

ORANGE COUNTY, FLORIDA



BOND DISCLOSURE SUPPLEMENT

YEAR ENDED SEPTEMBER 30, 2012

ON THE COVER: Appropriate for the world's leading destination for interactive visual vacation experiences and computer simulation, Orange County also uses similar visual technologies embodied in GIS (Geographic Information Systems) to support county operations and county decision makers. Orange County has been using GIS since 1988 and today maintains and distributes over 450 different categories of this visual and database GIS information that together represent all of the various facets of the County.

This cover visual image shows four layered themes that represent GIS information available for viewing and analysis. Starting from the bottom, there is aerial imagery, then natural land features and recreation, followed by transportation networks and finally buildings and infrastructure at the top. Each of these themes and their various individual elements can be displayed interactively using GIS graphics applications. This interactive display provides users of the technology with a better understanding of Orange County and all its complexities. By combining these visual layers with databases, Orange County GIS is able to provide accurate and easy to understand information to both County decision makers and to the public.

ORANGE COUNTY, FLORIDA

**BOND DISCLOSURE
SUPPLEMENT**

**For The Year Ended
September 30, 2012**

**Prepared by:
Martha O. Haynie, CPA
County Comptroller**

ORANGE COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

Teresa Jacobs, County Mayor

Ted Edwards, Vice MayorDistrict 5
S. Scott Boyd.....District 1
Fred BrummerDistrict 2
Pete ClarkeDistrict 3
Jennifer Thompson.....District 4
Tiffany Moore Russell.....District 6

ELECTED COUNTY OFFICERS

Lydia Gardner.....Clerk of the Circuit and County Courts
Martha O. Haynie..... County Comptroller
Rick Singh Property Appraiser
Jerry L. Demings..... Sheriff
Bill Cowles..... Supervisor of Elections
Scott Randolph..... Tax Collector

ORANGE COUNTY, FLORIDA
BOND DISCLOSURE SUPPLEMENT
for the year ended September 30, 2012

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OFFICE OF COMPTROLLER

**ORANGE
COUNTY
FLORIDA**

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County Comptroller**
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March 12, 2013

To the Citizens of Orange County, Florida:

The Bond Disclosure Supplement of Orange County, Florida for the fiscal year ended September 30, 2012 is hereby submitted. It is intended to be used in conjunction with the Comprehensive Annual Financial Report (CAFR) to provide additional detailed information concerning the County's financial operations and indebtedness.

The CAFR and this Bond Disclosure Supplement serve to fulfill the annual reporting requirements of Rule 15c2-12 of the Securities and Exchange Commission (SEC), which sets standards for the provision of information to County bondholders and potential purchasers of such securities in the secondary market, dealers, security analysts, rating agencies, and other interested parties.

Since the 1995 effective date of the SEC Rule, the County has entered into undertakings in conjunction with each new issuance of bonded debt. Each undertaking commits that the County will provide annual financial information and operating data concerning the County, consistent with certain financial information and operating data found in the respective bond official statements. This information, together with audited financial statements of the County, must be electronically filed with the Electronic Municipal Market Access (EMMA) system of the Municipal Securities Rulemaking Board by June 1 following the end of each fiscal year that bonds remain outstanding. This Bond Disclosure Supplement provides updated information relative to County bonded debt that would normally be included in the official statements, including outstanding bond issues that pre-date the SEC Rule.

We bring to your attention that the insured ratings included in this Bond Disclosure Supplement take into account previous rating downgrades of certain insurers by the rating agencies and reflect the ratings on the bonds only as of the date of this correspondence. Such ratings are subject to change at any time by the rating agencies and an explanation of the significance of such ratings may only be obtained from the applicable rating agencies.

We believe that local government should demonstrate a constructive spirit of full disclosure in communicating its financial story. We trust that the dissemination of this Bond Disclosure Supplement will continue to encourage confidence and interest in Orange County from the investment community.

Sincerely,


Martha O. Haynie, CPA
County Comptroller

**CONTINUING DISCLOSURE OF
COUNTY BONDED DEBT**

Orange County, Florida

Continuing Disclosure of County Debt

This Bond Disclosure Supplement for the fiscal year ended September 30, 2012 has been prepared by Orange County (the "County") to provide information concerning the County, its financial operations and its indebtedness. This information is made available to County bondholders and potential purchasers of such securities in the secondary market, dealers, security analysts, rating agencies, and other interested parties. The County has contracted with Digital Assurance Certification, LLC (DAC) to be a supplemental source of information for the County's bond issues. Such services may be discontinued at any time. Information regarding County debt issuances may be found at the DAC website, www.dacbond.com. The DAC website also hosts related County documents, including official statements for outstanding debt.

In addition to this annual Bond Disclosure Supplement, the County prepares a Comprehensive Annual Financial Report (CAFR), which includes audited financial statements prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities. This document is available from the County upon request. Additionally, the CAFR and this Bond Disclosure Supplement are hosted on the Orange County Comptroller's website, www.occompt.com.

In compliance with Rule 15c2-12 of the Securities and Exchange Commission (SEC), the County has entered into undertakings to provide secondary market information in connection with all bonds it has issued subsequent to the July 3, 1995 effective date of the Rule. The electronic filing of this Bond Disclosure Supplement together with the CAFR, with the Electronic Municipal Market Access (EMMA) system of the Municipal Securities Rulemaking Board, satisfies, in the County's opinion, the requirements for annual disclosure as set forth in the undertakings. The County is committed to fulfilling its disclosure obligations, as now or as may hereafter be defined by the SEC. While the County is committed to the release of secondary market information necessary to evaluate the County's credit, the County is not making an on-going commitment to the publication and release of future Bond Disclosure Supplements and, in the future, its disclosure obligations may be met through supplements or enhancements to its CAFR or through the release of other documents.

The County has not undertaken an independent review or investigation to determine the accuracy of information that has been obtained from other sources. Certain information presented herein has been obtained from sources that are believed by the County to be reliable, but the County makes no representation or warranty with respect to the accuracy or completeness of that information.

Additionally, to the extent that certain portions of this Bond Disclosure Supplement constitute summaries of documents, reports, resolutions, or other agreements relating to the operations or outstanding debt of the County, this Supplement is qualified by reference to each such document, report, resolution, or agreement, copies of which may be obtained from the Orange County Comptroller's Office

The information in this Bond Disclosure Supplement is historic in nature and presents such information only as of the date(s) described herein. The County assumes no obligation for updating the information in this Supplement. The information in this Supplement is subject to change without notice.

Orange County, Florida

Continuing Disclosure Policy and Procedures

In response to SEC Rule 15c2-12, the County has elected to adopt Administration Regulation Number 6.02.05 entitled "Continuing Disclosure and Post-Closing Responsibilities for Debt Issues." This regulation follows and provides procedures for annual disclosure and other reportable events prescribed by the SEC Rule, as well as procedures for compliance with tax rules and the opportunity for timely remediation when needed. This Administrative Regulation, as revised in March 2012, is as follows.

I. Policy

- A. It is the policy of Orange County to provide full and fair disclosure and comply with all post-issuance regulatory obligations in connection with the initial sale and distribution of its publicly marketed debt instruments and to provide appropriate ongoing secondary market information in compliance with the requirements of applicable federal and state securities laws, rules and regulations, including Securities and Exchange Commission (SEC) Rule 15c 2-12 (the "Rule").
- B. This policy shall be implemented through the adoption of the administrative procedures set forth below which provide for assignment of responsibility for information compilation, communication, analysis, response and dissemination.
- C. The Manager of Fiscal and Business Services shall be charged with general authority and responsibility for developing, implementing and overseeing compliance with this policy and the administrative procedures with respect hereto.

II. Procedures

- A. The County Comptroller shall provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, not later than the following June 1 after each preceding fiscal year end, the following information:
 1. Audited financial statements prepared in accordance with generally accepted accounting principles; and
 2. Certain annual financial information required to be provided pursuant to the Rule.
- B. 1. For applicable bond issues prior to December 1, 2010, the Manager of Fiscal and Business Services shall provide or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events as required by the Rule , if such event is material:
 - a. principal and interest payment delinquencies;
 - b. non-payment related defaults;
 - c. unscheduled draws on debt service reserves reflecting financial difficulties;

Orange County, Florida

- d. unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. substitution of credit or liquidity providers, or their failure to perform;
 - f. adverse tax opinions or events affecting the tax-exempt status of bonds;
 - g. modifications to rights of the holders of bonds;
 - h. bond calls (other than scheduled mandatory redemption);
 - i. bond defeasances;
 - j. release, substitution, or sale of property securing repayment of bonds; and
 - k. rating changes.
2. For applicable bond issues on or after December 1, 2010, the Manager of Fiscal and Business Services shall provide or cause to be provided to the MSRB in an electronic format as prescribed by the MSRB, in a timely manner as prescribed by the Rule (initially established as not in excess of ten business days after the occurrence of the event):
- a. principal and interest payment delinquencies;
 - b. non-payment related default, if material;
 - c. unscheduled draws on the debt service reserves reflecting financial difficulties;
 - d. unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. substitution of credit or liquidity providers, or their failure to perform;
 - f. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax-exempt status of the bonds; or events affecting the tax-exempt status of bonds;
 - g. modifications to rights of the holders of bonds, if material;
 - h. bond calls, if material, and tender offers (other than scheduled mandatory redemption);
 - i. defeasances;
 - j. release, substitution, or sale of property securing repayment of bonds if material;
 - k. rating changes;

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- a. maintain clear and consistent accounting procedures for tracking the investment and expenditures of bond proceeds, including investment earnings on bond proceeds;
 - b. at or shortly after closing of a bond issue, ensure that any allocations for reimbursement expenditures comply with the tax certificate; and
 - c. monitor that sale proceeds and investment earnings on sale proceeds of tax-exempt bonds are spent in a timely fashion consistent with the requirements of the tax certificate.
3. **Monitoring Private Business Use.** The Manager of Fiscal and Business Services, in consultation with the County Attorney, bond and disclosure counsel, shall review proposed contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the bond-financed facilities which could result in private business use of the facilities such as sales of bond-financed facilities; leases of bond-financed facilities and management service contracts relating to bond-financed facilities and shall have bond counsel review new contracts or amendments and determine whether any limits on private business use are exceeded and, if so, whether any actions are required to be taken to comply with the tax rules.
4. **Arbitrage, Yield Restriction and Rebate Compliance.** The Manager of Fiscal and Business Services will (i) confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for each bond issue with the IRS on a timely basis, and (ii) maintain copies of such form including evidence of timely filing as part of the transcript of the bond issue. The County Comptroller, in consultation with appropriate consulting firms, if necessary, shall confirm, recalculate and annually monitor the calculation of arbitrage on outstanding County debt as the basis for ongoing rebate compliance as set forth in the 8038-G and the tax certificate.
5. **Training and Retention of Records.** The Manager of Fiscal and Business Services will circulate training materials and guidance prepared by bond and disclosure counsel regarding developing continuing disclosure regulatory compliance and compliance with the rules applicable to the issuance of tax-exempt bonds for review by responsible individuals. Responsible individuals will undertake training needed to maintain professional certification and to obtain any applicable continuing education related to issuance and accounting of tax-exempt bond proceeds and investing public funds. Working together, the County Comptroller and the Office of Fiscal and Business Services will ensure that for each issue of bonds, the transcript and all records and documents described in these procedures will be maintained while any of the bonds are outstanding and during the three-year period following the final maturity or redemption of that bond issue, or if the bonds are refunded (or re-refunded), while any of the refunding bonds are outstanding and during the three-year period following the final maturity or redemption of the refunding bonds.

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6. Execution of Form 8038-G. The County Comptroller, the Manager of Fiscal and Business Services, or other individual authorized pursuant to a resolution of the Board of County Commissioners shall execute Form 8038-G as an authorized representative of the County.

Postemployment Benefits Other Than Pension Benefits

The County's other post employment benefit (OPEB) plan generally includes payment of a defined monthly health insurance subsidy to certain retirees who have met a specified combined term of service with the County and/or one or more of its constitutional officers, with the exception of the Clerk of Courts, and also includes an implicit rate subsidy for retirees choosing to continue in the County's group insurance at the same group rate as active employees as per the requirements of State statute.

The County has adopted the provisions of Governmental Accounting Standards Board Statement Numbers 43 and 45, respectively titled *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This accounting standard established uniform reporting standards for OPEB plans, and changed the measurement, recognition, and display of OPEB expense and related liabilities (assets), note disclosures, and required supplementary information (RSI) in the County's CAFR.

As part of implementing these OPEB reporting provisions, the County has established the Orange County Retiree Health Care Benefit Trust (Trust) to fund its OPEB Plan, and began making annual deposits to the Trust based on actuarially determined costs. The first annual deposit was made in the 2007 fiscal year. The Trust covers benefits that have been approved by the Board of County Commissioners for county employees and the constitutional officers, with the exception of the Clerk of Courts Office, which is responsible for establishing its own funding plan. The effect of transitioning to OPEB Plan funding on an actuarially determined cost basis from the previous pay-as-you-go basis has not created a significant impact on the operating costs or financial position of the County. See Note I of the County's CAFR for detailed information about the OPEB Plan.

DEBT MANAGEMENT POLICY

Orange County, Florida

Debt Management Policy

Overview

Orange County takes a planned and programmed approach to the management of its outstanding debt. The basic philosophy is to fund from internally generated capital, where appropriate, and finance, when appropriate. Additionally, State statutes provide specific guidance on the issuance of long-term debt by county governments. Under the statutes, long-term debt may only be used for the costs of acquisition, construction or modification of capital facilities and for the refinancing or refunding of such debt. This limitation prohibits any debt being issued to finance operational costs of county departments.

Debt may be categorized either as general obligation or non-general obligation. The determination is based on the pledge or revenue available to repay the debt. General obligation debt may be repaid from ad valorem taxes; therefore, voter approval is required to issue general obligation debt. Non-general obligation debt is issued based on the revenue stream generated by revenue producing projects or availability of non-ad valorem revenues.

Purpose

The basic purpose of debt management policies is to assist the government in the execution of its overall strategy by contributing to the continued financial health and stability of the organization and assuring future access to debt markets to meet both scheduled and unscheduled needs. In practice, the limits within which debt management policies can be developed and implemented are usually very confined. Despite these limitations, it is the responsibility of each local government to develop policies which, at a minimum, provide a conceptual framework for the issuance and management of debt.

The legal, economic, financial and market conditions associated with the issuance of debt are dynamic, unpredictable and usually in a constant mode of change. Consequently, the decision to issue debt is best made on a case-by-case basis and only after careful and timely analysis and evaluation of all relevant factors. Some of the factors that should be considered include, but are not limited to, the following:

- Legal constraints on debt capacity and various financing alternatives;
- The urgency of the capital requirements to be met and the economic cost of delays;
- Willingness and financial ability of the taxpayers to pay for the capital improvements;
- Determination as to whether to employ a “pay as you acquire” versus a “pay as you use” approach;
- Proper balance between internal and external financing;
- Current interest rates and other market considerations;
- The financial condition of the County;

Orange County, Florida

- The types, availability and stability of revenues to be pledged for repayment of the debt;
- Type of debt to be issued; and
- The nature of the projects to be financed (i.e., approved schedule of improvements, non-recurring improvements, etc.).

Debt Management Goal, Objective, and Policies

Pursuant to the requirements of State statutes, the County has adopted and periodically updates by Ordinance its “Comprehensive Policy Plan.” The plan has multiple elements, and the Capital Improvements Element establishes a goal, objectives and policies that include a debt management strategy. The currently adopted strategy for debt management is as follows.

Goal

Orange County shall plan for and manage the provision of public facilities and services in a fiscally prudent and responsible manner to adequately serve existing and new residents and continue to provide a quality environment.

Objective

Orange County shall maintain a comprehensive and viable debt management strategy which recognizes the capital improvement needs of the County as well as the taxpayer’s or rate payer’s ability to pay, accounting for existing legal, economic, financial and debt market considerations.

Policies

Capital improvements related to enterprise fund operations (e.g., water systems, wastewater systems, refuse disposal systems, etc.) shall be financed solely by debt to be repaid from user fees and charges generated from the respective enterprise fund operations, when practicable.

Capital improvements not related to enterprise fund operations (e.g., roads, parks, public buildings, etc.) may be financed by debt to be repaid from available revenue sources (including ad valorem taxes) pledgeable for same, when practical.

Cash surpluses, to the extent available and appropriate, shall be considered to finance scheduled capital improvements.

The County shall issue debt only for the purposes of constructing or acquiring capital improvements (more specifically, the approved schedule of capital improvements) and for making major renovations to existing capital improvements. The only exception to the above would involve entering into long-term leases for the acquisition of major equipment when it is cost justifiable to do so.

All capital improvements financed through the issuance of debt shall be financed for a period not to exceed the useful life of the improvements, but in no event to exceed 30 years.

Orange County, Florida

The County shall not construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

The County shall at all times manage its debt and sustain its financial position in order to seek and maintain the highest credit rating possible.

The County shall ensure that an adequate system of internal control exists to provide reasonable assurance as to compliance with appropriate laws, rules, regulations and covenants associated with outstanding debt.

Revenue sources shall only be pledged for debt when legally available and, in those situations where they have previously been used for operation and maintenance expenses/general operating expenditures, they will only be pledged for debt when other sufficient revenue sources are available to replace same to meet operation and maintenance expenses/general operating expenditures.

The County shall market its debt through the use of competitive bids whenever deemed feasible, cost effective and advantageous to do so. However, it is recognized that, in some situations, certain complexities and intricacies of a particular debt issue are such that it may be advantageous to market the debt via negotiated sale.

The County shall continually monitor its outstanding debt in relation to existing conditions in the debt market and will refund any outstanding debt when sufficient cost savings can be realized.

Credit enhancements (insurance, letters of credit, etc.) shall be used only in those instances where the anticipated present value savings in terms of reduced interest expense equals or exceeds the cost of the credit enhancement.

The County should consider coordinating with other local government entities to the fullest extent possible, so as to minimize the overlapping debt burden to citizens.

In order to maintain a stable debt service burden, the County will attempt to issue debt that carries a fixed interest rate. However, it is recognized that certain circumstances may warrant the issuance of variable rate debt. In those instances, the County should attempt to stabilize debt service payments through the use of an appropriate stabilization arrangement.

Issuance of Revenue Bonds

The County has adopted Administrative Regulation Number 6.02.04 entitled "Issuance of Revenue Bonds" in order to provide additional guidance in carrying out the debt management policies set forth in the Comprehensive Policy Plan. This Administrative Regulation, as revised in June 2006, is as follows:

I. Policy

- A. Orange County has the authority to issue revenue bonds or general obligation bonds pursuant to a competitive bid process or a negotiated sale.

Orange County, Florida

- B. It is the policy of Orange County to sell its bonds in the manner which will result in the lowest overall cost to the County while meeting the County's operational and program needs and deadlines.
- C. The competitive bid process should be utilized in the sale of bonds unless otherwise recommended by the County Administrator or the Orange County Comptroller, or both, and approved by the Board of County Commissioners (BCC).

II. Procedures

- A. The County's revenue bonds and general obligation bonds shall be sold by a competitive bid process except as otherwise authorized by this Administrative Regulation.
- B. The County's bonds may be sold by a negotiated transaction only if:
 - 1. Such negotiated sale is recommended by the County Administrator or the County Comptroller, or both; and
 - 2. Such recommendation is set forth in writing and contains the specific reasons why a competitive bid process would not be in the best interests of the County; and
 - 3. Such reasons include one or more of the reasons set forth in Paragraph C, below; and
 - 4. The BCC approves the recommendation by majority vote of the members present.
- C. The County Administrator or the County Comptroller, or both, may recommend that a particular issue of the County's bonds be sold pursuant to a negotiated sale only if at least one of the following criteria exists:
 - 1. The primary security or source of payment for the bonds is new or untested in the market;
 - 2. The particular structure of the bond issue is highly complex or is new and untested;
 - 3. The bond transaction involves innovative financing techniques or "derivative products";
 - 4. Market conditions are unstable or chaotic;
 - 5. A sudden or dramatic credit rating deterioration has occurred for the County, the State of Florida, or the surrounding region;
 - 6. The particular source of revenue pledged to the proposed bond issue has experienced a sudden or dramatic deterioration in its credit rating or marketability or is otherwise a weak credit;

Orange County, Florida

7. The size of the bond issue is considerably larger than the County has previously brought to market for that particular revenue source or is otherwise of such size that it would be difficult to sell the bonds through competitive bids;
 8. There is evidence or reason to conclude that a competitive bid process will result in higher borrowing costs for the County;
 9. There is reason to conclude that a competitive bid process will not meet the County's operational or program needs or deadlines, and a negotiated sale will;
 10. The County wants to ensure participation by minority- and women-owned investment banking firms and/or by local and regional firms.
- D. When a negotiated sale is approved by the BCC, underwriters will be selected pursuant to the applicable County code and Administrative Regulations.
- E. Nothing in this Regulation shall prohibit the use of set asides, auctions, and other devices which will encourage or ensure the participation of minority- and/or women-owned businesses and/or local or regional underwriting firms in competitively bid bond sales, all as may be approved from time to time by the BCC.
- F. This Regulation applies only to bonds issued by Orange County, Florida, and does not apply to any special districts within the County, either dependent or independent.
- G. Failure to comply, in whole or in part, with this Regulation pertaining to the method of sale of Orange County bonds shall have no effect whatsoever on the validity of any such bonds. Furthermore, nothing in this Regulation shall create either a cause of action or standing to sue for or on the part of any person or firm.

OVERVIEW OF COUNTY BONDED DEBT

Orange County, Florida

Overview of County Bonded Debt

Summary

As of September 30, 2012, the County had 18 outstanding series of bonds with total bonded debt outstanding of \$1.21 billion. This debt is secured by specified revenue sources (i.e., revenue bonds). Of the revenue bonds, \$833.7 million, or 69%, is secured by the County's tourist development tax revenues for the financing of the various expansion phases of the Orange County Convention Center.

The County's commercial paper note program is currently inactive. The last of the outstanding notes were redeemed in fiscal year 2008 and the broker/dealer and backup line of credit agreements expired in fiscal year 2009. The County elected to inactivate the program due to unfavorable conditions in the financial market.

Additionally, there are eight legally separate component units for which all or a majority of their governing boards are appointed by the Board of County Commissioners or are County Commissioners themselves, or for which the nature and significance of their relationship to the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Despite the ability to impose its will on these entities, the County does not have a financial benefit or burden relationship with them.

Four of the component units, consisting of a housing finance authority and three conduit financing authorities, actively issue debt in connection with the services they provide. While the County has no legal obligation for the debt issued by these authorities, County approval of debt issuances is required pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). As of September 30, 2012, total outstanding debt for these component units stood at \$2.14 billion.

Revenues Pledged for County Bonds

Governmental Activities

Property Taxes (General Obligation): There is no outstanding general obligation debt of the County.

The County issues limited obligation revenue bonds for a variety of general governmental purposes. Currently, there are four County revenue sources pledged to revenue bonds as follows:

State Sales Tax: The State levies a six percent sales tax and sets aside a portion for distribution to local governments. County Sales Tax Bonds are payable from a pledge of Local Government Half-Cent Sales Tax distributed monthly to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund of the State Treasury created under Section 218.61(3), Florida Statutes. The County has used the proceeds of Sales Tax Bonds for construction or acquisition of various governmental facilities, primarily its jail complex and the current courthouse facility.

Orange County, Florida

State Revenue Sharing: The State sets aside certain of its revenues for distribution to local governments. County Capital Improvement Bonds are payable from a pledge of the monthly distribution of amounts to the County from the Revenue Sharing Trust Fund for Counties. The Revenue Sharing Act provides that no eligible county shall receive less revenue sharing funds than its minimum entitlement. Historically, per the Florida Revenue Sharing Act of 1972, Part II of Chapter 218 of the Florida Statutes, counties were authorized to pledge their Guaranteed Entitlement and Second Guaranteed Entitlement portions of its revenue sharing funds. Effective July 1, 2004, Chapter 2003-402, Laws of Florida authorizes county and municipal governments to pledge an amount up to fifty percent (50%) of revenue sharing funds received in the prior year. The County has used the proceeds of Capital Improvement Bonds for construction or acquisition of various governmental facilities, primarily a correctional facility and a public works administrative facility.

Public Service Tax: Pursuant to Article VIII, Section 1(g) and Article VII, Section 9(a) of the Constitution of the State, the Orange County Charter, and Section 166.231, Florida Statutes, the County levies a Public Service Tax within the unincorporated area of the County on the purchase of electricity, metered or bottled gas (natural liquefied petroleum gas or manufactured), water service and fuel oil. County Public Service Tax Bonds are payable from a pledge of the Public Service Tax proceeds. The County has used the proceeds of Public Service Tax Bonds for acquiring environmentally sensitive lands and acquiring and improving parks and recreational facilities.

Miscellaneous Non-Ad Valorem Revenues: The County collects a wide range of non-ad valorem revenues. The County has taken a grouping of these revenues in the general categories of state license revenues, local license and permit fees, local charges for services, and other miscellaneous local revenues, and has pledged the proceeds to the payment of County Public Facilities Bonds. The County has used the proceeds of Public Facilities Bonds for construction or acquisition of various governmental facilities, primarily its correctional facility, and for acquisition and construction of certain communications system equipment.

Business-type Activities

The County issues limited obligation revenue bonds for a range of governmental business-type purposes. Currently, there are two County revenue sources pledged to revenue bonds as follows:

Water and Wastewater Net Operating Revenues: The County, through its Utilities Department, operates a Water and Wastewater System for the treatment and distribution of potable water and the collection, treatment and disposal of sewage. The primary source of revenues is income derived from the sale of water or reclaimed water produced, treated and distributed, and the collection, transmission, treatment and disposal of sewage by the System. The County's Water Utilities System Bonds are payable from a pledge of net revenues derived from the operation of the System. The County has used the proceeds of Water Utilities System Bonds for construction, acquisition and improvement of various Water and Wastewater System components, including water and wastewater treatment plants, and transmission and collection systems.

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Tourist Development Tax and Convention Center Net Operating Revenues: Pursuant to Section 125.0104, Florida Statutes, known as the “Local Option Tourist Development Act”, the County is authorized to levy a Tourist Development Tax on every person who rents, leases, or lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park or condominium for a term of six months or less (“Tourist Rentals”). The County currently levies the Tourist Development Tax on Tourist Rentals throughout the County at a rate of six percent. The Tourist Development Tax Bonds are payable from a pledge of available revenues from the first five percent of the Tourist Development Tax levy and certain net revenues derived from the operation of the County’s Convention Center. The County has used the proceeds of Tourist Development Tax Bonds for construction, acquisition, or improvement of primarily its Convention Center, and secondarily for tourism promotion and construction or renovation of sports and cultural facilities owned by the City of Orlando or other eligible entities.

Current Year Bond Issuances

On April 26, 2012, the County issued \$16,805,000 of Taxable Sales Tax Revenue Refunding Bonds, Series 2012A to refund on a current basis all of the \$27,725,000 of outstanding Sales Tax Revenue Refunding Bonds, Series 1999, and to pay expenses of issuance of the Series 2012A Bonds. The current refunding transaction resulted in a cash flow savings over the next six years of \$13,071,926, and a net present value debt service savings of \$2,828,039, discounted at 1.5%.

On April 26, 2012, the County issued \$97,295,000 of Sales Tax Revenue Refunding Bonds, Series 2012B to advance refund all of the \$104,495,000 of outstanding Sales Tax Revenue Bonds, Series 2002B, and to pay expenses of issuance of the Series 2012B Bonds. The current refunding transaction resulted in a cash flow savings over the next 20 years of \$13,177,922, and a net present value debt service savings of \$9,099,960, discounted at 3.6%.

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Orange County, Florida

Summary of Bonded Indebtedness

The following is a summary of the bonded indebtedness of the County as of September 30, 2012:

<u>Issue Title</u>	<u>Amount</u>
General Obligation Bonds:	
None	
Revenue Bonds:	
Governmental Activities:	
Sales Tax Revenue Refunding Bonds, Series 2002A	\$ 120,065,000
Sales Tax Revenue Refunding Bonds, Series 2006	37,285,000
Taxable Sales Tax Revenue Refunding Bonds, Series 2012A	16,805,000
Sales Tax Revenue Refunding Bonds, Series 2012B	97,295,000
Capital Improvement and Refunding Revenue Bonds, Series 1992	1,366,140
Capital Improvement Refunding Revenue Bonds, Series 2009	22,735,000
Public Service Tax Refunding and Improvement Revenue Bonds, Series 2003	61,515,000
Public Facilities Revenue Bonds, Series 1994A	8,874,619
Business-type Activities:	
Water Utilities System Refunding Revenue Bonds, Series 1998	10,865,000
Tourist Development Tax Revenue Bonds, Series 2002	1,260,000
Tourist Development Tax Refunding Revenue Bonds, Series 2002A	12,670,000
Tourist Development Tax Refunding Revenue Bonds, Series 2003A	16,410,000
Tourist Development Tax Refunding Revenue Bonds, Series 2005	216,760,000
Tourist Development Tax Refunding Revenue Bonds, Series 2006	73,025,000
Tourist Development Tax Refunding Revenue Bonds, Series 2007	138,790,000
Tourist Development Tax Refunding Revenue Bonds, Series 2007A	153,955,000
Tourist Development Tax Refunding Revenue Bonds, Series 2009	76,415,000
Tourist Development Tax Refunding Revenue Bonds, Series 2010	144,395,000
Total Bonds Outstanding	\$ 1,210,485,759

Orange County, Florida

Principal and Interest Requirements to Maturity

The following represents the debt service requirements to maturity for primary government bonded indebtedness as of September 30, 2012 (in thousands):

Year Ending September 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012*	\$ 8,690	\$ 6,508	\$ 15,198	\$ 34,935	\$ 20,553	\$ 55,488
2013	16,534	21,086	37,620	36,710	39,339	76,049
2014	17,855	18,630	36,485	39,215	37,490	76,705
2015	17,720	18,042	35,762	37,125	35,595	72,720
2016	20,040	17,346	37,386	38,925	33,790	72,715
2017-2021	107,262	66,676	173,938	219,090	138,979	358,069
2022-2026	92,650	30,134	122,784	218,770	81,365	300,135
2027-2031	69,065	12,213	81,278	177,465	36,670	214,135
2032	16,125	322	16,447	42,310	2,010	44,320
Totals	\$ 365,941	\$ 190,957	\$ 556,898	\$ 844,545	\$ 425,791	\$ 1,270,336

*Requirements shown for year ending September 30, 2012 relate to payments due on October 1, 2012.

