any kind.

(c) The Board covenants and agrees with the Lessor that the Board will not permit or suffer to be filed or claimed against the interests of the Lessor and its assignee in the Project during the Lease Term any lien or claim of any kind and, if such lien be claimed or filed, it shall be the duty of the Board, within thirty (30) days after the Board shall have been given written notice of such claim being filed in the Public Records of Polk County, Florida to cause the Project to be released from such claim, either by payment or by posting of a bond or by the payment into a court of competent jurisdiction the amount necessary to relieve and release the

payment of the Stipulated Loss Value of a portion of the Project and the Certificates of the Series relating thereto, the schedule of Basic Rent Payments in the Lease Schedule for such Project shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component and the remaining Basic Rent resulting from such Extraordinary Prepayment. Such adjustment shall be done in such manner as to match remaining aggregate payments of Basic Rent relating to the destroyed, damaged or condemned Project with principal of and interest coming due on the Series of Certificates which remain Outstanding, the proceeds of which were used to finance or refinance the acquisition and construction of such Project.

SECTION 5.09. PAYMENT OF TAXES. The Board will pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon any Project, or any part thereof, promptly as and when the same shall become due and payable; provided, however, that the Board shall not be required to pay any such tax, assessment or charge, if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, the interest of the Lessor and the Trustee shall not be in immediate jeopardy and if the Board shall set aside, or cause to be set aside, reserves deemed by it to be adequate with respect thereto; and, provided, further, that the Board, upon the commencement of any proceedings to foreclose the lien of any such tax, assessment, or charge, will forthwith pay, or cause to be paid, any such tax, assessment or charge, unless contested in good faith as aforesaid. The Board will not suffer any Project or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor. The Board will also pay or cause to be paid all taxes, assessments and other governmental charges which may be imposed on the Lessor or its operations as a result of the transactions, including the formation and organization of the Lessor, contemplated by this Lease Agreement.

SECTION 5.10. CARE AND USE OF PROJECTS. (a) The Board, at its expense, shall maintain each Project in good operating condition, repair and appearance, and protect same from deterioration other than normal wear and tear; shall cause each Project to be used in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any policy of insurance required under Sections 5.04 and 5.05 hereof; shall cause each Project to be operated by competent persons only and shall obtain, at the Board's expense, all permits and licenses, if any, required by law for the operation of each Project. The Board agrees that neither the Lessor nor the Trustee shall be responsible for latent defects, wear and tear or gradual deterioration or loss of service or use of any Project or any part thereof. The Board shall have the benefit of all warranties, contracts and rights against any Vendor, Contractor, Developer, materialmen or supplier. Neither the Lessor nor the Trustee shall be liable to the Board or anyone else for any liability, injury, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the inadequacy of any Project or any item supplied by any Vendor, Contractor, Developer, materialmen or supplier or any other party,

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Project from such claim or in any other manner which, as a matter of law, will result within such period of thirty (30) days in releasing the Project and Lessor's and its assignee's interest or interests therein from such claim.

SECTION 5.13. ENCUMBRANCES OR SALES. (a) Except as permitted in this Lease Agreement and except for Permitted Encumbrances, the Board will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon any Project or any portion thereof, or upon any real or personal property (which is not a portion of the Project) essential to the operation of such Project. The Board will not sell or otherwise dispose of any portion of a Project or any such property essential to the proper operation of a Project, except as provided below and in Section 5.14 hereof.

(b) In the manner and subject to the conditions for disposal of property of the Board by law, the Board may sell portions of a Project, other than Equipment, for fair market value upon the following conditions:

(i) The Board shall give notice to the Trustee and the applicable Credit Enhancer, if any, of each such sale not less than thirty (30) days prior to such sale;

(ii) In the event that the Board anticipates that the amount expected to be derived from such sale (A) when aggregated with the amounts, if any, derived from any other sales of the same Project pursuant to this Section 5.13 during the same Fiscal year exceeds \$150,000 or (B) when aggregated with all other sales of the same Project pursuant to this Section 5.13 exceeds \$500,000, then the Board shall obtain the prior written consent of the Credit Enhancer, if any, for such Project prior to such sale(s), which consent shall not be unreasonably withheld.

(iii) The Board determines pursuant to a certificate of an Authorized Officer that such portion of a Project is no longer needed for the purposes of such Project or such portion should be replaced with property having greater usefulness or value;

(iv) Such disposition shall not, in the opinion of Special Counsel, cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates to become includible in gross income of such Owners for purposes of federal income taxation; and

(v) The Board shall use the proceeds of such sales either (A) to provide property (which shall become a part of the Project) of equal usefulness and value to the Board or (B) apply the Stipulated Loss Value (calculated in accordance with Section 5.08(d) hereof) thereof (but only if such value exceeds the corresponding Prepayment Amount) as a prepayment of Basic Rent.

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The Lessor and the Trustee agree to take all action within their powers required to enable the Board to sell or otherwise dispose of any such property.

SECTION 5.14. SUBSTITUTION OF EQUIPMENT. Subsequent to the Completion Date of a Project, the Board may substitute for an item of Equipment which constitutes a part of such Project other equipment by filing with the Trustee, as assignee of the Lessor, a certificate of an Authorized Officer of the Board stating that such substitute equipment (a) has the same or a greater remaining useful life than the Equipment to be substituted (determined at the time of substitution), (b) has a fair market value equal to or greater than the fair market value of the item of Equipment for which it is substituted (determined at the time of substitution), (c) is free and clear of all liens and encumbrances, except the Permitted Encumbrances, (d) has been titled in the name of the Lessor, except in the case of Designated Equipment which shall be titled in the name of the Board, (e) constitutes "Equipment" under this Lease Agreement, and (f) is essential to the operation of the school system. The Board may substitute Equipment which does not meet any of the foregoing provisions if it receives the written consent of Credit Enhancer for the Certificates, the proceeds of which were used to finance the acquisition of such Equipment, to do so.

SECTION 5.15. PROSECUTION AND DEFENSE OF SUITS. (a) The Board shall promptly, upon request of the Lessor, or its assignee, from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to any Project, or any portion thereof, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall, to the extent permitted and limited by applicable law and only from Available Revenues, indemnify or cause to be indemnified the Lessor, and its assigns, for all loss, cost, damage and expense, including reasonable attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings.

(b) The Board shall defend, or cause to be defended against every suit, action or proceeding at any time brought against the Lessor, or its assignee, or its or their directors, officers and employees upon any claim arising out of the receipt, application or disbursement of any moneys held by the Trustee or arising out of the construction of any Project involving the rights of the Lessor, or its assignee, or its or their directors, officers and employees under this Lease Agreement or any act or omission of the directors, officers and employees done or omitted to be done within the scope of their respective office or employment, other than an act or omission which is the result of misconduct or negligence by such parties; provided, that the Lessor, and its assignee, at their election, may appear in and defend any such suit, action or proceeding. To the extent permitted and limited by applicable law and only from Available Revenues, the Board shall indemnify or cause to be indemnified the Lessor, and its assignee, against any and all claims, demands, costs or liability

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authorization of payment of Project Costs by the Board, (e) the defense against actions or proceedings in which the validity of this Lease Agreement is or might be questioned and the payment or compromise of claims or demands asserted in any such actions or proceedings, or (f) the issuance of the Certificates. No indemnification will be made under this Section or elsewhere in this Lease Agreement for willful misconduct, negligence, negligence or breach of duty by the Trustee, its officers, agents, employees, successors or assigns.

SECTION 5.20. NO RECOURSE UNDER AGREEMENT. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Lease 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 payment of Lease Payments pursuant to Section 4.03 hereof or for any claim based thereon under this Lease Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 5.21. RESTRICTION AGAINST PLEDGE. The Lessor shall not pledge, assign or encumber Lease Payments or other amounts derived from the Projects or from rights of the Lessor under this Lease Agreement nor shall the Lessor sell, encumber or place any lien upon the Projects, except as otherwise provided in this Lease Agreement, the Trust Agreement and the Assignment of Lease Agreement.

SECTION 5.22. ASSIGNMENT BY LESSOR. Except pursuant to the Assignment of Lease Agreement and except as set forth herein, the Lessor shall not assign this Lease Agreement, its rights to receive Lease Payments or its duties and obligations hereunder.

SECTION 5.23. NO VIOLATION OF OTHER AGREEMENTS. (a) The Board hereby represents that neither the execution and delivery of this Lease Agreement, the Ground Lease and the Trust Agreement, nor the fulfillment of and compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of terms or violation of any other agreement to which the Board is a party or by which the Board 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 Board, or upon the Projects, except Permitted Encumbrances.

(b) The Lessor hereby represents that neither the execution and delivery of this Lease Agreement, the Ground Lease, the Assignment of Lease Agreement, the Assignment of Ground Lease and the Trust Agreement, nor the fulfillment of and compliance with the terms and conditions hereof and thereof, nor the

claimed or asserted by any person, arising out of such receipt, application or disbursement.

SECTION 5.16. FURTHER ASSURANCES. Whenever and so often as requested so to do by the Lessor, or its assignee, the Board will promptly execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully to vest in the Lessor, or its assignee, all rights, interest, powers, benefits, privilege and advantages conferred or intended to be conferred upon the Lessor by this Lease Agreement.

SECTION 5.17. REPORTING REQUIREMENTS. Upon request, the Board will furnish, or cause to be furnished, to the Lessor, or its assignee, and each Credit Enhancer detailed certified reports of audit covering the operations of the Board for said Fiscal Year showing the general funds, revenues and expenses for such period.

SECTION 5.18. LESSOR NOT LIABLE. Neither the Lessor nor its members, officers, agents, employees, nor its assignee, shall be liable to the Board or to any other party whomsoever for any death, injury or damage that may result to any Person or property by or from any cause whatsoever in, on or about any Project. To the extent permitted and limited by applicable law and solely from Available Revenues, the Board shall indemnify or cause to be indemnified and hold the Lessor, its members, officers, agents, employees, and its assignee, harmless from, and defend or cause to be defended each of them against, any and all claims, liens and judgments for death of or injury to any Person or damage to property whatsoever occurring in, on or about any Project.

SECTION 5.19. INDEMNIFICATION DUE TO TRUSTEE AND LESSOR. The Board shall pay, or cause to be paid, to the Lessor and to the Trustee, (i) the ordinary fees, compensation and expenses due under the Trust Agreement in the amounts set forth in the Lease Schedules and (ii) for any extraordinary fees, compensation and expenses of the Lessor or the Trustee upon billing thereof by the Trustee, as assignee of the Lessor, provided the payment of such extraordinary fees, compensation and expenses shall be agreed to in writing by the Board. In addition, to the extent permitted and limited by applicable law and solely from Available Revenues, the Board shall and hereby agrees to indemnify, or cause indemnification of, and hold, or cause to be held, the Lessor and the Trustee, as assignee of the Lessor, harmless from and against all claims, losses and damages, including reasonable legal fees and expenses, arising out of (a) the use, maintenance, condition or management of the Projects by the Board, (b) any breach or default on the part of the Board in the performance of any of its obligations under this Lease Agreement, (c) any act of negligence of the Board, or of any of its agents, contractors, servants, employees or licensees with respect to the Projects, (d) the

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consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of terms or violation of any other agreement to which the Lessor is a party or by which the Lessor 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 Lessor, or upon the Projects, except Permitted Encumbrances.

SECTION 5.24. DEBT NOT ASSUMED BY LESSOR. The parties hereto expressly acknowledge and agree that the Lessor, by the entering into of this Lease Agreement and the Financing Documents, does not assume or guarantee, or otherwise obligate itself for, or become liable for, the payment of, or contingently agree to purchase, any debt of any Person.

SECTION 5.25. CONSENT TO DISMISS. The Board acknowledges that the Lessor is a third party lease purchase financing source for the Projects and the Board hereby agrees to consent to, and to refrain from objection to, a motion made by the Lessor to be dismissed from any lawsuit brought by a third party arising out or in any way relating to this Lease Agreement with respect to any Project or the ownership, rental, possession, operation, condition, sale or return of any Project. This covenant by the Board to consent to and refrain from objection to such a motion to dismiss shall include the Lessor's assigns and their respective agents, employees, officers and directors. It is understood by and between the Lessor and the Board that this covenant is not intended to be and is not an indemnity.

SECTION 5.26. WAIVER OF LAWS. The Board shall not at any time insist upon or plead in any manner whatsoever, or claim or suffer or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may adversely affect the covenants and agreements contained in this Lease Agreement and the benefit and advantage of any such law or laws is hereby expressly waived by the Board to the extent that the Board may legally make such waiver.

SECTION 5.27. LIMITATION OR INDEMNIFICATION. The amount of indemnification provided by the Board to the Lessor in Sections 5.15, 5.18 and 5.19 shall not exceed the liability limits set forth in Section 768.28, Florida Statutes.

SECTION 5.28. VEHICLES. The Board and the Lessor agree not to lease-purchase any vehicles or rolling stock under the terms of this Lease Agreement.

SECTION 5.29. WAIVER OF DAMAGES. Neither the Lessor or the Trustee, nor their respective agents and employees, shall be liable for, and the Board waives, for each of their benefit, all claims for, damages, including but not limited to consequential damages, to person, property or otherwise, sustained by the

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Board or any person claiming through the Board resulting from any accident or occurrence in or upon any part of the Projects including, but not limited to, claims for damage resulting from: (a) any equipment or appurtenances becoming out of repair; (b) the Board's failure to keep any part of the Projects in repair; (c) injury done or caused by wind, water or other natural element; (d) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (e) broken glass; (f) the backing up of any sewer pipe or downspout; (g) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank upon or about the Projects; (h) the escape of steam or hot water; (i) water, snow or ice upon the Projects; (j) the failing of any fixture, plaster or stucco; (k) damage to or loss by theft or otherwise of property of the Board or others; (l) acts or omissions of persons in the Projects, other tenants in the Projects, occupants of nearby properties, or any other persons; and (m) any act or omission of owners of adjacent or contiguous property, or of the Lessor and the Trustee, and their respective agents or employees. All property of the Board kept in the Projects shall be so kept at the Board's risk only and the Board shall save the Lessor and the Trustee, and their respective agents and employees harmless from claims arising out of damage to the same, including subrogation claims by the Board's insurance carrier.

SECTION 5.30. OFFSET STATEMENT. Within ten (10) days after written request by either the Lessor or the Board the other party shall deliver, executed in recordable form, a declaration to any Person designated by the requesting party (a) ratifying this Lease Agreement and all Lease Schedules; (b) stating the commencement and termination dates; and (c) certifying (i) that this Lease Agreement and all Lease Schedules are in full force and effect and have not been assigned, modified, supplemented or amended (except by such writings as shall be stated); (ii) that all conditions under this Lease Agreement and all Lease Schedules to be performed by the other parties have been satisfied (stating exceptions, if any), to the extent known; (iii) that no defenses or offsets against the enforcement of this Lease Agreement and all Lease Schedules by the requesting party exist (or stating those claimed); (iv) as to advance Lease Payments, if any, paid by the Board; and (v) the date to which Supplemental Rent has been paid, and such other information as the requesting party reasonably requires. Persons receiving such statements shall be entitled to rely upon them.

SECTION 5.31. NON-MERGER OF LEASEHOLD. There shall be no merger of this Lease Agreement or of the leasehold estate hereby created with the fee estate in the Premises and the Project or any part thereof by reason of the fact that the same Person may acquire or hold, directly or indirectly, this Lease Agreement or leasehold estate hereby created or any interest in this Lease Agreement or in such leasehold estate and the fee estate in the Premises and the Project or any interest in such fee estate.

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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 Board, of any Project or the business operations conducted by the Board thereon (collectively, "Hazardous Materials") on, from or beneath a Project, (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 a Project, or (iii) stored any material amount of petroleum products at a Project in underground storage tanks, except as may be set forth as an exhibit to the Lease Schedule relating to such Project.

(c) Excluded from the representations and warranties in subsection (b) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in or used in the maintenance of a Project, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(d) No Project 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 such Project.

(e) The Board has not received any notice from any insurance company which has issued a policy with respect to a Project 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 work, which repairs, alterations or other work have not been completed at such Project. The 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 a Project which is to be performed or complied with by it.

(f) The Board shall not use or permit a Project 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 such Project 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 a Project

SECTION 5.32. ENVIRONMENTAL MATTERS.

(a) **Definitions.** When used in this Section 5.32, the following terms shall have the following meanings in addition to the meanings specified elsewhere herein.

"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 (riebeckite); (c) amosite (cummingtonite-grunerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.

"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 (15 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.

"Hazardous Materials" shall have the meaning given in Section 5.32(b).

"Laws and Regulations" shall have the meaning given in Section 5.32(b).

"Release" shall have the meaning given in Section 5.32(b).

(b) The Board has, after due inquiry, no knowledge and has not given or received any written notice indicating that a Project 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 such Project (collectively, "Laws and Regulations"). Without limiting the generality of the foregoing, neither the Board nor to the best of its knowledge, after due inquiry, any prior or present owner, tenant or subtenant of any Project has, other than as set forth in subsections (b) and (c) of this Section 5.32 or as may have been

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excluding, however, those Hazardous Materials in those amounts ordinarily found in or used in the maintenance of such Project, 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 Board shall promptly commence and perform, or cause to be commenced and performed promptly, 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 a Project, 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 (i) hereof and only to the extent necessary to maintain the improvements on a Project.

(g) The 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 each Project free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The 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 Project; provided, however, that notwithstanding that a portion of this covenant is limited to the Board's use of its best efforts, the Board shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the Board's obligations contained in subsection (h) hereof as provided in said subsection (h). Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath a Project, the Board shall give prompt written notice thereof to the Trustee and the Credit Enhancer, if any, for such Project, (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(h) Irrespective of whether any representation or warranty contained in this Section 5.32 is not true or correct, the Board shall, to the extent permitted by law and solely from Available Revenues, defend, indemnify and hold harmless the Trustee, the Certificateholders and the Credit Enhancers 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 this indemnification), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Trustee and the Credit Enhancers, as appropriate, shall have delivered to the 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, (1) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath a Project, (2) any personal injury

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(including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (3) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Trustee and the Credit Enhancers, as appropriate, shall have delivered to the Board), or governmental order relating to Hazardous Materials on, from or beneath any of the Property, (4) any violation of Environmental Regulations or subsection (f) or (g) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (5) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Board is strictly liable under any Environmental Regulation, its obligation to the Trustee and the Credit Enhancers 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 subsection (h) shall survive any action by the Trustee or the Certificateholders or Credit Enhancers pursuant to the terms hereof or of the Trust Agreement or the Ground Lease(s) relating to the sale, rental or other disposal of a Project or the defeasance and the satisfaction of all Certificates.

(i) The 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 in accordance with Laws and Regulations, including but not limited to Environmental Regulations. Any underground tanks shall be on a Project in good condition and repair and comply with all Laws and Regulations, including Environmental Regulations, except as set forth in this Section 5.32 and the Board shall take all actions to correct any violations of Laws and Regulations relating to any such tanks as set forth in this Section 5.32.

(a) no such sublease shall in any way adversely affect or release the Board from any of its duties, obligations and covenants under this Lease Agreement and the obligation of the Board to make Lease Payments hereunder;

(b) no such agreement or disposition shall, in the opinion of Special Counsel, cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates (other than Taxable Certificates) to become includible in gross income of such Owners for purposes of federal income taxation.

(c) Board shall have obtained the prior written consent of Credit Enhancer.

SECTION 6.03. TAX COVENANTS. (a) The Board and the Lessor hereby covenant that, notwithstanding any other provision of this Lease Agreement, neither of them will make any use nor permit or direct the Trustee to make any use of the proceeds of the Certificates which will cause any of the Certificates or the Lease Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The Board and the Lessor hereby agree that they will make no use nor permit any use to be made of the proceeds of the Certificates, Lease Payments or, prior to an Event of Default or an Event of Nonappropriation, any Project, or portion thereof, which would cause any of the Certificates or the Lease Agreement to be "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) Except for the exercise by the Board of its right to Non-Appropriate as set forth in Section 7.01 hereof, the Board and the Lessor hereby covenant that prior to an Event of Default or an Event of Nonappropriation, they will comply with all provisions of the Code necessary to maintain the exclusion of the Interest Component of the Basic Rent Payments from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(d) Notwithstanding the foregoing provisions contained in this Section, the Board and the Lessor may agree to entering into a Lease Schedule pursuant to which the Interest Component on the Basic Rent Payments shall not be excluded from gross income for purposes of federal income taxation; provided, however, that fact must be clearly stated on the Certificates. Provisions herein relating to the requirement to maintaining the exclusion of such Interest Component from gross income for federal income taxation purposes shall not apply to such Basic Rent Payments.

SECTION 6.04. NET LEASE. The Board intends the Lease Payments hereunder to be net to the Lessor. The Board shall comply with all liabilities and pay from Available Revenues all required local, state and federal taxes, including without limitation, income, franchise, gross receipts, sales, use, documentary

ARTICLE VI

ASSIGNMENT; SUBLEASING; NET LEASE; AMENDMENT

SECTION 6.01. ASSIGNMENT AND SUBLEASING BY THE BOARD.

(a) Except as provided herein, this Lease Agreement may not be assigned by the Board without the written consent of the Lessor, or its assignee and each Credit Enhancer.

(b) Notwithstanding any other provision of this Lease Agreement any Project, or portion thereof, may be subleased by the Board, subject to Permitted Encumbrances and the rights and interests of the Trustee and each Credit Enhancer, in whole or in part, without the consent of the Lessor, subject, however, to each of the following conditions:

(i) no such sublease shall in any way adversely affect or release the Board from any of its duties, obligations and covenants under this Lease Agreement including, without limitation, the obligation of the Board to make Lease Payments hereunder; and

(ii) no such sublease shall, in the opinion of Special Counsel, cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates (other than Taxable Certificates) to become includible within gross income of the Owners for purposes of federal income taxation.

(c) Nothing herein shall prohibit the Board from permitting temporary use of any Project, or portion thereof, by third parties.

(d) If an Event of Default occurs under this Lease Agreement, all proceeds of any sublease entered into by the Board pursuant to this Section shall be remitted to the Trustee and shall be credited against Basic Rent Payments to be made by the Board. Any sublease agreement must be made cancellable in the event of the occurrence of an Event of Default hereunder or if the Lease Agreement is terminated for any reason, including an Event of Nonappropriation.