Summary of Defeased Bond Indebtedness

The defeased bond indebtedness of the County totals \$170,335,000 as of September 30, 2012. A summary of defeased bond indebtedness of the County is as follows:

	Year(s) Defeased	Original Amount Defeased	Defeased Amount Outstanding
Water and Sewer Revenue Bonds, Series 1982	1985	\$ 27,915,000	\$ 7,070,000
Tourist Development Tax Revenue Bonds, Series 1980	1985	34,260,000	8,510,000
Tourist Development Tax Revenue Bonds, Series 1985	1985	12,370,000	3,080,000
Sales Tax Revenue Bonds, Series 1989	1993/1999	56,090,000	14,170,000
Tourist Development Tax Revenue Bonds, Series 1990	1994/1997/2000	54,975,000	14,000,000
Tourist Development Tax Refunding Revenue Bonds, Series 1992A	2000/2002	71,745,000	2,725,000
Solid Waste Facility Refunding Revenue Bonds, Series 2003	2007	31,760,000	16,285,000
Sales Tax Revenue Bonds, Series 2002B	2012	104,495,000	104,495,000
Totals		\$ 393,610,000	\$ 170,335,000

Note: Details of the defeased debt summarized above are presented in their respective debt profile sections. Details of the defeased Solid Waste System bonds are presented below, as the System currently has no bonded debt outstanding.

Orange County, Florida

Defeased Solid Waste System Debt Outstanding

The Solid Waste Facility Refunding Revenue Bonds, Series 2003 currently have maturities that are defeased but still outstanding. On September 27, 2007, the County used available cash to advance refund all outstanding Series 2003 Bonds in the amount of \$31,760,000. Bonds with maturity dates through October 1, 2013 are being paid according to their original maturity schedule, and Bonds maturing on and after October 1, 2014 will be called for payment on October 1, 2013. The Paying Agent for the Series 2003 Bonds is The Bank of New York, Jacksonville, Florida. The remaining original maturity schedule of the defeased Series 2003 Bonds is as follows:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
October 1, 2012	3.00	\$ 2,860,000
October 1, 2013	3.125	2,945,000
October 1, 2014	5.00	3,035,000
October 1, 2015	5.00	3,190,000
October 1, 2016	5.00	3,345,000
October 1, 2017	3.625	450,000
October 1, 2018	3.75	460,000
Total Outstanding		\$ 16,285,000

Other Debt Outstanding

Orange County Promissory Note, Series 2010

On December 15, 2010, the County entered into a loan agreement with Branch Banking and Trust Company for issuance of the Orange County Promissory Note, Series 2010 (Note), for the purpose of funding upgrades and improvements to the County's public safety radio system. The total amount of the Note, which matures on October 1, 2022 was \$15,395,000 and the primary pledged revenue is the locally adopted traffic surcharge revenue authorized by Florida Statutes. The total principal outstanding on this loan was \$14,210,000 as of September 30, 2012.

State Revolving Loan Fund – Water Utilities System

In June 2002, August 2006, March 2011 and January 2012, the County entered into Clean Water State Revolving Fund Construction Loan Agreements with the State of Florida Department of Environmental Protection. Funds are being utilized by the Water Utilities System to finance wastewater collection system projects. The total principal outstanding on these loans was \$11,044,584 as of September 30, 2012.

Refer to Note M in the Comprehensive Annual Financial Report for further information on these obligations.

GENERAL INFORMATION CONCERNING ORANGE COUNTY

**Content for this section provided by the Orange County
Fiscal and Business Services Division**

Orange County, Florida

General Information Concerning Orange County

Orange County, Florida (the "County") was established in 1824 and became a Charter County upon the enactment of its County Charter approved by the voters effective January 1, 1987. Its territorial limits as they presently exist were defined in 1913 and encompass approximately 1,000 square miles. Orlando, the County seat, is its principal city. It is located geographically in the approximate center of the State of Florida (the "State"), midway between Jacksonville to the north and Miami to the south, between the St. Petersburg-Tampa area on the Gulf of Mexico and Daytona Beach on the Atlantic Coast. Two of the State's major highways, Interstate 4 (for east-west travel) and the Florida Turnpike (for north-south travel), intersect ten miles southwest of downtown Orlando. In 2011, the County had a population of 1,169,107. For the period from 2002 to 2011, the population of the County has increased from 955,865 to 1,169,107. This represents an increase of approximately 22.3% for the County and an average annual increase of 2.3% for the 2002-2011 period.

Administration and Management

Board of County Commissioners; Home Rule Charter

The Board of County Commissioners of Orange County, Florida (the "Board") is the principal legislative and governing body of the County. The powers and duties of the Board are those prescribed by the State Constitution or by the Legislature, and those as described in the Orange County Charter. The Board's mailing address is: Orange County Administration Center, Post Office Box 1393, Orlando, Florida 32802-1393. The Board consists of six commissioners elected by the voters from single member districts of the County for terms of four years each and a County Mayor elected at-large by the voters of the County. The current commissioners and the years in which their terms expire are as follows:

<u>Commissioner</u>	<u>District</u>	<u>Term Began</u>	<u>Term Expires</u>
S. Scott Boyd*	1	December 2012	December 2016
Frederick C. Brummer*	2	January 2011	December 2014
Pete Clarke	3	December 2012	December 2016
Jennifer Thompson	4	January 2011	December 2014
Ted B. Edwards	5	December 2012	December 2016
Tiffany Moore Russell*	6	January 2011	December 2014

* Re-elected; serving consecutive terms.

The County Mayor

The chief ceremonial and executive official of the County is the County Mayor. Prior to a charter amendment that was approved by the electors in November 2004, the County Mayor was known as the County Chairman. The County Mayor is eligible for two consecutive four-year terms. This official serves as the chair of the Board and exercises direct authority over the day-to-day

Orange County, Florida

operations of all elements of County government under the jurisdiction of the Board, consistent with the policies, ordinances and resolutions enacted by the Board. The current County Mayor is Teresa Jacobs. Mayor Teresa Jacobs served as an Orange County Commissioner for District 1 from 2000 to 2008. She was elected to the position of County Mayor in November 2010 and began her first elected term in January 2011. The duties of the County Mayor include the following:

- Manage the operation of all elements of county government under the jurisdiction of the board, consistent with the policies, ordinances and resolutions enacted by the board;
- Serve as chair of the Board of County Commissioners;
- Vote on all matters before the Board;
- Be responsible for the execution of all contracts and legal documents, but may delegate this authority;
- Prepare and publish agendas for all meetings of the Board and submit the annual budget estimate with a plan of action to meet the needs of the County for adoption by the Board;
- Appoint and dismiss heads of County departments, divisions and other agencies under the jurisdiction of the board except that all such appointments shall be made annually and shall be subject to confirmation by the Board;
- Assure the faithful execution of all ordinances, resolutions and orders of the Board and all laws of the state which are subject to enforcement by the County Mayor, or by officers who are subject under this Charter to the Mayor's direction and supervision;
- Present annually at a time designated by the Board, a "state of the County" message, setting forth programs and recommendations to the Board;
- Supervise the daily activities of employees;
- Serve as the official representative and ceremonial dignitary for the government of Orange County, with prerogative to issue proclamations;
- Sign ordinances, resolutions and documents for the Board;
- Call the Board into regular and special session; and
- Carry out other powers and duties as required by this Charter or may be prescribed by the Board.

Orange County, Florida

The County Comptroller

The County Comptroller's duties can be classified into three broad categories: financial, audit, and records administration. The Comptroller's specific roles include serving as chief financial officer, county auditor, clerk of the board, recorder, and general custodian of all county funds and records. The incumbent County Comptroller is Martha O. Haynie, who was re-elected to the position for a seventh four-year term in November 2012. Ms. Haynie is a certified public accountant who has over 35 years of experience in accounting and auditing. Ms. Haynie's current term expires in January 2017.

The County Administrator

The County Administrator is appointed by the County Mayor and confirmed by the Board. The County Administrator serves at the pleasure of the Mayor and is employed on a full-time basis to assist the Mayor in the daily management of the County. Ajit M. Lalchandani was appointed as the County Administrator in February 1999. Mr. Lalchandani has been an employee of Orange County since 1988 and from January 1995 to February 1999 served as the Director of Public Works.

The County Attorney

The County Attorney is appointed by the County Mayor and confirmed by the Board. The County Attorney serves at the pleasure of the Mayor and is employed on a full-time basis for providing legal services to the County Mayor, the Board, the County Administrator and staff, all divisions and departments, and certain Constitutional Officers upon request. The current County Attorney is Jeffrey J. Newton.

Budget Process

The fiscal year in Orange County begins on October 1st, and runs to September 30th. The budget preparation and amendment process, by contrast, typically runs from January to December. The Office of Management and Budget (OMB) maintains a financial projection model that includes current revenue and expenditure budgets, as well as projections for the next five years. The model is updated throughout the year, but the projections from January mark the commencement of the annual budget process. This model provides county management with a clear vision of the financial condition of the upcoming fiscal year budgets.

During February, the County Mayor announces budget guidelines for all County departments and constitutional officers. In March, departments and divisions submit their proposed budgets to OMB for review. During the review process, OMB meets with the County Administrator and the Department management to insure that the budgets are prepared according to guidelines, and that the budgets represent an appropriate balance between needs and available resources.

By July, spending plans are finalized and the proposed millage is established. The County Mayor presents the proposed budget to the Board in July. The budget for the upcoming year becomes effective October 1 and the spending plan as authorized by the Board will be implemented and monitored throughout the fiscal year.

Orange County, Florida

The Property Appraiser certifies the tax roll by July 1. Within 35 days thereafter, the Board must advise the Property Appraiser of the proposed and rolled-back millage rates. The rolled-back rate is that millage rate which, exclusive of new construction and certain other changes, will provide the same ad valorem tax revenue as was levied during the prior year, less the amount paid with regard to dedicated increment value.

Notices of proposed property taxes, which include proposed and rolled-back millage rates, are mailed to each taxpayer within 55 days after the date the tax roll is certified. Within 80 days, but not earlier than 65 days, after the Property Appraiser certifies the tax roll, the Board conducts a public hearing to adopt the tentative budget and millage rates. No sooner than two days nor later than 20 days after the first public hearing, a second public hearing is held to finally adopt the budget and millages. The millages adopted at the second public hearing cannot exceed those adopted at the first public hearing without individual taxpayers being sent an additional notice of proposed property taxes. The maximum allowable millage for the County cannot exceed 10 mills, exclusive of voter-approved levies.

The Board adopts the Five-Year Capital Improvements Program as required by the County's Growth Management Policy at public hearings during the budget process.

During December, the Office of Management and Budget reconciles the actual fund balance brought forward with the amount projected during the budget process. This adjustment marks the conclusion of the annual budget process, as well as the beginning of the next year's process.

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Orange County, Florida

The following tables set forth the taxable assessed property valuations and tax levies and collections for Tax Roll years 2002 through 2011 for the County and the principal taxpayers in the County.

Taxable Assessed Property Valuations Orange County, Florida 2003 - 2012

<u>Fiscal Year⁽¹⁾</u>	<u>Taxable Real Property Valuation</u>	<u>Taxable Personal Property Valuation</u>	<u>Centrally Assessed Property Valuation⁽²⁾</u>	<u>Total Taxable Property Valuation</u>
2012	\$73,277,233,801	\$7,991,129,432	\$22,076,031	\$81,290,439,264
2011	75,469,110,719	8,105,120,427	12,538,415	83,586,769,561
2010	88,964,627,849	8,196,399,075	17,078,383	97,178,105,307
2009	99,393,842,302	8,187,176,637	15,826,598	107,596,845,537
2008	99,024,397,168	8,266,008,576	5,865,402	107,296,271,146
2007	84,455,418,451	7,804,541,783	5,666,452	92,265,626,686
2006	67,866,436,246	7,366,554,814	20,226,805	75,253,217,865
2005	59,953,350,238	7,409,361,742	27,569,966	67,390,281,946
2004	54,914,139,084	7,193,294,051	25,703,736	62,133,136,871
2003	51,174,610,221	7,493,736,396	19,639,733	58,687,986,350

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized – e.g., the 2011 tax roll data is reported here for fiscal year 2012, as that is the period of collection and revenue recognition.

(2) Centrally Assessed Property consists of railroad property assessed by the State of Florida. Prior to fiscal year 2009, the taxable assessed value equaled the estimated actual value.

Source: Orange County Property Appraiser's Office

Orange County, Florida

Tax Levies and Collections Orange County, Florida 2003 – 2012

Fiscal Years Ending 9/30	Countywide Base Millage	Property Taxes Levied ⁽¹⁾	Tax Discount ⁽²⁾	Net Tax Collections ⁽³⁾	Total Tax Collections ⁽⁴⁾	Gross Tax Collection Versus Taxes Levied ⁽⁵⁾
2012	4.4347	\$361,843,317	\$12,782,443	\$347,390,614	\$349,111,487	99.54%
2011	4.4347	372,736,856	12,961,204	357,325,139	358,605,438	99.34
2010	4.4347	426,645,690	14,437,510	409,068,703	410,688,637	99.26
2009	4.4347	477,252,866	15,924,275	457,633,359	460,545,819	99.23
2008	4.4347	477,591,217	16,059,035	458,177,217	460,341,783	99.30
2007	5.1639	476,758,645	16,309,050	456,932,140	458,499,321	99.26
2006	5.1639	390,275,519	13,703,370	373,772,974	375,474,988	99.28
2005	5.1639	348,216,904	12,324,232	322,610,162	334,654,521	96.19
2004	5.1639	322,402,714	11,307,678	307,013,159	308,029,110	98.73
2003	5.1639	304,723,204	10,631,502	290,494,930	291,095,075	98.82

(1) This amount does not include additional county millage assessed in unincorporated areas only (Special Tax Equalization District or Fire & Emergency Medical Services millages).

(2) Aggregate amount of discounts actually taken by taxpayers as allowed by Florida law for early payment of taxes. This discount period falls during the months of November through February.

(3) Aggregate of current taxes paid plus any proceeds from a tax certificate sale that is normally held in May (includes interest on delinquent taxes).

(4) This column indicates the aggregate amount of tax collections as of close-out of fiscal year ending September 30. Total tax collections include current taxes paid, tax certificate proceeds, delinquent tax payments upon taxable tangible personal property, and any prior period payments on County-held tax certificates. Includes interest from late payments.

(5) Represents the percentage of current gross collections (current net collections plus discounts taken) to property taxes levied.

Source: Orange County Tax Collector's Office

Orange County, Florida

**Millage Rates ⁽¹⁾
Orange County, Florida
2003 – 2012**

<u>Fiscal Year</u> ⁽²⁾	<u>General Revenue</u>	<u>Capital Projects</u>	<u>Parks Fund</u>	<u>Total Countywide</u>
2012	4.0441	0.2250	0.1656	4.4347
2011	4.0441	0.2250	0.1656	4.4347
2010	4.0441	0.2250	0.1656	4.4347
2009	4.0441	0.2250	0.1656	4.4347
2008	4.0441	0.2250	0.1656	4.4347
2007	4.7299	0.2500	0.1840	5.1639
2006	4.7299	0.2500	0.1840	5.1639
2005	4.7299	0.2500	0.1840	5.1639
2004	4.7299	0.2500	0.1840	5.1639
2003	4.7299	0.2500	0.1840	5.1639

(1) Countywide tax rate excludes rates for non-countywide special taxing districts. The rate as stated is imposed per \$1,000 of taxable assessed value.

(2) Information is reported based on the fiscal year in which associated tax revenue is recognized – e.g., the 2011 tax roll data is reported here for fiscal year 2012, as that is the period of collection and revenue recognition.

Source: Orange County Property Appraiser's Office

Orange County, Florida

Orange County, Florida Principal Taxpayers Tax Roll Year 2011⁽¹⁾

<u>Taxpayer</u>	<u>Type Of Business</u>	<u>Appraised Valuation</u>	<u>Percentage Of Total Taxable Appraised Value</u>
Walt Disney Company	Tourism	\$6.45 billion	7.93%
Universal Studios	Tourism	1.41 billion	1.73
Marriott Corporation	Hospitality	1.05 billion	1.29
Hilton Corp	Hospitality	899 million	1.11
Progress Energy	Electric Utility	608 million	0.75
Orange Lake Country Club	Hospitality	599 million	0.74
Rosen Hotels/RH Resorts	Hospitality	447 million	0.55
Westgate Resorts	Hospitality	437 million	0.54
Wyndham Resorts	Hospitality	420 million	0.52
Lockheed Martin	Aerospace/Defense	<u>410 million</u>	<u>0.50</u>
Total taxable assessed value of 10 largest taxpayers		12.73 billion	15.66
Total taxable assessed value of other taxpayers		<u>68.56 billion</u>	<u>84.34</u>
Total taxable assessed value of all taxpayers		<u>\$81.29 billion</u>	<u>100.00%</u>

- (1) This comprehensive list is compiled based upon total real property and tangible personal property taxable value and ownership. It may include leased property, timeshare, subsidiary or partner owned properties. It is developed to show assessed value impact in Orange County. No warranties, expressed or implied, are provided for the data herein, its use or interpretation.

Source: Orange County Property Appraiser's Office

Pension and OPEB

Orange County is one of the participating employers of the Florida Retirement System (FRS). FRS is the fourth largest state retirement system in the country. Legislation enacted during the 2000 legislative session requires annual actuarial valuations of the FRS. For fiscal year ending June 30, 2011⁽¹⁾, the Pension Plan had actuarial assets of \$126.1 billion and actuarial liabilities of \$144.1 billion, resulting in an unfunded obligation of \$18 billion and funding level of 87%. The valuation must comply with Governmental Accounting Standards Board Statement ("GASB") No. 25 and No. 27.

Orange County, Florida

The County has implemented GASB No.45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB 45 requires the County to report the actuarially determined accrued costs of other post-employment benefits ("OPEB"), such as health and life insurance, and annually recognize the cost of such benefits as a part of compensation for employee services over the working lifetime of its employees. Through the engagement of an actuarial firm, the County has determined its estimated OPEB funding obligations as of the fiscal year ended September 30, 2012. The total actuarially determined unfunded obligation was \$46.3 million at the end of fiscal year 2012. The County does not expect the funding of the actuarially determined OPEB costs to have a significant impact on its operating costs or financial position.

The County has created a qualifying irrevocable trust to fund the annual required contribution ("ARC") amount. For Orange County Government, consisting of the Board and its six constitutional officers, the County contributed \$5,729,689 in fiscal year 2012, which consisted of components for the normal cost and amortization payment to fund the annual actuarial obligation. The irrevocable OPEB trust fund established by the County will cover benefits that have been approved by the Board for county employees and the constitutional officers, with the exception of the Clerk of Courts who is responsible for the establishment of her own trust fund.

(1) For the State of Florida, the fiscal year runs from July 1 through June 30.

Sources: AON Hewitt, Orange County Government 2012-13 Actuarial Report for GASB 43 and 45; Orange County Sheriff's Office 2012-13 Actuarial Report for GASB 43 and 45. Florida Retirement System 2010-11 Annual Report.

Population

Orange County currently ranks fifth in population density of the 67 counties in the State. Metro Orlando, which consists of Orange, Osceola, Seminole and Lake Counties, is home to over 2 million people. Over one third of Metro Orlando's population is between the ages of 20 and 44, and the population median age is 37.6, which is lower than the State of Florida's average age of 40.7, which also translates into a large work force. Between 2002 and 2015, Metro Orlando's population is expected to grow by 32.4%.

Sources: Metro Orlando Economic Development Commission; University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2006, 2011

Orange County, Florida

Historical and Projected Future Populations Orange County, Orlando MSA, Florida And United States 2002-2011, 2015, 2020, 2025

<u>Year⁽¹⁾</u>	<u>Orange County</u>	<u>% Inc</u>	<u>Orlando MSA</u>	<u>% Inc</u>	<u>Florida</u>	<u>% Inc</u>	<u>United States</u>	<u>% Inc</u>
2025	1,498,600	8.8	2,815,600	9.0	22,641,300	6.2	357,452,000	4.7
2020	1,377,600	10.0	2,582,000	10.3	21,326,800	6.8	341,387,000	4.9
2015	1,252,000	9.3	2,340,800	9.7	19,974,400	6.2	325,540,000	5.4
2011	1,169,107	2.0	2,171,360	1.7	19,057,542	1.4	311,591,917	0.9
2010	1,145,956	1.1	2,134,411	1.0	18,801,310	0.6	308,745,538	0.4
2009	1,133,453	0.7	2,113,807	0.7	18,687,425	0.4	307,439,000	0.9
2008	1,125,822	1.3	2,098,515	1.4	18,613,905	0.9	304,798,000	0.9
2007	1,111,307	2.5	2,070,373	2.6	18,446,768	1.6	302,004,000	1.0
2006	1,084,706	4.0	2,017,110	3.3	18,154,475	1.3	298,996,000	0.9
2005	1,043,437	2.9	1,953,354	3.1	17,918,227	2.3	296,186,000	0.9
2004	1,013,937	3.1	1,894,992	3.6	17,516,732	2.6	293,463,000	0.9
2003	983,165	2.9	1,829,219	3.5	17,071,508	2.4	290,820,000	0.9
2002	955,865	2.8	1,767,918	3.5	16,674,608	2.1	288,105,000	1.0
Average Annual Increase 2002-2011		2.3%		2.4%		1.6%		0.9%

(1) Years 2015, 2020 and 2025 are projected populations.

Sources: U.S. Census Bureau, Population Division; University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2006, 2011

Orange County, Florida

Population by Age 2011 Estimate

	<u>Orange County</u>	<u>State of Florida</u>
0-4 Years	7.7%	5.7%
5-19 Years	20.0%	18.1%
20-64 Years	62.5%	58.6%
65-84 Years	8.4%	15.2%
85 and Over	<u>1.4%</u>	<u>2.4%</u>
Total	<u>100.0%</u>	<u>100.0%</u>

Sources: Metro Orlando Economic Development Commission; Florida Department of Transportation (Original source: Bureau of Economic & Business Research, University of Florida, Florida Statistical Abstract)

Housing

As of 2010, residential building permits in Orange County totaled 2,846, of which 2,154 were for single-family dwellings. Residential valuation was in excess of \$636 million.

During 2011, 27,791 homes were sold in the Orlando MSA with an average selling price of \$147,924. The median selling price for an existing home in the Orlando MSA in the second quarter of 2012 was \$136,100 compared with the national average of \$181,500.

There were 514 estimated apartment unit completions in the Orlando MSA during 2011. The overall estimated apartment vacancy rate in 2011 was 7.1%, with rentals at an estimated average of \$857 a month.

Sources: Metro Orlando Economic Development Commission; Orlando Regional Realtor Association; University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2011

Orange County, Florida

Building Permits 2001 – 2010

<u>Year</u>	<u>Single-Family</u>	<u>Multi-Family</u>	<u>Residential Valuations (\$000)</u>
2010	2,154	692	\$ 636,208
2009	1,810	118	388,919
2008	2,485	2,928	682,092
2007	4,025	4,135	1,172,762
2006	9,511	4,241	2,341,794
2005	10,861	6,357	2,357,451
2004	11,664	3,011	2,134,535
2003	9,971	3,990	1,633,892
2002	8,092	5,311	1,357,233
2001	7,396	3,345	1,047,828

Sources: University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstracts: 2006-2011

Economy

Employment

As of September 2012, employment in Orange County was 584,475 with an unemployment rate of 8.4%.

Source: Florida Research and Economic Information Database Application.

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Orange County, Florida

Largest Employers In Orange County, Florida 2011

<u>Employer</u>	<u>Number of Employees</u>
Walt Disney Company	62,000
Orange County Public Schools	17,904
Adventist Health System/Florida Hospital	16,771
Universal Studios	16,000
Orlando Health	13,666
United Parcel Service	12,680
Orange County Government	10,664 ⁽¹⁾
University of Central Florida	10,346
Lockheed Martin Corporation	9,000

(1) Orange County Government numbers are adjusted upwards from original source information to include employees of the six constitutional officers and the Library District, which are included in the Primary Government.

Source: Orlando Business Journal: 2012 Book of Lists, Central Florida

Comparison of Annual Unemployment Rates 2003 – 2012

<u>Year</u>	<u>Orange County</u>	<u>Florida</u>	<u>U.S.</u>
2012 ⁽¹⁾	8.4%	8.6%	7.6%
2011	10.3	10.5	8.9
2010	11.1	11.3	9.6
2009	10.2	10.4	9.3
2008	5.8	6.3	5.8
2007	3.7	4.0	4.6
2006	3.1	3.3	4.6
2005	3.5	3.8	5.1
2004	4.4	4.7	5.5
2003	5.1	5.3	6.0

(1) As of September 2012.

Sources: Florida Research and Economic Information Database Application (subject to frequent revision).

Orange County, Florida

Average Annual Labor Force Summary Orange County, Florida 2003 – 2012

<u>Year</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2012 ⁽¹⁾	637,823	584,475	53,348	8.4%
2011	620,155	556,343	63,812	10.3
2010	614,953	546,821	68,132	11.1
2009	594,901	534,011	60,890	10.2
2008	603,702	568,581	35,121	5.8
2007	597,079	575,232	21,847	3.7
2006	568,652	551,153	17,499	3.1
2005	549,459	530,001	19,458	3.5
2004	527,107	503,758	23,349	4.4
2003	513,659	487,259	26,400	5.1

(1) As of September 2012.

Sources: Florida Research and Economic Information Database Application (subject to frequent revision).

Tourism

General

Orange County is one of the world's top visitor destinations. In 2011, the area hosted 55.2 million visitors, and expects to host more than 56 million in 2012. Major tourist attractions in Orange County include Walt Disney World Magic Kingdom, Epcot, Disney's Hollywood Studios, Disney's Animal Kingdom, Downtown Disney, SeaWorld Orlando, Discovery Cove, Aquatica, Universal Studios, Islands of Adventure and CityWalk.

In addition to the theme park attractions, Orange County, with its mild climate and natural scenic beauty, offers visitors a wide assortment of activities. Beaches on both the Atlantic coast and Gulf of Mexico are easily accessible from Orlando. The area contains more than 2,000 freshwater lakes that accommodate a wide range of recreational activities. A number of world-class golf and tennis facilities are located in Orange County and Central Florida. Professional sports franchises such as the NBA's Orlando Magic and arena football's Orlando Predators offer a variety of opportunities for professional sports enthusiasts.

The mild climate, abundant hotel rooms and meeting facilities, the fourth busiest Origin & Destination (O&D) airport in the United States, and the second largest convention center in the United States (prime exhibit space), make Orange County a desirable location for business travelers and convention/meeting attendees.

Orange County, Florida

The Orange County Convention Center (OCCC) was honored by the Trade Show Exhibitors Association (TSEA) at the TSEA's Red Diamond Congress 2011. The OCCC was awarded the Exhibitor's Choice Awards in the following categories: the Chairman's Award and the Best Convention Center Award.

Orange County hosted 9.9 million business-related visitors in 2011. Among those who came for a convention or group meeting, 59% stayed overnight, with an average length stay of 3.0 nights.

2011 and Historical Information

Tourism is the driving force behind Orange County and Central Florida's economy. The economic impact on the Central Florida economy in 2011 was \$31.6 billion in visitor spending, \$4.1 billion of which came from international visitors and \$27.5 billion from domestic visitors. More than one third of total wage and salary employment in Orlando is directly or indirectly sustained by tourism. Direct industry employment accounted for \$7.7 billion in direct wages in 2011. In fiscal year 2012, tourism generated over \$175 million in Orange County tourist development taxes (all six cents).

Of the 55.2 million visitors in 2011, 51.4 million were domestic and 3.8 million were international. Of the 51.4 million domestic visitors, 41.5 million or 81% were leisure travelers and 9.9 million were business travelers. The average length of stay for overnight leisure visitors was 3.9 nights. Overnight convention/meeting attendees accounted for 3.3 million of the 9.9 million business visitors and had an average stay of 3.0 nights.

Of the 3.8 million international visitors in 2011, 2.8 million were from overseas and 1.0 million were from Canada. Canada surpassed the United Kingdom (767,000) to become Orlando's top international country of origin.

Attraction Information

Of the top 10 most visited theme parks in North America in 2011, seven are in the Orlando area. In addition, the 12th most visited park is Busch Gardens in Tampa. Attendance estimates for these attractions are presented on the following chart.

Orange County, Florida

Theme Park Attendance*

Park	Attendance in Millions			% Increase/Decrease	
	2009	2010	2011	09 to 10	10 to 11
Walt Disney World Magic Kingdom	17.23	16.97	17.14	-1.5%	1.0%
Epcot	10.99	10.83	10.83	-1.5%	0.0%
Disney's Animal Kingdom	9.59	9.69	9.78	1.0%	0.9%
Disney's Hollywood Studios	9.70	9.60	9.70	-1.0%	1.0%
Islands of Adventure	4.50	5.95	7.67	32.2%	28.9%
Universal Studios	5.40	5.93	6.04	9.8%	1.9%
Sea World Orlando	5.80	5.10	5.20	-12.1%	2.0%
Busch Gardens of Florida	4.10	4.20	4.28	2.4%	1.9%
Total Theme Park Attendance	67.31	68.27	70.64	1.4%	3.5%

* Numbers may vary due to rounding

Source: Theme Entertainment Association – Economic Research Association

Walt Disney Company

The Walt Disney Company owns more than 28,000 acres in Central Florida containing four theme parks as well as numerous on-site resorts. The Magic Kingdom is comprised of approximately 107 acres made up of numerous family friendly attractions. EPCOT covers over 260 acres. Its World Showcase pavilions highlight 11 countries, while Future World, with its corporate sponsors, examines past, present and future technology. Disney's Hollywood Studios encompasses 135 acres and combines a working television and motion picture studio and theme park. Animal Kingdom is the largest of the parks with over 500 acres. It combines rides, dramatic landscapes and close encounters with exotic animals.

Walt Disney Company also has several ancillary attractions and entertainment complexes that attract visitors. They include Downtown Disney, the ESPN Wide World of Sports Complex and the Walt Disney World Speedway. Downtown Disney, comprised of Pleasure Island, West Side and Marketplace consists of numerous eateries, clubs, shops, a 24-screen movie theater, Cirque Du Soleil, and the DisneyQuest Indoor Interactive Theme Park. The ESPN Wide World of Sports Complex includes a 7,500-seat baseball stadium (home of the Atlanta Braves Spring Training Camp) and fitness facilities. The Walt Disney World Speedway is home to the Richard Petty Driving Experience. Disney Cruise Line operates two ships with three, four and seven-day itineraries sailing from Port Canaveral. Blizzard Beach and Typhoon Lagoon offer water-oriented parks to visitors. In addition, Walt Disney World offers numerous hotels priced to meet every budget.

Orange County, Florida

Universal Orlando

The Universal Orlando Resort is comprised of Universal Studios, Islands of Adventure and CityWalk. The Portofino Bay Resort, the Hard Rock Hotel, and the Royal Pacific Resort are located on-site. Universal Studios is an 838-acre park combining a motion picture and television studio complex with theme park rides, and motion picture and television theme performances. Islands of Adventure is an adjacent theme park with numerous rides. The much anticipated Wizarding World of Harry Potter opened in the Islands of Adventure Park in June 2010. CityWalk is a 30-acre entertainment complex comprised of eateries, clubs, shops and a 20-screen movie theater.

Universal Orlando purchased Wet 'n Wild, a water slide based theme park located at the intersection of Universal Boulevard and International Drive, in 1999.

SeaWorld Orlando

SeaWorld Orlando is the world's largest marine life park. Its Shamu Stadium is the world's largest mammal stadium and research complex. With new water park, Aquatica, SeaWorld is offering its guests more variety on its property east of International Drive and south of Sea Harbor Drive. Discovery Cove is an exclusive, reservations-only paradise adjacent to SeaWorld designed to offer guests the ultimate experience through once-in-a-lifetime, up-close encounters with dolphins and other exotic sea life.

Hotel/Accommodations

There were approximately 84,671 hotel rooms in Orange County at the end of 2011. Recently the Wyndham Grand Orlando Resort Bonnet Creek opened in late 2011 adding 400 rooms to the area. The Peabody had an expansion of 750 rooms which opened in the fall of 2010. This increased the total number of rooms in the Metro Orlando area, which includes surrounding counties, to 115,413. Occupancy in the Metro Orlando area was 67.6% in 2011, which was a 5.8% increase from 2010. 2011's average daily rate (ADR) was \$94.11, up 3.7% from the previous year.

Sources: Visit Orlando Market Research & Insights Department; Smith Travel Research; Metro Orlando Economic Development Commission; Orange County Comptroller's Office

Business and Industry

Metro Orlando serves as one of the top 10 locations in the country for business. From corporate headquarters to regional distribution centers, from product manufacturing to high tech research, Orlando MSA spans a dynamic economic spectrum.

Metro Orlando's office market totals more than 37.5 million square feet and had an occupancy rate of approximately 79.8% as of the third quarter of 2012. Sites for new office buildings are available in downtown locations as well as suburban settings. As of the third quarter of 2012, the

Orange County, Florida

Orlando MSA's total industrial space was over 105 million square feet. Orlando continues to be a key distribution center in Florida. Industrial occupancy rates run more than 88%.

The Metro Orlando Economic Development Commission was established in 1977 to bring new industry into the area. Since then, it has successfully assisted thousands of companies relocate, expand and grow in Metro Orlando. This has led to the creation of more than 173,000 jobs; over \$9.4 billion in capital investment; and over 78.8 million square feet of office and industrial space leased or constructed.

Source: Metro Orlando Economic Development Commission

Medical Research

A state-of-the-art medical, biomedical technology and research corridor is taking shape in southeast Orange County. The Sanford-Burnham Medical Research Institute at Lake Nona opened its 175,000 square-foot medical research facility in October 2009. The Institute's overarching goal is to make breakthrough scientific discoveries, with particular focus on early translational research relevant to diabetes and its cardiovascular complications, cancer, and drug discovery.

Established in 2006 and opened in 2009, The UCF College of Medicine is one of the first U.S. medical schools in decades to be built from the ground up. The College's new state-of-the-art medical education building at Lake Nona cost about \$65 million and covers about 170,000 square feet. It features the latest in lab and classroom technology for the college that is working to be the nation's premier 21st century medical school.

The Department of Veterans Affairs has broken ground on a new Orlando VA Medical Center to be located on 65-acres in Southeast Orange County. The 1.2 million-square-foot facility, opening in 2013, is estimated to cost \$665 million to construct. The new \$44 million, 100,000-square-foot University of Florida Academic & Research Center opened in 2012.

Located in the heart of Lake Nona Medical City, the \$397-million Nemours Children's Hospital opened in October 2012. The state-of-the-art, 630,000-square-foot hospital includes 95 beds and anchors a 60-acre, fully integrated health campus that includes a new Nemours Children's Clinic, and extensive research and education facilities.

Sources: Sanford-Burnham Medical Research Institute; University of Central Florida, College of Medicine; Department of Veterans Affairs; Orlando Sentinel; The Nemours Foundation

Orange County, Florida

Naval Air Warfare Center Training Systems Division

In operation since the mid-1960s, the Naval Air Warfare Center Training Systems Division (NAWCTSD) is the principal Navy center for research, development, test and evaluation, acquisition, and product support of training systems. Formerly the Naval Training Systems Center, the Training Systems Division (TSD) is the recognized leader in the field of simulation for military training. TSD employs approximately 1,100 civilian and military personnel.

Source: Naval Air Warfare Center, Training Systems Division.

Agriculture

Agriculture and related agribusiness industries are a major part of the economy of Orange County. They were valued at \$1,560,552,000 in 2010. Thousands more work in marketing, and distribution of agriculture related products and services. There are over 1,900 farms and plant nurseries in the County and 20% of the land area continues to be in agricultural use. Orange County ranked eight among 67 Florida counties in total annual farm cash receipts.

The City of Apopka and the surrounding greenhouse foliage industry in northwest Orange County are known as "The Indoor Foliage Capital of the World." There are more than 1,000 nursery businesses in the county and those nurseries together with foliage spin-off businesses and woody ornamental plant nurseries contribute approximately \$277 million to the economy.

Citrus has been an important economic factor in Orange County for the last century. In 2011, 3,572 acres of citrus produced 1.4 million boxes of fruit. The groves and two citrus packinghouses in the county made a direct and indirect impact to the economy of \$95 million. It should be noted that each acre of citrus grove captures over 1.25 million gallons of rainfall annually, making citrus groves a major contributor to recharging the aquifer.

The value of the vegetable industry is \$9.4 million which includes a unique 5 acre mushroom farm, as well as the famous Zellwood sweet corn. The value of the livestock/agronomy area is approximately \$15 million.

Related industries such as landscape services and pest control use agricultural products and equipment and given the urban nature of Orange County, this contribution to the local economy is significant, with over \$1 billion in economic activity annually.

Orange County, Florida

2011 Value of Orange County Agriculture

Industry	Value
Landscape services, pest control, retail garden, golf courses . . .	\$ 1,163,500,000
Nursery, greenhouse, tree & sod farms	277,418,000
Vegetables	9,400,000
Citrus	95,393,000
Livestock/Agronomy	<u>14,841,000</u>
Total	\$ 1,560,552,000

Sources: Orange County Cooperative Extension Service
University of Florida/IFAS, Food & Resource Economics Department
Florida Dept. of Agriculture: Division of Plant Industry
United States Census of Agriculture
Florida Agricultural Statistics Service

Education

The Orlando MSA currently has seven major institutions of higher learning: the University of Central Florida (a four-year state university with more than 60,000 full and part-time students, second largest university in the nation); Rollins College (the oldest four-year institution of higher learning in the State and an independent, co-educational liberal arts college with a full and part-time equivalent enrollment of more than 3,200 students); Barry University (an independent, coeducational Catholic international university with Florida's ABA approved law school with an enrollment of more than 6,400 students); Seminole State College (a two-year undergraduate institution that offers five bachelor's degrees and has a total enrollment of more than 31,000 students); Valencia College (a two-year undergraduate institution covering nine campuses and centers with over 60,000 full and part-time students annually); Lake-Sumter Community College (a two-year undergraduate institution serving more than 7,500 students annually); and the Florida A&M University Law School which opened in fall of 2002 and has been ABA accredited since 2004.

The UCF College of Medicine was established in 2006 by the Florida Legislature and the Florida Board of Governors to increase opportunities for medical education in Florida, address the physician shortage, and enhance the economy. In 2012, the M.D. program enrolled its fourth class of 100 students, bringing total enrollment to 280, a seven-fold increase in four years. Soon, the college will be at full enrollment, educating 480 physicians-in-training each year.

The following chart provides public school enrollment for the 2010-2011 school year.

Orange County, Florida

Public School Statistics Orlando MSA 2010 – 2011 School Year

	<u>Orange County</u>	<u>Seminole County</u>	<u>Lake County</u>	<u>Osceola County</u>
Total Number of Schools ⁽¹⁾	243	73	59	64
Number of Elementary Schools	131	41	28	26
Number of Secondary Schools	112	32	31	38
Number of Students ⁽²⁾	179,989	64,335	41,315	54,776
Number of High School Grads	10,856	4,565	2,559	3,941
Number of Teachers (Classroom)	12,899	4,417	2,981	3,326
Average Teacher Salary	\$44,695	\$47,885	\$41,630	\$45,575

⁽¹⁾ Includes Elementary Schools, Middle Schools, High Schools, Combination Schools and Adult Schools

⁽²⁾ Includes Elementary School, Middle School and High School Students

Sources: Metro Orlando Economic Development Commission; University of Central Florida; Rollins College; Barry University; Seminole State College; Valencia College; Lake-Sumter Community College; Florida A&M University; Law School Admission Council (LSAC).

Transportation

Air service to Orange County and Central Florida is primarily provided by Orlando International Airport ("OIA"). OIA ranks as the 13th busiest domestic facility, 29th busiest world facility and the third largest airport property in the country with more than 13,000 acres. Designated as an international port of entry with full customs service, OIA has grown tremendously since 1970. Air passengers have increased from 1.3 million in 1971 to over 35 million in 2011. That increase in travelers gives OIA the distinction of being the second busiest airport in Florida. In 2011, OIA is served by 67 carriers comprised of 45 scheduled airlines, 11 chartered carriers and 11 airlines providing cargo service. There are approximately 830 daily flights (based on commercial, military, and general aviation operations). The airfield has the capacity of 140 operations per hour. Only 35 percent of airport property is developed, leaving large areas available for expansion.

Central Florida is also served by six other regional airports: Orlando Executive Airport, Orlando Sanford International Airport, Kissimmee Gateway Airport, Leesburg International Airport, Orlando Apopka Airport and Mid-Florida Airport located in Eustis. Tampa International Airport and Daytona Beach International Airport are within 90 minutes from downtown Orlando.

Orange County, Florida

Commercial bus lines and rail systems are also available in the area. Greyhound Bus Lines provides interstate and intrastate bus service. Amtrak provides passenger service from the Orlando region to many cities in the U.S. In addition, it operates trains between New York and South Florida, through Metro Orlando. Two major, full-service freight stations move goods between north and south Atlantic points and there are six northbound and six southbound freight trains daily. Being the largest rail network in the eastern United States, CSX Transportation owns and maintains approximately 1,750 route miles in Florida. Florida Central Railroad (FCEN) operates 68 miles of track and directly serves industries in Orlando area. Orlando will soon be home to Sunrail, a commuter rail system that will run along a 61-mile stretch of existing rail freight tracks in Orange, Seminole, Volusia and Osceola counties and the City of Orlando. Service is expected to begin by 2014.

Located 50 miles to the east is Port Canaveral, the only deep-water port between the harbors of Jacksonville and Fort Lauderdale. Port Canaveral is the second busiest cruise port in the world and the world's first quadramodal transportation hub, interchanging freight among sea, land, air, and space. During 2011, 3.1 million revenue cruise passengers passed through the Port's cruise terminals. Port Canaveral is home to some of the finest cruise terminals in the world. Six cruise terminals are in operation, and a total of 4.5 million tons of cargo moved through Port Canaveral's facilities in 2011. The Port of Tampa is on Tampa Bay, located 70 miles west of Orlando. Largely a bulk commodities port, it is Florida's largest cargo tonnage port.

Orange County is at the crossroads of Florida and is crossed by superhighways such as Interstate 4, the Florida Turnpike and the Martin Andersen Beachline Expressway. I-4 connects the Tampa Bay area to Daytona Beach and passes through the heart of downtown Orlando. The Florida Turnpike connects South Florida and Miami with I-4 and with I-75 and North Central Florida. The Beachline links I-95, Cape Canaveral and the East Coast beaches with I-4 and the Florida Turnpike.

In addition to these major interstate thoroughfares, Orange County is linked throughout by other major road systems. The 408 East-West Expressway expedites cross-town traffic through the City of Orlando. The 12.5 Osceola Parkway links the international airport to major attractions and half dozen regional arterial highways. To address road transportation needs, four mid-Florida county governments have combined efforts to construct a 55-mile, limited access beltway encircling Metro Orlando known as the Central Florida GreeneWay. In 2012, the Orlando-Orange County Expressway Authority (OOCEA) completed widening Central Florida GreeneWay from four to six lanes between Beachline Expressway and Curry Ford Road.

Officially known as the Central Florida Regional Transportation Authority, LYNX is the primary mass transit provider in the Orlando urban area with a fleet of approximately 265 buses on 66 routes. LYNX buses operate daily on a fixed route system that primarily serves the communities of Orange, Seminole, and Osceola Counties covering 2,500 square miles and more than 1.8 million people. LYNX provides over 85,000 rides each weekday and set another ridership record delivering more than 28.1 million passenger trips in 2011. Lynx provides LYMMO, a state-of-the-art, three-mile, dedicated lane bus system in downtown Orlando, available free-of-charge.

Sources: Metro Orlando Economic Development Commission; Greater Orlando Aviation Authority; Orange County Expressway Authority; Central Florida Regional Transportation Authority; Florida's Turnpike Enterprise.

Orange County, Florida

Major Revenues and Taxable Sales

The following table sets forth the major non-ad valorem revenues for the County for the most recent 10-year period. Sales tax, public service tax and state revenue sharing account for the bulk of the revenues while gas taxes contribute the remainder. These revenues amounted to approximately \$287 million in fiscal year 2012. The next chart compares year-end totals for gross and taxable sales for Orange County, the State of Florida and selected other counties.

Major Sources of Non-Ad Valorem Revenue/Ten-Year History Orange County, Florida 2003-2012

Fiscal Year	Sales Tax	Local Option Gas Tax	County Gas Tax	Constitutional Gas Tax	State Revenue Sharing	Public Service Tax (1)
2012	\$ 131,052,699	\$ 23,609,280	\$ 4,520,042	\$ 10,284,763	\$ 29,907,252	\$ 87,806,658
2011	124,823,259	22,732,982	4,509,757	10,247,499	27,820,309	92,091,369
2010	115,978,290	23,772,252	4,502,366	10,361,498	26,687,880	95,830,061
2009	113,182,774	23,704,729	4,572,815	10,312,035	26,136,558	88,568,808
2008	125,664,792	24,511,333	4,602,861	10,444,897	28,492,161	89,196,824
2007	127,663,844	24,992,763	4,807,737	10,841,990	30,453,957	88,591,690
2006	128,579,388	25,274,554	4,910,190	10,920,696	31,257,697	83,318,548
2005	124,839,016	25,923,517	4,878,586	11,105,687	28,924,581	77,804,255
2004	111,463,997	24,803,915	4,678,320	10,579,959	27,509,675	72,338,180
2003	106,220,337	23,891,689	4,526,850	10,185,794	25,432,915	72,753,277

(1) Includes the County's Public Service Tax revenues on telecommunications services and the local communications services tax (CST) administered by the State. As of October 1, 2001, the State legislature replaced the telecommunications tax with a new local CST.

Source: Orange County Comptroller's Office

Orange County, Florida

Comparison of Gross and Taxable Sales for the State of Florida and Selected Counties

	Gross Sales (\$1,000)					Taxable Sales (\$1,000)				
	<u>2009</u>	<u>2010</u>	<u>Incr/(Decr)</u>	<u>2011</u>	<u>Incr/(Decr)</u>	<u>2009</u>	<u>2010</u>	<u>Incr/(Decr)</u>	<u>2011</u>	<u>Incr/(Decr)</u>
Florida	\$796,789,148	\$828,320,384	4.0%	\$883,643,530	6.7%	\$276,934,703	\$281,563,188	1.7%	\$295,747,421	5.0%
Miami-Dade	115,738,708	118,761,226	2.6%	133,240,297	12.2%	34,252,517	35,350,656	3.2%	38,203,758	8.1%
Broward	75,913,659	80,954,157	6.6%	88,466,987	9.3%	26,261,882	26,898,615	2.4%	28,008,200	4.1%
Orange	59,261,263	64,566,737	9.0%	69,861,039	8.2%	29,292,070	30,850,314	5.3%	33,081,527	7.2%
Hillsborough	49,415,100	52,503,241	6.2%	58,396,811	11.2%	18,123,783	18,218,492	0.5%	19,144,169	5.1%
Palm Beach	40,636,198	40,842,902	0.5%	43,803,798	7.2%	19,327,080	19,715,358	2.0%	20,551,638	4.2%
Duval	37,914,569	38,316,874	1.1%	39,194,846	2.3%	13,039,454	13,099,069	0.5%	13,459,591	2.8%
Pinellas	29,425,816	31,262,736	6.2%	32,991,777	5.5%	11,733,773	11,807,417	0.6%	12,235,776	3.6%

Source: Florida Department of Revenue, Office of Tax Research

All content for *General Information Concerning Orange County* provided by the Orange County Fiscal and Business Services Division

GOVERNMENTAL ACTIVITY BONDS

- **Sales Tax Bonds**
- **Capital Improvement Bonds**
- **Public Service Tax Bonds**
- **Public Facilities Bonds**

SALES TAX BONDS

Orange County, Florida

Sales Tax Bonds

Orange County has issued Sales Tax Bonds for general governmental purposes. A portion of the State Sales Tax distributed to participating local governments supports the bonds. The County has used the proceeds of Sales Tax Bonds for construction or acquisition of various governmental facilities, primarily its jail complex and the current courthouse. As of September 30, 2012, four series of Sales Tax Bonds were outstanding, two of which are insured by the Financial Guaranty Insurance Company (reinsured by National Public Finance Guarantee Corporation). A summary of the Sales Tax Bonds outstanding as of September 30, 2012 is as follows:

<u>Issue Name</u>	<u>Amount Outstanding</u>
Sales Tax Revenue Refunding Bonds, Series 2002A	\$ 120,065,000
Sales Tax Revenue Refunding Bonds, Series 2006	37,285,000
Taxable Sales Tax Revenue Refunding Bonds, Series 2012A	16,805,000
Sales Tax Revenue Refunding Bonds, Series 2012B	<u>97,295,000</u>
Total	<u><u>\$ 271,450,000</u></u>

Security for the Bonds

Pledged Funds

The Sales Tax Bonds are payable from and secured on a parity basis by a pledge of and lien upon that portion of the Local Government Half-Cent Sales Tax distributed monthly to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund of the State Treasury created under Section 218.61(3), Florida Statutes (the "Sales Tax Proceeds"), and investment earnings on certain funds created under the Bond Resolution (collectively, the "Pledged Revenues"), all in the manner and to the extent provided in the Bond Resolution.

The County has covenanted in the Bond Resolution not to issue any other obligations payable from the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien on the Pledged Revenues other than parity bonds issued pursuant to the Bond Resolution.

Bond Reserve Account

The Bond Resolution provides for the establishment of a Designated Series Bond Reserve Account as a separate reserve account for the purpose of assuring the adequacy of funds for the payment of interest on and principal of the Series 2002A, 2006, 2012A, and 2012B Bonds

Orange County, Florida

and any series of bonds subsequently issued by the County and designated to be secured by such. However, so long as the Pledged Revenues for each fiscal year equal or exceed 300% of the Maximum Annual Debt Service for all parity bonds outstanding as of the end of such fiscal year, the County shall not be required to fund the Designated Series Bond Reserve Account. Such coverage requirement has been met each fiscal year since the respective issuance dates of the currently outstanding bonds; hence, there is no Designated Series Bond Reserve Account for the Series 2002A, 2006, 2012A and 2012B Bonds.

Limited Obligations

The Sales Tax Bonds are limited obligations of the County, secured solely by a pledge of, and lien upon, the Sales Tax Proceeds, moneys on deposit, if any, in the Bond Reserve Account and investment earnings thereon. No holder of the Sales Tax Bonds shall ever have the right to compel either the levy of ad valorem taxes or the use of any other source of revenue to pay principal of, premium, if any, or interest on the Sales Tax Bonds. Neither the faith and credit nor the taxing power of the County, the State of Florida or any political subdivision thereof is pledged to the payment of principal of, premium, if any, or interest on the Sales Tax Bonds. The Sales Tax Bonds shall not constitute general obligations or an indebtedness of the County or the State of Florida within the meaning of any constitutional or statutory limitation of indebtedness.

Flow of Funds

The Bond Resolution obligates the County to deposit the Sales Tax Proceeds as received to the credit of a special fund designated as the Sales Tax Trust Fund (the "Trust Fund") for which the County Comptroller acts as Trustee. The Trust Fund is comprised of the Interest Account, Principal Account, and Bond Reserve Account. Under the Bond Resolution, prior to its use for any other purpose, money in the Trust Fund shall be applied by the County monthly to provide for a pro rata portion of the payments which will become payable on the next ensuing payment date, respectively, of the interest and principal on the bonds. The County is similarly required to deposit funds into or provide a Reserve Account Insurance Policy or Reserve Account Letter of Credit for the credit of the Bond Reserve Account, if necessary, in order to maintain such account in an amount equal to the Maximum Annual Debt Service on the bonds required to be secured thereby. Any amounts remaining in the Trust Fund each month after making the deposits described above may be withdrawn and used by the County for any lawful purpose.

The Half-Cent Sales Tax

Authorization

Pursuant to Part I, Chapter 212, Florida Statutes, the State of Florida (the "State") levies and collects a 6% sales tax (the "Sales Tax") on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exemptions and dealer allowances as set forth in Chapter 212, Florida Statutes (the "Sales Tax Act"). Of the Sales Tax remitted to the State by a sales tax dealer located within a County, 8.714% of the 6% sales tax collected must be deposited in the Local Government Half-Cent Sales Tax Clearing

Orange County, Florida

Trust Fund (the "Trust Fund") of the State for distribution to the governing body of that county and of each municipality within that county which meets the eligibility requirements for revenue sharing pursuant to Section 218, Part II, Florida Statutes, as amended. Accordingly, for every dollar of taxable sales price of an item, approximately 0.523 cents will be deposited into the Trust Fund. Such moneys are referred to in Chapter 218 as the "local government half-cent sales tax" (the "Half-Cent Sales Tax"). The State Legislature has amended Section 212.20, Florida Statutes, from time to time to revise the percentage of such taxes required to be distributed to the Trust Fund. The most recent revision was implemented on July 1, 2004, whereby the distribution rate was decreased from 9.553% to 8.714%. The Half-Cent Sales Tax is required to be distributed from the Trust Fund on a monthly basis to eligible units of local government.

Eligibility

To be eligible to participate in the Trust Fund and to continue to receive its portion of funds, the County must comply with the requirements of Sections 218.23 and 218.63, Florida Statutes. These requirements include those concerning the reporting and auditing of the County's finances, the levying of ad valorem taxes or receipt of other revenue sources, and certifying compliance with certain requirements pertaining to the employment and compensation of law enforcement officers, the employment of fire fighters, the auditing of certain dependent special districts of the County and the method of fixing millage rates for the levying of ad valorem taxes. The County represents that it has complied with all such requirements including the filing of a certificate of compliance with the State Department of Revenue.

Section 218.63, Florida Statutes, states that failure of the County to comply with the eligibility requirements would result in the County losing its Trust Fund distributions for 12 months following a determination of non-compliance by the State Department of Revenue. The County has covenanted in the Bond Resolution to take all lawful action necessary or required to remain an eligible recipient of its portion of the funds in the Trust Fund so long as any of the bonds remain outstanding. It has had no difficulty in the past and anticipates no difficulty in doing so in the future.

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Orange County, Florida

Distribution Formula

The Half-Cent Sales Tax collected within a county and distributed to local governmental units is required to be distributed among the county and the municipalities therein in accordance with the formula detailed in Section 218.62, Florida Statutes, as amended, as follows.

$$\begin{array}{l} \text{County's share} \\ \text{(percentage of total Half-} \\ \text{Cent Sales Tax receipts)} \end{array} = \frac{\begin{array}{l} \text{unincorporated} \\ \text{area population} \end{array} + \frac{2}{3} \begin{array}{l} \text{incorporated} \\ \text{area population} \end{array}}{\begin{array}{l} \text{total county} \\ \text{population} \end{array} + \frac{2}{3} \begin{array}{l} \text{incorporated} \\ \text{area population} \end{array}}$$

$$\begin{array}{l} \text{Each City share} \\ \text{(percentage of total Half-} \\ \text{Cent Sales Tax receipts)} \end{array} = \frac{\text{city population}}{\begin{array}{l} \text{total county} \\ \text{population} \end{array} + \frac{2}{3} \begin{array}{l} \text{incorporated} \\ \text{area population} \end{array}}$$

"Population" is based upon the latest official State estimate certified prior to the beginning of the local government fiscal year.

The imputed Distribution Factors used by the State for Half-Cent Sales Tax revenue for the 2013 fiscal year of the County and respective participating municipalities are as follows:

County / Municipality	Local Government Half-Cent Sales Tax Distribution Factor
Board of County Commissioners	71.033540 %
Apopka	2.942208
Belle Isle	0.420475
Eatonville	0.149241
Edgewood	0.174883
Maitland	1.104498
Oakland	0.178586
Ocoee	2.516702
Orlando	16.879653
Windermere	0.201015
Winter Garden	2.465069
Winter Park	1.934130

Source: State of Florida Department of Revenue, Office of Tax Research

Orange County, Florida

**Actual and Projected Half-Cent Sales Tax Distributions
and Debt Service Coverage**

**Actual for Fiscal Years Ended September 30, 2003 through 2012
Projected for Fiscal Year Ending September 30, 2013**

County	Distribution	Distribution to	Percentage	Combined	Debt
Fiscal	Factor (1)	Orange County (2)	Change (%)	Maximum	Service
Year				Annual Debt	Coverage (5)
				Service (4)	
2013	0.7103	\$136,002,595 (3)	3.8	\$25,888,756	5.25
2012	0.7112	131,052,699	5.0	26,271,837	4.99
2011	0.7094	124,823,259	7.6	26,271,837	4.75
2010	0.7104	115,978,290	2.5	26,271,837	4.41
2009	0.7127	113,182,774	(9.9)	26,271,837	4.31
2008	0.7133	125,664,792	(1.6)	26,271,837	4.78
2007	0.7151	127,663,844	(0.7)	26,271,837	4.86
2006	0.7177	128,579,388	3.0	26,271,837	4.89
2005	0.7190	124,839,016	12.0	26,705,759	4.67
2004	0.7203	111,463,997	4.9	26,705,759	4.17
2003	0.7229	106,220,337	4.1	26,705,759	3.98

- (1) The Distribution Factor is calculated on the basis of the Distribution Formula as set forth herein. This factor uses Revenue Sharing population estimates (i.e., permanent population minus inmates and patients residing in institutions operated by the Federal government or by the State's Department of Corrections, Department of Children and Families, or Department of Health) and is constructed using a one-year lag in population estimates.
- (2) Actual proceeds of the Local Government Half-Cent Sales Tax Program distributed to the County in accordance with the Distribution Formula.
- (3) Projected amount estimated by the State of Florida, Department of Revenue, Office of Tax Research.
- (4) Reflects actual Maximum Annual Debt Service for all series of Sales Tax Revenue Bonds and Sales Tax Revenue Refunding Bonds (including taxable Sales Tax Bonds) outstanding in each respective sinking fund year.
- (5) Debt service coverage calculation uses only the Half-Cent Sales Tax Proceeds and not investment earnings on certain funds created under the Resolution, which are also Pledged Revenues.