SECTION 6.02. TRANSFER OF TAX BENEFITS. Nothing herein shall be deemed to prevent the Board from entering into any agreement or making any disposition for the sole purpose of transferring to one or more corporations, partnerships or individuals federal or state income tax benefits which would be available for any Project, or portion thereof, if owned by a private person, subject, however, to each of the following conditions:

stamp, excise, and personal property taxes, Real Estate Taxes, assessments, licenses, registration fees, freight and transportation charges and any other charges imposed or liabilities incurred with respect to the ownership, possession or use of the Projects, payment of Lease Payments or any other payments by the Board hereunder, and any penalties, fines or interest imposed on the Board hereunder, and any penalties, fines or interest imposed on any of the foregoing, during the term of this Lease Agreement; and the Board will pay all reasonable expenses incurred by the Lessor or the Trustee in connection with all filings or recordings of any documents relating to this Lease Agreement or the Lessor's or the Trustee's rights hereunder. The Lessor and the Trustee shall have the right, after reasonable written notice to the Board, to make any of the payments required of the Board under this Section with respect to the Projects, but shall not be obligated to pay the same, and may charge such payment with interest at the Overdue Rate from the date of payment, as Supplemental Rent to be paid by the Board within thirty (30) days thereafter.

SECTION 6.05. AMENDMENT. (a) This Lease Agreement may be amended in writing by the parties hereto or by their assignees on their behalf or in their name, without the consent of the Owners of the Certificates (but with the consent of each Credit Enhancer which is not in payment default under its municipal bond insurance policy or Credit Facility) thereof, for the purpose of (i) curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or (ii) resolving any questions arising under this Lease Agreement which the Board may deem necessary or desirable and not inconsistent with the provisions of this Lease Agreement, (iii) providing for additional security, (iv) providing for Lease Schedules, including adding to or deleting the covenants, representations and agreements contained herein as the same shall effect a particular Project, and (v) any other amendment, which in the judgment of the Board does not materially, adversely affect the interests of the Owners of the Certificates; provided, however, that no such amendment shall, in the opinion of Special Counsel, cause the Interest Component of Basic Rent Payments to become includible in gross income of the recipients thereof for purposes of federal income taxation; and provided, further, that the parties hereto or their assignees may rely in entering into any such amendment pursuant to this Section upon the opinion of Special Counsel stating that the requirements of this sentence have been met with respect to such amendment.

(b) In addition to the amendments authorized to be made pursuant to Section 6.05(a) hereof, this Lease Agreement may also be amended upon approval of a majority of aggregate principal amount of the Owners of Certificates then Outstanding and the consent of all Credit Enhancers or, in lieu thereof, upon the approval of the Credit Enhancers of all Certificates then Outstanding, if all Outstanding Certificates are secured by Credit Facilities and/or municipal bond insurance policies; provided that no such amendment shall impair the right of any Owners to receive his proportionate share of any Basic Rent Payment in accordance

with his Certificate unless approved by the Owners of all Certificates then Outstanding and the Credit Enhancers.

ARTICLE VII

EVENT OF NON-APPROPRIATION; EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. EVENT OF NON-APPROPRIATION. (a) As provided herein, this Lease Agreement shall initially terminate at the end of the Initial Lease Term relating to a Project, but shall automatically be renewed for all Renewal Lease Terms relating thereto; provided, that such automatic renewal shall not occur and this Lease Agreement shall terminate as of the end of the current Initial or Renewal Lease Term if the Board does not approve a tentative Budget and a final Budget in accordance with State law which appropriates sufficient funds from Available Revenues to continue making Lease Payments in full for the next succeeding Renewal Lease Term for all Projects leased hereunder beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments had been budgeted and appropriated (an "Event of Non-Appropriation"); provided further, that in the event the Board's tentative or final Budget for such ensuing Renewal Lease Term is not enacted prior to expiration of the then current Initial Lease Term or Renewal Lease Term relating to a Project, the Lease Term relating thereto shall be deemed renewed pending the enactment of such tentative Budget and final Budget and the Board shall be liable for any Lease Payments coming due during such period, and for each day that the Board remains in possession of said Project beyond the date of expiration of the current Initial Lease Term or Renewal Lease Term, the Board shall pay damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any such period in which the Board fails to vacate or surrender such Project. Upon the occurrence of an Event of Non-Appropriation, the Board will not be obligated to pay Lease Payments beyond the then current Fiscal Year but will not be relieved of any obligations arising or accruing prior to such Event of Non-Appropriation including, without limitation, any obligation to deposit rebatable arbitrage in the Rebate Fund which may accrue prior to such Event of Non-Appropriation. The Board must deliver notice of the Event of Non-Appropriation to the Lessor, each Credit Enhancer and the Trustee within three Business Days thereof.

(b) If an Event of Non-Appropriation shall occur, the Board shall peaceably vacate and return possession of each Project to the Lessor, or its assignee or designee, within seven Business Days after the date on which such Event of Non-Appropriation occurs. The obligation to vacate and return the Projects shall survive the termination of this Lease Agreement. Under no circumstances shall the failure of the Board to appropriate sufficient moneys to pay Lease Payments constitute a Default or Event of Default hereunder or require payment of a penalty, or in any way limit the right of the Board to purchase or utilize, buildings, facilities or equipment similar in function to the property leased hereunder.

(g) The Board shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Board or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

SECTION 7.03. REMEDIES ON DEFAULT. Upon the happening of an Event of Default as described in Section 7.02 hereof, the Lessor, or its assignee, may, with the consent of the Credit Enhancer, and, shall, at the direction of the Credit Enhancer, exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement, including, without limitation:

(i) Except in the case of an Event of Default under Section 7.02(c) hereof, without terminating this Lease Agreement, to re-enter and take possession of the Projects, or any portion thereof, other than Designated Equipment, and exclude the Board from using the same until the Default is cured; or

(ii) Except in the case of an Event of Default under Section 7.02(c) hereof, without terminating this Lease Agreement, to re-enter and take possession of the Projects, or any portion thereof, other than Designated Equipment, and sell, lease or sublease such Projects, or any portion thereof, in accordance with applicable law, for the account of the Board, holding the Board liable for the difference between (i) the purchase price, rent and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease, and (ii) the Lease Payments and other amounts currently payable by the Board under and pursuant to this Lease Agreement; or

(iii) Except in the case of an Event of Default under Section 7.02(c) hereof, to take whatever action at law or in equity that may appear necessary or desirable to collect the Lease Payments then due and thereafter to become due during the term of this Lease Agreement, or enforce performance and observance of any obligation, agreement or covenant of the Board under this Lease Agreement; or

(iv) To terminate this Lease Agreement, if it has not been previously terminated pursuant to Section 7.01 hereof, and require the Board to vacate, surrender and transfer possession of all the Projects to the Lessor or its assignee, in which event the Board shall take all actions necessary to authorize, execute and deliver to the Lessor or its assignee all documents necessary to vest in the Lessor or its assignee all of the Board's interest in and to the Projects, and to discharge any lien created by or pursuant to this

SECTION 7.02. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Lease Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Lease Agreement any one or more of the following events:

(a) Failure by the Board to pay any Basic Rent Payment required to be paid hereunder on the Basic Rent Payment Date to which such Basic Rent Payment pertains, other than as a result of an Event of Non-Appropriation; or

(b) Failure by the Board to pay any Supplemental Rent required to be paid hereunder at the time specified herein other than as a result of an Event of Non-Appropriation; or

(c) The Board fails to (i) vacate and return possession of all the Projects, other than Designated Equipment, to the Lessor, or its designee or assignee, subsequent to an Event of Non-Appropriation as required by Section 7.01 hereof, or (ii) transfer title to and possession of the Designated Equipment for which Basic Rent Payments have not been paid in full to the Lessor, or its designee or assignee, subsequent to termination of the Lease Agreement as required by Section 4.07(b) hereof; or

(d) Failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.02(a) hereof, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Board by the Lessor, or its assignee, or any Credit Enhancer unless the Lessor, or its assignee, and each Credit Enhancer have agreed in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lessor, or its assignee, and the Credit Enhancers will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected; or

(e) Any representation of the Board hereunder or in a Lease Schedule shall prove to have been false in any materially adverse respect at the time same was made, subject to the right of the Board to cure such misrepresentation in the manner set forth in Section 7.02(d) hereof; or

(f) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Board in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, (or similar official) of the Board or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) days; or

Lease Agreement in order that the Lessor or its assignee may sell or re-lease the Projects in accordance with applicable law; and shall upon request by the Lessor or its assignee, remove any Equipment from the Board's property to such location within the State of Florida as is specified by the Lessor or its assignee; or

(v) To terminate this Lease Agreement, if it has not been previously terminated pursuant to Section 7.01 hereof, and, without notice or demand, enter into and upon the Projects, or any part thereof, and repossess and retake the Projects and thereby restore the Lessor or its assignee, to its former possessory estate under the Ground Lease and expel the Board and remove its effects forcefully, if necessary, without being taken or deemed to be guilty of any manner of trespass in order that the Lessor or its assignee may sell or re-lease the Projects in accordance with applicable law, and thereupon this Lease Agreement shall terminate and upon such termination the Board shall have no further possessory right whatsoever in the Projects; and the 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 Board fails to vacate and surrender the Projects or for any other loss suffered by the Lessor or its assignee as a result of the Board's failure to vacate and surrender the Projects, all without prejudice to any remedy which might otherwise be available to the Lessor or its assignee for arrears of Lease Payments or for any breach of the Board's covenants herein contained.

SECTION 7.04. PROCEEDS OF SALE OR RE-LETTING. Moneys received by the Lessor, or its assignee, from the sale or re-letting of the Projects, or any portion thereof, as a result of an Event of Non-Appropriation or an Event of Default shall be the absolute property of the Lessor, or its assignee, and the Board shall have no right thereto. In the event that moneys received by the Lessor, or its assignee, from the sale or other disposition of a Project, exceed the amount necessary to pay the principal of and interest due on the Certificates which financed the acquisition and construction thereof to the date of payment thereof, together with all other amounts owing under the Trust Agreement and in regard to such Project, including Trustee fees and expenses, amounts owing in regard to any Ground Lease relating to such Project and outstanding fees, expenses and other amounts due the Credit Enhancers, the Lessor, or its assignee, shall pay such surplus to the Board. Neither notice of sale or notice to pay rent or to deliver up possession of the Projects given pursuant to law nor any proceeding in unlawful detainer taken by the Lessor, or its assignee, shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of an Event of Default by the Board shall be or become effective by operation of law, or otherwise, unless and until the Lessor, or its assignee, with the prior written consent of the Credit Enhancers, shall have given written notice to the Board of the

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ARTICLE VIII

ADMINISTRATIVE PROVISIONS

SECTION 8.01. PRESERVATION AND INSPECTION OF DOCUMENTS. All documents received by the Lessor, or its assignee, or the Board under the provisions of this Lease Agreement shall be retained in their respective possessions and shall be subject at all reasonable times to the inspection of the other party hereto and its assigns, agents and representatives, any of whom may make copies thereof.

SECTION 8.02. PARTIES OF INTEREST. Nothing in this Lease Agreement, expressed or implied, is to or shall be construed to confer upon or to give to any person or party other than the Lessor, and its assignee, the Credit Enhancers, the Trustee and the Board any rights, remedies or claims under or by reason of this Lease Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Lease Agreement contained by or on behalf of the Lessor or the Board shall be for the sole and exclusive benefit of the Lessor, and its assignee, and the Board, the Trustee and the Credit Enhancers.

SECTION 8.03. NO RECOURSE UNDER AGREEMENT. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Lease 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 payment of the Lease Payments or for any claim based thereon under this Lease Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 8.04. NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail with postage fully prepaid.

If to the Lessor: Financing Corporation for the
 School Board of Polk County, Florida
 1915 South Floral Avenue
 Bartow, Florida 33830
 Attention: Superintendent

If to the Board: School Board of Polk County, Florida
 1915 South Floral Avenue
 Bartow, Florida 33830
 Attention: Superintendent

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election on the part of the Lessor, or its assignee, to terminate this Lease Agreement as a result of such Event of Default.

SECTION 7.05. APPOINTMENT OF LESSOR AS AGENT. The Board hereby irrevocably appoints the Lessor, and its assignee, as the agent and attorney-in-fact of the Board to enter upon and sell or re-let the Projects in accordance with the terms hereof upon the happening of an Event of Default or an Event of Non-Appropriation. To the fullest extent permitted by applicable law and only from Available Revenues, the Board hereby exempts and agrees to save harmless, the Lessor, and its assignee, from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and the sale or letting of the Projects. The Board hereby waives any and all claims for damages caused, or which may be caused, by the Lessor, or its assignee, in taking possession of the Projects, for all claims for damages that may result from the destruction of or injury to the Projects, and all claims for damages to or loss of any property belonging to the Board that may be in or upon the Projects. The Board agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Lessor, or its assignee, to enter and sell or re-let the Projects in accordance with the terms hereof. Notwithstanding the foregoing, the Board shall not be responsible for any costs incurred by the Lessor, or its assignee, to make the Projects suitable for reletting.

SECTION 7.06. NON-WAIVER. Nothing in this Article VII or in any other provision of this Lease Agreement shall affect or impair the obligation of the Board to pay the Lease Payments, to the extent herein provided. No delay or omission of the Lessor, or its assignee, to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or any acquiescence therein, and every power and remedy given by this Article VII to the Lessor, and its assignee, may be exercised from time to time and as often as shall be deemed expedient by the Lessor, or its assignee.

SECTION 7.07. REMEDIES NOT EXCLUSIVE. No remedy herein or by law conferred upon or reserved to the Lessor, and its assignee, is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy, and every remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise may be exercised without exhausting and without regard to any other remedy conferred or by any law.

SECTION 7.08. STATUS QUO ANTE. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, then, and in every such case, the Lessor, and its assignee, and the Board shall be restored to its and their former position and rights and remedies as if no such suit, action or proceedings had been brought or taken.

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If to the Trustee: First Union National Bank of Florida
 214 Hogan Street
 2nd Floor
 Jacksonville, Florida 32202
 Attention: Corporate Trust Department

If to the Credit Financial Security Assurance Inc.
Enhancer of the 350 Park Avenue
the Series 1993A New York, New York 10022
Certificates: Attention: Managing Director - Surveillance

The parties hereto, by notice given hereunder, may, respectively, designate different addresses to which subsequent notices, certificates or other communications will be sent. A copy of all notices to one party to this Lease Agreement shall be transmitted to the other party to this Lease Agreement, and to the Trustee.

SECTION 8.05. BINDING EFFECT. This Lease Agreement shall inure to the benefit of and shall be binding upon the Lessor and the Board and their respective successors and assigns.

SECTION 8.06. SEVERABILITY. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Lease Agreement on the part of the Lessor or the Board to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Lease Agreement.

SECTION 8.07. HEADINGS. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Lease Agreement, nor shall they affect its meaning, construction or effect.

SECTION 8.08. APPLICABLE LAW. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 8.09. LESSOR AND BOARD REPRESENTATIVES. Whenever under the provisions of this Lease Agreement the approval of the Lessor or the Board is required or the Lessor or the Board are required to take some action at the request of the other, such approval of such request may be given for the Lessor by an Authorized Officer of the Lessor and for the Board by an Authorized Officer of the Board, and any party hereto shall be authorized to rely upon any such approval or request.

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SECTION 8.10. FURTHER ASSURANCES. The Lessor and the Board agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of any Project hereby leased or for carrying out the expressed intention of this Lease Agreement.

SECTION 8.11. CERTIFICATE OF OFFICERS. Every certificate with respect to compliance with a condition or covenant provided for in this Lease Agreement may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless the Person providing the certificate knows that the certificate or representations with respect to the matters upon which the certificate may be based are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 8.12. BUSINESS DAYS. Any act or thing required to be done or exist on any date set forth herein which does not constitute a Business Day in any year shall be deemed to be done or to exist on such date if such act or thing is done or exists on the next date which constitutes a Business Day.

SECTION 8.13. EFFECT OF DISSOLUTION OF LESSOR. In the event the Lessor for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Lease Agreement by or on behalf of or for the benefit of the Lessor shall bind or inure to the benefit of the successor or successors of the Lessor from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "Lessor" as used in this Lease Agreement shall include such successor or successors.

SECTION 8.14. MEMORANDUM. Simultaneously with the execution of this Lease Agreement, the Lessor and the Board shall each execute, acknowledge and deliver a Memorandum of Lease Agreement with respect to this Lease Agreement for recording in the Public Records of Polk County, Florida. Said Memorandum of Lease shall be substantially in the form of Exhibit D hereto and shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Lease Agreement.

SECTION 8.15. RADON GAS. Section 404.056, Florida Statutes, requires that the following notification be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in

buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

SECTION 8.16. COUNTERPARTS. This Lease Agreement may be executed in several counterparts, each of which together with a counterpart executed by each of the other parties hereto shall constitute a single original and shall constitute but one and the same agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed in their respective names by their duly Authorized Officers as of the date first above written.

**FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA,** as Lessor

(SEAL)

By: _____
Title: President

Attest:

Title: Secretary

**SCHOOL BOARD OF POLK COUNTY,
FLORIDA,** as Lessee

(SEAL)

By: _____
Title: Chairman

Attest:

Title: Secretary

#528225078_v3

EXHIBIT A

DEFINITIONS

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Exhibit A-1

EXHIBIT B

**FORM OF REQUISITION
FOR PAYMENT OF PROJECT COSTS**

Date: _____

Requisition Number: _____

Total Disbursement Requested: \$ _____

Certificates: [Series 20__ Certificates of Participation] (the "Certificates")

Lease Schedule No. 20__ (the "Lease Schedule")

Account or Subaccount of Project Account: Series 20__ Acquisition Account

To: _____, as Trustee (the "Trustee")

The School Board of Polk County, Florida (the "Board"), consistent with the terms of the Master Trust Agreement, dated as of June 1, 1993 (the "Trust Agreement"), among the Board, the Trustee and the Financing Corporation for the School Board of Polk County, Florida, (the "Lessor"), requests a disbursement from the above-described account or subaccount of the Project Account in the aggregate amount set forth above, for payment or reimbursement of Project Costs incurred for the acquisition, construction and installation of a portion of the Project described in the Lease Schedule.

Capitalized terms used in this Requisition shall have the same meaning ascribed to them in the Trust Agreement.

The Board does hereby direct and instruct the Trustee to pay such Project Costs to the Vendor, Contractor or Developer (or if indicated below, to reimburse the Board for payment of the attached invoices, bills and statements or to transfer moneys to the Board in order for it to pay such invoices, bills and statements) from moneys in the above-described account or subaccount of the Project Account, as follows:

<u>Amount</u>	<u>Payee</u>	<u>Description of Expense</u>	<u>Payment Instructions</u>

Exhibit B-1

9. The following constitutes an itemized list of the attachments to this certificate:

(insert itemized list)

10. The amount remaining in the above-described account or subaccount of the Project Account will, after payment of the amount set forth in this Requisition, be sufficient to pay all remaining applicable Project Costs relating to the Lease Schedule as currently estimated.

11. According to our records, the aggregate dollar amount disbursed for Project Costs relating to the Lease Schedule (including the amount requested in this Requisition) is \$ _____.

12. Execution of this Requisition shall constitute an affirmation of the completeness and accuracy of the representations and warranties contained in Section 5.02 of the Lease Agreement as of the date of execution hereof.

**SCHOOL BOARD OF POLK
COUNTY, FLORIDA**

By: _____
Title: _____

Exhibit B-3

To induce the Trustee to approve this Requisition and disburse such moneys from the above-described account or subaccount of the Project Account, the undersigned certifies as follows:

1. The portions of the Project described in the Lease Schedule which are described in this Requisition have been thoroughly inspected and accepted by the Board in accordance with the terms of the Lease Agreement. The Board has satisfied itself that such portion of such Project is suitable for its purposes.

2. Attached hereto is a schedule of the amounts billed or invoiced to the Board or paid by the Board for each item of Equipment specified on Schedule I attached hereto which constitutes a portion of the Project described in the Lease Schedule to be reimbursed hereby. Each item which constitutes Designated Equipment shall be so identified in Schedule II attached hereto. Also attached hereto is a schedule reflecting the Purchase Price for each item of Land identified in Schedule IV attached hereto which constitutes a portion of such Project to be reimbursed hereby.

3. The Board hereby certifies that all documents required by Section 6.03(d)(i) of the Trust Agreement are on file with the Board and open to inspection by the Trustee upon reasonable request. Attached hereto is a copy of a certificate of the Architect or Engineer as required by Section 6.03(d)(ii) of the Trust Agreement relating to the construction of a Building which is part of the Project described in the Lease Schedule and identified on Schedule III attached hereto.

4. Attached hereto is the documentation required by Section 6.03(d)(iii) of the Trust Agreement for any Architects' or Engineer's progress payments which are the subject of this Requisition, which payments are hereby approved by the Board.

5. There are no liens against any such portion of the Project to be reimbursed hereby, other than Permitted Encumbrances.

6. To date, the Board has timely complied with all its obligations under the Lease Agreement.

7. All funds previously disbursed by the Trustee for Project Costs from the above-described account or subaccount of the Project Account have been applied in accordance with the Requisitions requesting same and the amounts requested herein are to be used to pay for Project Costs which have not been previously paid for with disbursements from the above-described account or subaccount of the Project Account or included in previous Requisitions submitted by the Board to the Trustee.

8. There is no Event of Default under the Lease Agreement or the Trust Agreement.

Exhibit B-2

**FORM OF REQUISITION
FOR PAYMENT OF COSTS OF ISSUANCE**

Date: _____

Requisition Number: _____

Total Disbursement Requested: \$ _____

Certificates: [State Series of Certificates] (the "Certificates")

Lease Schedule No. ____

Account or Subaccount of Costs of Issuance Account: ____

To: First Union National Bank of Florida, as Trustee (the "Trustee")

The School Board of Polk County, Florida (the "Board"), consistent with the terms of the Master Trust Agreement, dated as of June 1, 1993 (the "Trust Agreement"), among the Board, the Trustee and the Financing Corporation for the School Board of Polk County, Florida, (the "Lessor"), requests a disbursement from the above-described account or subaccount of the Costs of Issuance Account in the aggregate amount set forth above, for payment or reimbursement of Costs of Issuance relating to the Certificates.

Capitalized terms used in this Requisition shall have the same meaning ascribed to them in the Trust Agreement.

The Board does hereby direct and instruct the Trustee to pay the Costs of Issuance to the Person indicated below pursuant to the attached invoices (or if indicated below, to reimburse the Board for payment of the attached invoices or to transfer moneys to the Board in order for it to pay such invoices) from moneys in the above-described account or subaccount of the Costs of Issuance Account, as follows:

<u>Amount</u>	<u>Payee</u>	<u>Description of Costs of Issuance</u>	<u>Payment Instructions</u>

Exhibit B-4

To induce the Trustee to approve this Requisition and disburse such moneys from the above-described account or subaccount of the Costs of Issuance Account, the undersigned certifies as follows:

1. The Costs of Issuance which are described in the attached invoices have been approved by the Board.

2. Attached hereto is an invoice for such Costs of Issuance.

3. To date, the Board has timely complied with all its obligations under the Lease Agreement.

4. All funds previously disbursed by the Trustee for Costs of Issuance relating to the Certificates from the above-described account or subaccount of the Costs of Issuance Account have been applied in accordance with the Requisitions requesting same and the amounts requested herein are to be used to pay for Costs of Issuance relating to the Certificates which have not been previously paid for with disbursements from such account or subaccount of the Costs of Issuance Account or included in previous Requisitions submitted by the Board to the Trustee.