Sources: Orange County Comptroller's Office
State of Florida, Department of Revenue, Office of Tax Research

Orange County, Florida

Sales Tax Bond Insurance

Concurrent with the issuance of the Series 2002A and 2006 Bonds, Financial Guaranty Insurance Company (currently reinsured by National Public Finance Guarantee Corporation) issued its Municipal Bond New Issue Insurance Policy (the "Policies") for the bonds. The Policies unconditionally guarantee the payment of that portion of the principal or accreted value (if applicable) of and interest on the bonds, which has become due for payment, but shall be unpaid by reason of Nonpayment by the County (as defined in the Policies). The Policies are non-cancelable and the premiums were fully paid at the respective times of delivery of the bonds. The Policies cover failure to pay principal or accreted value (if applicable) of the bonds on their respective stated maturity date or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Requirements for Additional Sales Tax Bonds

Pursuant to the Bond Resolution ("Resolution"), parity bonds of one or more series may be issued on a parity with the outstanding bonds upon the terms and conditions set forth therein. Except as described below with respect to parity bonds issued to refund outstanding bonds, such parity bonds may be issued only if among other things, the County has received a statement by an independent certified public accountant that either (i) the aggregate amount of Sales Tax Proceeds received by the County in a consecutive 12 month period which ends later than 13 months prior to the issuance of such parity bonds or (ii) the average annual amount of Sales Tax Proceeds received by the County in the consecutive 24 month period which ends later than 13 months prior to the issuance of such parity bonds, equals or exceeds 135% of the Maximum Annual Debt Service computed on a basis which includes all bonds to be outstanding immediately after the issuance of such parity bonds. Such statement shall also express an opinion that payments required to be made into the Interest Account, the Principal Account and the Bond Reserve Account are current. The County may provide for the accession of junior lien obligations to parity status with the bonds upon, among other conditions, the filing of a certificate of an independent certified public accountant reflecting the satisfaction of the debt coverage requirements described above.

Parity bonds may also be issued under, and secured by, the Resolution for the purpose of providing funds for refunding bonds of any one or more series issued under the Resolution. Parity bonds issued for such purpose may be issued without being required to satisfy the requirements described in the preceding paragraph if the County shall have received a certificate of an independent certified public accountant demonstrating that either (i) the aggregate amount of principal requirements and interest requirements falling due during the then current and each future sinking fund year to and including the sinking fund year of the last maturity of any bonds then outstanding (A) with respect to the bonds of all series outstanding immediately prior to the date of delivery of such refunding bonds, and (B) with respect to the bonds of all series to be outstanding immediately after the date of delivery of the refunding bonds and demonstrating that the amount set forth for each sinking fund year pursuant to (B) above is no greater than the amount set forth for such sinking fund year pursuant to (A) above, or (ii) all outstanding bonds are being refunded under arrangements which immediately result in making provision for the payment of the refunded bonds in accordance with the Resolution.

Orange County, Florida

**Combined Schedule of Bonded Debt and Interest
All Sales Tax Bonds
September 30, 2012**

Fiscal Year End September 30	Principal	Interest	Total Debt Service
2013	\$ 7,780,000	\$ 12,953,196	\$ 20,733,196
2014	8,020,000	12,584,308	20,604,308
2015	8,475,000	12,197,867	20,672,867
2016	11,070,000	11,728,615	22,798,615
2017	11,615,000	11,175,900	22,790,900
2018	12,300,000	10,590,602	22,890,602
2019	15,600,000	9,900,331	25,500,331
2020	16,375,000	9,104,574	25,479,574
2021	17,190,000	8,267,600	25,457,600
2022	18,050,000	7,389,894	25,439,894
2023	18,945,000	6,468,191	25,413,191
2024	17,940,000	5,577,494	23,517,494
2025	11,180,000	4,890,394	16,070,394
2026	11,720,000	4,338,856	16,058,856
2027	12,285,000	3,760,594	16,045,594
2028	12,870,000	3,152,563	16,022,563
2029	13,930,000	2,492,250	16,422,250
2030	14,625,000	1,778,375	16,403,375
2031	15,355,000	1,028,875	16,383,875
2032	16,125,000	322,500	16,447,500
Totals	\$ 271,450,000	\$ 139,702,979	\$ 411,152,979

Note: Maximum Annual Debt Service in the amount of \$25,888,756 occurs in the Bond Year ending on January 1, 2022.

Orange County, Florida

**Combined Schedule of Bonded Debt and Interest
All Sales Tax Bonds
September 30, 2012**

Bond Year End January 1	Principal	Interest	Total Debt Service
2013	\$ 7,780,000	\$ 6,567,414	\$ 14,347,414
2014	8,020,000	12,771,560	20,791,560
2015	8,475,000	12,397,058	20,872,058
2016	11,070,000	11,998,678	23,068,678
2017	11,615,000	11,458,554	23,073,554
2018	12,300,000	10,893,246	23,193,246
2019	15,600,000	10,287,959	25,887,959
2020	16,375,000	9,512,702	25,887,702
2021	17,190,000	8,696,444	25,886,444
2022	18,050,000	7,838,756	25,888,756 *
2023	18,945,000	6,941,032	25,886,032
2024	17,940,000	5,995,350	23,935,350
2025	11,180,000	5,159,638	16,339,638
2026	11,720,000	4,621,150	16,341,150
2027	12,285,000	4,056,562	16,341,562
2028	12,870,000	3,464,626	16,334,626
2029	13,930,000	2,840,500	16,770,500
2030	14,625,000	2,144,000	16,769,000
2031	15,355,000	1,412,750	16,767,750
2032	16,125,000	645,000	16,770,000
Totals	\$ 271,450,000	\$ 139,702,979	\$ 411,152,979

* Maximum Annual Debt Service

Orange County, Florida

Defeased Sales Tax Debt Outstanding

The Sales Tax Revenue Bonds, Series 1989 currently have maturities that are defeased but still outstanding. On September 8, 1993, the County used available cash to advance refund a portion of the Series 1989 term bonds due January 1, 2019 in the amount of \$14,170,000. These term bonds will be paid in accordance with the mandatory call option described in the official statement. The Paying Agent for the Series 1989 Bonds is U.S. Bank National Association, Orlando, Florida. Interest payment dates are January 1 and July 1 of each year and principal is payable as follows:

<u>Date</u>	<u>Rate (%)</u>	<u>Amount</u>
January 1, 2018	6.125	\$ 4,925,000
January 1, 2019 (final maturity)	6.125	<u>9,245,000</u>
Total Outstanding		<u>\$ 14,170,000</u>

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Orange County, Florida

The Sales Tax Revenue Bonds, Series 2002B currently have maturities that are defeased but still outstanding. On April 26, 2012, the County used available cash, together with proceeds from the issuance of the Sales Tax Revenue Refunding Bonds, Series 2012B, to advance refund all of the outstanding Series 2002B Bonds in the amount of \$104,495,000. Outstanding bonds were comprised of serial bonds totaling \$12,520,000 and term bonds totaling \$91,975,000. All bonds will be called for payment on January 1, 2013. The Paying Agent for the Series 2002B Bonds is The Bank of New York Mellon Trust Co. N.A., Jacksonville, Florida. The original maturity schedule (including the mandatory call provision for term bonds maturing on January 1, 2027, 2029 and 2032) of the Series 2002B Bonds being called on January 1, 2013 is as follows:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
January 1, 2013	5.00	\$ 1,230,000
January 1, 2014	5.00	1,280,000
January 1, 2015	4.00	355,000
January 1, 2016	4.125	270,000
January 1, 2017	4.25	280,000
January 1, 2018	4.30	175,000
January 1, 2025	5.00	8,930,000
January 1, 2026	5.00	9,375,000
January 1, 2027 (final maturity)	5.00	9,845,000
January 1, 2028	4.75	10,335,000
January 1, 2029 (final maturity)	4.75	14,495,000
January 1, 2030	5.125	15,185,000
January 1, 2031	5.125	15,960,000
January 1, 2032 (final maturity)	5.125	<u>16,780,000</u>
Total Outstanding		<u>\$ 104,495,000</u>

Sales Tax Bond Detail Information by Series

There are four series of Sales Tax Bonds currently outstanding as summarized at the beginning of this section. All four series are on a parity basis with each other. The following is a detailed profile of each series.

Orange County, Florida

**\$164,960,000
Sales Tax Revenue Refunding Bonds
Series 2002A**

Dated October 1, 2002

Final maturity January 1, 2024

Purpose

The Series 2002A Bonds were issued to provide funds, together with other available funds of the County, to currently refund all of the County's outstanding Sales Tax Refunding Revenue Bonds, Series 1993A and Sales Tax Revenue Bonds, Series 1993B maturing after January 1, 2003, as well as the County's outstanding Capital Improvement and Refunding Revenue Bonds, Series 1992 maturing in the years 2003-2008 and the term bonds maturing in 2022.

Security

The Series 2002A Bonds are limited obligations of the County, payable solely from and secured by a pledge of and lien upon the County's share of the local government half-cent state sales tax distributed monthly to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund of the State Treasury and from investment earnings on certain funds created under the bond resolution.

Form

The Series 2002A Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2002A Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on January 1 and July 1 of each year.

Reserve Requirement

The bond resolution provides for a designated series bond reserve as a separate reserve account. However, so long as the pledged revenues for each fiscal year equal or exceed 300% of the maximum annual debt service for all Sales Tax bonds outstanding as of the end of such fiscal year, no bond reserve is required. That test has been met each year since the issuance of the Series 2002A Bonds; hence, there is no reserve for this series.

Agents

Registrar and Paying Agent:	The Bank of New York Mellon Trust Co., N.A., Jacksonville, FL
Co-Bond Counsel:	Holland & Knight, Orlando, FL Hicks & Richards, LLC, Orlando, FL
Insurance Provider:	Financial Guaranty Insurance Company (reinsured by National Public Finance Guarantee Corporation)

Orange County, Florida

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	Aa2	Aa2
Standard & Poor's:	AA	AA
Fitch Ratings:	AA+	AA+
Kroll Bond Rating Agency:	AA+	AA+

Call Provisions

Series 2002A Bonds maturing on or after January 1, 2014 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot, on any date on or after January 1, 2013, with no premium.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

Three series of outstanding County bonds were included in this refunding as follows: 1) all of the County's outstanding Sales Tax Refunding Revenue Bonds, Series 1993A maturing after January 1, 2003 in the total principal amount of \$36,495,000; 2) all of the County's outstanding Sales Tax Revenue Bonds, Series 1993B maturing after January 1, 2003 in the total principal amount of \$121,060,000; and 3) all of the County's outstanding Capital Improvement and Refunding Revenue Bonds, Series 1992 maturing in the years 2003-2008 and term bonds maturing in 2022, in the total principal amount of \$14,025,000.

Refunded Bonds Call Dates

All of the outstanding Series 1993A and 1993B Bonds were called on January 1, 2003.

All of the outstanding Series 1992 Bonds maturing in the years 2003-2008 and 2022 were called on December 12, 2002.

Additional Information

On October 3, 2012, the County issued \$96,195,000 Sales Tax Revenue Refunding Bonds, Series 2012C. The proceeds of the bonds, together with cash on hand, were used to refund on a current basis the remaining outstanding Sales Tax Revenue Bonds, Series 2002A, in the amount of \$120,065,000. The refunding transaction resulted in a cash flow savings over the next 12 years of \$26,044,150, and a net present value debt service savings of \$23,139,549, discounted at 1.96%.

Orange County, Florida

**Schedule of Bonded Debt and Interest
Sales Tax Revenue Refunding Bonds, Series 2002A
September 30, 2012**

<u>Fiscal Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	5.00	\$ 5,585,000	\$ 5,939,618	\$ 11,524,618
2014	5.00	3,300,000	5,717,493	9,017,493
2015	5.00	4,455,000	5,523,618	9,978,618
2016	5.125	4,580,000	5,294,881	9,874,881
2017	5.125	3,565,000	5,086,166	8,651,166
2018	5.125	8,790,000	4,769,569	13,559,569
2019	5.125	13,445,000	4,199,797	17,644,797
2020	5.125	14,135,000	3,493,060	17,628,060
2021	5.125	14,860,000	2,750,063	17,610,063
2022	5.125	15,620,000	1,969,013	17,589,013
2023	5.125	16,420,000	1,147,988	17,567,988
2024	4.75	15,310,000	363,613	15,673,613
	Totals	<u><u>\$ 120,065,000</u></u>	<u><u>\$ 46,254,879</u></u>	<u><u>\$ 166,319,879</u></u>

Orange County, Florida

**Schedule of Bonded Debt and Interest
Sales Tax Revenue Refunding Bonds, Series 2002A
September 30, 2012**

Bond Year Ended January 1	Interest Rate (%)	Principal	Interest	Total Debt Service
2013	5.00	\$ 5,585,000	\$ 3,039,619	\$ 8,624,619
2014	5.00	3,300,000	5,799,994	9,099,994
2015	5.00	4,455,000	5,634,994	10,089,994
2016	5.125	4,580,000	5,412,244	9,992,244
2017	5.125	3,565,000	5,177,520	8,742,520
2018	5.125	8,790,000	4,994,812	13,784,812
2019	5.125	13,445,000	4,544,326	17,989,326
2020	5.125	14,135,000	3,855,268	17,990,268
2021	5.125	14,860,000	3,130,850	17,990,850
2022	5.125	15,620,000	2,369,276	17,989,276
2023	5.125	16,420,000	1,568,750	17,988,750
2024	4.75	15,310,000	727,226	16,037,226
	Totals	\$ 120,065,000	\$ 46,254,879	\$ 166,319,879

Orange County, Florida

\$43,585,000
Sales Tax Revenue Refunding Bonds
Series 2006

Dated January 26, 2006

Final maturity January 1, 2028

Purpose

The Series 2006 Bonds were issued to provide funds to currently refund all of the County's outstanding Sales Tax Revenue Bonds, Series 1998 maturing on and after January 1, 2009.

Security

The Series 2006 Bonds are limited obligations of the County, payable solely from and secured by a pledge of and lien upon the County's share of the local government half-cent state sales tax distributed monthly to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund of the State Treasury and from investment earnings on certain funds created under the bond resolution.

Form

The Series 2006 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2006 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on January 1 and July 1 of each year.

Reserve Requirement

The bond resolution provides for a designated series bond reserve as a separate reserve account. However, so long as the pledged revenues for each fiscal year equal or exceed 300% of the maximum annual debt service for all Sales Tax bonds outstanding as of the end of such fiscal year, no bond reserve is required. That test commenced with the issuance of the Series 2002A Bonds, and has been met each year since the issuance of those bonds and all subsequent Sales Tax bonds; hence, there is no reserve for this series.

Agents

Registrar and Paying Agent	The Bank of New York Mellon Trust Co., N.A., Jacksonville, FL
Co-Bond Counsel:	Bryant Miller & Olive, P.A., Orlando, FL Anderson & Associates, P.A., Orlando, FL
Insurance Provider:	Financial Guaranty Insurance Company (reinsured by National Public Finance Guarantee Corporation)

Orange County, Florida

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service	Aa2	Aa2
Standard & Poor's:	AA	AA
Fitch Ratings:	AA+	AA+
Kroll Bond Rating Agency:	AA+	AA+

Call Provisions

Bonds maturing on or after January 1, 2017 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot, on any date on or after January 1, 2016, with no premium.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

Proceeds from the Series 2006 Bonds were used to currently refund all of the County's outstanding Sales Tax Revenue Bonds, Series 1998 maturing on and after January 1, 2009 in the total principal amount of \$45,385,000. In connection with this transaction, the County also provided available cash to currently refund the Series 1998 Bonds maturing on January 1, 2007 and 2008 in the total principal amount of \$2,585,000.

Refunded Bonds Call Date

All of the outstanding Series 1998 Bonds were called on March 9, 2006.

Orange County, Florida

**Schedule of Bonded Debt and Interest
Sales Tax Revenue Refunding Bonds, Series 2006
September 30, 2012**

Fiscal Year Ended September 30	Interest Rate (%)	Principal	Interest	Total Debt Service
2013	3.50	\$ 1,715,000	\$ 1,490,528	\$ 3,205,528
2014	4.00	1,780,000	1,424,915	3,204,915
2015	3.625	1,845,000	1,355,874	3,200,874
2016	4.00	1,910,000	1,284,234	3,194,234
2017	4.00	1,990,000	1,206,234	3,196,234
2018	4.00	2,070,000	1,125,033	3,195,033
2019	4.00	2,155,000	1,040,534	3,195,534
2020	4.10	2,240,000	951,514	3,191,514
2021	4.125	2,330,000	857,537	3,187,537
2022	4.00	2,430,000	760,881	3,190,881
2023	4.125	2,525,000	660,203	3,185,203
2024	4.125	2,630,000	553,881	3,183,881
2025	4.25	2,735,000	441,519	3,176,519
2026	4.25	2,855,000	322,731	3,177,731
2027	4.25	2,975,000	198,844	3,173,844
2028	4.375	3,100,000	67,813	3,167,813
	Totals	\$ 37,285,000	\$ 13,742,275	\$ 51,027,275

Orange County, Florida

**Schedule of Bonded Debt and Interest
Sales Tax Revenue Refunding Bonds, Series 2006
September 30, 2012**

Bond Year Ended January 1	Interest Rate (%)	Principal	Interest	Total Debt Service
2013	3.50	\$ 1,715,000	\$ 760,270	\$ 2,475,270
2014	4.00	1,780,000	1,460,516	3,240,516
2015	3.625	1,845,000	1,389,314	3,234,314
2016	4.00	1,910,000	1,322,434	3,232,434
2017	4.00	1,990,000	1,246,034	3,236,034
2018	4.00	2,070,000	1,166,434	3,236,434
2019	4.00	2,155,000	1,083,633	3,238,633
2020	4.10	2,240,000	997,434	3,237,434
2021	4.125	2,330,000	905,594	3,235,594
2022	4.00	2,430,000	809,480	3,239,480
2023	4.125	2,525,000	712,282	3,237,282
2024	4.125	2,630,000	608,124	3,238,124
2025	4.25	2,735,000	499,638	3,234,638
2026	4.25	2,855,000	383,400	3,238,400
2027	4.25	2,975,000	262,062	3,237,062
2028	4.375	3,100,000	135,626	3,235,626
	Totals	\$ 37,285,000	\$ 13,742,275	\$ 51,027,275

Orange County, Florida

**\$16,805,000
Taxable Sales Tax Revenue Refunding Bonds
Series 2012A**

Dated April 26, 2012

Final maturity January 1, 2018

Purpose

The Series 2012A Bonds were issued to provide funds, together with other available funds of the County, to currently refund all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1999 maturing on and after January 1, 2013.

Security

The Series 2012A Bonds are limited obligations of the County, payable solely from and secured by a pledge of and lien upon the County's share of the local government half-cent state sales tax distributed monthly to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund of the State Treasury and from investment earnings on certain funds created under the bond resolution.

Form

The Series 2012A Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2012A Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on January 1 and July 1 of each year.

Reserve Requirement

The bond resolution provides for a designated series bond reserve as a separate reserve account. However, so long as the pledged revenues for each fiscal year equal or exceed 300% of the maximum annual debt service for all Sales Tax bonds outstanding as of the end of such fiscal year, no bond reserve is required. That test commenced with the issuance of the Series 2002A Bonds, and has been met each year since the issuance of those bonds and all subsequent Sales Tax bonds; hence, there is no reserve for this series.

Agents

Registrar and Paying Agent	The Bank of New York Mellon Trust Co., N.A., Dallas, TX
Co-Bond Counsel:	Nabors, Giblin & Nickerson, P.A., Tampa, FL Ruye H. Hawkins, P.A., Orlando, FL
Insurance Provider:	None

Orange County, Florida

Ratings

	<u>Uninsured</u>
Moody's Investors Service	Aa2
Standard & Poor's:	AA
Fitch Ratings:	AA+
Kroll Bond Rating Agency:	AA+

Call Provisions

The Series 2012A Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

Proceeds from the Series 2012A Bonds were used to currently refund all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1999 maturing on and after January 1, 2013 in the total principal amount of \$27,725,000.

Refunded Bonds Call Date

The refunded Series 1999 Bonds were called on June 1, 2012.

**Schedule of Bonded Debt and Interest
Taxable Sales Tax Revenue Refunding Bonds, Series 2012A
September 30, 2012**

<u>Fiscal Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	5.00	\$ 480,000	\$ 828,250	\$ 1,308,250
2014	5.00	2,070,000	764,500	2,834,500
2015	5.00	2,175,000	658,375	2,833,375
2016	5.00	4,580,000	489,500	5,069,500
2017	5.00	6,060,000	223,500	6,283,500
2018	5.00	1,440,000	36,000	1,476,000
Totals		<u>\$ 16,805,000</u>	<u>\$ 3,000,125</u>	<u>\$ 19,805,125</u>

Orange County, Florida

Schedule of Bonded Debt and Interest
Taxable Sales Tax Revenue Refunding Bonds, Series 2012A
September 30, 2012

<u>Bond Year Ended January 1</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	5.00	\$ 480,000	\$ 420,125	\$ 900,125
2014	5.00	2,070,000	816,250	2,886,250
2015	5.00	2,175,000	712,750	2,887,750
2016	5.00	4,580,000	604,000	5,184,000
2017	5.00	6,060,000	375,000	6,435,000
2018	5.00	1,440,000	72,000	1,512,000
	Totals	<u>\$ 16,805,000</u>	<u>\$ 3,000,125</u>	<u>\$ 19,805,125</u>

Orange County, Florida

\$97,295,000
Sales Tax Revenue Refunding Bonds
Series 2012B

Dated April 26, 2012

Final maturity January 1, 2032

Purpose

The Series 2012B Bonds were issued to provide funds, together with other available funds of the County, to advance refund all of the County's outstanding Sales Tax Revenue Bonds, Series 2002B maturing on and after January 1, 2013.

Security

The Series 2012B Bonds are limited obligations of the County, payable solely from and secured by a pledge of and lien upon the County's share of the local government half-cent state sales tax distributed monthly to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund of the State Treasury and from investment earnings on certain funds created under the bond resolution.

Form

The Series 2012B Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2012B Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on January 1 and July 1 of each year.

Reserve Requirement

The bond resolution provides for a designated series bond reserve as a separate reserve account. However, so long as the pledged revenues for each fiscal year equal or exceed 300% of the maximum annual debt service for all Sales Tax bonds outstanding as of the end of such fiscal year, no bond reserve is required. That test commenced with the issuance of the Series 2002A Bonds, and has been met each year since the issuance of those bonds and all subsequent Sales Tax bonds; hence, there is no reserve for this series.

Agents

Registrar and Paying Agent	The Bank of New York Mellon Trust Co., N.A., Dallas, TX
Co-Bond Counsel:	Nabors, Giblin and Nickerson, P.A., Tampa, FL Ruye H. Hawkins, P.A., Orlando, FL
Insurance Provider:	None

Orange County, Florida

Ratings

	<u>Uninsured</u>
Moody's Investors Service	Aa2
Standard & Poor's:	AA
Fitch Ratings:	AA+
Kroll Bond Rating Agency:	AA+

Call Provisions

Series 2012B Bonds maturing on or after January 1, 2025 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot, on any date on or after January 1, 2022, with no premium.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

Proceeds from the Series 2012B Bonds were used to advance refund all of the County's outstanding Sales Tax Revenue Bonds, Series 2002B maturing on and after January 1, 2013 in the total principal amount of \$104,495,000.

Refunded Bonds Call Date

The refunded Series 2002B Bonds will be called on January 1, 2013.

Orange County, Florida

**Schedule of Bonded Debt and Interest
Sales Tax Revenue Refunding Bonds, Series 2012B
September 30, 2012**

Fiscal Year Ended September 30	Interest Rate (%)	Principal	Interest	Total Debt Service
2013	-	\$ -	\$ 4,694,800	\$ 4,694,800
2014	4.00	870,000	4,677,400	5,547,400
2015	-	-	4,660,000	4,660,000
2016	-	-	4,660,000	4,660,000
2017	-	-	4,660,000	4,660,000
2018	-	-	4,660,000	4,660,000
2019	-	-	4,660,000	4,660,000
2020	-	-	4,660,000	4,660,000
2021	-	-	4,660,000	4,660,000
2022	-	-	4,660,000	4,660,000
2023	-	-	4,660,000	4,660,000
2024	-	-	4,660,000	4,660,000
2025	5.00	8,445,000	4,448,875	12,893,875
2026	5.00	8,865,000	4,016,125	12,881,125
2027	5.00	9,310,000	3,561,750	12,871,750
2028	5.00	9,770,000	3,084,750	12,854,750
2029	5.00	13,930,000	2,492,250	16,422,250
2030	5.00	14,625,000	1,778,375	16,403,375
2031	5.00	15,355,000	1,028,875	16,383,875
2032	4.00	16,125,000	322,500	16,447,500
Totals		\$ 97,295,000	\$ 76,705,700	\$ 174,000,700

Orange County, Florida

**Schedule of Bonded Debt and Interest
Sales Tax Revenue Refunding Bonds, Series 2012B
September 30, 2012**

Bond Year Ended January 1	Interest Rate (%)	Principal	Interest	Total Debt Service
2013	-	\$ -	\$ 2,347,400	\$ 2,347,400
2014	4.00	870,000	4,694,800	5,564,800
2015	-	-	4,660,000	4,660,000
2016	-	-	4,660,000	4,660,000
2017	-	-	4,660,000	4,660,000
2018	-	-	4,660,000	4,660,000
2019	-	-	4,660,000	4,660,000
2020	-	-	4,660,000	4,660,000
2021	-	-	4,660,000	4,660,000
2022	-	-	4,660,000	4,660,000
2023	-	-	4,660,000	4,660,000
2024	-	-	4,660,000	4,660,000
2025	5.00	8,445,000	4,660,000	13,105,000
2026	5.00	8,865,000	4,237,750	13,102,750
2027	5.00	9,310,000	3,794,500	13,104,500
2028	5.00	9,770,000	3,329,000	13,099,000
2029	5.00	13,930,000	2,840,500	16,770,500
2030	5.00	14,625,000	2,144,000	16,769,000
2031	5.00	15,355,000	1,412,750	16,767,750
2032	4.00	16,125,000	645,000	16,770,000
	Totals	\$ 97,295,000	\$ 76,705,700	\$ 174,000,700

CAPITAL IMPROVEMENT BONDS

Orange County, Florida

Capital Improvement Bonds

Orange County has issued Capital Improvement Bonds for general governmental purposes. A portion of Orange County's annual distribution from the State Revenue Sharing Trust Fund supports the bonds. The County has used the proceeds of Capital Improvement Bonds for construction or acquisition of various governmental facilities, primarily a correctional facility and a public works administrative facility. As of September 30, 2012, two series of Capital Improvement Bonds were outstanding. The Series 1992 Bonds are insured by Ambac Assurance Corporation and the Series 2009 Bonds are not insured. A summary of the Capital Improvement Bonds outstanding as of September 30, 2012 is as follows:

<u>Issue Name</u>	<u>Amount Outstanding</u>
Capital Improvement and Refunding Revenue Bonds, Series 1992	\$ 1,366,140
Capital Improvement Refunding Revenue Bonds, Series 2009	<u>22,735,000</u>
Total	<u><u>\$ 24,101,140</u></u>

Security for the Bonds

Pledged Funds

Prior to the issuance of the Series 2009 Bonds, the Capital Improvement Bonds were payable from and secured on a parity basis by a pledge of the Guaranteed Entitlement and the Second Guaranteed Entitlement ("Pledged Revenues") that the County is entitled to receive from certain revenues shared by the State of Florida pursuant to the Florida Revenue Sharing Act of 1972, Part II of Chapter 218 of the Florida Statutes as amended (the "Act"), all in the manner and to the extent provided for in the bond resolution. The County received \$1,632,765 annually as the Guaranteed Entitlement portion of such revenues and \$3,816,110 annually as the Second Guaranteed Entitlement portion. Effective July 1, 2004, Chapter 2003-402, Laws of Florida alternatively authorized county and municipal governments to pledge an amount up to fifty percent (50%) of revenue sharing funds received in the prior year for bond indebtedness. With the issuance of the Series 2009 Bonds on May 7, 2009, the County elected to implement this provision to secure on a parity basis all of the outstanding Capital Improvement Bonds. As a result, Pledged Revenues became, in each fiscal year, an amount of moneys distributed to the County from revenue sharing funds equal to 50% of the total revenue sharing funds received in the immediately preceding fiscal year.

The County has covenanted in the Bond Resolution not to issue any other obligations payable from the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien on the Pledged Revenues other than Parity Bonds issued pursuant to the Bond Resolution.

Orange County, Florida

Bond Reserve Account

The Series 1992 Bonds and the Series 2009 Bonds do not have a Reserve Requirement.

Limited Obligations

The Capital Improvement Bonds are limited obligations of the County, secured on a parity basis by the Pledged Revenues – the amount of moneys distributed to the County from the State Revenue Sharing Trust Fund for Counties equal to fifty percent (50%) of the amount of revenue sharing funds received by the County in the immediately preceding fiscal year – and also moneys on deposit in certain accounts, including investment earnings thereon. No holder of the Capital Improvement Bonds shall ever have the right to compel either the levy of ad valorem taxes or the use of any other source of revenue to pay principal of, premium, if any, or interest on the Capital Improvement Bonds. Neither the faith and credit nor any physical properties of the County or the State of Florida nor any County or State revenues, other than the pledged sources are pledged to or constitute security for the payment of the principal of, redemption premium, if any, or interest on the Bonds. The Capital Improvement Bonds shall not constitute a general indebtedness of the County and shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County or State, other than the pledged sources.

Flow of Funds

The Bond Resolution obligates the County to create the State Revenue Sharing Trust Fund (the “County Trust Fund”), which is currently comprised of the Interest Account, Principal Account, and Bond Reserve Account. All of the Pledged Revenues shall be, and any other money derived by the County under the Act may be, deposited into the County Trust Fund upon receipt. Each month, of the total revenue sharing money received by the County under the Act, the first amount so received up to one-twelfth of the Pledged Revenues for the fiscal year are deemed to be the Pledged Revenues for the month.

Prior to its use for any other purpose, Pledged Revenues in the County Trust Fund shall be applied by the County monthly to provide for a pro rata portion of the payments which will become payable on the next ensuing payment date, respectively, of the interest and principal on the bonds. The County is similarly required to deposit funds into the Bond Reserve Account, if necessary, in order to maintain such account in an amount equal to the Reserve Requirement, if any, and to any other accounts under the Bond Resolution as may be required. Any amounts remaining in the County Trust Fund each month after making the deposits described above may be withdrawn and used by the County for any lawful purpose.

The State Revenue Sharing Funds

Authorization

The Act creates the Revenue Sharing Trust Fund for Counties (the “State Trust Fund”) for the distributions of amounts deposited in such fund to counties. Historically, counties were authorized to pledge their “guaranteed entitlement” and “second guaranteed entitlement” portion of revenue sharing funds. For purposes of the Act, “guaranteed entitlement” with

Orange County, Florida

respect to counties means an amount such that no eligible county shall receive less funds from the State Trust Fund in any fiscal year than the amount received in the aggregate from the State in fiscal year 1971-72 under the provisions of the then-existing Section 210.20(2)(c), Florida Statutes, tax on cigarettes, Section 323.16(4), Florida Statutes, road tax and Section 199.292(4), Florida Statutes, tax on intangible personal property. The “second guaranteed entitlement” for counties is defined for purposes of the Act pursuant to Section 218.21(10), Florida Statutes, as the amount of revenue received in the aggregate by an eligible county in fiscal year 1981-82 under the provisions of the then-existing Section 210.20(2)(a), Florida Statutes, tax on cigarettes, and Section 199.292(4), Florida Statutes, tax on intangible personal property, less the guaranteed entitlement. Currently, the Act includes a formula for the monthly distributions of revenues and further provides that no eligible county shall receive less revenue sharing funds from the State than the amount of revenue, as certified by the county and determined by the State Department of Revenue, which must be shared with the county so that such county will receive the amount of revenue necessary to meet its obligations as a result of pledges that obligate revenue sharing funds. Revenue sharing funds are adjusted each year so that no local government receives less than its minimum entitlement. With the issuance of the Series 2009 Bonds, the County amended its Pledged Revenues from the guaranteed entitlements to an amount equal to 50% of revenue sharing funds received in the previous fiscal year.

Eligibility

To be eligible to participate in revenue sharing (beyond the minimum entitlement required to meet obligations as a result of pledges by the County) in any fiscal year, the County must have (a) reported its finances for its most recently completed fiscal year to the State Department of Banking and Finance; (b) made provisions for annual post audits of its financial accounts in accordance with provisions of law; (c) levied ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters to produce the revenue equivalent to a millage rate of three mills on the dollar based on the 1973 taxable values as certified by the property appraiser or, in order to produce revenue equivalent to that which would otherwise be produced by such three-mill ad valorem tax, to have collected an occupational license tax or a utility tax, or levied ad valorem tax or received income from any other combination of these four sources; (d) certified compliance with certain standards for qualifications for employment of law enforcement officers and firefighters, minimum annual salary rate for full-time law enforcement officers, and salary structure and salary plans for law enforcement officers; and (e) certified that certain dependent special districts have met the provisions for annual post audits of their financial accounts in accordance with the provisions of law.

The County has covenanted in the Bond Resolution to undertake all acts necessary to comply with the statutory eligibility requirements. It has had no difficulty in the past and anticipates no difficulty in doing so in the future.

Distribution Formula

This information is included for reference only. Except for the Pledged Revenues, the County's share of revenue sharing funds is not pledged to payment of the bonds. The amount of revenue sharing funds to be shared with each eligible county is determined by a five-step procedure. First, the three-part formula as detailed below is applied to all receipts available for

Orange County, Florida

distribution in the State Trust Fund. Second, the revenue to be shared using the formula in the current fiscal year is adjusted so that no county receives less funds than the aggregate amount it received from the State in fiscal year 1971-72. Third, the revenues are adjusted so that no county receives less funds than its "Guaranteed Entitlement" plus the "Second Guaranteed Entitlement" which is equal to the aggregate amount received from the State in fiscal year 1981-82. Fourth, shared revenues are adjusted so that no local government receives less than its minimum entitlement, which means the amount of revenue necessary for a county to meet its obligations as the result of pledges, assignments or trusts. Fifth, growth dollars are distributed to each qualified county on the basis of additional money of each qualified county in proportion to the total additional dollars available to all qualified counties.

The apportionment factor determined for each eligible county is determined by a formula composed of three equally weighted parts:

$$\begin{aligned} \text{Part 1} &= \frac{\text{County Population}}{\text{Total Population of all Eligible Counties in the State}} \\ \text{Part 2} &= \frac{\text{County Unincorporated Population}}{\text{Total Unincorporated Population of all Eligible Counties in the State}} \\ \text{Part 3} &= \frac{\text{Annual County Sales Tax Collections}}{\text{Annual Statewide Sales Tax Collections of all Eligible Counties in the State}} \\ \text{Apportionment Factor} &= \frac{\text{Part 1} + \text{Part 2} + \text{Part 3}}{3} \\ \text{County Distribution} &= \text{Apportionment Factor} \times \text{Total Funds Available} \end{aligned}$$

Orange County, Florida

County Revenue Sharing Distribution Formula Data Years Ended June 30, 2008-2012

Year	County Population	State Population	County Unincorporated Population	State Unincorporated Population	Annual County Sales Tax Collections	Annual Statewide Sales Tax Collections
2008	1,114,979	18,807,219	715,627	9,233,787	\$ 2,069,195,262	\$ 20,569,094,342
2009	1,108,882	18,750,483	710,458	9,223,703	1,966,426,447	18,446,085,352
2010	1,110,155	18,772,352	710,077	9,226,910	1,772,383,592	17,851,726,033
2011	1,157,342	18,905,048	742,671	9,397,644	1,928,250,125	18,589,577,548
2012	1,175,941	19,074,434	754,470	9,470,480	2,044,480,210	19,456,910,575

Sources: University of Florida, College of Business Administration, Bureau of Economics and Business Research (population).

State of Florida, Department of Revenue, Office of Research and Analysis (Sales tax collections as revised by State).

State of Florida Revenue Sharing Trust Fund for Counties Receipts Years Ended June 30

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Sales Tax	\$ 361,234,865	\$ 323,140,943	\$ 304,810,373	\$ 325,515,403	\$ 342,142,787
Cigarette Tax	10,788,683	10,958,460	14,362,792	8,175,425	7,339,120
Total Receipts	<u><u>\$ 372,023,548</u></u>	<u><u>\$ 334,099,403</u></u>	<u><u>\$ 319,173,165</u></u>	<u><u>\$ 333,690,828</u></u>	<u><u>\$ 349,481,907</u></u>

Source: State of Florida, Department of Revenue

Orange County, Florida

The following table does not show actual historical debt service coverage which was based on the prior Pledged Revenues, but illustrates what the debt service coverage on outstanding bonds would have been if the security for such bonds had been the current Pledged Revenues as modified by the Series 2009 Bonds issued on May 9, 2009.

Debt Service Coverage from Pledged Revenues

Actual Revenue for Fiscal Years Ended September 30, 2003 through 2012
Projected Revenue for Fiscal Year Ending September 30, 2013

County Fiscal Year	Total State Revenue Sharing (1)(2)	Pledged Revenues (3)	Debt Service Requirement All Series (4)	Debt Service Coverage From Pledged Revenues
2003	\$25,432,915	\$12,448,334	\$4,232,389	2.94
2004	27,509,675	12,716,458	4,228,989	3.01
2005	28,924,581	13,754,838	4,234,789	3.25
2006	31,257,697	14,462,291	4,234,988	3.42
2007	30,453,957	15,628,849	4,234,389	3.69
2008	28,492,161	15,226,979	4,238,589	3.59
2009	26,136,558	14,246,081	3,533,960	4.03
2010	26,687,880	13,068,279	4,118,663	3.17
2011	27,820,310	13,343,940	4,118,412	3.24
2012	29,907,252	13,910,155	4,118,463	3.38
2013	29,455,000	14,953,626	4,119,862	3.63

Source: Orange County Comptroller's Office

(1) Only the Pledged Revenues are pledged to the outstanding bonds.

(2) The amount shown for 2013 is the County's budgeted amount. The actual amount will likely be different than the figures shown.

(3) In order to show the effect of the expanded pledge of revenues on historical debt service, Pledged Revenues are shown as fifty percent (50%) of the prior year's receipt of revenue sharing funds. Prior to 2009, actual pledged revenues only consisted of the Guaranteed Entitlement and Second Guaranteed Entitlement portion of revenue sharing funds in the sum total of \$5,448,875.

(4) In Fiscal Year 2003, a portion of the Series 1992 Bonds were currently refunded with Sales Tax Revenue Refunding Bonds.

Orange County, Florida

Capital Improvement Bond Insurance

Concurrent with the issuance of the Series 1992 Bonds, Ambac Indemnity Corporation issued their Municipal Bond New Issue Insurance Policy (the "Policy") for the bonds. The Policy unconditionally guarantees the payment of that portion of the principal or accreted value of and interest on the bonds, which has become due for payment, but shall be unpaid by reason of Nonpayment by the County (as defined in the Policy). The Policy is non-cancelable and the premium was fully paid at the time of delivery of the bonds. The Policy covers failure to pay principal or accreted value of the bonds on their respective stated maturity date or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment. The Series 2009 Bonds are uninsured.

Requirements for Additional Capital Improvement Bonds

The County will issue no other obligations of any kind or nature payable from or enjoying a lien on the pledged sources or any part thereof having priority over or on a parity with the outstanding bonds except as described in the Bond Resolution. The County may issue obligations with a lien on the pledged sources or any part thereof, which is junior to the lien on the outstanding bonds.

Parity bonds may be issued if all of the following conditions are satisfied: 1. except in the case of parity bonds issued for refunding purposes, there shall have been filed with the County Administrator a statement by the County Comptroller or an independent certified public accountant stating that based upon necessary investigation, the annual Pledged Revenues accruing to the County in the preceding fiscal year were equal to at least 135% of maximum annual debt service of all bonds then outstanding plus the proposed parity bonds; 2. the County Comptroller or independent certified public accountant's statement shall further state that the payments required to be made into the various accounts under the Bond Resolution are current; 3. the parity bonds must be payable as to principal on October 1 of any year and payable as to interest on April 1 and October 1 of any year, except that any capital appreciation bonds may bear interest payable only at maturity or earlier redemption; 4. the Series Resolution or other proceedings authorizing the bonds must require (i) if there is to be no separate subaccount of the Bond Reserve Account securing the parity bonds, that the amount to be accumulated and maintained in the Bond Reserve Account shall be the amount of the Reserve Requirement as defined in the Bond Resolution; (ii) if there is to be a separate subaccount of the Bond Reserve Account securing such parity bonds, that the amount to be accumulated and maintained in such subaccount shall be the amount of the Reserve Requirement as set forth in the related Series Resolution; (iii) that the related Reserve Requirement shall be fully funded with cash, the deposit of one or more Reserve Account facilities or a combination thereof at 100% of the related Reserve Requirement computed on a basis which includes all bonds of the related series, if any, then outstanding and the parity bonds and (iv) either (A) that the amount of such increase be deposited in the Bond Reserve Account or, if applicable, in a separate subaccount of the Bond Reserve Account, upon or before the issuance of the parity bonds, or (B) that an amount equal to one-twelfth of the related Reserve Requirement for such bonds be deposited in the Bond Reserve Account or related subaccount from Pledged Revenues each

Orange County, Florida

month until the Bond Reserve Account or related subaccount contains 100% of the related Reserve Requirement.

Parity bonds may also be issued for refunding purposes if: 1. the County Administrator shall have received a certificate of the County Comptroller or an independent certified public accountant (i) setting forth the aggregate interest requirement and principal requirement for the bonds falling due during the then current bond year and for each subsequent bond year to and including the bond year of the last maturity of any bonds then outstanding (A) with respect to the bonds of all series outstanding immediately prior to the date of authentication and delivery of such refunding bonds, and (B) with respect to the bonds of all series to be outstanding immediately thereafter, and (ii) demonstrating that the aggregate amount set forth pursuant to (B) above is no greater than the aggregate amount set forth pursuant to (A) above; or 2. all outstanding bonds are being refunded under arrangements which immediately result in making provision for the payment of the bonds being refunded so that they are no longer outstanding. Further, the requirements of items 2, 3 and 4 in the preceding paragraph must be satisfied prior to the issuance of refunding bonds.

Defeased Capital Improvement Debt Outstanding

There is no defeased debt outstanding for Capital Improvement Bonds.

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Orange County, Florida

**Combined Schedule of Bonded Debt and Interest
All Capital Improvement Bonds
September 30, 2012**

<u>Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 1,327,043	\$ 2,329,688 *	\$ 3,656,731
2013	1,299,097	2,820,765 *	4,119,862
2014	2,240,000	885,663	3,125,663
2015	2,300,000	829,662	3,129,662
2016	2,360,000	766,413	3,126,413
2017	2,330,000	672,012	3,002,012
2018	2,240,000	578,813	2,818,813
2019	2,335,000	483,612	2,818,612
2020	2,435,000	390,213	2,825,213
2021	2,550,000	268,462	2,818,462
2022	2,685,000	140,963	2,825,963
Totals	\$ 24,101,140	\$ 10,166,266	\$ 34,267,406

* Includes accreted interest to maturity for capital appreciation bonds.

Capital Improvement Bond Detail Information by Series

There are two series of Capital Improvement Bonds currently outstanding as summarized at the beginning of this section. Both series are on a parity basis with each other. The following is a detailed profile of each series.

Orange County, Florida

**\$43,280,361
Capital Improvement and Refunding Revenue Bonds
Series 1992**

Dated December 2, 1992

Final maturity October 1, 2013

Purpose

The Series 1992 Bonds were issued to provide funds, together with other available funds of the County, to refund \$15,000,000 principal amount of the County's outstanding Commercial Paper Notes, Series A, advance refund a portion of the County's Capital Improvement Revenue Refunding Bonds, Series 1988A and a portion of the County's Capital Improvement Revenue Bonds, Series 1988B, and finance the costs of certain capital improvements of the County.

Security

The Series 1992 Bonds are limited obligations of the County, secured solely by a pledge of and lien upon revenue sharing funds received by the County in an amount equal to fifty percent (50%) of receipts of the prior fiscal year, as well as investment earnings on certain funds created under the bond resolution.

Form

The Series 1992 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 1992 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Accreted interest on capital appreciation bonds is payable on October 1 of the year of maturity.

Reserve Requirement

There is no reserve requirement for the Series 1992 Bonds.

Agents

Registrar and Paying Agent: The Bank of New York Mellon Trust Co., N.A.,
Jacksonville, FL
Co-Bond Counsel: Nabors, Giblin & Nickerson, Tampa, FL
Taraska, Grower, Unger and Ketcham, P.A.,
Orlando, FL
Insurance Provider: Ambac Assurance Corporation

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	N/R*	N/A
Standard & Poor's:	AA	AA
Fitch Ratings:	N/A	N/A

*Rating for Ambac Assurance Corporation has been withdrawn.

Orange County, Florida

Call Provisions

The remaining Series 1992 Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

Proceeds from the Series 1992 Bonds were used to finance the cost of stormwater management projects, public safety facilities, criminal justice structures, and other general capital projects of the County.

Refunded Bonds

Proceeds from the Series 1992 Bonds were used to provide funds, together with other available funds of the County, to refund \$15,000,000 principal amount of the County's outstanding Commercial Paper Notes, Series A, and advance refund \$1,150,000 in the original aggregate principal amount of the County's Capital Improvement Revenue Refunding Bonds, Series 1988A and \$14,482,814.65 of the County's Capital Improvement Revenue Bonds, Series 1988B.

Refunded Bonds Call Date

The refunded Series 1988A Bonds and the refunded Series 1988B Bonds maturing on October 1, 2018, were called on October 1, 1998. The refunded Series 1988B Bonds maturing on October 1, 2000 and October 1, 2001 were paid on their original due dates.

Schedule of Bonded Debt and Interest Capital Improvement and Refunding Revenue Bonds, Series 1992 September 30, 2012

<u>Year Ended</u> <u>September 30</u>	<u>Approximate</u> <u>Compound</u> <u>Interest</u> <u>Rate (%)</u>	<u>Principal</u>	<u>Interest *</u>	<u>Total</u> <u>Debt Service</u>
2012	6.625	\$ 707,043	\$ 1,867,957	\$ 2,575,000
2013	6.65	<u>659,097</u>	<u>1,915,903</u>	<u>2,575,000</u>
Totals		<u><u>\$ 1,366,140</u></u>	<u><u>\$ 3,783,860</u></u>	<u><u>\$ 5,150,000</u></u>

* Accreted interest to maturity on Capital Appreciation Bonds.

Orange County, Florida

\$25,480,000
Capital Improvement Refunding Revenue Bonds
Series 2009

Dated May 7, 2009

Final maturity October 1, 2022

Purpose

The Series 2009 Bonds were issued to provide funds, together with other available funds of the County, to currently refund all of the County's Capital Improvement Refunding Revenue Bonds, Series 1998.

Security

The Series 2009 Bonds are limited obligations of the County, secured solely by a pledge of and lien upon revenue sharing funds received by the County in an amount equal to fifty percent (50%) of receipts of the prior fiscal year, as well as investment earnings on certain funds created under the bond resolution.

Form

The Series 2009 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2009 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

There is no reserve requirement for the Series 2009 Bonds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Refunded Bonds Paying Agent:	The Bank of New York Mellon Trust Co., N.A., Jacksonville, FL
Co-Bond Counsel:	Bryant Miller Olive P.A., Orlando, FL Anderson & Associates, P.A., Orlando, FL
Insurance Provider:	None

Ratings

	<u>Uninsured</u>
Moody's Investors Service:	N/A
Standard & Poor's:	AA
Fitch Ratings:	AA+

Orange County, Florida

Call Provisions

The Series 2009 Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

Proceeds from the Series 2009 Bonds, together with other available funds of the County, were used to currently refund all of the County's outstanding Capital Improvement Refunding Revenue Bonds, Series 1998 in the total principal amount of \$27,715,000.

Refunded Bonds Call Date

The outstanding Series 1998 Bonds were called on June 8, 2009.

**Schedule of Bonded Debt and Interest
Capital Improvement Refunding Revenue Bonds, Series 2009
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	3.00	\$ 620,000	\$ 461,731	\$ 1,081,731
2013	3.00	640,000	904,862	1,544,862
2014	2.50	2,240,000	885,663	3,125,663
2015	2.75	2,300,000	829,662	3,129,662
2016	4.00	2,360,000	766,413	3,126,413
2017	4.00	2,330,000	672,012	3,002,012
2018	4.25	2,240,000	578,813	2,818,813
2019	4.00	2,335,000	483,612	2,818,612
2020	5.00	2,435,000	390,213	2,825,213
2021	5.00	2,550,000	268,462	2,818,462
2022	5.25	2,685,000	140,963	2,825,963
Totals		<u>\$ 22,735,000</u>	<u>\$ 6,382,406</u>	<u>\$ 29,117,406</u>

PUBLIC SERVICE TAX BONDS

Orange County, Florida

Public Service Tax Bonds

Orange County has issued Public Service Tax Bonds for general governmental purposes. A portion of the Public Service Tax levied and collected by Orange County supports the bonds. The County has used the proceeds of Public Service Tax Bonds for acquiring environmentally sensitive lands and acquiring and improving parks and recreational facilities. As of September 30, 2012, one series of Public Service Tax Bonds was outstanding. The outstanding issue is insured by the National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation).

<u>Issue Name</u>	<u>Amount Outstanding</u>
Public Service Tax Refunding and Improvement Revenue Bonds, Series 2003	<u>\$61,515,000</u>
Total	<u><u>\$61,515,000</u></u>

Security for the Bonds

Pledged Funds

The Public Service Tax Bonds are payable from and secured by a pledge of the Public Service Tax levied and collected by the County pursuant to Article VIII, Section 1(g) and Article VII, Section 9(a) of the Constitution of the State, the Orange County Charter, and Section 166.231, Florida Statutes, (the "Public Service Tax Proceeds"), and certain investment earnings on certain funds created under the Bond Resolution (collectively, the "Pledged Revenues"), all in the manner and to the extent provided in the Bond Resolution.

The County has covenanted in the Bond Resolution not to issue any other obligations payable from the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien on the Pledged Revenues other than Parity Bonds issued pursuant to the Bond Resolution.

Bond Reserve Account

The Bond Resolution provides for the establishment of a Reserve Account for the purpose of assuring the adequacy of funds for the payment of interest on and principal of the bonds, when other moneys in funds established under the Bond Resolution are insufficient therefor. The Bond Resolution also authorizes for each series of Bonds the creation of a separate subaccount in the Bond Reserve Account. Under this option, the Bonds would be payable

Orange County, Florida

solely from and secured by the series subaccount. The County is required under the Bond Resolution to deposit in the Reserve Account an amount which, when added to the moneys and obligations on deposit therein, will be at least equal to the Reserve Account Requirement for each series of bonds. The "Reserve Account Requirement" will be an amount equal to the lesser of (1) Maximum Annual Debt Service for all outstanding bonds, (2) one hundred twenty-five percent (125%) of the average annual debt service of all outstanding bonds, or (3) such amount as set forth in the Supplemental Resolution(s) of the County setting forth the details of such Bonds as the maximum amount of Bonds proceeds which may be deposited in the Reserve Account without being subjected to yield restriction or causing interest on any of the Bonds to be included in gross income for purposes of federal income taxation. Upon issuance of the Series 2003 Bonds, the County elected to fund the Reserve Account with cash in an amount equal to the Reserve Account Requirement. These moneys are for the benefit of the Series 2003 bondholders upon the terms and conditions described in the Resolution.

Limited Obligations

The Public Service Tax Bonds are limited obligations of the County payable solely from and secured by a pledge of (a) the Public Service Tax and (b) until applied in accordance with the terms of the Resolution, all moneys, including investments thereof, in certain funds and accounts established pursuant to the Resolution. The Public Service Tax Bonds shall not be deemed to constitute a debt or pledge of the faith and credit of the County, the State of Florida, or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision of limitation. The issuance of the Public Service Tax Bonds does not directly or indirectly or contingently obligate the County or the State of Florida to levy any ad valorem taxes whatever therefor or to make any appropriation for their payment, except from the pledged funds. The Public Service Tax Bonds do not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County or the State of Florida other than the pledged funds.

Flow of Funds

The Bond Resolution obligates the County to establish separate accounts for collection of Public Service Tax and for debt service on the bonds. The Public Service Tax Proceeds are deposited as received to the Restricted Revenue Account. Prior to its use for any other purpose, moneys in the Restricted Revenue Account are applied by the County monthly to provide for a pro rata portion of the payments which will become payable on the next ensuing payment date, respectively, of the interest and principal on the bonds and to any other accounts as prescribed by the Bond Resolution. Any amounts remaining in the Restricted Revenue Account each month after making the deposits described above may be transferred to the Unrestricted Revenue Account and used by the County for any lawful purpose; provided, however, that commencing in the second month preceding each interest date a balance will be maintained which, together with the moneys on deposit in the debt service accounts, shall be sufficient to pay the principal of and interest coming due on the bonds on such interest date. Any monies remaining in the Unrestricted Revenue Account on each interest date may be used for any lawful purpose.

Orange County, Florida

The Public Service Tax

Authorization

The authority of the County to impose a public service tax is derived from Article VIII, Section 1(g) and Article VII, Section 9(a) of the Constitution of the State, Section 166.231 of the Florida Statutes, as amended, and the Orange County Charter. County Ordinance No. 91-17, as modified by Ordinance No. 93-16, imposes a Public Service Tax within the unincorporated area of the County on the purchase of electricity, metered or bottled gas (natural liquefied petroleum gas or manufactured), water service and fuel oil and, prior to October 1, 2001, telecommunication services (the "Public Service Tax"). Ordinance No. 93-16 exempts from the Public Service Tax the purchase of metered or bottled gas (natural liquefied petroleum gas or manufactured) or fuel oil for agricultural purposes. Effective October 1, 2001, the State Legislature replaced the tax on telecommunication services with a new local communications services tax (the "CST"). The CST is codified in Chapter 202 and Section 202.41, Florida Statutes, which provides that revenue received by a taxing authority will be deemed to replace any taxes or fees previously imposed but repealed by the CST legislation without any further action on the part of such taxing authority. However, an amendment to the Bond Resolution upon the issuance of the Series 2003 Bonds provides that the funds pledged for repayment of Public Service Tax Bonds do not include any portion of the CST enacted in replacement, in whole or in part, of the telecommunication services tax primarily authorized by Section 166.231, Florida Statutes.

Rates

The County currently levies the Public Service Tax at the maximum allowable rates of 10% on sales of electricity, metered or bottled gas, and water service, and four cents per gallon on fuel oil. Prior to October 1, 2001, the County also levied the Public Service Tax at the maximum allowable rate of seven percent on sales of telecommunication services. These levies were put into effect on October 1, 1991, and all sellers of taxable items or services are required to remit collections to the County on a monthly basis. The County is solely responsible for setting or revising the Public Service Taxes it levies, however, should the Board of County Commissioners wish to reduce the levy of taxes or grant additional exemptions, it must first meet certain coverage requirements stated in the Bond Resolution.

Orange County, Florida

**Schedule of Historical Public Service Tax Revenues and Debt Service Coverage
Fiscal Years Ended September 30, 2003 through 2012**

<u>Fiscal Year</u>	<u>All PST Revenues (1)</u>	<u>PST Revenues</u>		<u>Debt Service Requirement (2)</u>	<u>Debt Service Coverage - All PST Revenues (1)</u>	<u>Debt Service Coverage Less: Telecommunications</u>	
		<u>Less: Telecommunications Tax and CST</u>				<u>Less: Telecommunications Tax and CST</u>	
2003	\$ 72,753,277	\$ 47,882,335	\$	2,798,620	26.00		17.11
2004	47,456,647	47,425,605		12,612,169	3.76		3.76
2005	50,731,305	50,731,305		12,612,169	4.02		4.02
2006	55,486,476	55,486,476		12,612,169	4.40		4.40
2007	57,719,898	57,719,898		12,612,169	4.58		4.58
2008	58,606,962	58,606,962		12,612,169	4.65		4.65
2009	60,019,912	60,019,912		12,612,169	4.76		4.76
2010	68,782,487	68,782,487		9,981,919	6.89		6.89
2011	67,046,930	67,046,930		8,405,869	7.98		7.98
2012	62,847,510	62,847,510		8,412,369	7.47		7.47

(1) Includes the County's Public Service Tax revenues on telecommunications services and the local communications services tax (CST) administered by the State. As of October 1, 2001, the State Legislature replaced the telecommunications tax with a new local CST. Beginning with Fiscal Year 2004, the pledged revenues do not include the CST.

(2) Represents the Maximum Annual Debt Service

**Public Service Tax Revenues
Fiscal Years Ended September 30, 2003 through 2012**

<u>Fiscal Year</u>	<u>Electricity</u>	<u>Telecom- munications (1)</u>	<u>Water</u>	<u>Natural Gas</u>	<u>Bottled Gas</u>	<u>Fuel Oil</u>	<u>Total</u>
2003	\$ 40,605,494	\$ 24,870,942	\$ 5,732,720	\$ 952,112	\$ 570,668	\$ 21,341	\$ 72,753,277
2004	39,871,281	31,042	6,140,031	781,200	611,541	21,552	47,456,647
2005	42,443,781	-	6,616,475	858,332	798,700	14,017	50,731,305
2006	45,479,490	-	8,121,815	826,284	1,052,844	6,043	55,486,476
2007	47,168,065	-	8,565,569	821,245	1,161,429	3,590	57,719,898
2008	48,568,837	-	7,975,604	739,608	1,320,493	2,420	58,606,962
2009	50,185,652	-	7,951,497	868,902	1,010,243	3,618	60,019,912
2010	58,786,397	-	7,956,004	907,302	1,127,953	4,831	68,782,487
2011	56,510,197	-	8,591,377	890,547	1,051,047	3,762	67,046,930
2012	52,525,005	-	8,084,259	817,696	1,419,053	1,497	62,847,510

(1) Prior to Fiscal Year 2004, includes the County's tax collections on telecommunications and the Communications Service Tax (CST) administered by the State. As of October 1, 2001, the State Legislature replaced the telecommunications tax with a new local CST. The amount of CST for fiscal year 2003 was \$24,361,702. Beginning with Fiscal Year 2004, pledged revenues exclude the CST pursuant to the amendment to the Bond Resolution made in conjunction with the issuance of the Series 2003 Bonds discussed above.