5. The following constitutes an itemized list of the attachments to this certificate:

(insert itemized list)

6. The amount remaining in the above-described account or subaccount of the Costs of Issuance Account, will, after payment of the amount set forth in this Requisition, be sufficient to pay all remaining applicable Costs of Issuance as currently estimated.

7. According to our records, the aggregate dollar amount disbursed for Costs of Issuance relating to the Certificates (including the amount requested in this Requisition) is \$__.

8. Execution of this Requisition shall constitute an affirmation of the completeness and accuracy of the representations and warranties contained in Section 5.02 of the Lease Agreement as of the date of execution hereof.

**SCHOOL BOARD OF POLK
COUNTY, FLORIDA**

By: _____
Title: _____

Exhibit B-5

(a) The Certificates of Participation issued under the Trust Agreement and related to this Lease Schedule are identified as "Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series __ Evidencing Fractional Proportionate Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Polk County, Florida" (the "Series __ Certificates").

(b) The Credit Enhancer for the Series __ Certificates shall be _____.

(c) The Reserve Requirement for the Series __ Subaccount established in the Reserve Account under the Trust Agreement shall be _____.

(d) The Optional Prepayment Date shall be _____.

(e) The Closure Date of the Series __ Subaccount of the Project Account established for the Series __ Certificates, for purposes of Section 6.03(g) of the Trust Agreement, shall be _____.

(f) The Prepayment Amount relating to the Series __ Subaccount of the Project Account established for the Series __ Certificates, for purposes of Section 6.03(g) of the Trust Agreement, shall be _____.

4. Basic Rent. The Basic Rent payable by the Board to the Lessor with respect to the Series __ Project under the Lease Agreement is described in Schedule A attached hereto.

5. Use of Certificate Proceeds. The proceeds of the Series __ Certificates shall be disbursed as follows:

Deposit to Series
Subaccount of Project
Account established for
Series __ Certificates

Deposit to Series
Subaccount of Costs of
Issuance Account established
for Series __ Certificates

Deposit to Series
Subaccount of Capitalized
Interest Account established
for Series __ Certificates

Exhibit C-2

FORM OF LEASE SCHEDULE

Schedule No. _____
to the
Master Lease-Purchase Agreement,
dated as of June 1, 1993,
between
Financing Corporation for the School Board of Polk County, Florida, (the "Lessor")
and
School Board of Polk County, Florida (the "Board")

THIS LEASE SCHEDULE NO. __ (the "Lease Schedule") is hereby entered into under and pursuant to that certain Master Lease-Purchase Agreement, dated as of June 1, 1993 (the "Lease Agreement"), pursuant to which the Lessor has agreed to lease-purchase to the Board and the Board has agreed to lease-purchase from the Lessor, subject to the terms and conditions of the Lease Agreement, the Series __ Project as herein described. All defined terms not otherwise defined herein shall have the respective meanings thereof set forth in the Lease Agreement. Reference to "Lease Agreement" herein shall include the terms of this Lease Schedule.

1. Series __ Project. The leased property, which is described in Section 6 of this Lease Schedule (the "Series __ Project"), and has a Maximum Cost of \$ __, shall be acquired, constructed and installed, and lease-purchased, by the Board from the Lessor pursuant to the terms of the Lease Agreement.

2. Commencement Date; Lease Term; Other Definitions. For purposes of this Lease Schedule and the Lease Agreement:

(a) The Commencement Date for the Series __ Project is _____.

(b) The Initial Lease Termination Date of the lease of the Series __ Project shall be _____. The Maximum Lease Term shall commence on the Commencement Date hereof and terminate on **[shall be at least 10 years past final Certificate maturity]**.

(c) The Estimated Completion Date is _____.

(d) The Prepayment Amount is \$ ____.

3. Certificates of Participation.

Exhibit C-1

Deposit to Series __ Subaccount
of the Interest Account established
for Series __ Certificates

Deposit to Series
Subaccount of Reserve
Account established for
Series
Certificates

6. The Series __ Project. The Project Description, Project Budget and Project Schedule for the Series __ Project are attached hereto as Schedule B.

7. Designated Equipment. The Designated Equipment for the Series __ Project is attached hereto as part of Schedule B.

8. The Land. A description of the Land, including any Ground Leases, is attached as Schedule C attached hereto.

9. Other Documents. The documents required by Section 3.01(c) of the Lease Agreement to be submitted with this Lease Schedule are attached hereto as Schedule D.

10. Assignment of Lease Agreement. The Lessor hereby acknowledges that all Lease Payments and its rights, title and interest in this Lease Schedule and, with certain exceptions, the Lease Agreement have been simultaneously assigned to the Trustee pursuant to the Assignment of Lease Agreement.

11. Other Permitted Encumbrances.

12. Special Terms and Conditions for Lease Schedule.

Exhibit C-3

IN WITNESS WHEREOF, each of the parties hereto have caused this Lease Schedule No. __ to be executed by their proper corporate officers, all as of the __ day of _____.

**FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

By: _____

Title: _____

Date: _____

Attest: _____

**SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

By: _____

Title: _____

Date: _____

Attest: _____

SCHEDULE A

BASIC RENT SCHEDULE

Basic Rent	Interest	Principal	Remaining	
<u>Payment Date</u>	<u>Component</u>	<u>Component</u>	<u>Total Basic</u>	<u>Principal</u>
			<u>Rent Payment</u>	<u>Component</u>

[Provide Basic Rent Schedule for each
Group within Project]

**SUPPLEMENTAL RENT SCHEDULE FOR ORDINARY FEES
OF LESSOR AND TRUSTEE**

<u>Payment Date</u>	<u>Trustee's Fees</u>	<u>Lessor's Fees</u>
	\$	\$

Exhibit C-4

Exhibit C-5

SCHEDULE B

PROJECT DESCRIPTION, PROJECT BUDGET,
PROJECT SCHEDULE AND DESIGNATED EQUIPMENT

SCHEDULE C

DESCRIPTION OF THE LAND

Exhibit C-6

Exhibit C-7

DOCUMENTS REQUIRED BY SECTION 3.01(C) OF THE LEASE
AGREEMENT

MEMORANDUM OF LEASE AND NOTICE OF OPTION

SEE ITEM 3 IN TRANSCRIPT

Exhibit C-8

Exhibit D-1

LEASE SCHEDULE NO. 2026

Schedule No. 2026
to the
Master Lease-Purchase Agreement,
dated as of June 1, 1993,
between
Financing Corporation for the School Board
of Polk County, Florida (the "Corporation")
and
The School Board of Polk County, Florida (the "Board")

THIS LEASE SCHEDULE NO. 2026 (this "Lease Schedule") is hereby entered into under and pursuant to that certain Master Lease-Purchase Agreement, dated as of June 1, 1993, as amended and supplemented (the "Lease Agreement"), pursuant to which the Corporation has agreed to lease-purchase to the Board and the Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Lease Agreement, the Series 2026 Project as herein described. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Lease Agreement or in the Master Trust Agreement dated as of June 1, 1993 among the Corporation, the Board and First Union National Bank of Florida, as succeeded by U.S. Bank Trust Company, National Association, as successor Trustee (the "Trustee"), as amended and supplemented (the "Trust Agreement"), including the Series 2026 Supplemental Trust Agreement, as such terms are hereinafter defined. Reference to the "Lease Agreement" herein shall include the terms of this Lease Schedule.

1. **Series 2026 Project.** The leased property, which is described in Section 6 of this Lease Schedule (the "Series 2026 Project"), and has an aggregate Maximum Cost of \$[____], shall be lease-purchased by the Board from the Corporation and shall be acquired, constructed and installed, pursuant to the terms of the Lease Agreement.

2. **Commencement Date; Lease Term; Other Definitions.** For purposes of this Lease Schedule and the Lease Agreement:

(a) The Commencement Date for the Series 2026 Project is [____], 2026.

(b) The Initial Lease Termination Date of the lease of the Series 2026 Project shall be June 30, 2027. The Maximum Lease Term shall commence on the Commencement Date hereof and terminate on [____], 20[____].

(c) The Estimated Completion Date is [____], 2029.

(d) Definitions:

"Series 2026 Supplemental Trust Agreement" shall mean the Series 2026 Supplemental Trust Agreement dated as of [____] 1, 2026, among the Corporation, the Board and the Trustee.

"Trust Agreement" shall mean the Master Trust Agreement, dated as of June 1, 1993, between the Corporation and the Trustee, as amended and supplemented.

3. **Certificates of Participation.**

(a) The Certificates of Participation issued under the Trust Agreement and related to this Lease Schedule are identified as "Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026 Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida" (the "Series 2026 Certificates").

(b) The Credit Enhancer for the Series 2026 Certificates shall be [____], or any successor thereto ("Insurer").

(c) The Reserve Requirement for the Series 2026 Subaccount established in the Reserve Account under the Trust Agreement shall be zero (\$0.00).

(d) The Optional Prepayment Date shall be [____], [2036].

(e) The Closure Date of the Series 2026 Subaccount of the Project Account established for the Series 2026 Certificates, for purposes of Section 6.03(g) of the Trust Agreement, shall be [____], 2029.

4. **Basic Rent; Supplemental Rent.** The Basic Rent payable by the Board to the Corporation with respect to the Series 2026 Project under the Lease Agreement is described in Schedule A attached hereto, which sets forth the Principal Component and Interest Component of Basic Rent.

In addition to the Basic Rent Payments, the following Supplemental Rent shall apply:

(i) Trustee Fees: Legal fees and costs (\$[____]); acceptance fee (\$[____]); Trustee annual fee (\$[____]) due each year the Trust Agreement is in effect.

(ii) Trustee Expenses: The reasonable costs and expenses incurred by the Trustee and payable pursuant to the Lease Agreement or the Trust Agreement.

(iii) All other payments other than Basic Rent Payments provided by the Lease Agreement and the Series 2026 Supplemental Trust Agreement to be paid by the Board.

5. **Use of Certificate Proceeds.** The proceeds of the Series 2026 Certificates shall be disbursed as follows:

Deposit to Series 2026 Subaccount of
Project Account established for
Series 2026 Certificates\$[_____]

Deposit to Series 2026 Subaccount of
Costs of Issuance Account established
for Series 2026 Certificates.....\$[]

Bond insurance premium which shall be paid
directly by the underwriter to Insurer at closing.....\$[]

6. The Series 2026 Project. The Project Description, Project Budget and Project Schedule for the Series 2026 Project are attached hereto as Schedule B.

7. Designated Equipment. The Designated Equipment for the Series 2026 Project is attached hereto as part of Schedule B.

8. The Land. A description of the Land, including any Ground Leases, is attached as Schedule C attached hereto, subject to adjustment as set forth in Section 11 below.

9. Other Documents. The documents required by Section 3.01(c) of the Lease Agreement to be submitted with this Lease Schedule are attached hereto as Schedule D.

10. Assignment of Lease Agreement and Ground Leases. The Corporation hereby acknowledges that all Lease Payments and its rights, title and interest in this Lease Schedule have been assigned to the Trustee pursuant to and in accordance with the terms of the Assignment of Lease Agreement by the Corporation to the Trustee dated as of June 1, 1993 and that all of its rights, title and interests in the Ground Lease have been assigned to the Trustee pursuant to and in accordance with the Assignment of Ground Lease dated as of [] 1, 2026 by the Corporation to the Trustee.

11. Special Terms and Conditions for this Lease Schedule. *The following shall become effective upon execution by the Board and the Corporation of this Lease Schedule No. 2026. Purchase of the Series 2026 Certificates shall constitute consent by each holder of the Series 2026 Certificates.*

(a) Insurance. Notwithstanding the provisions of Section 5.05 of the Lease Agreement, the Board shall, during the term of this Lease Schedule, only be required to maintain property and casualty insurance at such levels as are available at commercially reasonable costs. Such insurance may be maintained in one or more "stacked" or umbrella policies.

(b) Section 5.08(c) and (d) of the Master Lease Not Applicable. Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of the Master Lease, if the Net Proceeds related to the Series 2026 Project are not greater than the amount of the Basic Rent Payments represented by the Series 2026 Certificates coming due in the current and immediately following fiscal year, then such amounts shall be used first, to pay the Interest Component of the Series 2026 Certificates for the next two interest Payment Dates and then to pay the Principal Component of the Series 2026 Certificates next coming due. In the event such Net Proceeds are greater than the amount of the Basic Rent Payments represented by the Series 2026 Certificates coming due hereunder in the current and immediately following fiscal year, at the option of the Board, the Board shall apply the portion of the Net Proceeds of such insurance or condemnation award to (i) the acquisition, construction, and installation of other Land and/or Buildings to be

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13. Effective Date. Notwithstanding anything to the contrary herein (including the dated date of [] 1, 2026), this Lease Schedule shall be effective on [], 2026.

[Remainder of Page Intentionally Left Blank]

used for educational purposes that will be subject to this Lease Schedule, or (ii) upon receipt of an approving opinion of Special Counsel, to the Series 2026 Subaccount of the Interest Accounts or Series 2026 Subaccount of the Principal Account, to be credited against the payments next due to such accounts or subaccounts.

(c) Release of Series 2026 Project Components and Series 2026 Project Component Sites. Notwithstanding anything to the contrary in the Master Lease, one or more of the facilities comprising a portion of the Series 2026 Project components as identified in Schedule B hereto, or a portion thereof, may be released from the lien of the Master Lease if after the release of such facility or facilities the total construction cost of remaining facilities components comprising the Series 2026 Project components subject to the lien of the Master Lease exceeds the remaining Principal Component of the Basic Rent Payments payable with respect to the Series 2026 Project. The Series 2026 Project components and/or the Premises and any Servient Property (each as defined in the Series 2026 Ground Lease), or portions thereof, released under this Section 11(c) shall be deemed to be paid and fee simple title to such facilities and/or facility sites (or portions thereof) shall vest in the Board.

The Corporation hereby appoints the 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 Premises and any Servient Property (or portions thereof) to vest in the Board, free and clear of all encumbrances except Permitted Encumbrances. The Corporation agrees to immediately execute all instruments necessary to vest good and marketable fee simple title to the released Premises and any Servient Property (or portions thereof) in the Board subject only to Permitted Encumbrances. The Series 2026 Ground Lease shall then be modified to remove the subject Premises and any Servient Property (or portions thereof), as provided therein. The Corporation shall request the execution of such instruments by the Trustee as may be necessary to effect the conveyance described herein and the Trustee may rely on the information provided to it pursuant to this paragraph and shall have no responsibility to verify or ensure the accuracy of such information.

(d) Legal Description of McLaughlin Middle/Senior Auditorium Site. The legal description included in Schedule C attached hereto with respect to the project known as the McLaughlin Middle/Senior Auditorium encompasses the entire McLaughlin Middle School campus located in Lake Wales, Florida. As of the date hereof, the exact site within such campus for the construction of the new auditorium has not been determined and, accordingly, a survey of the specific auditorium site was not feasible as of the date of this Lease Schedule. The [Credit Enhancer and each] holder of a Series 2026 Certificate, by its purchase and acceptance thereof, acknowledges and agrees that the District may, at any time and without further consent of the holders of Series 2026 Certificates [or the Credit Enhancer], obtain a survey of the specific site for the new auditorium and amend the legal description set forth in Schedule C, and such other ancillary documents related thereto, to describe solely the auditorium site and any Servient Property appurtenant thereto, thereby excluding the remainder of the McLaughlin Middle School campus from the legal description.

12. Permitted Encumbrances. The encumbrances listed on Schedule E attached hereto shall constitute Permitted Encumbrances with respect to the parcels of Land affected thereby as indicated.

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IN WITNESS WHEREOF, each of the parties hereto have caused this Lease Schedule No. 2026 to be executed by their proper corporate officers, all as of the [] day of [], 2026.

**FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

(SEAL)

By: _____
Name: Justin Sharpless
Title: President

Attest:

By: _____
Name: Frederick Heid
Title: Secretary

**THE SCHOOL BOARD OF POLK COUNTY,
FLORIDA**

(SEAL)

By: _____
Name: Justin Sharpless
Title: Chair

Attest:

By: _____
Name: Frederick Heid
Title: Secretary/Superintendent

[Signature Page to Lease Schedule No. 2026]

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SCHEDULE A

BASIC RENT SCHEDULE
SERIES 2026 CERTIFICATES

Basic Rent Payment Date*	Principal Component	Interest Component	Total Basic Rent Payment	Remaining Principal Component
Total				

* The Basic Rent Payment dates are due on the fifteenth (15th) day preceding each January 1 and July 1 shown above. Therefore, the first Basic Rent Payment date is June 15, 2026.

SCHEDULE B

PROJECT DESCRIPTION, PROJECT BUDGET,
PROJECT SCHEDULE AND DESIGNATED EQUIPMENT

PROJECT DESCRIPTION

The Series 2026 Project includes (together with the Designated Equipment described below) the financing of certain educational facilities and the sites thereof in Polk County, Florida, generally described as follows:

Alta Vista	Renovation & Capacity addition
Lake Alfred	Renovation & Capacity addition
Wahneta	Renovation & Capacity addition
McLaughlin Middle/Senior Auditorium	New Construction
Floral Avenue	Renovation & Capacity addition

PROJECT BUDGET

Total Cost of Financing the Series 2026 Project = \$[_____]. Estimated Cost of the Series 2026 Project to be Lease Purchased:

Facility	Planning	Construction Acquisition	Land Acquisition	Total Project Cost

TOTAL

PROJECT SCHEDULE

The Series 2026 Project is expected to be completed in accordance with the following schedule:

_____, 20__ - Construction Starts

_____, 2029 - Construction Complete

DESIGNATED EQUIPMENT

All equipment components not constituting fixtures of the educational facilities described under the Series 2026 Project description above, certain deferred maintenance, and HVAC systems at various school facilities.

SCHEDULE C

DESCRIPTION OF THE LAND

ALTA VISTA DESCRIPTION

(O.R. 389, PG. 640)

The South one-half of Lots 9 & 10 of Totten & Maddux's Sub. Haines City, Florida, according to plat thereof as recorded in Plat Book 1, page 23A, Public Records of Polk County, Florida.

(O.R. 1522, PG. 750)

South 1/2 of Lot 11, Totten & Maddox Subdivision, Haines City, Florida, as shown in Plat Book 1, page 23-A of the Public Records of Polk County, Florida.

LESS AND EXCEPT that portion of the South 1/2 of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, as recorded in Plat Book 1, Page 23, Public Records of Polk County, Florida and described in Official Records Book 3542, Page 1849, Public Records of Polk County, Florida.

(O.R. 6390, PG. 431)

Parcel 1:

Commence at the southeast corner of the north 1/2 of Lot 11, Totten & Maddoux's Subdivision, according to the plat thereof as shown in Plat Book 1A, Page 23, of the Public Records of Polk County, Florida, and the southwest corner of Lot 21, Block D, CAROLO TERRACE, according to the plat thereof as shown in Plat Book 44, Page 31, of the Public Records of Polk County, Florida, for the Point of Beginning; thence South 89°40'23" West, along the south line of aforesaid north 1/2 of Lot 11, and the north line of the south 1/2 of said Lot 11, a distance of 330.73, to a point on the east line of the SKYWAY TERRACE, according to the plat thereof as recorded in Plat Book 38, Page 21, of aforesaid Public Records, and the southwest corner of aforesaid north 1/2 of Lot 11; thence North 00°19'34" West, along aforesaid east line of SKYWAY TERRACE, and the west line of aforesaid north 1/2 of said Lot 11, a distance of 106.42 feet, to a point on said east and west line; thence North 89°42'12" East, along the extension of the south right-of-way of Lake Villa Way, as shown on aforesaid CAROLO TERRACE, 330.89 feet, to a point on the east line of aforesaid north 1/2 of Lot 11 and the northwest corner of aforesaid Lot 21, Block D, CAROLO TERRACE; thence south 00°14'24" East, along the west line of said Lot 21, Block D, CAROLO TERRACE, and along the east line of aforesaid north 1/2 of Lot 11, a distance of 106.25 feet to the Point of Beginning.

(O.R. 9175, PG. 1471)

A parcel of land being a portion of the North 1/2 of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, according to the plat thereof as recorded in Plat Book 1, Page 23, Public Records of Polk County, Florida, being described as follows:

Commence at the northeast corner of Lot 1, SKYWAY TERRACE, as recorded in Plat Book 38, Page 21, Public Records of Polk County, Florida; thence North 89°34'10" East, along the south right-of-way line of Alta Vista Drive, 25.00 feet to the intersection of said south right-of-way line and the west line of aforesaid Lot 11, TOTTEN & MADDUX'S SUBDIVISION; thence continue North 89°34'10" East, along said South right-of-way line, 25.00 feet; thence South 00°13'59" East, along a line 25 feet east of and parallel with aforesaid west line of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, a distance of 358.86 feet to the Point of Beginning; thence continue South 00°13'59" East, along said line, 200.00 feet to the north line of a parcel recorded in Official Records Book 6390, Page 0431, Public Records of Polk County, Florida; thence North 89°42'59" East, along said north line, 305.68 feet to the west line of CAROLO TERRACE, as recorded in Plat Book 44, Page 31, Public Records of Polk County, Florida; thence North 00°12'49" West, along said west line, 200.00 feet; thence South 89°42'59" West, 305.75 feet to the Point of Beginning.

AND

East 10 feet of Lot 23, Block D, CAROLO TERRACE, according to the plat thereof as recorded in Plat Book 44, Page 31, Public Records of Polk County, Florida.