Orange County, Florida

Public Service Tax Bond Insurance

Concurrent with the issuance of the Series 2003 Bonds, MBIA Insurance Corporation (currently National Public Finance Guarantee Corporation) issued its Municipal Bond New Issue Insurance Policy (the "Policy") for the bonds. The Policy unconditionally guarantees the payment of that portion of the principal or accreted value (if applicable) of and interest on the bonds, which has become due for payment, but shall be unpaid by reason of Nonpayment by the County (as defined in the Policy). The Policy is non-cancelable and the premium was fully paid at the time of delivery of the bonds. The Policy covers failure to pay principal or accreted value (if applicable) of the bonds on their stated maturity date and not on any other date on which the bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Requirements for Additional Public Service Tax Bonds

Pursuant to the Bond Resolution, parity bonds of one or more series may be issued on a parity with the outstanding bonds upon the terms and conditions set forth therein. The County may only issue Additional Bonds upon compliance with the following conditions:

- (1) There shall have been obtained and filed with the County a statement of an independent certified public accountant: (A) stating that the books and records of the County relating to the Public Service Tax have been reviewed by such accountant; (B) setting forth the amount of the Public Service Tax which has been received by the County during any 12 consecutive months designated by the County within the 24 months immediately preceding the date of delivery of such Additional Bonds; and (C) stating that the amount of the Public Service Tax received during the 12-month period equals at least 1.35 times the Maximum Annual Debt Service on all bonds then outstanding and such additional bonds with respect to which such statement is made.
- (2) In the event the County extends the pledge of the Public Service Tax to include additional Public Service Taxes and they were not in effect during all or part of the applicable 12 months described in Paragraph (1), the independent certified public accountant shall adjust the amount of Public Service Taxes which were received to take into account the additional amount such additional Public Service Taxes would have generated if they had been in effect for the entire period. In the event the County releases a portion of the Public Service Tax, then the independent certified public accountant shall assume that such released amount of the Public Service Taxes was not in effect during the applicable 12-month period.
- (3) In the event any additional bonds are issued for the purpose of refunding any bonds then outstanding, the conditions described above shall not apply, provided that the issuance of such additional bonds shall result in a reduction of aggregate debt service.

Except in the case of additional bonds issued for the purpose of refunding outstanding bonds, the County may not issue additional bonds to the extent (i) that an Event of Default has occurred and is ongoing or (ii) the repayment of draws, reasonable expenses and interest related to a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit (collectively, "Policy Costs") are due and owing, and the prior written consent of the issuer of a

Orange County, Florida

Reserve Account Insurance Policy or Reserve Account Letter of Credit has not been obtained at the time such additional bonds are issued.

The County has covenanted not to issue any other obligations payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the bonds and the interest thereon. The County may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created in favor of the Bonds. The County shall have the right to covenant with the holders from time to time of any subordinated indebtedness to add to the conditions, limitations and restrictions under which any additional bonds may be issued.

Defeased Public Service Tax Debt Outstanding

There is no defeased debt outstanding for Public Service Tax Bonds.

Public Service Tax Bond Detail Information by Series

There is one series of Public Service Tax bonds currently outstanding as summarized at the beginning of this section. The following is a detailed profile of that series.

Orange County, Florida

\$117,035,000
Public Service Tax Refunding and Improvement Revenue Bonds
Series 2003

Dated September 15, 2003

Final maturity October 1, 2025

Purpose

The Series 2003 Bonds were issued to provide funds, together with other available moneys of the County, to advance refund a portion of the County's outstanding Public Facilities Revenue Bonds, Series 1994A, to advance refund a portion of the County's outstanding Public Service Tax Revenue Bonds, Series 1995, to currently refund all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1996, to prepay certain amounts to the Reedy Creek Improvement District under an Interchange Cost-Sharing Agreement, and to acquire land and acquire and construct improvements thereon for environmental, ecological and recreational purposes.

Security

The Series 2003 Bonds are limited obligations of the County, payable solely from and secured by a pledge of the Public Service Tax levied and collected monthly by the County and from investment earnings on certain funds created under the bond resolution.

Form

The Series 2003 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2003 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the lesser of (a) 125% of average annual debt service, (b) Maximum Annual Debt Service, or (c) the maximum allowed without subjecting same to yield restriction or causing interest on the bonds to become taxable. The reserve requirement amount is \$6,952,136 and is met in the form of invested bond proceeds.

Agents

Registrar and Paying Agent:	The Bank of New York Mellon Trust Co., N.A., Jacksonville, FL
Co-Bond Counsel:	Bryant Miller & Olive P.A., Orlando, FL Marchena and Graham, P.A., Orlando, FL
Insurance Provider:	National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation)

Orange County, Florida

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	Aa3	Aa3
Standard & Poor's:	AA-	AA-
Fitch Ratings:	AA+	AA+

Call Provisions

Bonds maturing on or after October 1, 2014 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot, on any date on or after October 1, 2013, with no premium.

Projects Funded with Proceeds

Proceeds were used to acquire land and acquire and construct improvements thereto for environmental, ecological and recreational purposes.

Refunded Bonds and Other Obligation

The Series 2003 Bonds were issued to provide funds, together with other available moneys of the County, to advance refund a portion of the County's outstanding Public Facilities Revenue Bonds, Series 1994A, in the principal amount of \$18,485,000, to advance refund a portion of the County's outstanding Public Service Tax Revenue Bonds, Series 1995, in the principal amount of \$27,795,000, to currently refund all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 1996, in the principal amount of \$17,240,000, and to prepay the remaining \$18,049,794 obligation under the Reedy Creek Improvement District Interchange Cost-Sharing Agreement.

Refunded Bonds Call Dates

The refunded Public Facilities Revenue Bonds, Series 1994A, were called on October 1, 2004, the refunded Public Service Tax Revenue Bonds, Series 1995, were called on October 1, 2005, and the refunded Sales Tax Revenue Refunding Bonds, Series 1996, were called on January 1, 2004.

Orange County, Florida

**Schedule of Bonded Debt and Interest
Public Service Tax Refunding and Improvement Revenue Bonds, Series 2003
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	3.375	\$ 5,960,000	\$ 1,226,184	\$ 7,186,184
2013	3.75	6,160,000	2,251,219	8,411,219
2014	3.625	6,380,000	2,020,219	8,400,219
2015	4.00	5,815,000	1,788,944	7,603,944
2016	4.00	5,550,000	1,556,343	7,106,343
2017	4.00	4,305,000	1,334,343	5,639,343
2018	4.00	4,480,000	1,162,144	5,642,144
2019	4.00	4,550,000	982,944	5,532,944
2020	4.125	3,160,000	800,944	3,960,944
2021	4.25	3,025,000	670,594	3,695,594
2022	4.375	3,055,000	542,031	3,597,031
2023	4.50	3,200,000	408,375	3,608,375
2024	4.50	3,340,000	264,375	3,604,375
2025	4.50	2,535,000	114,075	2,649,075
Totals		<u>\$ 61,515,000</u>	<u>\$ 15,122,734</u>	<u>\$ 76,637,734</u>

PUBLIC FACILITIES BONDS

Orange County, Florida

Public Facilities Bonds

Orange County has issued Public Facilities Bonds for general governmental purposes. A portion of the non-ad valorem revenues collected by the County supports the bonds. The County has used the proceeds of Public Facilities Bonds for construction or acquisition of various governmental facilities, primarily its correctional facility, and for acquisition and construction of certain communications system equipment. As of September 30, 2012 one series of Public Facilities Bonds was outstanding. The outstanding issue is insured by Ambac Assurance Corporation.

<u>Issue Name</u>	<u>Amount Outstanding</u>
Public Facilities Revenue Bonds, Series 1994A	<u>\$ 8,874,619</u>
Total	<u>\$ 8,874,619</u>

Security for the Bonds

Pledged Funds

The Public Facilities Bonds are payable solely from and secured by a pledge of the Pledged Revenues and moneys and investment earnings thereon in certain accounts created under the Bond Resolution, all in the manner and to the extent provided in the Bond Resolution. The Pledged Revenues include, but are not limited to the following non-ad valorem revenues of the County: (i) state sources of license revenues consisting of insurance agent licenses, mobile home licenses, and alcoholic beverage licenses; (ii) local sources consisting of local business taxes, license fees, and permit fees (local business taxes – formerly occupational and contractor licenses; dog licenses, building permits, heating, air conditioning, refrigeration and ventilation (“H.A.R.V.”) permits, electrical permits, plumbing permits, underground utility permits, excavation and fill permits, right-of-way permits, commercial permits, flood plain permits, miscellaneous contractor permits, arbor ordinance fees); (iii) local sources consisting of charges for services (sale of maps and other publications, zoning fees, certified copy fees, subdivision fees, petitions to vacate filing fees, medical examiner fees, Sheriff civil earnings, charges for medical services, park and recreation fees, pollution control fees, conservation analysis fees, property appraisal adjustment board fees, construction administration fees, federal prisoners room and board, court alternatives client fees, lot clearing fees, county pound fees, utility operations payments); and (iv) miscellaneous local revenues (interest earnings allocable to non-ad valorem revenues, parking fines, surplus sales, unclaimed tax redemption revenues).

Pledged Revenues do not include the Half-Cent Sales Tax and State Revenue Sharing funds distributed to the County from the State or the Public Service Tax levied by the County.

Orange County, Florida

Bond Reserve Account

The Bond Resolution provides for the establishment and maintenance of a Bond Reserve Account for the purpose of assuring the adequacy of funds for the payment of interest on and principal of the bonds, when other moneys in funds established under the Bond Resolution are insufficient therefore. The Reserve Requirement is the lesser of (1) 125% of the average annual debt service, (2) the Maximum Annual Debt Service or (3) 10% of the initial aggregate principal amount of the Bonds. The Bond Reserve Account is required to be funded at all times in an amount equal to the Reserve Requirement. Upon issuance of the Series 1994A Bonds, proceeds equal to the Maximum Annual Debt Service were deposited in the Bond Reserve Account.

Limited Obligations

The Public Facilities Bonds are limited obligations of the County payable solely from and secured by a pledge of Pledged Revenues, moneys on deposit in the Bond Reserve Account and investment earnings thereon. No holder of the Public Facilities Bonds shall ever have the right to compel either the levy of ad valorem taxes or the use of any other source of revenue to pay principal of, premium, if any, or interest on the Public Facilities Bonds. Neither the faith and credit nor any physical properties of the County, nor any County revenues, other than the Pledged Sources, are pledged to or constitute security for the payment of principal of, redemption premium, if any, and interest on the Public Facilities Bonds.

Flow of Funds

On or before each interest and principal payment date, the Bond Resolution obligates the County to deposit the Pledged Revenues, first to the Interest Account and second to the Principal Account, sufficient amounts, together with other moneys therein, to pay the interest and principal coming due on the bonds on such date. In addition, on or before the fifth day of each month, the County is required to deposit funds into the Bond Reserve Account, if necessary, to make up any deficiency therein.

Non-Ad Valorem Revenues

Authorization

The Public Facilities bonds are secured by a pledge of the County's legally available non-ad valorem revenues. Non-ad valorem revenues of the County consist of revenue receipts derived from any source other than ad valorem taxes on real and personal property, subject to certain restrictions and limitations. The 'Pledged Funds' section above outlines the revenue sources included as pledged. Each revenue source has its own authorization enabling the County to collect it. The following are brief descriptions of certain of the revenue sources that have historically been significant.

Insurance Agent Licenses – Section 624.501, Florida Statutes, imposes certain license taxes payable by insurance agents and solicitors. A portion of these license taxes are designated as the "County License Tax", are collected by the State, and then remitted to the County minus an eight percent service charge.

Orange County, Florida

Mobile Home Licenses – Section 320.08, Florida Statutes, imposes an annual license tax in lieu of ad valorem taxes upon mobile homes that are not permanently affixed to real property. The taxes are collected by the Tax Collector and then are remitted to the State. The State deducts a service charge and then remits one-half of the balance back to the County.

Alcoholic Beverage Licenses – Pursuant to Sections 563.02, 564.02, 565.02 and 565.03, Florida Statutes, the State of Florida levies license taxes on vendors, manufacturers and distributors of beer, wine and liquor. The State returns 24% of such taxes collected within the County to the County.

Occupational and Contractor Business Taxes – Pursuant to Section 205.032, Florida Statutes, the County assesses a local business tax for the privilege of engaging in or managing any business, profession or occupation within its jurisdiction. In 2006, the Florida Legislature renamed occupational and contractor licenses as Local Business Taxes.

Building, Zoning, Rights-of-Way and Subdivision Permits and Fees – Pursuant to Chapters 125 and 163, Florida Statutes, and other applicable laws, the County has established a regulatory system for land use classification and construction of improvements to real property within the unincorporated area of the County. Various fees and charges are collected by the County in connection with the regulatory system. Gross receipts from the fees and charges collected are pledged to the Bonds.

Certified Copy Fees – Section 119.07, Florida Statutes, provides County Administration authorization to charge a fee to the public for photocopies of documents.

Medical Examiner Fees – The Orange County Medical Examiner provides services to Osceola County, and according to an interlocal agreement receives a predetermined amount of funds each year in return for those services in quarterly installments.

Sheriff Civil Earnings – Pursuant to Section 30.231, Florida Statutes, the Orange County Sheriff charges fees for docketing and service of process, including service of summons, writs, executions and witness subpoenas. All such fees collected are to be paid monthly into the fine and forfeiture fund of the County.

Parks and Recreation Fees – The Orange County Parks and Recreation Division collects fees for after school summer programs, camping at County maintained campgrounds, facility use and recreational programs.

Construction Administration Fees – The Planning Division collects fees in return for services provided in the review and processing of applications for concurrency, vested rights, and comprehensive policy plan amendments.

Federal Prisoner Room and Board – The Corrections Department, through an Intergovernmental Service Agreement, assesses a fee to the United States Justice Department for detainees housed in the Orange County Jail. Revenue is collected from the Immigration and Naturalization Service, the United States Marshals and the Border Patrol.

Court Alternative Client Fees – The County maintains work release and probationary programs for certain criminal law offenders. The County charges such offenders for the cost of supervision under the aforementioned programs.

Orange County, Florida

County Pound Fees – The Animal Services Division is responsible for animal control throughout the County. The fees that are charged by this department, including impoundment fees and spay/neuter/vaccination fees, are the responsibility of the pet owner and are designed to defray a portion of the division's labor and operating expenses.

Utility Operations Payments – The County receives voluntary payments from the Orlando Utilities Commission, an electric and water utility that is part of the City of Orlando. There is no constitutional, statutory or contractual mandate for such payments although it may be described as a payment in lieu of taxes.

Radio Service Fees – The County collects service fees from other local governmental agencies for access to and usage of the County's radio communications systems.

Interest Earnings – Pursuant to Section 218.415, Florida Statutes, the County has implemented a program for investment of its "surplus public funds," which are defined as funds that will not be needed for the purposes intended within a reasonable time from the date of investment. The County has pledged the earnings on all funds and accounts held by the County as part of its General Fund and its Building Safety Special Revenue Fund to the extent allocable to non-ad valorem revenues. The amount of revenue that will be available from this source cannot be predicted with certainty and is not subject to the direct control of the County. The earnings will be dependent upon two principal factors: (1) the amounts of surplus public funds available for investment, and (2) the interest rates available to the County for investment of such funds.

Parking Fines – Section 316.1967, Florida Statutes, authorizes the Orange County Sheriff to charge fines for parking violations in the unincorporated areas of the County.

Surplus Sales – Section 125.35, Florida Statutes, allows the County to sell equipment, furniture, and vehicles that are no longer needed or feasibly repairable. Items are typically sold by public auction.

Continuation of County Fees

Most of the fees and charges that constitute the Pledged Revenues may be discontinued by the County at any time. Although the County currently intends to continue the imposition and collection of such fees and charges, it has not covenanted to do so. The County considers it extremely unlikely that it will discontinue a material portion of such fees and charges. However, the County's ability to pay the Series 1994A Bonds could be adversely affected if the County does discontinue a substantial amount of such fees and charges. In addition, Pledged Revenues that are derived from the State may be discontinued at the discretion of the Legislature of the State of Florida.

A five-year historical schedule of the Pledged Revenues is presented on the following page.

Orange County, Florida

Schedule of Historical Pledged Revenues Fiscal Years Ended September 30, 2008 through September 30, 2012

	2008	2009	2010	2011	2012
State sources					
Insurance agent licenses	\$ 322,034	\$ 218,676	\$ 216,515	\$ 224,574	\$ 219,404
Mobile home licenses	111,041	107,058	90,458	110,875	102,939
Alcoholic beverage licenses	426,133	441,881	808,548	479,502	493,129
Total state sources	<u>859,208</u>	<u>767,615</u>	<u>1,115,521</u>	<u>814,951</u>	<u>815,472</u>
Local sources					
Occupational licenses	2,378,392	2,020,927	2,081,642	2,055,389	2,036,811
Contractor licenses	206,374	108,675	170,476	149,168	190,043
Building permits	12,790,869	7,526,175	7,076,813	8,034,415	10,675,035
Underground utility permits	200,019	107,292	73,233	114,518	164,603
Excavation and fill permits	192,225	124,885	82,766	114,469	117,473
Right-of-way permits	490,110	329,901	350,107	275,125	255,043
Commercial permits	527,901	327,290	267,545	275,496	281,484
Miscellaneous contractor permits	1,014,713	658,193	644,995	576,320	653,635
Flood plain permits	13,168	16,064	7,626	7,586	14,702
Dog licenses	18,335	20,108	20,560	16,541	21,374
Total local sources	<u>17,832,106</u>	<u>11,239,510</u>	<u>10,775,763</u>	<u>11,619,027</u>	<u>14,410,203</u>
Charges for services					
Sale of maps/publications	345	230	65	99	69
Zoning fees	659,674	357,744	362,927	425,170	479,378
Certified copy fees	184,006	193,578	193,060	173,140	113,639
Subdivision fees	400,755	330,900	231,797	310,639	429,418
Petitions to vacate filing fees	32,972	6,652	9,470	8,514	5,676
Medical examiner fees	837,575	348,190	894,636	1,062,788	877,842
Sheriff civil earnings	1,103,974	1,246,841	1,594,578	1,269,523	1,218,212
Charges for medical services	8,477	22,609	1,234	3,381	1,448
Park and recreation fees	1,757,061	1,802,036	1,899,043	2,773,101	2,904,379
Pollution control fees	30,712	26,288	30,267	23,966	21,606
Conservation analysis fees	149,949	95,195	71,006	71,777	42,775
Property appraisal adjustment board	128,930	129,125	79,630	69,220	37,525
Construction administration fees	401,353	316,995	307,138	262,903	274,800
Federal prisoners' room and board	2,464,449	2,231,021	1,832,288	2,796,949	1,882,324
Court alternatives client fees	2,714,746	3,077,454	3,367,021	3,585,124	3,289,116
Lot clearing fees	238,203	232,445	387,620	441,086	447,351
County pound fees	331,671	316,492	277,873	210,515	244,076
Utility operations payments	1,053,634	1,187,323	1,698,693	2,084,067	1,440,856
Radio service fees	384,780	414,925	408,274	345,928	382,423
Total charges for services	<u>12,883,266</u>	<u>12,336,043</u>	<u>13,646,620</u>	<u>15,917,890</u>	<u>14,092,913</u>
Miscellaneous local revenues					
Interest-Gen. (non-ad val), TTF, BPZ	5,922,521	2,271,957	1,637,002	1,672,343	640,818
Parking fines	218,853	177,954	179,221	199,962	278,185
Surplus sales	5,906,142	1,112,874	3,877,522	197,694	344,569
Unclaimed tax redemption	249,708	139,949	(7,139)	120,602	113,567
Total miscellaneous local revenues	<u>12,297,224</u>	<u>3,702,734</u>	<u>5,686,606</u>	<u>2,190,601</u>	<u>1,377,139</u>
Miscellaneous revenues pledged to Public Facilities Revenue Bonds					
	<u>\$ 43,871,804</u>	<u>\$ 28,045,902</u>	<u>\$ 31,224,510</u>	<u>\$ 30,542,469</u>	<u>\$ 30,695,727</u>

Orange County, Florida

Public Facilities Bond Insurance

Concurrently with the issuance of the Series 1994A Bonds, Ambac Assurance Corporation issued its Municipal Bond Insurance Policy (the "Policy") for the bonds. The Policy unconditionally guarantees the payment of that portion of the principal or accreted value (if applicable) of and interest on the bonds, which has become due for payment, but shall be unpaid by reason of Nonpayment by the County (as defined in the Policy). The Policy is non-cancelable and the premium was fully paid at the time of delivery of the bonds. The Policy covers failure to pay principal or accreted value (if applicable) of the bonds on their respective stated maturity dates, and not on any other date on which the bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

Requirements for Additional Public Facilities Bonds

Pursuant to the Bond Resolution, parity bonds of one or more series may be issued on parity with the outstanding bonds upon the terms and conditions set forth therein. Except as described below with respect to parity bonds issued to refund outstanding bonds, such parity bonds may be issued only if among other things, the County has received a statement by an independent certified public accountant that the Pledged Revenues accruing to the County for a period of 12 consecutive months of the most recent 24 consecutive months prior to the date of delivery of the parity bonds were equal to at least 150% of Maximum Annual Debt Service computed on a basis which includes the sum of all bonds then outstanding and the proposed parity bonds. Also, the Bond Reserve Account must be fully funded with cash and/or the deposit of one or more Reserve Account Facilities, at 100% of the Reserve Requirement computed on a basis which includes all bonds then outstanding and the parity bonds.

Parity bonds may also be issued under, and secured by, the Bond Resolution for the purpose of providing funds for refunding bonds of any one or more series issued under the Bond Resolution. Parity bonds issued for such purpose may be issued without being required to satisfy the requirements described in the preceding paragraph if the County shall have either received a certificate of an independent certified public accountant demonstrating that (i) the aggregate amount of principal and interest requirements falling due during the then current and each future sinking fund year to and including the sinking fund year of the last maturity of any bonds then outstanding (A) with respect to the bonds of all series outstanding immediately prior to the date of delivery of such refunding parity bonds, and (B) with respect to the bonds of all series to be outstanding immediately after the date of delivery of the refunding bonds and demonstrating that the amount set forth for each sinking fund year pursuant to (B) above is no greater than the amount set forth for such sinking fund year pursuant to (A) above; or (ii) all outstanding bonds are being refunded under arrangements which immediately result in making provision for the payment of the refunded bonds so that they are no longer outstanding.

Defeased Public Facilities Debt Outstanding

There is no defeased debt outstanding for Public Facilities Bonds.

Public Facilities Bond Detail Information by Series

There is one series of Public Facilities Bonds currently outstanding as summarized at the beginning of this section. The following is a detailed profile of that series.

Orange County, Florida

**\$33,843,803
Public Facilities Revenue Bonds
Series 1994A**

Dated June 28, 1994

Final maturity October 1, 2019

Purpose

The Series 1994A Bonds were issued to provide funds to finance the construction of and improvements to various County facilities, including County correctional facilities, and the acquisition and construction of communications system equipment. They also provided funds to redeem \$20,818,000 of commercial paper used to initially fund the acquisition and construction of County correctional facilities and communications system equipment.

Security

The Series 1994A Bonds are limited obligations of the County, payable solely from and secured by a pledge of the County's non-ad valorem revenues and moneys and investment earnings thereon in certain accounts created under the Bond Resolution.

Form

The Series 1994A Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 1994A Bonds were issued without coupons and are paid by check mailed on each interest payment date to the registered owners. Accreted interest on capital appreciation bonds is payable on October 1 of the year of maturity.

Reserve Requirement

The reserve requirement is the lesser of (1) 125% of the average annual debt service, (2) the maximum annual debt service, or (3) 10% of the initial aggregate principal amount of the Bonds for all outstanding series of Public Facilities Revenue Bonds taken as a whole. The reserve requirement amount is \$4,355,000 and is met in the form of invested bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Ruden, Barnett, McClosky, Smith, Schuster & Russell, P.A., Ft. Lauderdale, FL
	Perry & Arrington, Orlando, FL
Insurance Provider:	Ambac Assurance Corporation

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	N/R*	N/A
Standard & Poor's:	N/R*	N/A
Fitch Ratings:	N/A	N/A

* Ratings for Ambac Assurance Corporation have been withdrawn.

Orange County, Florida

Call Provisions

The remaining Series 1994A Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

Proceeds from the Series 1994A Bonds were used to finance the construction of and improvements to various County facilities, including County correctional facilities. Specifically, the Work Release Center, the Juvenile Treatment Center, the Pine Street Administration Building IAQ Retrofit and Data Center relocation, the Sunterra acquisition and fitout, and renovations at the Public Works complex. In addition, the proceeds financed the acquisition and construction of the 800 MHZ radio network along with a telephone and communication systems project.

Refunded Bonds

Not applicable

Schedule of Bonded Debt and Interest Public Facilities Revenue Bonds, Series 1994A September 30, 2012

<u>Year Ended</u> <u>September 30</u>	<u>Approximate</u> <u>Compound</u> <u>Interest</u> <u>Rate (%)</u>	<u>Principal</u>	<u>Interest *</u>	<u>Total</u> <u>Debt Service</u>
2012	6.30	\$ 1,403,225	\$ 2,951,775	\$ 4,355,000
2013	6.40	1,294,437	3,060,563	4,355,000
2014	6.40	1,215,393	3,139,607	4,355,000
2015	6.45	1,129,513	3,225,487	4,355,000
2016	6.45	1,060,051	3,294,949	4,355,000
2017	6.50	983,707	3,371,293	4,355,000
2018	6.50	922,737	3,432,263	4,355,000
2019	6.50	865,556	3,489,444	4,355,000
Totals		<u>\$ 8,874,619</u>	<u>\$ 25,965,381</u>	<u>\$ 34,840,000</u>

* Accreted interest to maturity on Capital Appreciation Bonds.

BUSINESS-TYPE ACTIVITY BONDS

- **Water Utilities Bonds**
- **Tourist Development Tax Bonds**

WATER UTILITIES BONDS

Orange County, Florida

Water Utilities System Bonds

Orange County has issued Water Utilities System Bonds for governmental business-type purposes. The Water Utilities System net operating revenues support the bonds. The County has used the proceeds of Water Utilities System Bonds for construction, acquisition and improvement of various Water and Wastewater System components, including water and wastewater treatment plants, and transmission and collection systems. As of September 30, 2012, one series of Water Utilities System Bonds was outstanding. The outstanding issue is not insured.

<u>Issue Name</u>	<u>Amount Outstanding</u>
Water Utilities System Refunding Revenue Bonds, Series 1998	<u>\$ 10,865,000</u>
Total	<u><u>\$ 10,865,000</u></u>

Security for the Bonds

Pledged Funds

The Water Utilities System Bonds are payable from and secured by a pledge of and lien upon net revenues and certain investment earnings derived from the operation of the County's Water and Wastewater System (the "System") and certain investment earnings (collectively, the "Pledged Revenues"), all in the manner and to the extent provided in the Bond Resolution.

The County has covenanted in the Bond Resolution not to issue any other obligations payable from the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien on the Pledged Revenues other than Parity Bonds issued pursuant to the Bond Resolution. However, short-term indebtedness of one year or less payable on parity with the bonds may be issued so long as the total outstanding principal amount of all short-term debt does not exceed 10% of the System's revenues as shown in the current fiscal year budget.

Bond Reserve Account

The Bond Resolution provides for the establishment and maintenance of a Bond Reserve Account for the purpose of assuring the adequacy of funds for the payment of interest on and principal of the bonds, when other moneys in funds established under the Bond Resolution are insufficient therefore. The Bond Resolution also authorizes for each series of Bonds the creation of a separate subaccount in the Bond Reserve Account. Each Reserve Account subaccount must contain an amount equal to the related Reserve Account Requirement which will be the lesser of (i) Maximum Annual Debt Service; (ii) 125% of average annual debt service; or (iii) 10% of the proceeds of such series of bonds. Upon issuance of the Series 1998 Bonds, the Bond Reserve Account was funded with a debt service reserve fund insurance policy issued by Ambac Assurance Corporation.

Orange County, Florida

Limited Obligations

The Water Utilities System Bonds are limited obligations of the County, secured solely by a pledge of, and lien upon, the Net Operating Revenues and investment earnings thereon. No holder of the Water Utilities System Bonds shall ever have the right to compel either the levy of ad valorem taxes or the use of any other source of revenue to pay principal of, premium, if any, or interest on the Water Utilities System Bonds. Neither the faith and credit nor the taxing power of the County, the State of Florida or any political subdivision thereof is pledged to the payment of principal of, premium, if any, or interest on the Water Utilities System Bonds. The Water Utilities System Bonds shall not constitute general obligations or an indebtedness of the County or the State of Florida within the meaning of any constitutional or statutory limitation of indebtedness.

Flow of Funds

The Bond Resolution establishes the Water Utilities System Enterprise Fund and accounts therein. It obligates the County to deposit System Revenues into the Revenue Account as collected. Moneys in the Revenue Account are first deposited to the Operation and Maintenance Account sufficient to provide for two months of operations based on the adopted budget and second, any remaining funds and all investment earnings are deposited to the Net Revenues Account. On or before the fifteenth day of each month, all moneys in the Net Revenues Account shall be applied in the following order of priority: the Interest Account and the Principal Account (shall be applied by the County monthly to provide for a pro rata portion of the payments which will become payable on the next ensuing payment date, respectively, of the interest and principal on the bonds), the Redemption Account, the Bond Reserve Account or any Reserve Account Subaccount if either is deficient, the Stormwater Operation and Maintenance Account, the Rate Stabilization Account, the Renewal and Replacement Account and if anything remaining, to the Reserve Revenue Account. Any amounts remaining in the Reserve Revenue Account after all of its predetermined purposes are completed may be used by the County for any lawful purpose of the System.

The Bond Resolution designates a special account in the Enterprise Fund as the Connection Fee Account. As long as there are any bonds outstanding which are secured by the Bond Resolution, there shall be deposited into the Connection Fee Account all Connection Fees, if any, charged and collected by the County and pledged by the County. Connection Fees are not currently pledged as security for the Series 1998 Bonds and, although the County may elect to pledge Connection Fees in the future, it is not obligated to do so.

The Water and Wastewater System

Authorization

The Orange County Utilities Department is a business-type unit of the Orange County Board of County Commissioners. The Utilities Department maintains a Water and Wastewater System for the treatment and distribution of potable water and the collection, treatment and disposal of sewage. The primary source of revenues is income derived from the sale of water or reclaimed water produced, treated and distributed, and the collection, transmission, treatment and

Orange County, Florida

disposal of sewage by the System. The County has legal authority to set its own water and wastewater rates without voter approval, and it is responsible for the management and administration of the System.

Existing Water Facilities

Service Area

Orange County has entered into territorial agreements to delineate water service territories between the County and other public and private utility service providers of water services to eliminate duplication and overlapping of services, eliminate encroachment of services into each party's respective territories and allow wholesale service agreements between the County and other parties when such agreements prove to be the most efficient and economical option to the customer.

In 1980, the County executed a water service territorial agreement with the Osceola Services Corporation ("OSC") to serve an isolated area in the southwest portion of the County. This agreement had been assigned by OSC to the City of Kissimmee, Florida, which provided water and wastewater service to the customers formerly served by the OSC. Subsequently, Kissimmee has assigned the agreement to the Tohopekaliga Water Authority, which now provides water and wastewater service formerly provided by Kissimmee. On February 13, 1985, the County and the Orlando Utilities Commission ("OUC") entered into a 25-year Water Territorial Agreement. The territorial agreement, renewable for 10-year periods after the initial 25-year term, provides for a division of water service territories between the County and OUC. On April 19, 1994, the County and OUC entered into an Amended and Restated Water Service Territorial Agreement, renewable for a 25-year term with provision for 10-year automatic renewals unless otherwise terminated by either party upon one year written notification. On November 12, 1996 the County and the City of Mount Dora, Florida entered into a Water and Wastewater Service Territorial Agreement. This agreement also includes a provision for reclaimed water service and has an expiration date of January 1, 2047. On April 17, 2007 the County and the City of Winter Garden, Florida entered into a Water, Wastewater and Reclaimed Water Territorial Agreement which expires April 17, 2017. This agreement includes provision for automatic five-year extensions. On September 30, 2008, the County and Reedy Creek Improvement District ("RCID") executed the Amended and Restated Water, Wastewater and Reclaimed Water Service Territorial Agreement for a forty (40) year term. The County also has territorial agreements with the Cities of Apopka, Ocoee, Winter Park, as well as service agreements with Utilities Inc. of Florida, Econ Utilities Corp., Sanlando Utilities Corp., and South Lake Utilities. The terms of these agreements all extend beyond the final maturity date of the Series 1998 Bonds

Facilities

As of September 30, 2012, the County operated 11 water supply facilities, five re-pump facilities, two elevated storage tanks, seven areas where water is purchased from other utilities, and approximately 1,707 miles of associated water mains. At the end of fiscal year 2012, the County's potable water treatment plants had a Florida Department of Environmental Protection ("FDEP") rated peak production of 151.9 million gallons per day ("MGD").

Orange County, Florida

On December 30, 1997, the County completed the acquisition of five water systems and one wastewater utility system from Florida Water Services Inc. The acquisition of these systems added approximately 4,600 water customers and 3,900 wastewater customers to the Water and Wastewater System. Prior to the acquisition, the County retained the services of a consultant who determined that the acquired facilities were operated in compliance with all regulatory requirements and presented a favorable opportunity to enhance the Water and Wastewater System. The County further determined that the University Shores Water and Wastewater Systems (the largest acquired system, accounting for over 90% of the new water customers and 100% of the acquired wastewater customers) were in good condition. The condition of the remaining four water systems ranged from fair to poor. The acquired facilities have all been interconnected with the County system and have been taken out of service.

The County also acquired two water facilities and one wastewater facility from Park Manor in 2002. The acquisition of these systems added approximately 1,400 water and wastewater customers to the Water and Wastewater System. The acquired facilities have been interconnected with the County system and are now being served by the Eastern Regional Water Facility and the Eastern Water Reclamation Facility.

In fiscal year 2006, the County and the City of Apopka entered into a purchase and sale agreement of certain water and wastewater facilities. Prior to the sale, in accordance with the Water Utilities System Revenue Bonds Resolution 92-B-06, Article 710, *Sale or Other Disposition of the Water Utilities System*, the County determined that this property was not necessary for the operation of the Water Utilities System. On March 21, 2006, the County approved Resolution No. 2006-M-21, *The Sale To The City Of Apopka Of Certain Water & Wastewater Assets Located in Northwest Orange County*, and on April 13, 2006, the County completed the sale. This sale consisted of two water supply facilities, consisting of potable water production, treatment, storage, transmission, and distribution facilities, one wastewater facility, consisting of a sanitary wastewater collection, treatment and effluent disposal system, and certain Zellwood Station CO-OP agreements to establish the CO-OP's service area and to provide wholesale water, wastewater and reclaimed water service.

In fiscal year 2008, the County expanded its system to serve customers in the Corrine Terrace/Truman Road area which was previously served through the purchase of water from another supplier.

In fiscal year 2009, the Econlockhatchee Water Supply Facility was officially decommissioned as a Water Supply Facility and was converted to a well-field with four wells on-site. These wells are now a part of the overall Eastern Regional Water Supply Facility well-field.

In fiscal year 2012, the Meadow Woods Water Supply Facility was officially decommissioned as a Water Supply Facility and was converted to a well-field with three wells on-site. These wells are now a part of the overall Southern Regional Water Supply Facility well-field. The infrastructure on the site was converted to the reclaimed water system.

Customers and Flow

As of September 30, 2012, the County provided water service for an estimated 163,919 customers, and supplied a water demand for approximately 58.7 MGD, 58.4 MGD of which is produced by the County's water facilities with the balance being purchased from other sources.

Orange County, Florida

During fiscal year 2012, system connections increased by 3.7% and water demand decreased by 1.0%. The Water System has experienced an average annual increase of approximately 3.1% in connections to the system for the period of fiscal years 2008-2012. Water production has decreased an average of 1.6% per year over the same period.

Wholesale Water Service Agreements

The County currently has wholesale water agreements with OUC and the Cities of Winter Park and Winter Garden for the purchase of water to supplement water service in the Orange County water service area. In addition, the County also has wholesale water agreements with RCID to serve Horizon West and the Northeast Resort Parcel. South Lake Utilities and Utilities Inc. of Florida also executed wholesale water agreements with the County. Emergency Water Interconnection agreements are in place with the Cities of Apopka, Ocoee and Winter Park. OUC and the University of Central Florida (“UCF”) also have emergency water interconnection agreements with the County. The County has also executed letter agreements with the Cities of Ocoee, Winter Garden, and Winter Park to provide water service to select properties within one another’s territorial boundaries.

Regulatory Compliance

Regulatory requirements for the protection of water for public supplies are mandated by the Safe Drinking Water Act (“SDWA”) and SDWA Amendments. Chapter 62-550 and Chapter 62-555 of the Florida Administrative Code (“FAC”) promulgate regulations to implement the requirements of the Florida Safe Drinking Water Act and to enforce the federal primary and secondary drinking water regulations. The County samples its water supply and finished water at required intervals for synthetic organic compounds and volatile organic compounds as stipulated in Chapter 62-550, FAC. In addition, the County tests its water supply wells annually for the presence of 86 unregulated contaminants. Based on laboratory results, the County is currently in full compliance with all federal and state water quality regulations

The County has implemented corrosion control treatment at all large and medium-sized facilities and a distribution system water sampling program to measure compliance with the lead/copper rule. The County’s capital improvements plan for its water treatment facilities has been developed to provide the advanced water treatment process and facilities necessary and sufficiently flexible to comply with the anticipated more stringent water quality standards.

Coordination of the use of water resources in Florida has been performed by five water management districts since 1972. These management districts issue consumptive use permits (“CUP”), license water well contractors, regulate stormwater runoff, and issue permits for injection wells. Orange County is subject to the jurisdiction of two water management districts, the St. Johns River Water Management District (“SJRWMD”) and the South Florida Water Management District (“SFWMD”). The renewal of the combined Eastern and Western Regional Service Area CUP was approved by the SJRWMD in July 2000 and will expire in 2020. The Southern Regional Service Area CUP under the SFWMD will expire in 2027.

Orange County, Florida

General conditions of the CUP include water conservation guidelines that encourage the use of reclaimed water in lieu of groundwater supplies. The County has developed a Water Conservation Program to ensure that water conservation methods (e.g., Florida Friendly landscaping, retrofit programs, educational programs and restricted irrigation) are implemented in all new construction or rehabilitation projects for which the County has permitting authority and the use of reclaimed water is maximized where possible. Specific conditions for the CUP also contain requirements to monitor potential effects of withdrawals on the aquifer. The County water system is operated in compliance with all CUP conditions.

Source – Existing Water Facilities: Orange County Utilities Department

Existing Wastewater Facilities

Service Area

Orange County has entered into territorial agreements to delineate wastewater service territories between the County and other public and private utility service providers of wastewater services to eliminate duplication and overlapping of services, eliminate encroachment of services into each party's respective territories and allow wholesale service agreements between the County and other parties when such agreements prove to be the most efficient and economical option to the customer.

On April 19, 1994, the County and the City of Orlando, Florida entered into a 25-year Wastewater Service Territorial Agreement with successive 10-year automatic renewals. This agreement was amended on June 27, 2004 to include provisions for reclaimed water service territorial boundaries. On November 12, 1996, the County and the City of Mount Dora, Florida entered into a Water and Wastewater Territorial Agreement. This agreement also includes provisions for reclaimed water service. The agreement has an expiration of January 1, 2047. On April 17, 2007 the County and the City of Winter Garden, Florida entered into a Water, Wastewater and Reclaimed Water Service Territorial Agreement which expires April 17, 2017. This agreement includes provisions for automatic five-year extensions. On September 30, 2008, the County and Reedy Creek Improvement District ("RCID") executed the Amended and Restated Water, Wastewater and Reclaimed Water Service Territorial Agreement for a 40-year term. The County also has wastewater service territorial agreements with the Cities of Winter Park, Apopka, and Ocoee, as well as an agreement with Osceola Service Company ("OSC"). The OSC agreement had been assigned by OSC to the City of Kissimmee, Florida, which provided water and wastewater service to the customers formerly served by OSC. Subsequently, Kissimmee has assigned the agreement to the Tohopekaliga Water Authority, which now provides water and wastewater service to the customers formerly served by Kissimmee. The terms of these interlocal agreements all extend beyond the final maturity date of the Series 1998 Bonds.

Orange County, Florida

Facilities

As of September 30, 2012, the County operated three wastewater treatment plants. Wastewater flows are conveyed to the treatment plants by an extensive network of approximately 1,601 pump stations, including 712 pump stations owned and maintained by the Field Services Division and 889 pump stations that are privately owned and maintained. There are 1,781 miles of associated gravity sewers and force mains. The County's three regional treatment facilities, the 7.5 MGD Northwest Water Reclamation Facility ("NWRP"), the 24.0 MGD Eastern Water Reclamation Facility ("EWRP"), and the 43.0 MGD South Water Reclamation Facility ("SWRP"), have a combined treatment capacity of 74.5 MGD. The County's wastewater pump stations range in size from small neighborhood facilities to large regional re-pump facilities. The County's gravity sewers range from four inches to 42 inches in diameter and the force mains from three inches to 42 inches in diameter. The County, jointly with the City of Orlando, owns, operates and maintains 115 miles of reclaimed water transmission main ranging in size from 4-inch to 54-inch diameter, and a reclaimed water distribution facility, known as Conserv II. Additionally, the County operated 414 miles of reclaimed water distribution mains to serve its customers' needs.

Customers and Flows

As of September 30, 2012, the County provided wastewater service for 141,392 connections and treated, through County operated plants and wholesale agreements, approximately 51.2 MGD of average daily wastewater flow. Wastewater flows treated by the County have increased an average of 0.2% per year for the period of fiscal years 2008-2012. There has been an average annual increase of 1.0% in connections to the Wastewater System over the same period.

Wholesale Wastewater Service Agreements

The County has entered into wholesale wastewater service agreements with adjacent public and private entities to serve certain County customers, which include the Seminole County, UCF, RCID and South Lake Utilities. A portion (up to 2.5 MGD) of the County's wastewater system is connected to the City of Orlando's westerly trunk system. Through this interconnection, wastewater from certain County customers is treated by the City of Orlando and there is the ability for certain County facilities to treat wastewater from certain City of Orlando customers.

The County has a reclaimed water agreement with the Orlando Utilities Commission to provide reclaimed water to the first, second and third power generating units at the Curtis H. Stanton Energy Center. This agreement is in effect for each unit until any such unit is retired or permanently abandoned from service, and it also gives the County first option to provide additional reclaimed water for future phases of the power plant.

Regulatory Compliance

The County's wastewater treatment facilities are required to comply with permits issued by the Florida Department of Environmental Protection ("FDEP"), which require that effluent discharges from such facilities meet restrictions imposed by the Federal Clean Water Act and

Orange County, Florida

Clean Water Act Amendments. The type of treatment and effluent disposal method determines which wastewater effluent standards are applicable to a wastewater treatment facility. Orange County's regional wastewater treatment facilities are either advanced tertiary wastewater facilities or advanced secondary facilities. On a system-wide basis, water quality testing is performed to determine effluent concentrations of biochemical oxygen demand, total suspended solids, total nitrogen, total nitrates, total phosphorus and residual chlorine. The County's treatment facilities have been awarded several state and national awards for treatment efficiency and operational excellence.

The EWRf has a State of Florida Domestic Wastewater Facility Permit issued by the FEDP. EWRf's permit was issued on July 29, 2009, and will expire on July 28, 2014. The permit provides for the wastewater treatment of 24.0 MGD. One-hundred percent of EWRf's reclaimed water is discharged through four different permitted reuse systems. The first discharge system consists of 14 rapid infiltration basins ("RIBs") covering a total wetted area of 90 acres and utilizes 10% of the reclaimed water discharged. The second system utilizes an industrial reuse system consisting of a once through no-return cooling water loop at the Curtis H. Stanton Energy Center and utilizes 55% of the facility's discharge. The third system consists of a combined man-made and natural receiving/treatment wetland covering an area of approximately 300 acres, with an outfall to the Big Econlockhatchee River and utilizes 25% of the reclaimed water discharged. The fourth system is through a public access reclaimed water distribution network used for irrigation of residential and off-site landscape area within an approved domestic reuse service area and uses the remaining 10% of the discharged flow. The Biosolids generated from the facility are transported to a commercial secondary treatment facility where additional treatment occurs before being land applied on pasture lands.

The NWRf has a State of Florida Domestic Wastewater Facility Permit issued by the FDEP. NWRf's permit was issued on April 18, 2008 and will expire April 14, 2013. The permit provides for the wastewater treatment of 7.5 MGD. One-hundred percent of NWRf's reclaimed water is utilized for aquifer recharge. The permit provides for 60% of the facility's reclaimed water to be discharged to RIBs where the reclaimed water percolates down through the soil to the aquifer and 40% to be discharged into man-made receiving/treatment wetlands that ultimately discharges into Lake Marden, a water body totally contained on-site and entirely owned by Orange County Utilities. The Biosolids generated from the facility are transported to a commercial secondary treatment facility where additional treatment occurs before being land applied on pasture lands. On September 26, 2012 the State of Florida revised the NWRf's permit to include a 3.7 MGD public access component that will allow the distribution and use of reclaim water for irrigation of residential and off-site landscape areas beginning in 2013.

The SWRF has a State of Florida Domestic Wastewater Facility Permit issued by the FDEP. SWRF's permit was issued on April 1, 2009 and will expire on March 30, 2014. The permit provides for the wastewater treatment of 43.0 MGD. The permit allows for 100% of SWRF's reclaimed water to be discharged through a public access reuse distribution network used for irrigation of residential and off-site landscape areas along with the Conserv II agricultural irrigation which uses 61% of the facility's discharged reclaimed water. The second is through RIBs where the reclaimed water percolates down through the soil to the aquifer and utilizes the remaining 39% of the discharged flow. The Biosolids generated from the facility are treated on site through digestion to levels acceptable by the State of Florida to be directly land applied on pasture lands.

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In addition to FDEP water quality monitoring requirements, the County administers an ongoing industrial pretreatment program. This EPA-approved program requires the County to survey industries in its service areas to determine the potential or actual discharge of harmful constituents, and monitor them through the issuance of Industrial Wastewater Discharge Permits, and performance of semiannual compliance inspection and sampling activities. There are currently 19 commercial facilities monitored by the Industrial Pretreatment program.

Standards for discharges to the County's sewer system are specified in the Orange County Sewer Use Ordinance. This Ordinance sets limits on the concentrations of heavy metals, biochemical oxygen demand, greases and oil, etc., in order to protect the wastewater system and assist in water reclamation facility compliance with regulatory discharge permits and reclaimed water agreements. The County's Sewer Use Ordinance was last revised in July 2009 to provide consistency with updated EPA regulations, to provide additional protections and permitting requirements for hauled wastewater, and to establish new operational maintenance and emergency contact signage requirements for private pump stations to the County's sanitary sewer system. The County's Environmental Surcharge program provides for monitoring and sampling requirements for commercial wastewater customers to recoup the additional costs associated with the County's treatment of high-strength wastewater. There are currently 221 commercial facilities monitored by the Environmental Surcharge Program. Thus, the County has the authority to regulate discharge to the County's wastewater system by requiring pretreatment and/or industry self-monitoring when necessary.

Through the Oil and Grease Prevention program, the County regulates all commercial sources of oil and grease discharged to the County's sanitary system. There are currently 2,328 commercial facilities monitored by this program. The program was developed to support the County's comprehensive Capacity, Management, Operation and Maintenance ("CMOM") program and to eliminate the controllable causes of sanitary sewer overflows ("SSOs"). This program is mandatory for all qualifying facilities that discharge oil and grease. The County regulates the customers through the issue of registration certificates that stipulate a minimum waste pump-out frequency for all grease traps, grease interceptors, and oil/water separators and private pump stations, as well as through the County's performance of regular facility inspections to verify customer compliance with this requirement. The goal of the program is to remove oil and grease waste at the source so that it is not discharged into the County's system. This year, the County inspected 70 of the 889 private pump stations and these facilities will continue to be monitored under the County's Oil and Grease Prevention program. An estimated 27% of all SSOs are attributed to grease accumulation in the County's sanitary sewer system. Since 11% of these SSOs are attributed to commercial discharges and 89% of SSOs are attributed to residential sources, the County's continued support of the Oil and Grease Prevention Program and the public education outreach to residential users will be keys to successfully controlling this problem. Approximately 90% of all commercial facilities that qualify for the program are currently participating, and participation is increasing each year.

Source – Existing Wastewater Facilities: Orange County Utilities Department

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Historical Operating Revenues, Expenses and Debt Service Coverage Last Five Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating revenues:					
Water service	\$ 47,198,078	\$ 44,997,723	\$ 45,640,781	\$ 49,856,561	\$ 46,746,423
Wastewater service	95,085,678	93,273,916	97,051,345	101,787,104	103,866,106
Other revenues (1)	<u>3,645,601</u>	<u>3,204,732</u>	<u>3,345,007</u>	<u>3,599,226</u>	<u>3,877,375</u>
Total operating revenues	<u>145,929,357</u>	<u>141,476,371</u>	<u>146,037,133</u>	<u>155,242,891</u>	<u>154,489,904</u>
Operating and maintenance expenses:					
Personal services	40,547,950	42,935,325	41,909,503	42,584,145	42,744,709
Contractual services	26,396,654	28,940,541	28,007,223	27,379,031	26,633,007
Materials and supplies	5,804,934	5,417,217	5,426,854	5,219,890	5,536,453
Utilities	10,670,899	12,345,033	12,262,136	12,540,592	13,695,666
Repairs and maintenance	12,089,332	11,969,633	10,319,371	11,996,948	12,994,561
Other expenses	<u>6,533,205</u>	<u>5,885,373</u>	<u>5,509,221</u>	<u>4,851,702</u>	<u>5,073,053</u>
Total operating and maintenance expenses	<u>102,042,974</u>	<u>107,493,122</u>	<u>103,434,308</u>	<u>104,572,308</u>	<u>106,677,449</u>
Net operating revenues without interest income	43,886,383	33,983,249	42,602,825	50,670,583	47,812,455
Interest income (2)	3,895,898	485,930	2,998,959	922,533	766,683
Less required deposits to specified accounts (3)	<u>(2,225,606)</u>	<u>(812,706)</u>	<u>(466,503)</u>	<u>(610,919)</u>	<u>(21,506)</u>
Net operating revenues available for debt service	\$ 45,556,675	\$ 33,656,473	\$ 45,135,281	\$ 50,982,197	\$ 48,557,632
Debt service requirement	\$ 4,605,846	\$ 3,649,344	\$ 533,750	\$ 533,750	\$ 3,978,750
Coverage ratio with interest income (1.10 required)	9.89	9.22	84.56	95.52	12.20

(1) Other revenues include fees for service initiation, turn on/turn off, meter or line damage, plans review and permits, and operating transfers.

(2) Includes income prior to reduction for capitalized interest, and excludes earnings on connection fees and bond construction funds.

(3) Includes any required deposits to the Rate Stabilization Account, the Bond Reserve Account, and the Renewal and Replacement Account and the amount required to make any surety payments.

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Rate Covenants and Debt Service Coverage Ratios

The County covenants in the bond resolution to own, control, operate and maintain the Water Utilities System in an efficient and economical manner, and to the extent possible, on a revenue-producing basis. The County further covenants to fix, establish, maintain and collect rates, fees and other charges for the services of the Water Utilities System fully sufficient at all times:

- (a) to produce 100% of the expenses of operation and maintenance of the System, to produce net operating revenues in each fiscal year which will provide 100% of any required deposits into the Rate Stabilization Account, the Bond Reserve Account, the Stormwater Operation and Maintenance Account, and the Renewal and Replacement Account, and to remedy all deficits from prior fiscal years, and
- (b) to produce net operating revenues (excluding connection fees, special assessments and stormwater revenues) in each fiscal year which will equal at least 110% of the annual debt service requirement on all outstanding bonds, or
- (c) to produce net operating revenues in each fiscal year which will equal at least 120% of the annual debt service requirement on all outstanding bonds, and at the same time produce net operating revenues (excluding connection fees) in each fiscal year which will equal at least 105% of the annual debt service requirement on all outstanding bonds.

The following represents the coverage computation for the year ending September 30, 2012:

Gross operating revenues	\$ 154,489,904
Interest income, excluding interest on connection fees	766,683
Less operating and maintenance expenses	<u>(106,677,449)</u>
Net operating revenues	48,579,138
Less required deposits to specified accounts	<u>(21,506)</u>
Net operating revenues available for debt service	<u>\$ 48,557,632</u>
Annual debt service requirement	<u>\$ 3,978,750</u>
Actual debt coverage (net operating revenues available for debt service divided by annual debt service)	12.20
Required debt coverage	1.10

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Rates, Fees and Charges

The County's monthly water, wastewater and reclaimed water service charges and capital charges are established by the Board of County Commissioners ("Board") under the County's home rule powers, whereby the Board adopts a resolution containing the rates, fees, and charges. The rates are incorporated into a schedule kept on file by the County Comptroller. Capital charges for the Water and Wastewater Systems and capacity reservation charges for the Wastewater System are established by ordinance. The capital charges and rates for water and wastewater service are discussed in detail as follows.

In recent years, the Board has made two major changes to the Water Utilities System's rates. On January 11, 2005, the Board revised the water system charges schedule for conservation surcharges and it became effective on May 1, 2005 in accordance with Resolution 2005-SW-01. The schedule of monthly water and wastewater charges included in this document reflect the revised water system charges. On August 23, 2005, the Board established and adopted a Reclaimed Water Rate for the Commercial Citrus Growers, Resolution No. 2005-M-29. The effective date of this resolution was January 1, 2006. The schedule of the Commercial Citrus Grower Reclaimed Water Rates is included in this document along with the County's other Water Utilities System rates, fees, and charges.

The Water System serves residential, commercial, and industrial customers. The major users of the Water System in fiscal year 2012 represented approximately 5.9% of total water billings. The County provides wastewater service primarily to residential and commercial customers. The major users of the Wastewater System in fiscal year 2012 represented 8.3% of total wastewater billings. Therefore, both the Water and Wastewater Systems have diversified customer bases and neither relies on any one user or industry for a significant portion of its revenues. The average monthly bills for residential customers of the Water and Wastewater Systems using 10,000 gallons of water per month, based on the charges in effect through September 30, 2012, are \$19.18 and \$48.51 respectively, for a total of \$67.69.

The current capital charges are based on an Equivalent Residential Connection (ERC) and an Equivalent Residential Unit (ERU) approach. This approach assigns a value of 350 gallons per day per ERC for water production, treatment and distribution capacity, and 300 gallons per day per ERU for wastewater collection, treatment, and effluent disposal method. The capital charges were derived by using the marginal/increment cost method. This method is based on the recovery of a customer's proportionate share of the present value of capital expansion projects funded during a base period. A credit is applied to account for the portion of the capital costs that is recovered by the water and wastewater user charges.

The water and wastewater capital charges were revised and increased on January 11, 2005 and became effective on May 1, 2005 in accordance with Ordinance No. 2005-01. The following schedule displays the established water and wastewater capital charges prior to the adoption of this ordinance and how the charges were increased in two phases, the first in fiscal year 2005 and the second in fiscal year 2006:

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	<u>Water per ERC</u>	<u>Wastewater per ERU</u>
June 1, 1999	\$1,095.00	\$2,487.00
May 1, 2005	\$1,522.50	\$3,077.50
May 1, 2006	\$1,950.00	\$3,668.00

Monthly water and wastewater charges and meter service installation costs are shown on the following schedules. In addition, specific service charges are billed at the actual cost of providing a particular service. Such services include, but are not limited to: initiating service, temporary disconnections, unauthorized connections, researching account information, and industrial waste charge.

Source – Rates, Fees and Charges: Orange County Utilities Department

Water Meter Charge Schedule¹

<u>Meter & Meter Service²:</u>	<u>Installation Cost³:</u>
5/8" Meter	\$140
5/8" Domestic & Reclaimed Water Irrigation Meter	\$305
5/8" Meter - Retrofit	\$285
3/4" Reclaimed Water Irrigation Meter - Retrofit	\$165
1" Domestic Meter	\$570
1" Reclaimed Meter	\$180
1-1/2" Domestic or Reclaimed Meter	At Cost
1-1/2" Above Ground Dual Meter	At Cost
2" Domestic or Reclaimed Meter	At Cost
2" Above Ground Dual Meter	At Cost
4"/6"/8"/10" Fire Line Master Meter-Above Ground	At Cost
1" Service – Short or Long	At Cost
2" Service – Short or Long	At Cost

¹Following satisfactory completion of the water supply and distribution system, and upon receipt of the applicable meter/connection fee, the Utilities Department shall furnish and install the necessary fittings, meter, and meter box at the property line. The owner or developer of the property desiring service shall bear the expense of the service lateral pipe of the required size, from and including its connection with a corporation stop at the water distribution main in the right-of-way to and including a curb stop at the property line. Service piping from the meter to the building is to be installed by and/or at the expense of the property owner or builder.

² The Utilities Department shall determine the appropriate meter size for use by all its customers.

³ Does not include any cost associated with construction of a water lateral from the meter to the water main providing service; in the majority of cases, the developer constructs the lateral. In situations where the Utilities Department would be responsible for the lateral, the cost of the lateral would be charged to the customer on a time, materials, and pro rate overhead cost basis.

Source: Orange County Utilities Department

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**Schedule of
Monthly Water and Wastewater Charges**

Water **Wastewater**

Monthly Service Charges:

Water Meter Size:

$\frac{5}{8}$ by $\frac{3}{4}$ -inch	\$6.33	\$14.81
1-inch	\$11.27	\$32.95
1 $\frac{1}{2}$ -inch	\$19.46	\$63.18
2-inch	\$29.30	\$99.46
3-inch	\$55.56	\$196.19
4-inch	\$85.09	\$305.02
6-inch	\$167.10	\$607.33
8-inch	\$265.52	\$970.10
10-inch	\$413.14	\$1,514.24

Monthly Volume Charges, per 1,000 gallons:

0-3,000 gallons	\$1.04	N/A
4,000-10,000 gallons	\$1.39	N/A
0-14,000 gallons	N/A	\$3.37

Conservation Charges, per 1,000 gallons:

(For all $\frac{5}{8}$ by $\frac{3}{4}$ -inch water meter customers and all individually metered residential customers regardless of meter size.)