MORE PARTICULARLY DESCRIBED AS:

A parcel of land being a portion of Lots 9, 10, and 11, TOTTEN AND MADDUX'S SUBDIVISION, as recorded in Plat Book 1, Page 23, and a portion of Lot 23, Block D, CAROLO TERRACE, as recorded in Plat Book 1, Page 23, both of the Public Records of Polk County, Florida, located in Section 32, Township 27 South, Range 27 East, being described as follows:

COMMENCE at the Southeast corner of said Section 32; thence North 00°17'53" West, along the East line of said Section 32, a distance of 33.00 feet to the intersection with the North right-of-way line of State Road 544 as depicted on the Florida Department of Transportation Section Map 16140-2501; thence South 89°44'30" West, along said North right-of-way line, 15.00 feet to the POINT OF BEGINNING; thence continue along said North right-of-way line the following twelve (12) courses: thence (1) South 89°44'30" West, 364.25 feet; thence (2) North 28°45'30" West, 68.38 feet; thence (3) South 61°14'30" West, 65.00 feet; thence (4) South 28°45'30" East, 23.09 feet; thence (5) South 30°29'30" West, 10.23 feet; thence (6) South 89°44'30" West, 123.59 feet; thence (7) North 49°08'00" West, 15.07 feet; thence (8) North 08°00'30" West, 25.60 feet; thence (9) South 81°59'30" West, 50.00 feet; thence (10) South 08°00'30" East, 13.79 feet; thence (11) South 40°52'00" West, 19.73 feet; thence (12) South 89°44'30" West, 97.50 feet to the Southeast corner of a parcel described in Official Records Book 3512, Page 1849, Public Records of Polk County, Florida; thence North 00°28'05" West, along the East line of said parcel described in Official Records Book 3512, Page 1849, a distance of 331.07 feet; thence South 89°44'32" West, 230.00 feet to the intersection with the East line of the plat of PENINSULAR RIDGE as recorded in Plat Book 170, Page 13, and the West line of said Lot 11, TOTTEN AND MADDUX'S SUBDIVISION, both of the Public Records of Polk County, Florida; thence North 00°28'05" West, along said East line of plat and West line of Lot 11, a distance of 327.06 feet to the Northwest corner of the South 1/2 of said Lot 11; thence North 00°13'59" West, along the West line of the parcel described in Official Records Book 6390, Page 431, of the Public Records of Polk County, Florida, a distance of 106.35 feet to the Northwest corner of said parcel, also being the Southwest

corner of the parcel described in Official Records Book 9175, Pages 1435 through 1439, of the Public Records of Polk County, Florida; thence along the South and East lines of said parcel described in Official Records Book 9175, Pages 1435 through 1439 the following two (2) courses: thence (1) North 89°42'40" East, 25.00 feet; thence (2) North 00°13'59" West, 200.00 feet to the Northwest corner of the parcel described in Official Records Book 9175, Page 1471 through 1473, of the Public Records of Polk County, Florida; thence North 89°42'59" East, along the North line of said parcel described in Official Records Book 9175, Pages 1471 through 1473, a distance of 305.75 feet to the intersection with the West line of said plat of CAROLO TERRACE; thence South 00°12'49" East, along said West line of plat, 200.00 feet to the Northwest corner of said Lot 21, Block D; thence South 00°17'53" East, along the West line of said Lot 21, Block D, 106.25 feet to the Southwest corner of said Lot 21, Block D; thence North 89°41'52" East, along the North line of the South half of said Lot 10, and the South line of said plat of CAROLO TERRACE, a distance of 313.00 feet to the intersection with the West line of the East 10 feet of Lot 23, Block D of said CAROLO TERRACE; thence North 00°17'53" West, along said West line, 106.25 feet to the intersection with the South right-of-way line of Lake Villa Way as depicted on said plat of CAROLO TERRACE; thence North 89°41'52" East, along said South right-of-way line, 10.00 feet to the Northwest corner of Lot 24, Block D of said plat of CAROLO TERRACE; thence South 00°17'53" East, along the West line of said Lot 24, Block D, 106.25 feet to said South line of the plat of CAROLO TERRACE, and the North line of the South 1/2 of said Lot 9; thence North 89°41'52" East, along said South line of plat, 322.92 feet to the Southeast corner of Lot 26, Block D of said plat of CAROLO TERRACE; thence South 00°17'53" East, along the East line of said Lot 9, a distance of 658.88 feet to the POINT OF BEGINNING. Said parcel contains 15.12 acres, more or less.

LAKE ALFRED DESCRIPTION

Lot 1, Replat of Addition No. 1 of The E.H. Price Co. Incor. to Lake Alfred, Polk County, Florida, according to the map or plat thereof, as recorded in Plat Book 27, Page 15, of the Public Records of Polk County, Florida, also described as: Begin at a point 714.2 feet South of the Northwest corner of the Southwest 1/4 in Section 33, Township 27 South, Range 26 East; thence East 660 feet; thence South 684.2 feet; thence West 660 feet; thence North 684.2 feet to the point of beginning.

WAHNETA DESCRIPTION

The West ten (10) Acres of Lot 189, Wahneta Farms Subdivision, Section Sixteen (16), Township Twenty-nine (29) South, Range Twenty-six (26) East, in accordance with the map or plat of the said subdivision, which is recorded in the office of the Clerk of the Circuit Court in and for Polk County, Florida, in Plat Book 1 on pages 82A and 82B.

MORE PARTICULARLY DESCRIBED AS:

A parcel of land being a portion of Lot 189, WAHNETA FARMS SUBDIVISION, as recorded in Plat Book 1, Page 82, of the Public Records of Polk County, Florida, being described as follows:

COMMENCE at the Southeast corner of the Southwest 1/4 of Section 16, Township 29, South, Range 26 East, Polk County, Florida; thence South 89°18'14" West, along the South line of said Southwest 1/4 of Section 16, a distance of 670.46 feet; thence North 00°48'59" West, 33.73 feet to the intersection with the North right-of-way line of 4th Street East as described in Official Records Book 9542, Pages 1185 through 1188, of the Public Records of Polk County, Florida for the POINT OF BEGINNING; thence South 89°06'55" West, along said North right-of-way line, 661.06 feet to the West line of said Lot 189; thence North 00°50'15" West, along said West line of Lot 189, a distance of 628.19 feet to the Northwest corner of said Lot 189; thence North 89°22'48" East, along the North line of said Lot 189, a distance of 661.30 feet; thence South 00°48'59" East, 625.14 feet to the POINT OF BEGINNING. Said parcel contains 9.51 acres, more or less.

MCLAUGHLIN MIDDLE/SENIOR AUDITORIUM DESCRIPTION

The West 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 11, Township 30 South, Range 27 East, Polk County, Florida.

The East 1/2 of the Southwest 1/4 of the Northeast 1/4 of said Section 11, Township 30 South, Range 27 East, Polk County, Florida.

Less and Except any portion lying within public road right-of-way.

FLORAL AVENUE DESCRIPTION

The South 748.81 feet of the Replat of Blocks 1 and 2 of Floral Park Subdivision, being a part of the Subdivision of that part of the East 1/2 of the Northeast 1/4 of the Southeast 1/4 and the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4, lying West of the Atlantic Coast Line Railroad Right of Way; all being in Section 7, Township 30 South, Range 25 East, Plat Book 29, page 1; and that part of Plumosa Drive as shown on replat of Blocks 1 and 2, Floral Park Subdivision as recorded in Plat Book 29, Page 1 of the Public Records of Polk County, Florida, located between that part of said Blocks 1 and 2 of the replat of Floral Park Subdivision herein conveyed.

The perimeter of said parcels of land being described as follows:

Begin at a point 30' East and 30' North of the Southwest corner of the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 7, Township 30 South, Range 25 East, and run thence East a distance of 632.91'; thence run North 65.85' to the West boundary line of the Atlantic Coast Line Railroad Company right of way; thence run in a Northwesterly direction along the West boundary line of said railroad right of way a distance of 708.64'; then run West a distance of 442.08' to the East boundary line of the public street known as Floral Avenue; then run South along the East boundary line of said Floral Avenue a distance of 748.81' to point of beginning.

SCHEDULE D

DOCUMENTS REQUIRED BY SECTION 3.01(C) OF THE LEASE AGREEMENT

1. Resolution of School Board
2. Certificate of School Board
3. Ground Lease Agreement
4. Series 2026 Supplemental Trust Agreement
5. Assignment of Ground Lease Agreement
6. Memorandum of Ground Lease
7. Memorandum of Lease and Notice of Option

SCHEDULE E

PERMITTED ENCUMBRANCES

Permitted Encumbrances shall include, for each parcel, the following:

- (1) the Ground Lease and any liens and encumbrances created or permitted thereby;
- (2) subject to the provisions of Section 5.13 of the Lease Agreement, 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 Lease Agreement;
- (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 the Series 2026 Certificate holders in the premises under the Ground Lease, the Assignment of Lease 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 premises for educational purposes or the benefits enjoyed by the Series 2026 Certificate holders in the premises under the Ground Lease, the Assignment of Lease Agreement and the Trust Agreement;
- (4) any other liens or encumbrances permitted by the Lease Agreement relating to such premises; provided, such lien or encumbrance shall not materially adversely affect the intended use of such premises by the Board for educational purposes or the benefits enjoyed by the Series 2026 Certificates holders in the Ground Lease, the Assignment of Lease Agreement and the Trust Agreement, and such liens and encumbrances are approved by the Owners of the Series 2026 Certificates relating to such premises; and
- (5) All encumbrances in the title policies or title opinions and delivered to the Board in connection with the acquisition of the Land by the Board.

THIRD AMENDMENT

Dated as of [____], 2026

to

MASTER LEASE-PURCHASE AGREEMENT dated as of June 1, 1993

by and between

Financing Corporation for the School Board
of Polk County, Florida, as Lessor

and

The School Board of Polk County, Florida,
as Lessee

THIS THIRD AMENDMENT to Master Lease-Purchase Agreement (the "Third Amendment") is hereby entered into as of [____], 2026 and amends and supplements the Master Lease-Purchase Agreement dated as of June 1, 1993, as amended (the "Master Lease"), by and between the Financing Corporation for the School Board of Polk County, Florida, a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Corporation") and The School Board of Polk County, Florida (the "School Board") acting as the governing body of the School District of Polk County, Florida (the "District").

WITNESSETH

A. All terms used herein and not otherwise defined herein shall have the meanings given to them in the Master Lease or the Master Trust Agreement dated as of June 1, 1993 (the "Trust Agreement") by and among the Corporation, the School Board and U.S. Bank Trust Company, National Association (successor in interest to First Union National Bank of Florida and U.S. Bank National Association), a national banking association, as Trustee.

B. Pursuant to Section 6.05(a) of the Master Lease, the Master Lease may be amended in writing by the parties thereto without the consent of the Owners of the Certificates for the purpose of any amendment which in the judgment of the Board does not materially, adversely affect the interests of the Owners of the Certificates.

C. In addition, pursuant to Section 6.05(b) of the Master Lease, the Master Lease may also be amended upon approval of a majority of aggregate principal amount of the Owners of Certificates then Outstanding and the consent of all Credit Enhancers, or in lieu thereof, upon the approval of the Credit Enhancers of all Certificates then Outstanding, if all Outstanding Certificates are secured by Credit Facilities and/or municipal bond insurance policies; provided that no such amendment impairs the right of any Owner to receive his proportionate share of any Basic Rent Payment in accordance with his Certificate unless approved by the Owners of all Certificates then Outstanding and the Credit Enhancers.

for such Project. The Board may, at any time prior to the Completion Date for a Project, make modifications to such Project and substitute and add items or components constituting a portion of such Project, subject to the provisions of this Section 3.03(b), if (i) the Board files with the Trustee, as assignee of the Lessor, a certificate of an Authorized Officer of the Board notifying the Trustee of such modification, addition or substitution, identifying the portion of such Project which is modified, added or substituted, and certifying that after such modification, addition or substitution, amounts on deposit in the subaccount of the Project Account relating to such Project, together with interest earnings thereon and any additional legally available sums of the Board deposited therein or available therefor, will be sufficient to pay all remaining Costs of such Project, including Project Costs incurred in connection with such modification, addition or substitution and any Project Costs which shall have accrued but remain unpaid as of such date, (ii) if the modification, addition or substitution involves Equipment, either the items of substituted Equipment have a useful life equal to or greater than the useful life of the items of Equipment for which it has been substituted or the Credit Enhancer, if any, of the Certificates which shall finance the acquisition of such Equipment approves of a shorter useful life for such substituted Equipment in writing, (iii) the Plans and Specifications, the Project Description, the Project Budget, the Project Schedule and, if necessary, the Estimated Completion Date for such amended or modified Project are each amended, as necessary, to take into account the portion of such Project which is modified, added or substituted, (iv) title to the substituted, added or modified portion of the Project shall be in the name of the Board and, except as otherwise provided in Section 4.07 hereof, the Board shall grant to the Lessor a leasehold estate therein in accordance with the terms of the applicable Ground Lease, (v) if the modification or substitution involves Equipment, the substituted, added or modified Equipment shall be placed in the same Group as the Equipment for which there has been a substitution or the Credit Enhancer, if any, of the Certificates which shall finance the acquisition of such Equipment approves of the substituted or modified Equipment being placed in a different Group in writing, (vi) no change shall be made in the schedule of Basic Rent Payments, and (vii) except for the substitution of Equipment, the Board obtains the prior written consent of the Credit Enhancer in respect of the Series of Certificates for which such modification, substitution or addition is being made. If the total Costs of such Project exceed the amount estimated therefor, the Board shall take the actions set forth in Section 3.05 hereof as a condition precedent to such modification, addition or substitution. ~~The Board agrees not to lease purchase any Equipment hereunder except to the extent consented to by the Department or otherwise permitted by applicable law.~~

2. Section 5.11 is deleted in its entirety and replaced with "RESERVED."

3. Subsection (a) of Section 5.12 is hereby amended in its entirety to read as follows (with underlining to reflect inserts and strikethroughs to reflect deletions).

(a) The Board shall keep each Project and all parts thereof free from judgments and, except as to Permitted Encumbrances, free from all liens, claims,

D. There are no Outstanding Certificates which are insured by a Credit Enhancer.

E. Upon the issuance of the \$[____] Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026, Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida, the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding shall have given sufficient consent and all other conditions under Section 6.05(a) shall have been satisfied and such amendments shall be immediately effective.

F. In accordance with the foregoing provisions, the School Board and the Corporation have decided to enter into this Third Amendment in order to amend the Master Lease to substitute a new Form of Requisition for Payment of Project Costs.

G. The School Board shall provide notice to the holder of the Certificates of Participation (School Board of Polk County, Florida Master Lease Program), Series 2010C (Qualified School Construction Bonds - Federally Taxable - Direct Subsidy) Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida, in accordance with Section 17 of the Lease Schedule No. 2010C dated November 1, 2010 between the School Board and the Corporation.

NOW THEREFORE, the Master Lease is amended as follows:

I. Consent and Amendment to the Master Lease Not Requiring Consent of Owners.

Pursuant to Section 6.05(a) of the Master Lease the parties hereto mutually agree to the following amendment to the Master Lease:

1. The Form of Requisition for Payment of Project Costs, included in Exhibit B to the Master Lease, is hereby deleted and replaced in its entirety with Form of Requisition for Payment of Project Costs attached hereto as Exhibit A hereto.

II. Consent and Amendments to the Master Lease Requiring Majority Consent.

Pursuant to Section 6.05(b) of the Master Lease, upon approval of a majority of aggregate principal amount of the Owners of Certificates then Outstanding, the following amendments to the Master Lease Agreement shall be effective. By acceptance of a Series of Certificates each Owner of such Certificates shall be deemed to have consented to the following amendments:

1. Subsection (b) of Section 3.03 is hereby amended in its entirety to read as follows (with underlining to reflect inserts and strikethroughs to reflect deletions).

(b) The Lessor and the Board agree that they will assure that each Project will be acquired, constructed and installed in accordance with the Plans and Specifications. The Lessor and the Board further agree that each Project will be acquired, constructed and installed in accordance with the Project Budget and the Project Schedule relating thereto, which shall be provided in the Lease Schedule

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demands and encumbrances of whatsoever nature or character, to the end that each Project may at all times be maintained and preserved, and the Board shall keep each Project free from any claim or liability which might impair or impede the operation of such Project or the security granted in the Trust Estate to Certificate Owners by the Trust Agreement; provided, however, that the Board shall not be required to pay any such liens, claims or demand if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, the interest of the Lessor and the Trustee shall not be in immediate jeopardy and if the Board shall set aside or cause to be set aside reserves deemed by it to be adequate with respect thereto; and, provided, further, that the Board upon the commencement of any proceedings to foreclose the lien of any such charge or claim, will forthwith pay or cause to be paid any such charge or claim unless contested in good faith as aforesaid. ~~The Board agrees not to lease purchase any Equipment hereunder except to the extent consented to by the Department or otherwise permitted by applicable law.~~

4. Section 5.14 is hereby amended in its entirety to read as follows (with underlining to reflect inserts and strikethroughs to reflect deletions):

SECTION 5.14. SUBSTITUTION OF EQUIPMENT. Subsequent to the Completion Date of a Project, the Board may substitute for an item of Equipment which constitutes a part of such Project other equipment by filing with the Trustee, as assignee of the Lessor, a certificate of an Authorized Officer of the Board stating that such substitute equipment (a) has the same or a greater remaining useful life than the Equipment to be substituted (determined at the time of substitution), (b) ~~has a fair market value equal to or greater than the fair market value of the item of Equipment for which it is substituted (determined at the time of substitution),~~ (c) is free and clear of all liens and encumbrances, except the Permitted Encumbrances, (d) ~~has been titled in the name of the Lessor, except in the case of Designated Equipment which shall be titled in the name of the Board,~~ (e) and (d) constitutes "Equipment" under this Lease Agreement, ~~and (f) is essential to the operation of the school system.~~ The Board may substitute Equipment which does not meet any of the foregoing provisions if it receives the written consent of Credit Enhancer for the Certificates, the proceeds of which were used to finance the acquisition of such Equipment, to do so.

5. The following defined terms in Exhibit A to the Master Lease are hereby amended and replaced in their entirety to read as follows (with underlining to reflect inserts and strikethroughs to reflect deletions):

"Act" means Chapters 1001, 1010 and 1013 (or any successor provisions), 230, 235 and 236, Florida Statutes, and other applicable provisions of law.

"Designated Equipment" means Equipment or other facilities for which title is ~~required by the Department to be vested in the name of the Board upon acquisition thereof and which is described as such in the Lease Schedule relating thereto.~~ All Designated Equipment ~~must be consented to by the Department or otherwise permitted by applicable law.~~

"Equipment" means, in regard to a Project, the items of personal property to be financed or refinanced by disbursements from the Project Account and leased to the Board pursuant to the terms and provisions of the Lease Agreement and which are more particularly described in the Lease Schedule relating to such Project, or any substitutions therefor or additions thereto made in accordance with the provisions of the Lease Agreement. "Equipment" shall include Designated Equipment. ~~All Equipment must be consented to by the Department or otherwise permitted by applicable law.~~

"Project" shall mean the Land, the Buildings, and/or the Designated Equipment, as described in the Lease Schedule relating thereto, as the same may be amended or modified from time to time in accordance with the terms of the Lease Agreement.

III. Miscellaneous Provisions.

1. Except as set forth herein, the Master Lease shall remain in full force and effect in accordance with the respective terms and provisions thereof. This Third Amendment shall be deemed an integral part of the Master Lease.

2. This Third Amendment may be executed in several counterparts, each of which, together with a counterpart executed by each of the other parties hereto, shall constitute a single original and shall constitute but one and the same agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereby have caused this Third Amendment to be authorized by their duly authorized officers or agents, all as of the day and year first above written.

[SEAL]

FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA

[ATTEST]

By: _____
Title: President

By: _____
Title: Secretary

[SEAL]

THE SCHOOL BOARD OF POLK
COUNTY, FLORIDA

[ATTEST]

By: _____
Title: Chair

By: _____
Title: Superintendent of Schools, ex
officio Secretary to The School
Board of Polk County, Florida

[Signature Page to Third Amendment to Master Lease-Purchase Agreement]

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EXHIBIT A

**FORM OF REQUISITION
FOR PAYMENT OF PROJECT COSTS**

REQUISITION NO. ____

\$ ____

CERTIFICATES OF PARTICIPATION, SERIES 20 ____
(THE SCHOOL BOARD OF POLK COUNTY, FLORIDA,
MASTER LEASE PROGRAM)

Evidencing Fractional Undivided Interests of the
Owners Thereof in Basic Rent Payments to be Made under a Master-Lease Purchase
Agreement by THE SCHOOL BOARD OF POLK COUNTY, FLORIDA

TO: U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION (successor in interest to First Union National Bank of Florida and U.S. Bank National Association), as Trustee under the Master Trust Agreement dated as of June 1, 1993, as supplemented, with Financing Corporation for The School Board of Polk County, Florida (the "Trust Agreement"). This Requisition is made pursuant to Section 6.03 of the Trust Agreement to pay Costs of the Series 20 ____ Facilities.

The Trustee is hereby directed to pay sums out of the Series 20 ____ Subaccount of the Project Account as follows:

Name & Address of Payee	Purpose of Payment	Amount

[THIS PAGE INTENTIONALLY LEFT BLANK]

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 Project Cost of the Series 20 ____ Facilities and has not been the basis of any previous withdrawal, and (c) such payment will not cause the balance remaining in the Series 20 ____ Subaccount of the Project Account after such payment to be less than the amount necessary to pay the remaining estimated Project Costs to be paid from the Series 20 ____ Subaccount of the Project Account, or sufficient other moneys are available therefor.

Dated: _____

Authorized Officer of the Board

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APPENDIX F

ASSIGNMENT OF LEASE AGREEMENT

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POLK OFF. REC. PAGE

This document prepared by:

Henry M. Morgan, Jr.
Holland & Knight
P.O. Box 32092
Lakeland, Florida 33802-2092

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076946

Hoswell Law Firm
OFFICE BOX

ASSIGNMENT OF LEASE AGREEMENT

by and between

FINANCING CORPORATION FOR THE SCHOOL BOARD
OF POLK COUNTY, FLORIDA,
as Lessor

and

FIRST UNION NATIONAL BANK OF FLORIDA,
as Trustee

Dated as of June 1, 1993

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ASSIGNMENT OF LEASE AGREEMENT

THIS ASSIGNMENT OF LEASE AGREEMENT, is made and entered into as of June 1, 1993, by and between FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, a not-for-profit corporation duly organized and validly existing under the laws of the State of Florida (the "Corporation") and FIRST UNION NATIONAL BANK OF FLORIDA, a national banking association with corporate trust powers duly qualified to enter into this Assignment of Lease Agreement, not in its individual capacity but solely as trustee (the "Trustee");

WITNESSETH:

In the joint and initial exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

SECTION 1. RECITALS. (a) The Corporation and the Board have entered into the Master Lease-Purchase Agreement, dated as of June 1, 1993 (which, together with all amendments and Lease Schedules thereto, shall be referred to herein as the "Lease Agreement"), between the Corporation and the Board, whereby the Corporation has agreed to lease to the Board, and the Board has agreed to lease from the Corporation, the Projects, as described in the Lease Agreement.

(b) The Certificates shall be issued from time to time in order to finance the acquisition, construction and installation of the Projects and the proceeds of the Certificates shall be deposited with the Trustee and shall be held and applied in accordance with the Trust Agreement.

(c) Pursuant to the Lease Agreement, the Board is obligated to make certain Lease Payments to the Corporation, or its assignee. In order to secure the Certificates, the Corporation is willing to absolutely and irrevocably assign and transfer its rights and interests under the Lease Agreement to the Trustee for the benefit of the Owners of the Certificates.

(d) Each of the parties hereto has authority to enter into this Assignment of Lease Agreement, and has taken all actions necessary to authorize its officer to enter into it.

(e) The capitalized words and terms used in this Assignment of Lease Agreement, but not otherwise defined herein, shall have the meanings assigned to such words and terms in Exhibit A to the Lease Agreement.

SECTION 2. ASSIGNMENT. The Corporation, for good and valuable consideration received, does hereby absolutely and irrevocably sell, assign and transfer to the Trustee, for the benefit of the Owners of the Certificates, all of its right, title and interest in the Lease Agreement (other than the right to receive indemnification pursuant to the Lease Agreement, the right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement), including its right to receive Lease Payments from the Board under the Lease Agreement and its right to use, sell and re-let the Projects (under the circumstances contemplated by the Lease Agreement), and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement. All rights of the Corporation in each Lease Schedule shall be assigned to the Trustee upon execution and delivery thereof. The Lease Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement. Except for any Lease Schedules which are hereafter attached to the Lease Agreement and hereafter assigned by the Corporation to the Trustee pursuant to an amendment to this Assignment of Lease Agreement, the sale, assignment and conveyance of the rights, title and interest of the Corporation under and to the Lease Agreement are immediately complete and effective for all purposes.

SECTION 3. ACCEPTANCE. The Trustee hereby accepts such assignment in trust for the purpose of securing payment of the Certificates and securing the rights of the Owners of the Certificates issued pursuant to the Trust Agreement.

SECTION 4. CONDITIONS. This Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

SECTION 5. REPRESENTATIONS AND AGREEMENTS. (a) With respect to the sale, assignment and conveyance of the rights, title and interest of the Corporation under the Lease Agreement, the Corporation represents, warrants and covenants to and with the Trustee, for the benefit of the Owners of the Certificates, that:

(i) The Corporation is a not-for-profit 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.

(ii) The Corporation is duly qualified to transact business and hold property and is in good standing in the State of Florida and wherever necessary to perform its obligations under the Lease Agreement, the Trust Agreement and this Assignment Agreement.

(iii) The Corporation has full power, authority and legal right to enter into and perform its obligations under the Lease Agreement, the Trust Agreement and this Assignment Agreement; and the execution, delivery and performance of the Lease Agreement, the Trust Agreement and this Assignment Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the

Corporation, do not require any stockholder approval or the approval or consent of any trustee or holder of any indebtedness or obligations of the Corporation or any other Person or such required approvals and consents have heretofore been duly obtained.

(iv) The execution, delivery and performance of the Lease Agreement, the Trust Agreement and this Assignment Agreement do not contravene any provision of any 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 indenture, mortgage, contract, 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.

(v) To the Corporation's knowledge, the Lease Agreement and the Trust Agreement are in full force and effect and the Corporation is not in default thereunder; and, the Lease Agreement, the Trust Agreement and this Assignment 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, reorganizations, moratoriums and creditors' rights generally and to the exercise of judicial discretion in accordance with general principles of equity.

(vi) The Corporation has complied, and will at all times hereafter comply, with and duly perform its obligations under the Lease Agreement, the Trust Agreement and this Assignment Agreement.

(vii) 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 Lease Agreement, the Trust Agreement or this Assignment Agreement.

(viii) The Lease Agreement and the lease rights thereunder being herein assigned are free and clear of all claims, liens, mortgages, security interests and encumbrances arising through any act or omissions of the Corporation or any Person claiming by, through or under it, except the rights of the Board under the Lease Agreement and encumbrances permitted thereunder, including the Permitted Encumbrances.

(b) From and after the date of delivery to the Trustee of this Assignment Agreement, the Corporation shall have no further rights or interest under the Lease Agreement or in any Lease Payments (except any rights of indemnification of the Corporation under the Lease Agreement, the Corporation's right to enter into Lease Schedules from time to time and the

Corporation's obligations under Section 6.03 of the Lease), the Projects or other moneys due with respect thereto or to become due under the Lease Agreement.

(c) The Corporation agrees to execute and deliver to the Trustee, upon request by the Trustee or the Owners of a majority in principal amount of the Certificates, any documents deemed necessary by the Trustee or such Owners to evidence further the assignment and conveyance herein made with respect to the Lease Agreement including, without limitation, any amendments hereto necessary or desirable to assign to the Trustee any Lease Schedules executed and delivered after the date hereof.

(d) The Corporation hereby irrevocably constitutes and appoints the Trustee, or its successors or 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 Lease Payments or other amounts due under the Lease Agreement, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Lease Agreement or pertaining to the Projects 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 Lease Payments or other amounts due under the Lease Agreement.

(e) The Corporation has authorized and directed the Board to pay to the Trustee, its successors and assigns, all Lease Payments and all other amounts due and payable under the Lease Agreement.

(f) In order to secure payment of the Certificates, the Corporation hereby authorizes the Trustee to take possession of the Projects, and title thereto in accordance with the provisions of the Trust Agreement and Lease Agreement, and sell or relet such Projects, or any portion thereof, in the circumstances described in the Trust Agreement.

SECTION 6. NON-RECOURSE. The parties hereto agree that the assignment contained in this Assignment Agreement shall be non-recourse with respect to the Corporation, and the Corporation shall have no liability hereunder to the Trustee or the Owners of any Certificates, with respect to the occurrence of an Event of Default or Event of Non-Appropriation by the Board under the Lease Agreement.

SECTION 7. NO INDIVIDUAL LIABILITY. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Assignment Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, director, 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 Assignment Agreement against any member, officer, director, employee or agent of the parties hereto.

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IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Lessor

(SEAL)

By: Rubie Wilcox
Rubie Wilcox, President
1915 South Floral Avenue
Bartow, Florida 33830

Attest:

John A. Stewart
John A. Stewart, Secretary
1915 South Floral Avenue
Bartow, Florida 33830

FIRST UNION NATIONAL BANK OF
FLORIDA, as Trustee

(SEAL)

By: Melba R. Polk
Name: Melba R. Polk
Title: Asst. Vice President
Address: 214 Hogan Street, 2nd Floor
Jacksonville, Florida 32202

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SECTION 8. AMENDMENTS UPON DELIVERY OF ADDITIONAL LEASE SCHEDULES. The Corporation hereby agrees to deliver to the Trustee upon the execution and delivery of any Lease Schedules after the date hereof an amendment to this Assignment of Lease Agreement which provides for the assignment of the rights of the Corporation in and to said Lease Schedule in accordance with the terms hereof and confirms the representations and agreements of the Corporation set forth in Section 5 hereto as of the date thereof.

SECTION 9. COUNTERPARTS. This Assignment Agreement may be executed in counterparts, and each of said counterparts shall be deemed an original for all purposes of this Assignment Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

SECTION 10. LAW. This Assignment Agreement shall be construed under the laws of the State of Florida.

SECTION 11. AMENDMENTS. No amendment or modification hereof shall be made without the prior written consent of each Credit Enhancer.

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STATE OF FLORIDA)

) SS:

COUNTY OF POLK)

I, Margaret Thompson, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Rubie Wilcox and John A. Stewart as President and Secretary of Financing Corporation for the School Board of Polk County, Florida, who are personally known to me or ~~has produced~~ as identification and did/did not take an oath, respectively, 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.

GIVEN under my hand and notarial seal this 28th day of June, 1993.

Margaret W. Thompson
Notary Public
Print Name: Margaret W. Thompson

(SEAL)

My Commission Expires:

My Commission Expires Jan. 15, 1994

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STATE OF FLORIDA)

COUNTY OF POLK) SS:

I, Margaret W. Thompson, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____ as _____ of First Union National Bank of Florida, who is personally known to me ~~or has produced~~ as identification and did/did not take an oath, respectively, subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he or she, being thereunto duly authorized, signed, sealed with the seal of said Bank, and delivered the said instrument as the free and voluntary act of said Bank, and as his or her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28th day of June, 1993.

Margaret W. Thompson
Notary Public
Print Name: Margaret W. Thompson

(SEAL)

My Commission Expires:

Notary Public, State of Florida, Commission Expires Aug. 13, 1994

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LAK-42811.5

APPENDIX G

FORMS OF SERIES 2026 GROUND LEASE AND GROUND LEASE ASSIGNMENT

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This document prepared by:

Michael L. Wiener, Esq.
Holland & Knight LLP
100 North Tampa Street, Suite 4100
Tampa, Florida 33602

GROUND LEASE AGREEMENT

by and between

THE SCHOOL BOARD OF POLK COUNTY, FLORIDA,
as Lessor

and

FINANCING CORPORATION FOR THE SCHOOL
BOARD OF POLK COUNTY, FLORIDA,
as Lessee

Dated as of [____], 2026

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Exhibit A – Premises Description

Exhibit B – Description of Servient Property

Exhibit C – [First, Second, Third, etc.] Ground Lease Supplement

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (hereinafter referred to as this "Ground Lease") is made and entered into as of [____], 2026, by and between **THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a school board duly organized and existing under the laws of the State of Florida, acting as the governing body of the Polk County School District (the "Board"), as lessor, and **FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), as lessee.

Capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A to the Trust Agreement referred to herein.

WHEREAS, the Board is the owner of certain parcels of real property located in Polk County, Florida and described in Exhibit A hereto (which, together with 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 together with all parcels of real property hereunder made subject to this Ground Lease, is hereinafter referred to as the "Premises"); and

WHEREAS, the Board desires to provide for lease-purchase financing for the acquisition and construction of certain improvements constituting educational facilities (together with the acquisition of certain Equipment, the "Series 2026 Project") through the issuance of the \$[_____] The School Board of Polk County, Florida, Certificates of Participation (School Board of Polk County, Florida Master Lease Program), Series 2026 (the "Series 2026 Certificates") to be issued as additional Certificates pursuant to that certain Master Trust Agreement dated as of June 1, 1993, by and among U.S. Bank Trust Company, National Association, as successor Trustee (the "Trustee"), the Corporation and the Board, as supplemented and amended, particularly as supplemented by that certain Series 2026 Supplemental Trust Agreement, dated as of [____], 2026 (collectively, the "Trust Agreement"); and

WHEREAS, in order to provide for the issuance of the Series 2026 Certificates, the Board desires to hereby enter into this Ground Lease; and

WHEREAS, through the execution of an assignment, the Corporation will absolutely assign all right, title and interest in and to this Ground Lease to the Trustee to facilitate the transactions contemplated hereby and to secure the timely payment of the principal and interest in respect of the Series 2026 Certificates; and

WHEREAS, the Corporation desires to acquire a leasehold estate and interest in the Premises and complete the construction thereon of the Series 2026 Project and to sublease the Series 2026 Project, including a sublease of the Premises, to the Board, all in accordance with the terms and provisions of Lease Schedule No. 2026, dated as of [____], 2026, to the Master Lease-Purchase Agreement, dated as of June 1, 1993, between the Corporation, as Lessor, and the Board, as Lessee, as supplemented and amended (collectively, the "Lease Agreement"); and

WHEREAS, each such educational facility comprising the Series 2026 Project is located or shall be located on the real property comprising the Premises; and

WHEREAS, the Board owns that certain real property more particularly described on Exhibit B attached hereto and made a part hereof ("Servient Property") which such Servient Property now has or will hereafter have certain buildings, structures and improvements erected and situated thereon (collectively, the "Servient Buildings"); and

WHEREAS, it is anticipated that the Series 2026 Project may be attached to the Servient Property for pedestrian and vehicular ingress, egress and access to and from and between the Premises and the public roads adjoining the Servient Property (hereinafter referred to as "Access"); and may further be dependent upon the Servient Property for utility and other enjoyment of the Premises which such services include, but are not necessarily limited to, drainage, sewer and water service, electric and telephone service, gas service and parking of vehicles (collectively, the "Services"); and

WHEREAS, the Corporation desires to acquire from the Board, pursuant to this Ground Lease, and the Board is willing to grant to the Corporation, the right to utilize the Servient Property to the extent reasonably necessary for Access and for the Services and the Corporation and the Board desire to provide for the structural attachment of certain of the components of the Series 2026 Project to the Servient Buildings;

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. LEASED PREMISES.

(a) Pursuant to the terms and provisions hereof, the Board hereby leases, grants, demises and transfers the Premises and the Series 2026 Project, other than the Designated Equipment, to the Corporation. The Board hereby agrees to make all parcels of real property on which the Series 2026 Project are sited part of the Premises and subject to this Ground Lease. The Board shall execute, deliver and record one or more supplements to this Ground Lease upon acquisition of each such parcel not presently described in Exhibit "A" upon execution hereof.

(b) The aforesaid leasing, granting, demising and transfer of the Premises also includes the following rights ("Premises Rights") which such Premises Rights shall be deemed to be a part of the Premises:

(i) The right to utilize the Servient Property for Access and for the Services reasonably necessary to the full use and enjoyment of the Premises; provided that the locations on the Servient Property utilized for such purposes shall be reasonably agreed upon by the Corporation and the Board; and provided, further, that the Servient Property Rights shall include, but not necessarily be limited to, the right to utilize for such purposes any portion of the Servient Property (e.g., the Servient Property Rights shall include, but not necessarily be limited to, the right to utilize for appropriate purposes, any drives, parking areas, drainage facilities or sewer, water, gas, electric or telephone lines from time to time located upon the Servient Property, together with the right to "tie-in" or

"connect" thereto). If the Lease Agreement terminates prior to the termination of this Ground Lease, the Corporation and the Board shall each have the right to install such meters or submeters as may be reasonably appropriate to the end that the Corporation is charged for consumption of such utilities on the Premises.

(ii) The Servient Buildings and the Series 2026 Project may contain certain elements, features or parts which are structural elements of both the Servient Buildings and the Series 2026 Project (hereinafter referred to as "Common Structural Elements"). Such Common Structural Elements include, but are not necessarily limited to the following:

(A) All utility lines, ducts, conduits, pipes and other utility fixtures and appurtenances which are located on or within either the Premises or the Series 2026 Project on the one hand or the Servient Property or Servient Buildings on the other hand and which, directly or indirectly, in any way, service the other.

(B) All division walls (hereinafter referred to as "Party Walls") between the Series 2026 Project and the Servient Buildings upon the common line between the Premises and the Servient Property (hereinafter referred to as the "Lot Line") provided that the mere fact that such a division wall is found not to be on the Lot Line shall not preclude that division wall from being the Party Wall.

(C) The roof and all roof support structures and any and all appurtenances to such roof and roof support structures including, without limitation, the roof covering, roof trim and roof drainage fixtures (collectively, the "Roofing") to the extent interrelated between the Series 2026 Project and the Servient Buildings. Should the Roofing of any building constituting a portion of the Series 2026 Project extend beyond the Lot Line, the right therefor is hereby granted and should the Roofing of the Servient Building extend beyond the Lot Line onto the Premises, the right therefor is hereby reserved.

(D) The entire concrete floor slab or wood floor system if utilized in lieu thereof and all foundational and support structures and appurtenances thereto to the extent interrelated between the Series 2026 Project and the Servient Buildings (collectively referred to as "Flooring"). Should the Flooring of the Series 2026 Project extend beyond the Lot Line, the right therefor is hereby granted and should the Flooring of the Servient Buildings extend beyond the lot line onto the Premises, the right therefor is hereby reserved.

(iii) The Premises Rights further include that right of the Series 2026 Project to encroach upon the Servient Property as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching Series 2026 Project shall remain undisturbed for as long as same exist and, for so long as such encroachment exists, that portion of the Servient Property on which same exists shall be deemed to be a part of the Premises. In addition, the Premises Rights include the right to utilize that portion of the Servient Property as may be reasonably necessary in order to maintain and repair the Series 2026 Project. The Premises Rights further include cross

rights of support and use over, upon, across, under, through and into Common Structural Elements in favor of the Corporation (and like rights are hereby reserved unto the Board) for the continued use, benefit and enjoyment and continued support, service, maintenance and repair of all such Common Structural Elements.

(c) Subject to the Permitted Encumbrances, the Board hereby warrants that (i) the Board owns the Premises in fee simple title, has full and insurable title to the fee estate in the Premises and owns unencumbered all such right, title and interest; (ii) all consents to or approvals of this Ground Lease required by law or any agreements or indentures binding upon the Board have been obtained; (iii) the Board has the right to lease the Premises to the Corporation pursuant to the terms and provisions hereof and to grant to the Board the Premises Rights; and (iv) this Ground Lease complies with all the requirements and restrictions of record applicable to the Premises and the Servient Property. The Board represents and warrants that none of the Permitted Encumbrances has an adverse effect on the use of the Premises or the enjoyment of the leasehold estate therein created under this Ground Lease.

SECTION 2. TERM. The initial term of this Ground Lease (the "Initial Ground Lease Term") shall be for the period commencing on the Commencement Date of the Series 2026 Project, and ending on the earlier of (a) the date on which the Series 2026 Certificates and any certificates or obligation issued to refund the Series 2026 Certificates or to refund any such refunding certificates or obligations which are hereafter issued, have been paid or provision for payment of the Series 2026 Certificates has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) **[January 1, _____]** or (c) **[January 1, _____]** if the extension option granted in Section 22 herein is elected (all such dates inclusive). As used herein, the expression "term hereof," "Ground Lease Term" or any similar expression refers collectively to the Initial Ground Lease Term and to any renewals of the Initial Ground Lease Term exercised by the Corporation or its assignee as provided in Section 22 hereof.

SECTION 3. USE OF PREMISES.

(a) It is the express intent of the parties hereto that, for as long as no "Event of Default" or "Event of Non-Appropriation" under the Lease Agreement has occurred:

(i) the Premises shall be used by the Corporation as the site for acquisition, construction and installation of the Buildings and improvements comprising a portion of the Series 2026 Project;

(ii) the Buildings, improvements and Equipment comprising a portion of the Series 2026 Project shall be acquired, constructed and installed by the Board as agent for the Corporation as provided in Section 3.08 of the Lease Agreement; and

(iii) title to the Premises and the Series 2026 Project, other than Designated Equipment, shall be subject in all respects to the leasehold estate granted by the Board to the Corporation pursuant to Section 1 hereof, until the end of the Ground Lease Term.

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Agreement, the Trust Agreement, and the Principal and Interest Requirements and Supplemental Rent for such preceding twelve months; 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 years to the extent that moneys received in such year from the exercise of the remedies permitted by the Lease Agreement exceed the amounts due to the Trustee under the Lease Agreement and the Trust Agreement, the Supplemental Rent, the Principal and Interest Requirements 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 Lease Agreement (A) shall not give rise to any obligation to pay interest on such unpaid fair market rental, and (B) shall not constitute a default under this Ground Lease by the Corporation or the Trustee as the assignee of the Corporation.

SECTION 5. OWNERSHIP OF IMPROVEMENTS AND SURRENDER OF PREMISES.

(a) The Corporation or its assignee shall at all times during the Ground Lease Term have a leasehold estate in the Premises and the Series 2026 Project (other than the Designated Equipment) with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee.

(b) Possession and use of the Premises, together with all improvements thereon, shall, upon the last day of the Ground Lease Term or earlier termination of this Ground Lease in accordance with its terms, automatically revert to the 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 Ground Lease, the Corporation or its assignee shall peaceably and quietly surrender to the Board the Premises together with any improvements located in or upon the Premises. Upon such surrender of the Premises, the Corporation or any Permitted Transferee, at the reasonable request of the Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Premises and the improvements thereof in the possession of the Corporation or any Permitted Transferee.

(c) Any personal property of the Corporation, any Permitted Transferee or any Person which shall remain on the Premises after expiration or earlier termination of the Ground Lease Term in accordance with the terms hereof and for thirty (30) days after request by the Board for removal, shall, at the option of the Board, be deemed to have been abandoned and may be retained by the Board and the same may be disposed of, without accountability, in such manner as the Board may see fit.

(d) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Premises after expiration or earlier termination of this Ground Lease in accordance with its terms, the Corporation or any Permitted Transferee shall be a tenant at

(b) Upon an "Event of Default" or "Event of Non-Appropriation" under the Lease Agreement, the Corporation and each Permitted Transferee (as defined in Section 9(b) hereof) may use the Premises for any lawful purpose, in its sole discretion, and may alter, modify, add to or delete from the portions of the Series 2026 Project existing from time to time on the Premises.

(c) Neither the Corporation nor any Permitted Transferee shall use or permit the Premises 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.

(d) The Board may at any time place portable educational facilities on the Premises.

SECTION 4. RENTAL.

(a) So long as the Lease Agreement has not been terminated, the Corporation or its assignee shall pay to the Board as and for rental, but solely from the sources set forth herein and in the Lease Agreement (it being understood that the obligation of the Corporation to pay rent hereunder is a special, limited and nonrecourse obligation of the Corporation) for the Premises the sum of ten dollars (\$10.00) per annum, which sum shall be due in advance on the Commencement Date (pro-rated) and annually thereafter on the first day of each Renewal Lease Term; the Board hereby acknowledges receipt of payment in advance of such rental accruing for the maximum Initial Ground Lease Term as provided in Section 2 above.

(b) From and after the date on which the Lease Agreement has been terminated, the Corporation or its assignee shall pay as and for rental for the Premises an amount determined by an M.A.I. appraisal to be the fair market rental for the Premises (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by the Trustee as assignee of the Corporation **[and approved by the Credit Enhancer, and so long as such Credit Enhancer is not in default of its payment obligations under its Credit Facility or municipal bond insurance policy]**; provided, however, that such fair market rental and the payment thereof shall be subject to the following adjustments and conditions:

(i) if the Lease Agreement has been terminated 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 terminated and the next succeeding June 30;

(ii) for each twelve-month period beginning on the July 1 next succeeding the date on which terminated 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 Lease Agreement during the preceding twelve months prior to such July 1 exceeded the amounts due the Trustee under the Lease

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sufferance and shall pay a rental rate equal to the fair market rental of the Premises determined in the manner provided in Section 4(b) hereof.

(e) The provisions of Sections 5(a), 5(b) and 5(c) hereof shall not apply to vending machines or other commercial equipment or trade fixtures located in or about the Premises to the extent that such equipment is readily removable from the Premises without causing material harm or damage thereto and that such equipment is not owned by the Corporation or any Permitted Transferee.

SECTION 6. BOARD'S INTEREST NOT SUBJECT TO CERTAIN LIENS. It is mutually intended, stipulated and agreed that neither the fee simple title to nor any interest of the Board in the Premises or the Series 2026 Project may be subject to liens of any nature arising by reason of any act or omission of the Corporation or any Person claiming under, by or through the Corporation, including, but not limited to, mechanics' and materialmen's liens.

SECTION 7. INSURANCE. The Corporation covenants and agrees with the Board that the Corporation will cooperate with the Board in providing any information within the Corporation's control necessary for the Board to obtain and maintain in full force and effect insurance coverages desired by the Board or required by the Lease Agreement.

SECTION 8. CONDITION OF PREMISES, UTILITIES, CONCEALED CONDITIONS.

(a) Except with regard to any environmental conditions and subject to the provisions of this Section 8, the Corporation agrees to accept the Premises in their presently existing condition, "as is."

(b) It is understood and agreed that the Board has determined that the Premises will safely or adequately support the Series 2026 Project and hereby certifies same to the Corporation.

(c) To the extent necessary, the Board, at its sole expense, shall bring or cause to be brought to the Premises adequate connections for water, electrical power, storm sewerage and sewerage, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Premises water service and capacity sufficient for operation, heating, ventilation and air conditioning equipment, and to the extent necessary to permit the Board to use the Series 2026 Project for the purposes intended or to permit such Series 2026 Project to comply with all requirements of law, the Corporation will provide and construct or cause the Board to provide and construct (but only to the extent of the proceeds of the Series 2026 Certificates available therefor) such roads, streets, sidewalks and other methods of ingress and egress necessary therefor. Nothing herein shall prohibit the Board from dedicating any such utilities or roads, streets and sidewalks to the appropriate governmental authority or duly constituted investor-owned utility as required or permitted by law, and the Corporation or the Trustee as assignee of the Corporation shall cooperate in such dedication by executing any deeds or other instruments required to effect such dedication.

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SECTION 9. LIMITATION ON LEASEHOLD MORTGAGES, ASSIGNMENT AND SUBLETTING.

(a) Upon an "Event of Default" or an "Event of Non-Appropriation" under the Lease Agreement and subject to the terms and conditions herein provided, the Corporation or its assignee, **with the consent or at the direction of the Credit Enhancer,** may enter into a mortgage or mortgages of the leasehold estate created hereby in the Premises and the Series 2026 Project (other than the Designated Equipment) as security for the performance of its obligations under any financing obtained by the Corporation or its assignee; provided, however, the fee title to the Premises and the Series 2026 Project shall not be subject to, or otherwise encumbered by, any such mortgage; provided, however, that each such leasehold mortgage shall be subject to the provisions of Section 9(d) hereof. Any such mortgage executed by the Corporation or its assignee pursuant to the provisions of the preceding sentence shall be hereinafter called a "Leasehold Mortgage" and the holder of any such mortgage shall be hereinafter called the "Leasehold Mortgagee."

(b) Except as expressly provided in this Section 9(b), the Corporation or its assignee shall not assign this Ground Lease, or any portion hereof, or sublease all or any portion of the Premises or the Series 2026 Project at any time. Except as expressly permitted in this Section 9(b), any purported assignment, partial assignment or sublease without the Board's prior written consent in violation of this Section 9(b) shall be null and void. So long as no "Event of Default" or "Event of Non-Appropriation" exists under the Lease Agreement, (i) the Corporation shall assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 2026 Certificates, and (ii) the Corporation shall sublet all of the Premises to the Board (the "Initial Sublessee") under the Lease Agreement. Upon an "Event of Default" or "Event of Non-Appropriation" under the Lease Agreement, the Corporation or its assignee may, **with the consent or at the direction of the Credit Enhancer,** sublet the Premises or assign its interest in this Ground Lease (a "Permitted Sublease") to any Person for any lawful purpose without the prior consent of the Board; provided, however, that no Permitted Sublease shall relieve the Corporation or its assignee of any of its duties or obligations hereunder without the prior written consent of the Board; provided, however, that each Permitted Sublease shall be subject to the provisions of Section 9(d) hereof. "Permitted Transferee" shall mean a sublessee or assignee permitted by this Section 9(b).

(c) Upon an "Event of Default" or "Event of Non-Appropriation" under the Lease Agreement if the Corporation or its assignee proposes to create a Permitted Sublease of any portion of its interest in this Ground Lease, the Corporation or its assignee shall provide written notice thereof to the Board **[and the Credit Enhancer]**. Such notice shall contain the names and addresses of the proposed assignee(s), sublessee(s) or transferee(s); provided, however, that failure to provide such notice shall not affect the validity or effectiveness of any Permitted Sublease to a Permitted Transferee.

(d) Upon an "Event of Default" or "Event of Non-Appropriation" under the Lease Agreement, nothing herein shall prevent the Corporation or its assignee **[(other than failure of the Corporation or its assignee to obtain the consent of the Credit Enhancer)]** from entering into a Leasehold Mortgage or a Permitted Sublease for the Series 2026 Project (other than the

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(6) That the Board's past and current uses of the Premises, and to the best of the Board's knowledge, information and belief, all past and current uses of the Premises, complied and comply with all federal, state and local environmental laws, rules, regulations and ordinances. Neither the Board nor anyone on behalf of the Board has received notice of any violations of any environmental law, rule, regulation or ordinance. 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.

(7) That the Board has no knowledge or notice of any asbestos, or any emission, discharge, seepage, release, or any hazardous pollutant in or upon the Premises; and

(8) That if a cloud on the title to the Premises or the Series 2026 Project or the uses thereof should develop, the Board shall exercise its condemnation powers to the extent permitted by law to obtain the necessary rights in the Premises and the Series 2026 Project that will enable the parties hereto to perform the transactions contemplated by the Lease Agreement, the Trust Agreement and this Ground Lease.

(b) Warranties of the Corporation. The Corporation covenants and warrants to the Board **[and the Credit Enhancer]** that the Corporation has the full power and authority to enter into, to execute and to deliver this Ground Lease, the Lease Agreement, the Assignment of Lease Agreement, the Assignment of Ground Lease Agreement and the Trust Agreement, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Ground Lease, the Lease Agreement, the assignment agreements and the Trust Agreement. The Corporation will record this Ground Lease or a memorandum thereof to secure its interest hereunder.

SECTION 12. TAXES AND FEES.

(a) The Board represents and warrants that this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Lease Agreement is in effect, should the Premises thereon or any interest therein ever become subject to any such taxes, the Board agrees to pay any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Premises or the Series 2026 Project, or any interest in this Ground Lease, or any possessory right which the Corporation or its assignee may have in or to the Premises thereon by reason of its use or occupancy thereof or otherwise.

(b) Notwithstanding the foregoing provision, either the Board or the Corporation shall, after notifying the other party hereto of its intention to do so, have the right in its own name or behalf, or in the name and behalf of the other party hereto, to contest in good faith by all appropriate proceedings the amount, applicability or validity of any such tax or assessment, and in connection with such contest, the Board may refrain from paying such tax or assessment. Each party shall, upon request by the other party hereto, assist and cooperate with the other party hereto in any such proceedings.

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Designated Equipment) and individual parcels of land constituting the Premises. It shall not be necessary for a Leasehold Mortgage or a Permitted Sublease to cover all of the Premises.

SECTION 10. UTILITY EASEMENTS. So long as no "Event of Default" or "Event of Non-Appropriation" exists under the Lease Agreement, the Board reserves the right to grant nonexclusive utility easements, licenses, rights-of-way and other rights or privileges in the nature of easements to others over, under, through, across or on the Premises but only to the extent reasonably necessary to provide services to the Premises or any other real property adjacent to the Premises; provided, however, that such grant and any use permitted thereby is not detrimental to the use or operation of the Premises or to any other uses permitted hereunder after the Ground Lease Term, will not impose any cost upon the Corporation or its assignee, will not weaken, diminish or impair lateral or subjacent support to the improvements to the Premises including, without limitation, the Series 2026 Project, will not impair or diminish the security of any Leasehold Mortgagee or Permitted Transferee hereunder and the Board agrees to indemnify and save harmless, but only from Available Revenues, the Corporation or its assignee and any Leasehold Mortgagee and Permitted Transferee (whether the interest of such party in the Premises arises prior or subsequent to such grants) against any loss, claim, liability or damages, including legal costs and defense arising or accruing from the use or exercise of such easement.

SECTION 11. GROUND LEASE WARRANTIES.

(a) Warranties of the Board. The Board covenants and warrants to the Corporation (and the Trustee as assignee thereof) **[and the Credit Enhancer]**:

(1) That the Board has good and marketable title to the Premises, has the authority to enter into, to execute and to deliver this Ground Lease and the Lease Agreement, has the authority to approve the Trust Agreement and the assignment agreements, has duly authorized the execution and delivery of this Ground Lease and the Lease Agreement and has duly authorized the approval of the Trust Agreement and the assignment agreements;

(2) That except for Permitted Encumbrances, the Premises 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 Premises as security for the financing as contemplated by the Lease Agreement and the Trust Agreement;

(3) That all taxes, assessments, or impositions of any kind with respect to the Premises, except current taxes, have been paid in full;

(4) That the Series 2026 Project are necessary to the Board in order for the Board to perform its governmental function relating to public education;

(5) That the Premises are properly zoned for school purposes, including, without limitation, the Series 2026 Project;

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(c) In the event that the Board shall fail to pay any of the items required under this Section 12, the Corporation or its assignee may, at its sole option, pay the same and any amounts so advanced therefor by it shall become an additional obligation of the Board and Supplemental Rent under the Lease Agreement.

SECTION 13. DEFAULT BY THE CORPORATION.

(a) Each of the following events shall be deemed a default by the Corporation hereunder and a breach of this Ground Lease:

(i) If, prior to the occurrence of an "Event of Default" or an "Event of Non-Appropriation" under the Lease Agreement, the Corporation or its assignee shall attempt to mortgage the leasehold estate hereby created in violation of Section 9(a) hereof or to assign this Ground Lease, or any portion thereof, or to sublease any portion of the Premises or the Series 2026 Project in violation of Section 9(b) hereof; or

(ii) If, prior to the occurrence of an "Event of Default" or an "Event of Non-Appropriation" under the Lease Agreement, the Corporation or its assignee shall use the Premises or the Series 2026 Project for any purposes not permitted by this Ground Lease, and such use shall continue for a period of thirty (30) days after the Board shall have given written notice to the Corporation to desist from such use.

(b) In the event that the item of default set forth in Section 13(a)(ii) above is of such a nature that it cannot be remedied within the time limits therein set forth, then the Corporation or its assignee shall have such additional time as is reasonably necessary to cure such default, provided the Corporation or its assignee diligently commences the curing of such default within said time limits and proceeds to completely cure the same in a timely and diligent manner.

(c) In the event that any Permitted Transferee or Leasehold Mortgagee exists of record at the time that a default occurs hereunder, the Board shall give notice thereof to each such Permitted Transferee and Leasehold Mortgagee and each such party shall have thirty (30) additional days from receipt of such notice to cure such default; provided, however, that if the default is of such a nature that the same cannot be cured in such time, then such party shall have such additional time as is reasonably necessary to cure such default provided that such party diligently commences the curing of such default within such time and proceeds completely to cure same within a timely and diligent manner.

[(d) The Board shall send notice of each event of default of the Corporation to the Credit Enhancer.]

SECTION 14. REMEDIES OF BOARD. Upon the occurrence of any event of default as set forth in Section 13 hereof which has not been cured (and is not in the process of being cured) under Section 13(b) or 13(c) hereof, but not otherwise, the Board may take whatever action at law or in equity may appear necessary or desirable to enforce its rights hereunder; provided, the Board shall not have the right to terminate this Ground Lease until such time as the Series 2026 Certificates and all other amounts due under the Trust Agreement and the Lease Agreement, have been paid or provision for payment has been made pursuant to the terms and

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provisions of the Trust Agreement. The Board shall have recourse solely against the leasehold estate of the Corporation or its assignee in the Premises and the Series 2026 Project, and any proceeds thereof, for the payment of any liabilities of the Corporation or its assignee hereunder but only on a basis subordinate to the Series 2026 Certificates.

SECTION 15. NO WAIVERS. No waiver by either party hereto at any time of any of the terms, conditions, covenants or agreements of this Ground Lease, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same, nor of any other term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof by the other party hereto. No delay, failure or omission of the Board to re-enter the Premises, nor by either party hereto to exercise any right, power, privilege or option arising from any default shall impair any right, power, privilege or option, or be construed to be a waiver of any such default, relinquishment thereof or acquiescence therein, and no notice by either party hereto shall be required to restore or revive time as being of the essence hereof after waiver by the Board of default in one or more instances. No option, right, power, remedy or privilege of the Board shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options or remedies given to each party by this Ground Lease are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law.

SECTION 16. QUIET ENJOYMENT. The Board agrees that the Corporation and any Permitted Transferee, upon the payment of the rent to be paid by the Corporation or its assignee under the terms of this Ground Lease, and observing and keeping the agreements and covenants of this Ground Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Premises and the Series 2026 Project during the term of this Ground Lease, without hindrance or molestation from the Board or anyone claiming by, through or under the Board.

SECTION 17. TERMS BINDING UPON SUCCESSORS. All the terms, conditions and covenants of this Ground Lease shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

SECTION 18. CONDEMNATION. In the event that any Person, public or private, shall by virtue of eminent domain or condemnation proceedings, or by purchase in lieu thereof, at any time during the term of this Ground Lease acquire title to the Premises or the Series 2026 Project:

(a) For as long as the Lease Agreement has not been terminated, the Net Proceeds resulting therefrom shall be applied pursuant to the Lease Agreement.

(b) If the Lease Agreement shall have been terminated, (i) if such Person acquires title to such substantial portion thereof that the Corporation[, **with the consent of the Credit Enhancer,**] determines that it cannot economically make use of the residue for the lawful purposes intended by this Ground Lease, such acquisition of title shall terminate this Ground Lease, effective as of the date on which the condemning party takes possession thereof, and the Net Proceeds resulting therefrom shall be applied first to payment of any outstanding Series 2026 Certificates and all amounts due under the Trust Agreement and the Lease Agreement, and,

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SECTION 23. ESTOPPEL CERTIFICATES. The Board, at any time and from time to time, upon not fewer than thirty (30) days prior written notice from the Corporation, the Trustee as assignee of the Corporation [**or the Credit Enhancer,**] will execute, acknowledge and deliver to the Corporation, the Trustee as assignee of the Corporation or any Permitted Transferee, a certificate of the Board certifying that this Ground Lease is unmodified (or, if there have been any modifications, identifying the same), that this Ground Lease is in full force and effect, if it is; and that there is no default hereunder (or, if so, specifying the default). It is intended that any such certificate may be relied upon by the Corporation or the Trustee as assignee of the Corporation or any Permitted Transferee.

SECTION 24. NONRECOURSE OBLIGATION OF THE CORPORATION. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating to this Ground Lease or any of the transactions contemplated hereby, the parties hereto hereby acknowledge and agree that upon the assignment by the Corporation of its rights hereunder to the Trustee pursuant to the Assignment Agreement, the Corporation shall have no further obligation, liability or responsibility hereunder and no party hereto nor their 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.

SECTION 25. NO RECOURSE UNDER AGREEMENT. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Ground Lease 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 payment of rent pursuant to Section 4 hereof or for any claim based thereon under this Ground Lease Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 26. RADON GAS. Section 404.056, Florida Statutes, requires that the following notification be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

SECTION 27. DUTIES DEEMED PERFORMED. All obligations of the Corporation hereunder which are assumed by the Initial Sublessee shall be deemed, as between the Board and the Corporation hereunder, fully performed whether or not such Initial Sublessee actually performs same.

(a) This Ground Lease shall be governed by, and be construed in accordance with, the laws of the State of Florida.

second, the balance, if any shall be paid to the Board and the Corporation, as their respective interests may appear; and (ii) if such Person acquires title to a portion of the Premises or the Series 2026 Project only, and the Corporation[, **with the consent of the Credit Enhancer,**] determines that it can economically make beneficial use of the residue thereof for the lawful purposes intended by this Ground Lease, then this Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the Trustee and used to prepay Certificates at par.

(c) It is understood that the foregoing provisions of this Section 18 shall not in any way restrict the right of the Board or the Corporation to appeal the award made by any court or other public agency in any condemnation proceeding.

SECTION 19. NON-MERGER OF LEASEHOLD. There shall be no merger of this 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 Ground Lease or leasehold estate hereby created or any interest in this Ground Lease or in such leasehold estate and the fee estate in the Premises and the Series 2026 Project or any interest in such fee estate.

SECTION 20. MEMORANDUM OF GROUND LEASE. Unless mutually agreed to the contrary, simultaneously with the execution of this Ground Lease, the Board and the Corporation shall execute, acknowledge and deliver a Memorandum of Ground Lease with respect to this Ground Lease. Said Memorandum of Ground Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Ground Lease.

SECTION 21. CHANGES TO PROPERTY DESCRIPTION. The Board reserves the right to substitute other land for, or add land to all or any portion of the Premises described in Exhibit A hereto, as same may be supplemented by supplements to this Ground Lease from time to time. The Board will do so only after notice and public hearing and subsequent adoption of a resolution in accordance with the Act. Upon such substitution the Memorandum of Ground Lease will be supplemented to reflect the change in legal description. Any such supplement shall be substantially in the form of Exhibit C attached hereto.

[Each substitution of a parcel of land subject to the provisions of this Ground Lease shall require the prior written consent of the Credit Enhancer. Such consent by the Credit Enhancer shall only be required if the Credit Enhancer is not in default of its payment obligations under its Credit Facility or municipal bond insurance policy.]

SECTION 22. OPTION TO RENEW. Upon the occurrence of an "Event of Default" or "Event of Non-Appropriation" under the Lease Agreement, and the Corporation, or the Trustee as the assignee of the Corporation, excludes the Board from possession of the Series 2026 Project, the Board grants to the Corporation or the Trustee as assignee of the Corporation the right and option to renew this Ground Lease for a period not to exceed ten years at a fair market rental to be determined, adjusted and paid in the manner and under the conditions set forth in Section 4(b) of this Ground Lease.

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(b) Any notice required or desired to be given hereunder, or any items required or desired to be delivered hereunder, may be served or delivered personally or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Board: The School Board of Polk County, Florida
1915 South Floral Avenue
Bartow, Florida 33830
Attention: Assistant Superintendent/Business Services

If to the Corporation: Financing Corporation for the School Board
of Polk County, Florida
1915 South Floral Avenue
Bartow, Florida 33830
Attention: Assistant Superintendent/Business Services

If to the Trustee: U.S. Bank Trust Company, National Association
6410 Southpoint Parkway, Suite 200
Jacksonville, Florida 32216
Attention: Corporate Trust Department

If to the Credit
Enhancer of the
Series 2026 Certificates: [_____]
[_____]
[_____]
Attention: [_____]

or such other address or party as the party to be served may direct by written notice to the other party. If such notice is sent or delivery is made by registered or certified mail, such notice or delivery shall be deemed served, made and effective seventy-two (72) hours after posting.

(c) It is mutually acknowledged and agreed by the parties hereto that this Ground Lease contains the entire agreement between the Board and the Corporation with respect to the subject matter of this Ground Lease and that there are no verbal agreements, representations, warranties or other understandings affecting the same.

(d) Nothing herein contained shall be deemed to create a partnership or joint venture, nor shall the relationship between the parties be construed as principal and agent, or other than as landlord and tenant.

(e) The table of contents, headings and captions of this Ground Lease are inserted solely for convenience of reference, and under no circumstances shall they be treated or construed as part of, or as affecting, this Ground Lease.

(f) For purposes of computing any period of a number of days hereunder for notices or performance (but not for actual days of interest) of ten (10) days or fewer, Saturdays, Sundays and holidays shall be excluded.

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(g) Any provision of this instrument in violation of the laws of the State of Florida shall be ineffective to the extent of such violation, without invalidating the remaining provisions of this instrument. In no event shall the Corporation or its assigns have any cause of actions against the officers or employees of the Board, or against any elected official of the Board based upon or materially related to any finding by any court that any or all provisions of this instrument violate Florida law.

(h) Nothing in this Ground Lease, expressed or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, [the Credit Enhancer] and the Board any rights, remedies or claims under or by reason of this Ground Lease or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Ground Lease contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, [the Credit Enhancer] and the Board.

(i) This Ground Lease Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

(j) [This Ground Lease may not be amended or modified without the prior written consent of the Credit Enhancer. Any action taken hereunder which requires or permits the consent, notice, direction or request of the Corporation or the Trustee, shall also require or permit the consent, notice, direction or request of the Credit Enhancer, which consent, direction or request shall not be unreasonably withheld.]

[Remainder of page intentionally left blank]

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STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this [] day of [], 2026, by Justin Sharpless and Frederick Heid, as Chair and Superintendent/Secretary, respectively, of THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, on behalf of the board. They are [] personally known to me or [] produced _____ as identification.

(SEAL)

Typed Name:
Notary Public-State of Florida
Commission Number:

STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this [] day of [], 2026, by Justin Sharpless as President and Superintendent/Secretary, respectively, of the FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, a Florida not-for-profit corporation on behalf of the corporation. They are [] personally known to me or [] produced _____ as identification.

(SEAL)

Typed Name:
Notary Public-State of Florida
Commission Number:

[Notary Page to Ground Lease Agreement]

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IN WITNESS WHEREOF, the Board and the Corporation have caused this Ground Lease to be executed in duplicate, either of which may be considered an original, the day and year first above written.

THE SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Lessor

(SEAL)

By: _____
Name: Justin Sharpless
Title: Chair
Address: 1915 South Floral Avenue
Bartow, Florida 33830

ATTEST:

Name: Frederick Heid
Title: Superintendent/Secretary
Address: 1915 South Floral Avenue
Bartow, Florida 33830

FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Lessee

(SEAL)

By: _____
Name: Justin Sharpless
Title: President
Address: 1915 South Floral Avenue
Bartow, Florida 33830

ATTEST:

Name: Frederick Heid
Title: Superintendent/Secretary
Address: 1915 South Floral Avenue
Bartow, Florida 33830

[Signature Page to Ground Lease Agreement]

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EXHIBIT A
PREMISES DESCRIPTION

ALTA VISTA DESCRIPTION

(O.R. 389, PG. 640)

The South one-half of Lots 9 & 10 of Totten & Maddux's Sub. Haines City, Florida, according to plat thereof as recorded in Plat Book 1, page 23A, Public Records of Polk County, Florida.

(O.R. 1522, PG. 750)

South 1/2 of Lot 11, Totten & Maddox Subdivision, Haines City, Florida, as shown in Plat Book 1, page 23-A of the Public Records of Polk County, Florida.

LESS AND EXCEPT that portion of the South 1/2 of Lot 11, TOTTEN & MADDOX'S SUBDIVISION, as recorded in Plat Book 1, Page 23, Public Records of Polk County, Florida and described in Official Records Book 3542, Page 1849, Public Records of Polk County, Florida.

(O.R. 6390, PG. 431)

Parcel 1:

Commence at the southeast corner of the north 1/2 of Lot 11, Totten & Maddoux's Subdivision, according to the plat thereof as shown in Plat Book 1A, Page 23, of the Public Records of Polk County, Florida, and the southwest corner of Lot 21, Block D, CAROLO TERRACE, according to the plat thereof as shown in Plat Book 44, Page 31, of the Public Records of Polk County, Florida, for the Point of Beginning; thence South 89°40'23" West, along the south line of aforesaid north 1/2 of Lot 11, and the north line of the south 1/2 of said Lot 11, a distance of 330.73, to a point on the east line of the SKYWAY TERRACE, according to the plat thereof as recorded in Plat Book 38, Page 21, of aforesaid Public Records, and the southwest corner of aforesaid north 1/2 of Lot 11; thence North 00°19'34" West, along aforesaid east line of SKYWAY TERRACE, and the west line of aforesaid north 1/2 of said Lot 11, a distance of 106.42 feet, to a point on said east and west line; thence North 89°42'12" East, along the extension of the south right-of-way of Lake Villa Way, as shown on aforesaid CAROLO TERRACE, 330.89 feet, to a point on the east line of aforesaid north 1/2 of Lot 11 and the northwest corner of aforesaid Lot 21, Block D, CAROLO TERRACE; thence south 00°14'24" East, along the west line of said Lot 21, Block D, CAROLO TERRACE, and along the east line of aforesaid north 1/2 of Lot 11, a distance of 106.25 feet to the Point of Beginning.

(O.R. 9175, PG. 1471)

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A parcel of land being a portion of the North 1/2 of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, according to the plat thereof as recorded in Plat Book 1, Page 23, Public Records of Polk County, Florida, being described as follows:

Commence at the northeast corner of Lot 1, SKYWAY TERRACE, as recorded in Plat Book 38, Page 21, Public Records of Polk County, Florida; thence North 89°34'10" East, along the south right-of-way line of Alta Vista Drive, 25.00 feet to the intersection of said south right-of-way line and the west line of aforesaid Lot 11, TOTTEN & MADDUX'S SUBDIVISION; thence continue North 89°34'10" East, along said South right-of-way line, 25.00 feet; thence South 00°13'59" East, along a line 25 feet east of and parallel with aforesaid west line of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, a distance of 358.86 feet to the Point of Beginning; thence continue South 00°13'59" East, along said line, 200.00 feet to the north line of a parcel recorded in Official Records Book 6390, Page 0431, Public Records of Polk County, Florida; thence North 89°42'59" East, along said north line, 305.68 feet to the west line of CAROLO TERRACE, as recorded in Plat Book 44, Page 31, Public Records of Polk County, Florida; thence North 00°12'49" West, along said west line, 200.00 feet; thence South 89°42'59" West, 305.75 feet to the Point of Beginning.

AND

East 10 feet of Lot 23, Block D, CAROLO TERRACE, according to the plat thereof as recorded in Plat Book 44, Page 31, Public Records of Polk County, Florida.

MORE PARTICULARLY DESCRIBED AS:

A parcel of land being a portion of Lots 9, 10, and 11, TOTTEN AND MADDUX'S SUBDIVISION, as recorded in Plat Book 1, Page 23, and a portion of Lot 23, Block D, CAROLO TERRACE, as recorded in Plat Book 1, Page 23, both of the Public Records of Polk County, Florida, located in Section 32, Township 27 South, Range 27 East, being described as follows:

COMMENCE at the Southeast corner of said Section 32; thence North 00°17'53" West, along the East line of said Section 32, a distance of 33.00 feet to the intersection with the North right-of-way line of State Road 544 as depicted on the Florida Department of Transportation Section Map 16140-2501; thence South 89°44'30" West, along said North right-of-way line, 15.00 feet to the POINT OF BEGINNING; thence continue along said North right-of-way line the following twelve (12) courses: thence (1) South 89°44'30" West, 364.25 feet; thence (2) North 28°45'30" West, 68.38 feet; thence (3) South 61°14'30" West, 65.00 feet; thence (4) South 28°45'30" East, 23.09 feet; thence (5) South 30°29'30" West, 10.23 feet; thence (6) South 89°44'30" West, 123.59 feet; thence (7) North 49°08'00" West, 15.07 feet; thence (8) North 08°00'30" West, 25.60 feet; thence (9) South 81°59'30" West, 50.00 feet; thence (10) South 08°00'30" East, 13.79 feet; thence (11) South 40°52'00" West, 19.73 feet; thence (12) South 89°44'30" West, 97.50 feet to the Southeast corner of a parcel described in Official Records Book 3512, Page 1849, Public Records of Polk County, Florida; thence North 00°28'05" West, along the East line of said parcel described in Official Records Book 3512, Page 1849, a distance of 331.07 feet; thence South 89°44'32" West, 230.00 feet to the intersection with the East line of the plat of PENINSULAR

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A parcel of land being a portion of Lot 189, WAHNETA FARMS SUBDIVISION, as recorded in Plat Book 1, Page 82, of the Public Records of Polk County, Florida, being described as follows:

COMMENCE at the Southeast corner of the Southwest 1/4 of Section 16, Township 29, South, Range 26 East, Polk County, Florida; thence South 89°18'14" West, along the South line of said Southwest 1/4 of Section 16, a distance of 670.46 feet; thence North 00°48'59" West, 33.73 feet to the intersection with the North right-of-way line of 4th Street East as described in Official Records Book 9542, Pages 1185 through 1188, of the Public Records of Polk County, Florida for the POINT OF BEGINNING; thence South 89°06'55" West, along said North right-of-way line, 661.06 feet to the West line of said Lot 189; thence North 00°50'15" West, along said West line of Lot 189, a distance of 628.19 feet to the Northwest corner of said Lot 189; thence North 89°22'48" East, along the North line of said Lot 189, a distance of 661.30 feet; thence South 00°48'59" East, 625.14 feet to the POINT OF BEGINNING. Said parcel contains 9.51 acres, more or less.

MCLAUGHLIN MIDDLE/SENIOR AUDITORIUM DESCRIPTION

The West 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 11, Township 30 South, Range 27 East, Polk County, Florida.

The East 1/2 of the Southwest 1/4 of the Northeast 1/4 of said Section 11, Township 30 South, Range 27 East, Polk County, Florida.

Less and Except any portion lying within public road right-of-way.

FLORAL AVENUE DESCRIPTION

The South 748.81 feet of the Replat of Blocks 1 and 2 of Floral Park Subdivision, being a part of the Subdivision of that part of the East 1/2 of the Northeast 1/4 of the Southeast 1/4 and the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4, lying West of the Atlantic Coast Line Railroad Right of Way; all being in Section 7, Township 30 South, Range 25 East, Plat Book 29, page 1; and that part of Plumosa Drive as shown on replat of Blocks 1 and 2, Floral Park Subdivision as recorded in Plat Book 29, Page 1 of the Public Records of Polk County, Florida, located between that part of said Blocks 1 and 2 of the replat of Floral Park Subdivision herein conveyed.

The perimeter of said parcels of land being described as follows:

Begin at a point 30' East and 30' North of the Southwest corner of the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 7, Township 30 South, Range 25 East, and run thence East a distance of 632.91'; thence run North 65.85' to the West boundary line of the Atlantic Coast Line Railroad Company right of way; thence run in a Northwesterly direction along the West boundary line of said railroad right of way a distance of 708.64'; then run West a distance of 442.08' to the East boundary line of the public street known as Floral Avenue; then

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RIDGE as recorded in Plat Book 170, Page 13, and the West line of said Lot 11, TOTTEN AND MADDUX'S SUBDIVISION, both of the Public Records of Polk County, Florida; thence North 00°28'05" West, along said East line of plat and West line of Lot 11, a distance of 327.06 feet to the Northwest corner of the South 1/2 of said Lot 11; thence North 00°13'59" West, along the West line of the parcel described in Official Records Book 6390, Page 431, of the Public Records of Polk County, Florida, a distance of 106.35 feet to the Northwest corner of said parcel, also being the Southwest corner of the parcel described in Official Records Book 9175, Pages 1435 through 1439, of the Public Records of Polk County, Florida; thence along the South and East lines of said parcel described in Official Records Book 9175, Pages 1435 through 1439 the following two (2) courses: thence (1) North 89°42'40" East, 25.00 feet; thence (2) North 00°13'59" West, 200.00 feet to the Northwest corner of the parcel described in Official Records Book 9175, Page 1471 through 1473, of the Public Records of Polk County, Florida; thence North 89°42'59" East, along the North line of said parcel described in Official Records Book 9175, Pages 1471 through 1473, a distance of 305.75 feet to the intersection with the West line of said plat of CAROLO TERRACE; thence South 00°12'49" East, along said West line of plat, 200.00 feet to the Northwest corner of said Lot 21, Block D; thence South 00°17'53" East, along the West line of said Lot 21, Block D, 106.25 feet to the Southwest corner of said Lot 21, Block D; thence North 89°41'52" East, along the North line of the South half of said Lot 10, and the South line of said plat of CAROLO TERRACE, a distance of 313.00 feet to the intersection with the West line of the East 10 feet of Lot 23, Block D of said CAROLO TERRACE; thence North 00°17'53" West, along said West line, 106.25 feet to the intersection with the South right-of-way line of Lake Villa Way as depicted on said plat of CAROLO TERRACE; thence North 89°41'52" East, along said South right-of-way line, 10.00 feet to the Northwest corner of Lot 24, Block D of said plat of CAROLO TERRACE; thence South 00°17'53" East, along the West line of said Lot 24, Block D, 106.25 feet to said South line of the plat of CAROLO TERRACE, and the North line of the South 1/2 of said Lot 9; thence North 89°41'52" East, along said South line of plat, 322.92 feet to the Southeast corner of Lot 26, Block D of said plat of CAROLO TERRACE; thence South 00°17'53" East, along the East line of said Lot 9, a distance of 658.88 feet to the POINT OF BEGINNING. Said parcel contains 15.12 acres, more or less.

LAKE ALFRED DESCRIPTION

Lot 1, Replat of Addition No. 1 of The E.H. Price Co. Incor. to Lake Alfred, Polk County, Florida, according to the map or plat thereof, as recorded in Plat Book 27, Page 15, of the Public Records of Polk County, Florida, also described as: Begin at a point 714.2 feet South of the Northwest corner of the Southwest 1/4 in Section 33, Township 27 South, Range 26 East; thence East 660 feet; thence South 684.2 feet; thence West 660 feet; thence North 684.2 feet to the point of beginning.

WAHNETA DESCRIPTION

The West ten (10) Acres of Lot 189, Wahnetta Farms Subdivision, Section Sixteen (16), Township Twenty-nine (29) South, Range Twenty-six (26) East, in accordance with the map or plat of the said subdivision, which is recorded in the office of the Clerk of the Circuit Court in and for Polk County, Florida, in Plat Book 1 on pages 82A and 82B.

MORE PARTICULARLY DESCRIBED AS:

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run South along the East boundary line of said Floral Avenue a distance of 748.81' to point of beginning.

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EXHIBIT B
DESCRIPTION OF SERVIENT PROPERTY

Legal access to the lands described in Exhibit A hereto, inclusive, over and across the driveways and access ways as built and installed by The School Board of Polk County, Florida.

EXHIBIT C
[FIRST, SECOND, THIRD, ETC.]
GROUND LEASE SUPPLEMENT

This [First, Second, Third, etc.] Ground Lease Supplement ("Subject Supplement") is made and entered into as of _____, _____ by **THE SCHOOL BOARD OF POLK COUNTY, FLORIDA** (the "Board") acting as the governing body of the School District of Polk County, Florida (the "District") and **FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA**, a Florida not-for-profit corporation (the "Corporation"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therein in the "Ground Lease" as hereinafter set forth.

WITNESSETH:

WHEREAS, the Board and the Corporation entered into a certain Ground Lease Agreement (the "Ground Lease") a memorandum of which was recorded in Official Records Book _____ at Page _____ of the Public Records of Polk County, Florida; and

WHEREAS, the Board owns that certain real property more particularly described in Exhibit A attached hereto and made a part hereof ("Subject Parcel"); and

WHEREAS, the Subject Parcel is a portion of the Series 2026 Project and, as such, is to be subject to the Ground Lease as contemplated thereby; and

NOW, THEREFORE, in consideration of the premises and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by each party hereto by the other party hereto, the parties hereto do hereby acknowledge and agree as follows:

1. The foregoing recitations are true and correct and are incorporated herein by reference.
2. The Subject Parcel is hereby declared to be a part of the Premises (as defined in the Ground Lease) which constitutes a portion of the Series 2026 Project and, therefore, is a part of the Premises as set forth in the Ground Lease with the leasehold estate, operation and effect of the Ground Lease applying to the Subject Parcel as fully and to the same extent as if the Subject Parcel were described in the Ground Lease and therein set forth to be a part of the Premises.
3. The Ground Lease, as modified by previous Ground Lease Supplements and as modified hereby remains in full force and effect in accordance with the terms and provisions thereof.

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IN WITNESS WHEREOF, each of the parties hereto have caused this Subject Supplement to be executed by their duly authorized officers or agents, all as of the day and year first above written.

**THE SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Lessor**

(SEAL)

By: _____
Name:
Title:
Address:

ATTEST:

Name:
Title:
Address:

**FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Lessee**

(SEAL)

By: _____
Name:
Title:
Address:

ATTEST:

Name:
Title:
Address:

SIMULTANEOUS ASSIGNMENT

All of the rights of _____ hereunder are hereby assigned without recourse or warranty to _____, as Trustee, as successor in interest to and assignee of _____ under the Assignment.

By: _____
Title:
Dated: _____, 20__

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STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this ____ day of _____, 20____, by _____ and _____ personally known to me to be the same persons whose names are, respectively, _____ and _____ of THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, on behalf of the board. They are [] personally known to me or [] produced _____ as identification.

(SEAL)

Typed Name: _____
Notary Public-State of Florida
Commission Number: _____

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this ____ day of _____, 20____, by _____ and _____ personally known to me to be the same persons whose names are, respectively, _____ and _____ of THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, on behalf of the board. They are [] personally known to me or [] produced _____ as identification.

(SEAL)

Typed Name: _____
Notary Public-State of Florida
Commission Number: _____

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#527799550_v6 030206.00166

ASSIGNMENT OF GROUND LEASE

KNOW ALL MEN BY THESE PRESENTS, that the FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, a Florida not-for-profit corporation (the "Corporation"), for and in consideration of Ten Dollars (\$10) and other good and valuable considerations to it in hand paid by U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity, but solely as trustee (the "Trustee"), the receipt of which is hereby acknowledged, has absolutely, unconditionally and irrevocably sold, assigned, transferred and set over, and by these presents does absolutely and irrevocably sell, assign, transfer and set over unto the Trustee, without recourse, the following:

The instrument of ground lease and the leasehold estate created by said instrument of ground lease, being that certain Ground Lease Agreement, dated as of [] 1, 2026 (the "Ground Lease Agreement"), as the same may be supplemented, modified or amended from time to time, a Memorandum of Ground Lease describing which has been duly recorded in the public records of Polk County, Florida, granted by The School Board of Polk County, Florida, (the "Board"), acting as the governing body of the School District of Polk County, Florida, to the Corporation in and to the Premises described therein.

TO HAVE AND TO HOLD THE said instrument of ground lease, the leasehold estate created thereby, and any buildings and improvements thereon, unto Trustee, its successors and assigns forever; and

The Corporation does hereby covenant with the Trustee as grantee and assignee, its successors and assigns, that the Corporation (i) is the true and lawful owner of the leasehold estate created thereby, (ii) has good right to bargain, sell and transfer the same hereby, (iii) such leasehold estate of the Corporation is free and clear of any lien or encumbrance created by the Corporation, except for the "Lease Agreement" (as defined in the Ground Lease Agreement), (iv) that as of the date hereof there is no default under the terms of said Ground Lease Agreement, and (v) from and after this Assignment, the Corporation will have no further interest in such Ground Lease Agreement or the leasehold estate thereby created.

This document prepared by:

Michael L. Wiener, Esq.
Holland & Knight LLP
100 North Tampa Street, Suite 4100
Tampa, Florida 33602

ASSIGNMENT OF GROUND LEASE

by the

FINANCING CORPORATION FOR THE SCHOOL BOARD
OF POLK COUNTY, FLORIDA

Dated as of [] 1, 2026

IN WITNESS WHEREOF, the Financing Corporation for the School Board of Polk County, Florida, by its officer thereunto duly authorized, has affixed its corporate name and seal as of the [] day of [], 2026.

FINANCING CORPORATION FOR THE
SCHOOL BOARD OF POLK COUNTY,
FLORIDA

By: _____
Name: Justin Sharpless
Title: President

Address: 1915 South Floral Avenue
Bartow, Florida 33830

ATTEST:

Name: Frederick Heid
Title: Secretary

Address: 1915 South Floral Avenue
Bartow, Florida 33830

[Signature Page to Assignment of Ground Lease]

STATE OF FLORIDA

EXHIBIT A

COUNTY OF POLK

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this [] day of [], 2026, by Justin Sharpless, as President, of the FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, a not-for-profit Florida corporation, on behalf of the corporation. He is [] personally known to me [] produced [] as identification.

(SEAL)

Typed Name:
Notary Public-State of Florida
Commission Number:

STATE OF FLORIDA

COUNTY OF POLK

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this [] day of [], 2026, by Frederick Heid, as Secretary, of the FINANCING CORPORATION FOR THE SCHOOL BOARD OF POLK COUNTY, FLORIDA, a not-for-profit Florida corporation, on behalf of the corporation. He is [] personally known to me [] produced [] as identification.

(SEAL)

Typed Name:
Notary Public-State of Florida
Commission Number:

[Notary Page to Assignment of Ground Lease]

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(O.R. 9175, PG. 1471)

A parcel of land being a portion of the North 1/2 of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, according to the plat thereof as recorded in Plat Book 1, Page 23, Public Records of Polk County, Florida, being described as follows:

Commence at the northeast corner of Lot 1, SKYWAY TERRACE, as recorded in Plat Book 38, Page 21, Public Records of Polk County, Florida; thence North 89°34'10" East, along the south right-of-way line of Alta Vista Drive, 25.00 feet to the intersection of said south right-of-way line and the west line of aforesaid Lot 11, TOTTEN & MADDUX'S SUBDIVISION; thence continue North 89°34'10" East, along said South right-of-way line, 25.00 feet; thence South 00°13'59" East, along a line 25 feet east of and parallel with aforesaid west line of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, a distance of 358.86 feet to the Point of Beginning; thence continue South 00°13'59" East, along said line, 200.00 feet to the north line of a parcel recorded in Official Records Book 6390, Page 0431, Public Records of Polk County, Florida; thence North 89°42'59" East, along said north line, 305.68 feet to the west line of CAROLO TERRACE, as recorded in Plat Book 44, Page 31, Public Records of Polk County, Florida; thence North 00°12'49" West, along said west line, 200.00 feet; thence South 89°42'59" West, 305.75 feet to the Point of Beginning.

AND

East 10 feet of Lot 23, Block D, CAROLO TERRACE, according to the plat thereof as recorded in Plat Book 44, Page 31, Public Records of Polk County, Florida.

MORE PARTICULARLY DESCRIBED AS:

A parcel of land being a portion of Lots 9, 10, and 11, TOTTEN AND MADDUX'S SUBDIVISION, as recorded in Plat Book 1, Page 23, and a portion of Lot 23, Block D, CAROLO TERRACE, as recorded in Plat Book 1, Page 23, both of the Public Records of Polk County, Florida, located in Section 32, Township 27 South, Range 27 East, being described as follows:

COMMENCE at the Southeast corner of said Section 32; thence North 00°17'53" West, along the East line of said Section 32, a distance of 33.00 feet to the intersection with the North right-of-way line of State Road 544 as depicted on the Florida Department of Transportation Section Map 16140-2501; thence South 89°44'30" West, along said North right-of-way line, 15.00 feet to the POINT OF BEGINNING; thence continue along said North right-of-way line the following twelve (12) courses: thence (1) South 89°44'30" West, 364.25 feet; thence (2) North 28°45'30" West, 68.38 feet; thence (3) South 61°14'30" West, 65.00 feet; thence (4) South 28°45'30" East, 23.09 feet; thence (5) South 30°29'30" West, 10.23 feet; thence (6) South 89°44'30" West, 123.59 feet; thence (7) North 49°08'00" West, 15.07 feet; thence (8) North 08°00'30" West, 25.60 feet; thence (9) South 81°59'30" West, 50.00 feet; thence (10) South 08°00'30" East, 13.79 feet; thence (11) South 40°52'00" West, 19.73 feet; thence (12) South 89°44'30" West, 97.50 feet to the Southeast corner of a parcel described in Official Records Book 3512, Page 1849, Public Records of Polk County, Florida; thence North 00°28'05" West, along the East line of said parcel described in Official Records Book 3512, Page 1849, a distance

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The Premises subject to the Ground Lease Agreement are the real property (together with all buildings, structures and improvements now or hereafter erected or situated thereon, including, without limitation, the "Series 2026 Project" (as defined in the Ground Lease Agreement), all fixtures, additions, alterations or replacements thereto, now or hereafter located in, or used in connection with or attached or made to such land, to the extent title thereto may rest in the Board, 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) described as follows:

ALTA VISTA DESCRIPTION

(O.R. 389, PG. 640)

The South one-half of Lots 9 & 10 of Totten & Maddux's Sub. Haines City, Florida, according to plat thereof as recorded in Plat Book 1, page 23A, Public Records of Polk County, Florida.

(O.R. 1522, PG. 750)

South 1/2 of Lot 11, Totten & Maddox Subdivision, Haines City, Florida, as shown in Plat Book 1, page 23-A of the Public Records of Polk County, Florida.

LESS AND EXCEPT that portion of the South 1/2 of Lot 11, TOTTEN & MADDUX'S SUBDIVISION, as recorded in Plat Book 1, Page 23, Public Records of Polk County, Florida and described in Official Records Book 3542, Page 1849, Public Records of Polk County, Florida.

(O.R. 6390, PG. 431)

Parcel 1:

Commence at the southeast corner of the north 1/2 of Lot 11, Totten & Maddoux's Subdivision, according to the plat thereof as shown in Plat Book 1A, Page 23, of the Public Records of Polk County, Florida, and the southwest corner of Lot 21, Block D, CAROLO TERRACE, according to the plat thereof as shown in Plat Book 44, Page 31, of the Public Records of Polk County, Florida, for the Point of Beginning; thence South 89°40'23" West, along the south line of aforesaid north 1/2 of Lot 11, and the north line of the south 1/2 of said Lot 11, a distance of 330.73, to a point on the east line of the SKYWAY TERRACE, according to the plat thereof as recorded in Plat Book 38, Page 21, of aforesaid Public Records, and the southwest corner of aforesaid north 1/2 of Lot 11; thence North 00°19'34" West, along aforesaid east line of SKYWAY TERRACE, and the west line of aforesaid north 1/2 of said Lot 11, a distance of 106.42 feet, to a point on said east and west line; thence North 89°42'12" East, along the extension of the south right-of-way of Lake Villa Way, as shown on aforesaid CAROLO TERRACE, 330.89 feet, to a point on the east line of aforesaid north 1/2 of Lot 11 and the northwest corner of aforesaid Lot 21, Block D, CAROLO TERRACE; thence south 00°14'24" East, along the west line of said Lot 21, Block D, CAROLO TERRACE, and along the east line of aforesaid north 1/2 of Lot 11, a distance of 106.25 feet to the Point of Beginning.

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of 331.07 feet; thence South 89°44'32" West, 230.00 feet to the intersection with the East line of the plat of PENINSULAR RIDGE as recorded in Plat Book 170, Page 13, and the West line of said Lot 11, TOTTEN AND MADDUX'S SUBDIVISION, both of the Public Records of Polk County, Florida; thence North 00°28'05" West, along said East line of plat and West line of Lot 11, a distance of 327.06 feet to the Northwest corner of the South 1/2 of said Lot 11; thence North 00°13'59" West, along the West line of the parcel described in Official Records Book 6390, Page 431, of the Public Records of Polk County, Florida, a distance of 106.35 feet to the Northwest corner of said parcel, also being the Southwest corner of the parcel described in Official Records Book 9175, Pages 1435 through 1439, of the Public Records of Polk County, Florida; thence along the South and East lines of said parcel described in Official Records Book 9175, Pages 1435 through 1439 the following two (2) courses: thence (1) North 89°42'40" East, 25.00 feet; thence (2) North 00°13'59" West, 200.00 feet to the Northwest corner of the parcel described in Official Records Book 9175, Page 1471 through 1473, of the Public Records of Polk County, Florida; thence North 89°42'59" East, along the North line of said parcel described in Official Records Book 9175, Pages 1471 through 1473, a distance of 305.75 feet to the intersection with the West line of said plat of CAROLO TERRACE; thence South 00°12'49" East, along said West line of plat, 200.00 feet to the Northwest corner of said Lot 21, Block D; thence South 00°17'53" East, along the West line of said Lot 21, Block D, 106.25 feet to the Southwest corner of said Lot 21, Block D; thence North 89°41'52" East, along the North line of the South half of said Lot 10, and the South line of said plat of CAROLO TERRACE, a distance of 313.00 feet to the intersection with the West line of the East 10 feet of Lot 23, Block D of said CAROLO TERRACE; thence North 00°17'53" West, along said West line, 106.25 feet to the intersection with the South right-of-way line of Lake Villa Way as depicted on said plat of CAROLO TERRACE; thence North 89°41'52" East, along said South right-of-way line, 10.00 feet to the Northwest corner of Lot 24, Block D of said plat of CAROLO TERRACE; thence South 00°17'53" East, along the West line of said Lot 24, Block D, 106.25 feet to said South line of the plat of CAROLO TERRACE, and the North line of the South 1/2 of said Lot 9; thence North 89°41'52" East, along said South line of plat, 322.92 feet to the Southeast corner of Lot 26, Block D of said plat of CAROLO TERRACE; thence South 00°17'53" East, along the East line of said Lot 9, a distance of 658.88 feet to the POINT OF BEGINNING. Said parcel contains 15.12 acres, more or less.

LAKE ALFRED DESCRIPTION

Lot 1, Replat of Addition No. 1 of The E.H. Price Co. Incor. to Lake Alfred, Polk County, Florida, according to the map or plat thereof, as recorded in Plat Book 27, Page 15, of the Public Records of Polk County, Florida, also described as: Begin at a point 714.2 feet South of the Northwest corner of the Southwest 1/4 in Section 33, Township 27 South, Range 26 East; thence East 660 feet; thence South 684.2 feet; thence West 660 feet; thence North 684.2 feet to the point of beginning.

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WAHNETA DESCRIPTION

The West ten (10) Acres of Lot 189, Wahneta Farms Subdivision, Section Sixteen (16), Township Twenty-nine (29) South, Range Twenty-six (26) East, in accordance with the map or plat of the said subdivision, which is recorded in the office of the Clerk of the Circuit Court in and for Polk County, Florida, in Plat Book 1 on pages 82A and 82B.

MORE PARTICULARLY DESCRIBED AS:

A parcel of land being a portion of Lot 189, WAHNETA FARMS SUBDIVISION, as recorded in Plat Book 1, Page 82, of the Public Records of Polk County, Florida, being described as follows:

COMMENCE at the Southeast corner of the Southwest 1/4 of Section 16, Township 29, South, Range 26 East, Polk County, Florida; thence South 89°18'14" West, along the South line of said Southwest 1/4 of Section 16, a distance of 670.46 feet; thence North 00°48'59" West, 33.73 feet to the intersection with the North right-of-way line of 4th Street East as described in Official Records Book 9542, Pages 1185 through 1188, of the Public Records of Polk County, Florida for the POINT OF BEGINNING; thence South 89°06'55" West, along said North right-of-way line, 661.06 feet to the West line of said Lot 189; thence North 00°50'15" West, along said West line of Lot 189, a distance of 628.19 feet to the Northwest corner of said Lot 189; thence North 89°22'48" East, along the North line of said Lot 189, a distance of 661.30 feet; thence South 00°48'59" East, 625.14 feet to the POINT OF BEGINNING. Said parcel contains 9.51 acres, more or less.

MCLAUGHLIN MIDDLE/SENIOR AUDITORIUM DESCRIPTION

The West 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 11, Township 30 South, Range 27 East, Polk County, Florida.

The East 1/2 of the Southwest 1/4 of the Northeast 1/4 of said Section 11, Township 30 South, Range 27 East, Polk County, Florida.

Less and Except any portion lying within public road right-of-way.

FLORAL AVENUE DESCRIPTION

The South 748.81 feet of the Replat of Blocks 1 and 2 of Floral Park Subdivision, being a part of the Subdivision of that part of the East 1/2 of the Northeast 1/4 of the Southeast 1/4 and the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4, lying West of the Atlantic Coast Line Railroad Right of Way; all being in Section 7, Township 30 South, Range 25 East, Plat Book 29, page 1; and that part of Plumosa Drive as shown on replat of Blocks 1 and 2, Floral Park Subdivision as recorded in Plat Book 29, Page 1 of the Public Records of Polk County, Florida,

located between that part of said Blocks 1 and 2 of the replat of Floral Park Subdivision herein conveyed.

The perimeter of said parcels of land being described as follows:

Begin at a point 30' East and 30' North of the Southwest corner of the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 7, Township 30 South, Range 25 East, and run thence East a distance of 632.91'; thence run North 65.85' to the West boundary line of the Atlantic Coast Line Railroad Company right of way; thence run in a Northwesterly direction along the West boundary line of said railroad right of way a distance of 708.64'; then run West a distance of 442.08' to the East boundary line of the public street known as Floral Avenue; then run South along the East boundary line of said Floral Avenue a distance of 748.81' to point of beginning.

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APPENDIX H

FORM OF TAX OPINION OF SPECIAL COUNSEL

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APPENDIX H
FORM OF TAX OPINION OF SPECIAL COUNSEL

Upon delivery of the Series 2026 Certificates in definitive form, Holland & Knight LLP, Special Counsel, proposes to give its final approving opinion with respect to such Series 2026 Certificates in substantially the following form:

[Date of Delivery]

The School Board of Polk County, Florida
Bartow, Florida

U.S. Bank Trust Company, National
Association, as Trustee
Jacksonville, Florida

Financing Corporation for the School
Board of Polk County, Florida
Bartow, Florida

Re: \$[] Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026, Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida (the "Series 2026 Certificates")

Ladies and Gentlemen:

We have acted as special counsel in connection with the issuance of \$[] aggregate principal amount of the Series 2026 Certificates pursuant to (a) the Lease Schedule No. 2026 ("Lease Schedule No. 2026"), dated as of [] 1, 2026, between Financing Corporation for the School Board of Polk County, Florida (the "Corporation"), as lessor, and The School Board of Polk County, Florida (the "Board"), as lessee, to the Master Lease-Purchase Agreement, dated as of June 1, 1993 entered into between the Board and the Corporation, as amended by the First Amendment to Master Lease-Purchase Agreement dated as of July 1, 2003, as amended by the Second Amendment to Master Lease-Purchase Agreement dated as of March 1, 2010, and as further amended by the Third Amendment to Master Lease-Purchase Agreement dated as of [] 1, 2026 (collectively, the "Lease"), and (b) resolutions adopted by the Board and the Corporation on March 24, 2026, related to the approval of certain of the hereinafter described agreements (collectively, the "Resolutions").

The Board and the Corporation have entered into, with respect to the Series 2026 Certificates a Ground Lease Agreement dated as of [] 1, 2026 (the "Ground Lease"). The Corporation has assigned all of its right, title and interest in and to the Lease and in and to the Ground Lease (except for certain Retained Rights, as defined in the Ground Lease) to U.S. Bank Trust Company, National Association, as successor Trustee (the "Trustee") pursuant to the (i) Assignment of Lease Agreement dated as of June 1, 1993 (the "Lease Assignment"), and (ii) Assignment of Ground Lease dated as of [] 1, 2026 (the "Ground Lease Assignment").

The Series 2026 Certificates are being issued under the terms of that certain Master Trust Agreement, dated as of June 1, 1993, as amended by the First Amendment to Master Trust Agreement dated as of July 1, 2003, as amended by the Second Amendment to Master Trust Agreement dated as of March 1, 2010, and as further amended by the Third Amendment to Master Trust Agreement dated as of [] 1, 2026 (collectively, the "Master Trust Agreement"), among the Trustee, the Board and the Corporation, as supplemented by the Series 2026 Supplemental Trust Agreement (the "Series 2026 Supplemental Trust Agreement" and together with the Master Trust Agreement, the "Trust Agreement"), dated as of [] 1, 2026, and among the Board, the Corporation and the Trustee. The Series 2026 Certificates, the Lease, the Trust Agreement, the Ground Lease, the Lease Assignment and the Ground Lease Assignment are collectively referred to herein as the "Financing Documents." All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth therefor in the Trust Agreement.

The Series 2026 Certificates are being issued to provide funds, together with other legally available funds, for the purpose of financing the acquisition, construction and installation of the Series 2026 Project (as that term is defined in Lease Schedule No. 2026), and paying certain costs of issuance with respect to the Series 2026 Certificates.

The Series 2026 Certificates evidence a fractional undivided interest in the Basic Rent Payments to be made by the Board under the Lease. The Series 2026 Certificates are dated their date of issuance and delivery, shall finally mature on January 1, 20[] and are subject to prepayment prior to maturity in the manner and upon the terms and conditions set forth in the Series 2026 Supplemental Trust Agreement.

The Basic Rent Payments with respect to the Series 2026 Certificates are payable solely from the Board's Available Revenues (as that term is defined in the Trust Agreement) specifically appropriated for such purpose. The Board is not legally required to appropriate Available Revenues for this purpose. Neither the Board, the Polk County School District (the "District"), Polk County, Florida ("Polk County"), the State of Florida, nor any political subdivision or agency thereof shall be obligated to pay, except from the Board's Available Revenues appropriated for such purpose, any sums due under the Lease, and the full faith and credit of neither the Board, the District, Polk County, the State of Florida nor any political subdivision or agency thereof is pledged for payment of such sums due thereunder and such sums do not constitute an indebtedness of the Board, the District, Polk County, the State of Florida nor any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

The description of the Series 2026 Certificates in this opinion and other statements concerning the terms and conditions of the issuance of the Series 2026 Certificates do not purport to set forth all of the terms and conditions of the Series 2026 Certificates or of any other document relating to the issuance of the Series 2026 Certificates, but are intended only to identify the Series 2026 Certificates and to describe briefly certain features thereof. This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the Series 2026 Certificates.

We have relied upon the opinion, dated the date hereof, of James Greene, Esquire, General Counsel to the Board and the Corporation, with respect to the due organization and valid existence of the Board and the Corporation and the due adoption by the Board and the Corporation of the

Resolutions. We have also relied upon the opinion dated the date hereof, of Rogers Towers, P.A., Jacksonville, Florida, counsel to the Trustee, with respect to the due authorization, execution and delivery of the Trust Agreement and the execution and authentication of the Series 2026 Certificates by the Trustee.

In rendering the opinions set forth below, we have examined the Financing Documents and certified copies of the Resolutions, and are relying on the covenants and agreements of the Board contained in the Lease and in the Certificate Relating to Tax, Arbitrage and Other Matters dated as of [____], 2026 (the "Tax Certificate"), including, without limitation, the covenants of the Board and the Corporation to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder (the "Code"), to the extent necessary to preserve the excludability of the Interest Component of the Basic Rent Payments under the Lease with respect to the Series 2026 Certificates from gross income for federal income tax purposes.

We have also examined such certified copies of proceedings of the Board and such other agreements, certificates, documents and opinions, including certificates and representations of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions expressed below. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, documents, certificates, representations and opinions, and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that as of the date hereof and under existing law:

1. The Board is the duly organized and validly existing governing body of the District and has all necessary power and authority to execute and deliver the Lease, the Ground Lease and the Trust Agreement.

2. The Lease has been duly authorized, executed and delivered by the Board and assuming due authorization, execution and delivery by the Corporation and subject to the terms and conditions thereof, constitutes a valid and binding obligation of the Board enforceable, from and to the extent of the Board's Available Revenues specifically appropriated, in accordance with its terms, provided that no opinion is given as to the procedure required to be followed under Florida law to evict the Board from the Project following an Event of Default or an Event of Non-Appropriation. Without limiting the generality of the foregoing, no assurances are given that a Florida court would not afford to the Board rights similar to those of a mortgagor in a mortgage foreclosure proceeding or of a debtor under Chapter 679 of the Florida Statutes.

3. The Ground Lease and the Trust Agreement have each been duly authorized, executed and delivered by the Board and assuming due authorization, execution and delivery by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the Board, enforceable in accordance with their respective terms.

4. The Interest Component of the Basic Rent Payments under the Lease with respect to the Series 2026 Certificates paid prior to an Event of Default or an Event of Non-Appropriation resulting in the termination of the Lease (the "Interest"), as received by the Owners of the Series 2026 Certificates, is excludable from the gross income of such Owners for federal income tax purposes. Moreover, such Interest will not be treated as an item of tax preference in computing the federal alternative minimum tax imposed on individuals under the Code; however, such Interest is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The opinions expressed in this paragraph 4 are conditioned upon compliance with all requirements of the Code that must be satisfied subsequent to the execution and delivery of the Series 2026 Certificates in order that the Interest be or continue to be excludable from gross income for federal income tax purposes. The Board and the Corporation have covenanted in the Lease and the Tax Certificate to comply with such requirements. Failure of the Board and/or the Corporation to comply with certain of such requirements may cause the Interest to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Certificates. Other provisions of the Code may give rise to adverse federal tax consequences to particular Certificate Owners. The scope of this opinion is limited to matters addressed above and no opinion is expressed hereby regarding other federal or state income tax consequences that may arise due to ownership of the Series 2026 Certificates.

Our opinions expressed herein are predicated upon current facts and circumstances, and upon present laws and interpretations thereof. We assume no affirmative obligation to update our opinions expressed herein if such facts, circumstances, laws or interpretations thereof change after the date hereof in a manner that may adversely affect the opinions contained herein or the exclusion from gross income for federal income tax purposes of the Interest with respect to the Series 2026 Certificates even if such changes come to our attention.

All opinions as to legal obligations of the Board set forth above are subject to and may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) judicial discretion which may be exercised in applicable cases to adversely affect the enforcement of certain rights or remedies.

The scope of our engagement in relation to the delivery of Lease Schedule No. 2026 and the issuance of the Series 2026 Certificates has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein. We have not been engaged to confirm or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of the offering statement related to the Series 2026 Certificates or any exhibits or appendices thereto or any other offering material relating to the Series 2026 Certificates, except as specifically set forth in our opinion to the underwriters dated as of the date hereof. In addition, we have not been engaged to and therefore express no opinion regarding the perfection or priority of the lien

on funds and accounts created by the Trust Agreement or as to the compliance by the Board, the Trustee or the underwriters with any federal or state registration requirement or security statute, regulation or ruling with respect to the sale, offer or distribution of the Series 2026 Certificates.

Our opinion is limited solely to the matters stated herein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein.

Sincerely yours,

HOLLAND & KNIGHT LLP

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APPENDIX I

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated August __, 2026, is executed and delivered by The School Board of Polk County, Florida (the “Issuer”) and Digital Assurance Certification LLC, as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Series 2026 Certificates (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Series 2026 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 Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Offering Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event

Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Series 2026 Certificates and the 9-digit CUSIP numbers for all Series 2026 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 Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Superintendent or the Director of Finance of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown 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 Series 2026 Certificates (including persons holding Series 2026 Certificates through nominees, depositories or other intermediaries) or (b) treated as the owner of any Series 2026 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 and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2026 Certificates (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown in Exhibit A.

“Offering Statement” means that Offering Statement prepared by the Issuer in connection with the Series 2026 Certificates, as listed on Exhibit A.

“Series 2026 Certificates” means the certificates as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Trustee” means the institution identified as such in the document under which the Series 2026 Certificates were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than each April 30th following the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2026. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document

or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.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 Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the

categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. Principal and interest payment delinquencies;
2. Non-Payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Certificates, or other material events affecting the tax-exempt status of Series 2026 Certificates;"
7. Modifications to rights of securities holders, if material;
8. Series 2026 Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional Trustee, or the change of name of a Trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service 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. "other event-based disclosures."

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"
3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"
5. "budget;"
6. "investment/debt/financial policy;"
7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and
9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial and statistical information provided in the Offering Statement:

1. The tables entitled:
 - (i) "Summary of Revenues and Expenses - General Fund;"
 - (ii) "Summary of Revenues and Expenses – Capital Projects Fund;"
 - (iii) "Long-Term Obligations Statement;"
 - (iv) "Local Option Millage Levy Required to Cover Certificate Payments;"
 - (v) "Net Taxable Assessed Value and Estimated Assessed Value of Taxable Property;"
 - (vi) "District Millage Rates;" and
 - (vii) "Property Tax Levies and Collections;"

(b) Audited Financial Statements as described in the Offering Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with Generally Accepted Accounting Principles as described in the Offering Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including offering statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final offering statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Series 2026 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 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 Series 2026 Certificates, or other material events affecting the tax status of the Series 2026 Certificates;
7. Modifications to rights of Certificate holders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2026 Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in

possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify

the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may 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. The Board will provide the Dissemination Agent with the CUSIP numbers for (i) new Certificates at such time as they are issued or become subject to the Rule and (ii) any Certificates to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Certificates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure

Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof 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 may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Series 2026 Certificates upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Certificates, when the Issuer is no longer an obligated person with respect to the Series 2026 Certificates, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, LLC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent 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 Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Series 2026 Certificates. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination

Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Series 2026 Certificates or under any other document relating to the Series 2026 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 Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Series 2026 Certificates or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Series 2026 Certificates.

(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. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Series 2026 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 Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriters, and the Holders from time to time of the Series 2026 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.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Agreement Disclosure to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION,
LLC, as Disclosure Dissemination Agent

By: _____

Name: Brianna Steger

Title: Senior Vice President

THE SCHOOL BOARD OF POLK COUNTY,
FLORIDA, as Issuer

By: _____

Name: Justin Sharpless

Title: Chairman

EXHIBIT A

NAME AND CUSIP NUMBERS OF SERIES 2026 CERTIFICATES

Name of Issuer: The School Board of Polk County, Florida

Obligated Person(s): The School Board of Polk County, Florida

Name of Bond Issue: Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026, Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida

Date of Issuance: August __, 2026

Date of Offering Statement: August __, 2026

Series 2026 Certificates			
Maturity (July 1)	Principal Amount	Interest Rate	Initial CUSIP Numbers

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The School Board of Polk County, Florida

Obligated Person: The School Board of Polk County, Florida

Name of Bond Issue: Certificates of Participation (School Board of Polk County, Florida, Master Lease Program), Series 2026, Evidencing Fractional Undivided Interests of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by The School Board of Polk County, Florida

Date(s) of Issuance: August __, 2026

Date(s) of Disclosure Agreement: August __, 2026

CUSIP Number:

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual report with respect to the above-named Series 2026 Certificates as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, LLC, as Disclosure Dissemination Agent. [The Issuer 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 Issuer

cc:

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: The School Board of Polk County, Florida

Issuer's Six-Digit CUSIP Number:

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ Principal and interest payment delinquencies;
2. _____ Non-payment related defaults, if material;
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. _____ Substitution of credit or liquidity providers, or their failure to perform;
6. _____ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. _____ Modifications to rights of securities holders, if material;
8. _____ Series 2026 Certificate calls, if material; Tender offers;
9. _____ Defeasances;
10. _____ Release, substitution, or sale of property securing repayment of the securities, if material;
11. _____ Rating changes;
12. _____ Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. _____ Merger, consolidation, or acquisition, 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 Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or 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 the Financial Obligation of obligated person, any of which reflect financial difficulties.

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certifications LLC
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2

VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement, dated August __, 2026, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: The School Board of Polk County, Florida

Issuer's Six-Digit CUSIP Number:

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ Amendment to continuing disclosure undertaking;
2. _____ Change in obligated person;
3. _____ Notice to investors pursuant to bond documents;
4. _____ Certain communications from the Internal Revenue Service;
5. _____ Secondary market purchases;
6. _____ Bid for auction rate or other securities;
7. _____ Capital or other financing plan;
8. _____ Litigation/enforcement action;
9. _____ Change of tender agent, remarketing agent, or other on-going party;
10. _____ Other Event-based disclosures.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certifications LLC
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement, dated August __, 2026, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: The School Board of Polk County, Florida

Issuer's Six-Digit CUSIP Number:

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ Quarterly/monthly financial information;
2. _____ Change in fiscal year/timing of annual disclosure;
3. _____ Change in accounting standard;
4. _____ Interim/additional financial information/operating data;
5. _____ Budget;
6. _____ Investment/debt/financial policy;
7. _____ Information provided to rating agency, credit/liquidity provider or other third party;
8. _____ Consultant reports; and
9. _____ Other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certifications LLC
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

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APPENDIX J

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

28 Liberty Street, 59th floor
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**FLORIDA
ENDORSEMENT TO
MUNICIPAL BOND
INSURANCE POLICY
NO.**

This Policy is not covered by the Florida Insurance Guaranty Association created under Part II of Chapter 631 of the Florida Insurance Code.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

Authorized Officer



POLK COUNTY
PUBLIC SCHOOLS

STUDENTS FIRST



Mixed Sources
Product group from well managed
forests, controlled sources and
recycled wood or fibres.

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