Conservation Rate:

11,000 - 20,000 \$2.76 N/A

Conservation Charge:

21,000 - 30,000 \$5.51 N/A

Conservation Surcharge:

31,000 and above \$11.02 N/A

Source: Orange County Utilities Department

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Schedule of Monthly Reclaimed Water Charges

Retail Rates:

<u>Meter Size</u>	<u>Fixed Monthly Charge</u>	<u>Allowed Monthly Usage (Gallons)</u>	<u>Volume Charge for Usage Above Allowance</u>
5/8 by 3/4-inch	\$ 3.33	4,000	\$0.90 per 1,000 Gallons
3/4-inch	\$ 3.33	4,000	\$0.90 per 1,000 Gallons
1-inch	\$ 8.34	10,000	\$0.90 per 1,000 Gallons
1 1/2-inch	\$ 16.68	19,000	\$0.90 per 1,000 Gallons
2-inch	\$ 26.67	31,000	\$0.90 per 1,000 Gallons
3-inch	\$ 50.02	57,000	\$0.90 per 1,000 Gallons

Wholesale Rates:

Priority User

<u>Meter Size</u>	<u>Fixed Monthly Charge</u>	<u>Allowed Monthly Usage (Gallons)</u>	<u>Volume Charge for Usage Above Allowance</u>
4-inch	\$ 161.68	218,000	\$0.74 per 1,000 Gallons
6-inch	\$ 369.87	499,000	\$0.74 per 1,000 Gallons
8-inch	\$ 578.06	780,000	\$0.74 per 1,000 Gallons
10-inch	\$ 879.22	1,185,000	\$0.74 per 1,000 Gallons
12-inch	\$ 1,341.38	1,808,000	\$0.74 per 1,000 Gallons
16-inch	\$ 2,659.86	3,584,000	\$0.74 per 1,000 Gallons

Interruptible – No On-Site Storage

<u>Meter Size</u>	<u>Fixed Monthly Charge</u>	<u>Allowed Monthly Usage (Gallons)</u>	<u>Volume Charge for Usage Above Allowance</u>
4-inch	\$ 97.01	218,000	\$0.44 per 1,000 Gallons
6-inch	\$ 221.92	499,000	\$0.44 per 1,000 Gallons
8-inch	\$ 346.83	780,000	\$0.44 per 1,000 Gallons
10-inch	\$ 527.54	1,185,000	\$0.44 per 1,000 Gallons
12-inch	\$ 804.83	1,808,000	\$0.44 per 1,000 Gallons
16-inch	\$ 1,595.91	3,584,000	\$0.44 per 1,000 Gallons

Interruptible – With On-Site Storage

<u>Meter Size</u>	<u>Fixed Monthly Charge</u>	<u>Allowed Monthly Usage (Gallons)</u>	<u>Volume Charge for Usage Above Allowance</u>
4-inch	\$ 64.67	218,000	\$0.30 per 1,000 Gallons
6-inch	\$ 147.95	499,000	\$0.30 per 1,000 Gallons
8-inch	\$ 231.22	780,000	\$0.30 per 1,000 Gallons
10-inch	\$ 351.69	1,185,000	\$0.30 per 1,000 Gallons
12-inch	\$ 536.55	1,808,000	\$0.30 per 1,000 Gallons
16-inch	\$ 1,063.95	3,584,000	\$0.30 per 1,000 Gallons

Source: Orange County Utilities Department

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Schedule of Monthly Commercial Citrus Growers' Reclaimed Water Charges

Effective January 1, 2009 through December 31, 2011:

Commercial Citrus Growers' Reclaimed Water Rate	<u>Volume Charge for Usage</u> \$0.15 per 1,000 Gallons
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Effective January 1, 2012:

Commercial Citrus Growers' Reclaimed Water Rate	<u>Volume Charge for Usage</u> \$0.19 per 1,000 Gallons
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Source: Orange County Utilities Department

Automatic Annual Rate Increase

Resolutions 2009-M-27, 2009-M-28, 2009-M-29, 2005-M-29, and Chapter 37, Section 358 of the Orange County Code provide for automatic three percent (3%) annual rate increases, effective on the first day of October each year for Water, Wastewater, Reclaimed Water, Commercial Citrus Growers' Reclaimed Water, and Revenue and Maintenance Fees, respectively. The Board, based on staff recommendations, may repeal the automatic increase in any given year. The automatic increase does not apply to specific service charges, fire system hydrant charges, water meter charges, and the water and wastewater capital charges. For fiscal year 2012, the automatic 3% increase for residential and commercial water rates, wastewater rates, reclaimed water rates, revenue and maintenance fees, and reclaimed water rates for the commercial citrus growers was repealed.

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Customer Statistics September 30, 2012

Number of water accounts:	
Residential	157,136
Commercial	6,783
Number of wastewater accounts:	
Residential	99,030
Commercial	2,785
OUC billing (1)	39,577
Water consumption: (2)	
Residential	12,566,221
Commercial	7,607,422
Wastewater treated: (2)	
Residential	6,503,001
Commercial	6,295,982
OUC billing (1)	6,750,663

- (1) OUC billing represents accounts billed for the System pursuant to an agreement with the Orlando Utilities Commission ("OUC").
- (2) Water consumption and wastewater treated stated in thousands of gallons.

Source: Orange County Utilities Department

Water Utilities System Bond Insurance

The currently outstanding series of Water Utilities System Bonds are uninsured.

Requirements for Additional Water Utilities System Bonds

Under the Bond Resolution, the County may issue additional bonds payable from the Pledged Revenues on a parity with the Bonds for the purpose of paying all or any part of the cost of constructing or acquiring any improvements to the Water Utilities System. Additional bonds may be issued on a parity with the outstanding bonds, on the condition, among others, that there shall have been obtained and filed with the County a statement of an independent certified public accountant reciting the opinion based upon necessary investigation that either (i) the audited Net Operating Revenues of the Water Utilities System (excluding any Connection Fees, Special Assessments and Stormwater Revenues) for a period of 12 consecutive months of the most recent 25 consecutive months prior to the issuance of the Additional Bonds were equal to at least 110% of Maximum Principal and Interest Requirements computed on a basis which includes all bonds then outstanding and the proposed additional bonds, or (ii) (A) said

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audited Net Operating Revenues (excluding any Connection Fees for purposes of clause (ii)(B) below) for the parity test period were equal to at least 120% of said Maximum Principal and Interest Requirements computed on a basis which includes all bonds then outstanding and the proposed additional bonds, and (B) that the audited Net Operating Revenues for the parity test period were equal to at least 105% of Maximum Principal and Interest Requirements computed on a basis which includes all bonds then outstanding and the proposed additional bonds. Adjustments to the Net Operating Revenues used in the test may be made under certain conditions as further described in the Bond Resolution.

Defeased Water Utilities System Debt Outstanding

The Water and Sewer Revenue Bonds, Series 1982 has a maturity that is defeased but still outstanding. Term Bonds in the original principal amount of \$22,810,000 maturing October 1, 2013, are subject to mandatory redemption beginning on April 1, 2004 and on each April 1 or October 1 thereafter, at 100% of the principal amount of the Series 1982 Term Bonds so to be redeemed plus accrued interest to the redemption date. The Escrow Agent and the Paying Agent is U.S. Bank National Association, Orlando, FL. Scheduled principal payment amounts are on the dates set forth below:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
October 1, 2012	9.50	\$ 2,255,000
April 1, 2013	9.50	2,360,000
October 1, 2013 (final maturity)	9.50	<u>2,455,000</u>
Total Outstanding		<u>\$ 7,070,000</u>

Water Utilities System Bond Detail Information by Series

There is one series of Water Utilities System Bonds currently outstanding as summarized at the beginning of this section. The following is a detailed profile of that series.

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**\$50,675,000
Water Utilities System Refunding Revenue Bonds
Series 1998**

Dated February 1, 1998

Final maturity October 1, 2014

Purpose

The Series 1998 Bonds were issued to provide funds, together with other available funds of the Water and Wastewater System, to advance refund a portion of outstanding Water Utilities System Revenue Bonds, Series 1992.

Security

The Series 1998 Bonds are limited obligations of the County, payable solely from and secured by a pledge of and lien upon the Water Utilities System operating revenues and from investment earnings on certain funds created under the Bond Resolution.

Form

The Series 1998 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 1998 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the lesser of Maximum Annual Debt Service, 125% of average annual debt service, or 10% of the bond proceeds for all outstanding series of Water Utilities System Bonds taken as a whole. The reserve requirement amount is \$3,981,500 and is met in the form of a debt service reserve fund insurance policy issued by Ambac Assurance Corporation.

Agents

Registrar and Paying Agent:	The Bank of New York Mellon Trust Co., N.A., Jacksonville, FL
Bond Counsel:	Nabors, Giblin & Nickerson, Tampa, FL
Insurance Provider:	None

Ratings

	<u>Uninsured</u>
Moody's Investors Service:	Aa2
Standard & Poor's:	N/A
Fitch Ratings:	N/A

Orange County, Florida

Call Provisions

The Series 1998 Bonds maturing on or after October 1, 2009 are subject to redemption prior to their maturity, at the option of the County, in whole or in part in any order of maturity selected by the County and by lot within a maturity if less than a full maturity, at any time on and after October 1, 2008 at a premium as shown in the following schedule:

<u>Period</u>	<u>Premium</u>
October 1, 2008 through September 30, 2009	1%
October 1, 2009 and thereafter	-

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 1998 Bonds were issued to provide funds, together with other available funds of the Water and Wastewater System, to advance refund \$47,725,000 of the County's outstanding Water Utilities System Revenue Bonds, Series 1992 maturing in the years October 1, 2002 through October 1, 2017.

Refunded Bonds Call Date

All of the refunded Series 1992 Bonds were called for redemption on April 1, 2002.

Additional Information

On October 1, 2008, the County redeemed a portion of the outstanding Series 1998 Bonds. Bonds maturing in years 2010, 2011 and 2017, including amounts subject to mandatory redemption for a total amount of \$18,955,000, were noticed for redemption and were redeemed with cash from wastewater connection fees and reserve revenue. The redemption price was 101% of par.

Schedule of Bonded Debt and Interest Water Utilities System Refunding Revenue Bonds, Series 1998 September 30, 2012

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	5.00	\$ 3,445,000	\$ 266,875	\$ 3,711,875
2013	5.00	3,620,000	361,500	3,981,500
2014	4.75	3,800,000	180,500	3,980,500
Totals		<u>\$ 10,865,000</u>	<u>\$ 808,875</u>	<u>\$ 11,673,875</u>

TOURIST DEVELOPMENT TAX BONDS

Orange County, Florida

Tourist Development Tax Bonds

Orange County has issued Tourist Development Tax Bonds for governmental business-type purposes. A portion of the first five cents of tourist development tax levied and collected by the County supports the bonds. The County has used the proceeds of Tourist Development Tax Bonds for construction, acquisition, or improvement of primarily its Convention Center, and secondarily for construction and renovation of sports facilities owned by the City of Orlando. As of September 30, 2012, nine series of Tourist Development Tax Bonds were outstanding, seven of which are insured by Ambac Assurance Corporation, Syncora Guarantee, Inc. (formerly XL Capital Assurance, Inc.), Financial Guaranty Insurance Company (reinsured by National Public Finance Guarantee Corporation), Assured Guaranty Corporation (assumed from CIFG Assurance North America, Inc.), or National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation), The Series 2009 and Series 2010 Bonds are not insured. A summary of the Tourist Development Tax Bonds outstanding as of September 30, 2012 is as follows:

<u>Issue Name</u>	<u>Amount Outstanding</u>
Tourist Development Tax Revenue Bonds, Series 2002	\$ 1,260,000
Tourist Development Tax Refunding Revenue Bonds, Series 2002A	12,670,000
Tourist Development Tax Refunding Revenue Bonds, Series 2003A	16,410,000
Tourist Development Tax Refunding Revenue Bonds, Series 2005	216,760,000
Tourist Development Tax Refunding Revenue Bonds, Series 2006	73,025,000
Tourist Development Tax Refunding Revenue Bonds, Series 2007	138,790,000
Tourist Development Tax Refunding Revenue Bonds, Series 2007A	153,955,000
Tourist Development Tax Refunding Revenue Bonds, Series 2009	76,415,000
Tourist Development Tax Refunding Revenue Bonds, Series 2010	144,395,000
Total	\$ 833,680,000

Security for the Bonds

Pledged Funds

The County currently levies the tourist development tax at a rate of six percent on living quarters or accommodations for a term of six months or less. The Tourist Development Tax Bonds are payable from and secured by available revenues from the first four percent of the levy after a provision for Convention Center operations is deducted, all of the fifth percent of the Tourist Development Tax levy, certain revenues derived from the operation of the Convention Center, and related investment earnings. Under the Bond Indenture, the County is authorized in its discretion to release part or all of the pledge of the fifth cent once certain terms and conditions are met. However, the adoption of the Orlando/Orange County Interlocal Agreement, dated August 6, 2007, (as further described below) precludes the County from releasing all or part of the pledge; or reducing or eliminating the collection of the fifth percent. The sixth cent was initially levied effective September 1, 2006 and is not pledged to Tourist Development Tax Bond debt.

Orange County, Florida

Bond Reserve Account

The Bond Indenture provides for the establishment and maintenance of a Bond Reserve Account for the purpose of assuring the adequacy of funds for the payment of interest on and principal of the bonds, when other moneys in funds established under the Bond Indenture are insufficient therefor. The County is required under the Bond Indenture to deposit in the Bond Reserve Account an amount equal to the Maximum Annual Debt Service for all outstanding senior lien parity bonds taken as a whole. The County has the right to establish separate subaccounts in the Bond Reserve Account for any series of bonds, but has not elected to do so with respect to senior lien parity bonds.

The current Bond Reserve Account requirement has historically been met by a combination of the issuance of three surety bonds and the deposit of bond proceeds. The first surety bond was originally issued by MBIA Insurance Corporation (currently National Public Finance Guarantee Corporation) in connection with the Series 1994A and Series 1994B Bonds in the amount of \$40,001,818.75. Ambac Assurance Corporation originally issued the second surety bond in connection with the 1998A and 1998B Bonds in the amount of \$8,151,068.75. The third surety bond was issued by Ambac Assurance Corporation in connection with the Series 2002 Bonds in the original amount of \$20,894,543.50 for separate placement in the Series 2002 subordinate debt Bond Reserve Account. Upon accession of the Series 2002 Bonds to senior lien parity bond status on October 27, 2004, this surety bond was reduced to a revised amount of \$11,372,420.66 and was incorporated as part of the Bond Reserve Account for senior lien parity bonds. Upon issuance of the Series 2005 Bonds, bond proceeds in the amount of \$16,007,304.34 were placed in the Bond Reserve Account. The issuance of the Series 2006 Bonds reduced the Maximum Annual Debt Service and therefore, reduced the required amount in the Bond Reserve Account. Surplus funds of \$263,112.50 were transferred out of the account. Maximum Annual Debt Service, and correspondingly the Bond Reserve Account requirement, was again reduced in conjunction with the issuance of the Series 2007 Bonds. Surplus funds of \$436,950.00 were transferred out of the account. The issuance of the Series 2007A Bonds and the Series 2009 Bonds did not change the Maximum Annual Debt Service or Bond Reserve Account requirement. The issuance of the Series 2010 Bonds reduced the Maximum Annual Debt Service and therefore, reduced the required amount in the Bond Reserve Account. Surplus funds of \$2,108,476.00 were transferred out of the account. The Maximum Annual Debt Service, and therefore the Bond Reserve Account requirement, for all outstanding senior lien parity bonds is \$72,724,074.00.

While the Bond Indenture permits the Bond Reserve Account requirement to be met by the provision of one or more surety bonds, the existing surety bonds no longer qualify under the Bond Indenture requirements due to ratings downgrades. On December 12, 2008, the County transferred \$19,523,489.41 from funds available in the Renewal and Replacement Reserve Account to the Bond Reserve Account to supplant two downgraded surety bonds from Ambac Assurance Corporation. On June 26, 2009, the County transferred \$40,001,818.75 from funds available in the Renewal and Replacement Reserve Account to the Bond Reserve Account to supplant a downgraded surety bond from MBIA Insurance Corporation (currently National Public Finance Guarantee Corporation). Thus, the Bond Reserve Account requirement is totally funded with cash. To the extent of any deficiency in the moneys available to pay the principal and interest becoming due on senior lien parity bonds, the cash in the Bond Reserve Account will be drawn upon to make up such deficiency.

Orange County, Florida

Limited Obligations

The Tourist Development Tax Bonds are special and limited obligations of the County, secured solely by the Pledged Funds. No holder of the Tourist Development Tax Bonds shall have the right to compel either the levy of ad valorem taxes or the use of any other source of revenue to pay principal of, redemption premium, if any, or interest on the Tourist Development Tax Bonds. Neither the faith and credit nor the ad valorem taxing power nor any physical properties of the County or the State are pledged to the payment of principal of, redemption premium, if any, or interest on the Tourist Development Tax Bonds. The Tourist Development Tax Bonds do not constitute a corporate indebtedness of the County and shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County, other than the Pledged Funds. Pursuant to the Tourist Development Tax Ordinance and the referendum approving the Tourist Development Tax Ordinance, no property or ad valorem taxes or general revenue of the County may be used to pay for construction, operation or promotion expenses of the Convention Center.

Flow of Funds

The Bond Indenture creates the Tourist Development Trust Fund, the Pledged Fifth Cent Tax Fund, and the Convention Center Enterprise Fund and accounts therein. All Tourist Development Tax Proceeds, Gross Operating Revenues, Pledged Fifth Cent Tax Proceeds, Fifth Cent Investment Earnings, Investment Earnings, gifts, grants, and other income shall upon collection be applied as follows:

Tourist Development Trust Fund – Tourist Development Tax proceeds (the first four percent of the County's tourist development tax levy) are required to be deposited to this fund as collected. Monthly, the accumulated proceeds and interest earnings thereon are used first, for any payment required to be made into the Operating Revenue Account as an emergency payment; second, to fund the Interest Account and Principal Account in an amount, together with amounts from the Pledged Fifth Cent Tax Fund, sufficient to satisfy the monthly bond service requirement with respect to senior lien parity bonds; third, to fund any required payment into the Bond Reserve Account with respect to senior lien parity bonds; fourth, to fund a rebate account as needed; fifth, to fund the Interest Account and Principal Account in an amount, together with amounts from the Pledged Fifth Cent Tax Fund, sufficient to satisfy the monthly bond service requirement on any obligation the County may issue junior in lien to senior lien parity bonds; sixth, to fund any required payment into a reserve account established for the benefit of obligations which the County may issue junior in lien to senior lien parity bonds; seventh, to fund the Interest Account and Principal Account in an amount, together with amounts from the Pledged Fifth Cent Tax Fund, sufficient to satisfy the annual bond service requirement in the current sinking fund year with respect to senior lien parity bonds, but only if junior lien obligations are outstanding; eighth, to fund the Interest Account and Principal Account in an amount, together with amounts from the Pledged Fifth Cent Tax Fund, sufficient to satisfy the annual bond service requirement in the current sinking fund year with respect to any obligation the County may issue junior in lien to senior lien parity bonds; ninth, for deposit to the Operating Revenue Account an amount sufficient to remedy any deficiencies and provide for a 30-day operating reserve; and tenth, into the Renewal and Replacement Reserve Account.

Orange County, Florida

Pledged Fifth Cent Tax Fund – All Pledged Fifth Cent Tax proceeds are required to be deposited to this fund as collected. Monthly, the accumulated proceeds and interest earnings thereon are used first, to fund the Interest Account and Principal Account in an amount, together with amounts from the Tourist Development Trust Fund, sufficient to satisfy the monthly bond service requirement with respect to senior lien parity bonds; second, to provide any requirement for payments from the Interest Account and Principal Account with respect to senior lien parity bonds prior to making such payment from the Bond Reserve Account; third, to fund any required payment into the Bond Reserve Account with respect to senior lien parity bonds; fourth, to fund the Interest Account and Principal Account in an amount, together with amounts from the Tourist Development Trust Fund, sufficient to satisfy the monthly bond service requirement on any obligation the County may issue junior in lien to senior lien parity bonds; fifth, to fund any required payment into a reserve account established for the benefit of obligations which the County may issue junior in lien to senior lien parity bonds; sixth, to fund the Interest Account and Principal Account in an amount, together with amounts from the Tourist Development Trust Fund, sufficient to satisfy the annual bond service requirement in the current sinking fund year with respect to senior lien parity bonds, but only if junior lien obligations are outstanding; seventh, to fund the Interest Account and Principal Account in an amount, together with amounts from the Tourist Development Trust Fund, sufficient to satisfy the annual bond service requirement in the current sinking fund year on any obligation the County may issue junior in lien to senior lien parity bonds; and eighth, for any other lawful purpose.

Convention Center Enterprise Fund Operating Revenues – All Gross Operating Revenues are to be deposited to the Operating Revenues Account. These funds are used first, for the payment of all Priority Expenses of Operation, Maintenance and Promotion of the Convention Center; and second, for the payment of Other Expenses of Operation, Maintenance and Promotion of the Convention Center. Any remaining moneys are classified as Net Operating Revenues and will be used to the extent that Pledged Fifth Cent Tax Proceeds and Available Tourist Development Tax Proceeds prove inadequate to satisfy first, the Bond Service Requirement; and second, any deficiency in the Bond Reserve Account. Any remaining moneys may be used for any lawful purpose.

Renewal and Replacement Reserve Account – Except for Pledged Fifth Cent Tax Proceeds, all remaining Pledged Revenues after the monthly requirements are met shall be paid into this account and used for the purpose of: first, to prevent default on debt service with respect to senior lien parity bonds; second, to remedy any deficiency in the Bond Reserve Account; third, to remedy any deficiency in the aggregate monthly deposit requirement for the payment of Principal and Interest on any obligation the County may issue junior in lien to senior lien parity bonds; fourth, to pay expenses of operation, maintenance and promotion of the Convention Center due to an insufficiency in the Operating Revenue Account; fifth, to repay any Supplemental Revenues with interest, so supplied; and sixth, to make such other payments as are designated in the Tourist Development Plan or otherwise approved by the County. However, this account shall have on deposit on October 15th of each year, the lesser of \$20,000,000 or three percent of the principal amount of all senior lien parity bonds outstanding. Additionally, the County has committed to maintaining a higher balance in the account, including the aforementioned minimum, equal to four percent of the gross physical plant and equipment of the Convention Center (excluding construction in progress).

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The Tourist Development Tax

Authorization

Section 125.0104, Florida Statutes, as amended, known as the “Local Option Tourist Development Act”, (the “Act”), authorizes Florida counties to levy a tourist development tax on every person who rents, leases, or lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park or condominium for a term of six months or less (“Tourist Rentals”).

The County currently levies the tourist development tax, which is comprised of the Tourist Development Tax (the first four cents), the Fifth Cent Tax, and the Sixth Cent Tax at the combined rate of six percent of each whole and major fraction of each dollar of the total rental charged for Tourist Rentals. The County originally imposed the Tourist Development Tax at a rate of two percent, effective May 1, 1978, pursuant to Section 125.0104(3)(c), Florida Statutes and a referendum approved by the voters of the County. At that time, the County adopted the initial Tourist Development Plan pursuant to the Tourist Development Tax Ordinance. This Plan is amended by the County as needed for additional authorized uses that are within the scope of the Act. Next, the Act authorizes the imposition of an additional one percent of each dollar above the original Tourist Development Tax, pursuant to Section 125.0104(3)(d), Florida Statutes. On May 27, 1986, the County adopted this additional one percent tax and increased the County’s Tourist Development Tax rate to three percent, effective June 1, 1986. The Act also authorizes high tourism impact counties to levy an additional one percent tax, pursuant to Section 125.0104(3)(m), Florida Statutes. On August 21, 1989, the County adopted this high tourism impact tax and increased its Tourist Development Tax rate to four percent, effective October 1, 1989.

The Fifth Cent Tax is authorized under the Act, pursuant to Section 125.0104(3)(l), Florida Statutes. On December 13, 1994, the County levied the Fifth Cent Tax, effective February 1, 1995. The Act also authorizes the County, pursuant to Section 125.0104(3)(n), Florida Statutes, to levy an additional one percent tax in addition to the Tourist Development Tax and the Fifth Cent Tax on Tourist Rentals to pay debt service on bonds issued to finance certain professional sports franchise facilities or to promote and advertise tourism in the State of Florida and nationally and internationally. On July 18, 2006, the County levied this additional one percent tax, the Sixth Cent Tax, effective September 1, 2006. The Sixth Cent Tax is not pledged to Tourist Development Tax Bond debt. Through fiscal year 2008, expenditures of Sixth Cent Tax proceeds were allocated to advertising and marketing efforts to promote tourism. For fiscal year 2009 and thereafter, the Sixth Cent Tax is being allocated between tourism promotion and financing a portion of the construction costs for the City of Orlando’s Events Center.

On August 6, 2007, the Orlando/Orange County Interlocal Agreement (“Agreement”) between the County, the City of Orlando (the “City”), and the City of Orlando Community Redevelopment Agency received final approval. The primary purpose of the Agreement is to provide certain Tourist Development Tax and Sixth Cent Tax proceeds to the City for a portion of the funding needed for renovation of the Citrus Bowl and construction of a new Performing Arts Center and new Events Center. Based on specified criteria, a calculated portion of the first four percent of Tourist Development Tax revenues is scheduled to be paid once each fiscal year to the City for

Orange County, Florida

the Citrus Bowl and Performing Arts Center projects from prior year actual proceeds. A portion of future Sixth Cent Tax revenues will be paid on a monthly basis to the City for the Events Center project, named the Amway Center, which replaced the Amway Arena. Upon commencement, all of these payments are scheduled to be made for the earlier of 30 years or until the associated debt issued by the City is defeased or redeemed in full. Total cost for all projects is anticipated to be \$909 million. However, the City may not issue obligations related to tourist development taxes that would cause net proceeds for construction to exceed \$270 million for the Events Center, \$140 million for the Citrus Bowl, and \$130 million for the Performing Arts Center. The first annual payment from the first four percent of Tourist Development Tax proceeds to the City for these projects totaled \$9.6 million in fiscal year 2009, having been implemented due to the satisfaction of a County reserve funding target met in July 2008. This annual payment continues to be contingent on certain tax collection benchmarks being met. Due to reduced Tourist Development Tax collections, no annual payment was made to the City in fiscal years 2010 or 2011. However, due to an increase in Tourist Development Taxes in fiscal year 2011, a payment in the amount of \$8.0 million was made to the City in January 2012. Due to sustained growth in Tourist Development Tax collections in fiscal year 2012, a payment in the amount of \$4.8 million is due to the City in January 2013. Sixth Cent Tax monthly revenue payments to the City commenced in the 2009 fiscal year and totaled \$17.4 million for fiscal year 2012.

On July 16, 2012, the Second Amendment to the Agreement was approved requiring the County to set aside \$12.5 million in a separate reserve account to partially replenish draws made from City reserves, as necessary, to support financing for the renovations to the Florida Citrus Bowl Stadium.

There can be no assurances that the rate of tourist development tax in the County will increase in the future or that any additional tax proceeds from such a rate increase will be pledged to, or be legally available for the payment of the Senior Lien Parity Bonds.

Eligible Uses

In accordance with the Act, proceeds from the County's Tourist Development Tax (first four percent) can only be used to: (i) acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums within the County; (ii) acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote museums that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public; (iii) promote zoological parks that are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public; (iv) promote and advertise tourism in the State of Florida and nationally and internationally; (v) fund convention bureaus, tourist bureaus, tourist information centers, and news bureaus as county agencies or by contract with the chambers of commerce or similar associations in the County; or (vi) finance beach park facilities or beach improvement, maintenance, renourishment, restoration, and erosion control, including shoreline protection, enhancement, cleanup, or restoration of inland lakes and rivers to which there is public access. The purposes described in items (i) and (ii) above may be implemented through service contracts and leases with lessees with sufficient expertise or financial capability to operate such facilities.

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Also, in accordance with the Act, proceeds from the Fifth Cent Tax can only be used to: (i) pay the debt service on bonds issued to finance the construction, reconstruction, or renovation of a convention center, and the planning and design costs incurred prior to issuance of such bonds; (ii) pay the operation and maintenance costs of a convention center for a period of up to 10 years; (iii) pay the debt service on bonds issued to finance the construction, reconstruction, or renovation of a professional sports facility, or the acquisition, construction, reconstruction, or renovation of a retained spring training franchise facility, either publicly owned and operated, or publicly owned and operated by the owner of a professional sports franchise or other lessee with sufficient expertise or financial capability to operate such facility, and to pay the planning and design costs incurred prior to the issuance of such bonds; or (iv) promote and advertise tourism in the State of Florida and nationally and internationally. The County has established the separate Pledged Fifth Cent Tax Fund because of the greater restriction on the use of these proceeds as compared to the Tourist Development Tax Proceeds generated by the first four-cent levy.

The County has also established a separate Sixth Cent Tax Account for the additional one percent that was implemented on September 1, 2006 as it is not pledged to bonds currently outstanding. In accordance with the Act, proceeds from the Sixth Cent Tax can only be used to: (i) pay the debt service on bonds issued to finance a publicly owned professional sports facility for a professional sports franchise that was not based in Florida prior to April 1, 1987; (ii) pay the debt service on bonds issued to finance a publicly owned professional sports facility for a retained spring training franchise; or (iii) promote and advertise tourism in the State of Florida and nationally and internationally.

Rate Covenant

The County shall continuously own, control, operate and maintain the Convention Center or cause the same to be controlled, operated and maintained in an efficient and economical manner and on a revenue producing basis and shall at all times establish, fix, maintain and collect rates, fees and other charges for the use of the Convention Center. This includes not only use by organizations holding conventions and other gatherings but also parking and concession revenues and other operating income derived from the Convention Center, fully sufficient at all times to comply with the requirements of the Tourist Development Tax Ordinance and, in addition, together with the Tourist Development Tax Proceeds and other available funds:

- to provide for and pay at least 100% of all Expenses of Operation, Maintenance and Promotion and to maintain the required operating reserve in the Operating Revenue Account; and
- to produce Net Operating Revenues sufficient, with other Pledged Funds available therefore, to establish and maintain the Bond Reserve Account and make all other required payments.

The County shall cause a sufficient amount of Gross Operating Revenues and of Pledged Funds to be included in the annual budget and appropriation for every fiscal year to meet all requirements of the Bond Indenture, subject to the availability of any such Pledged Funds for any particular requirement of the Bond Indenture.

Orange County, Florida

Historical Maximum Annual Debt Service Coverage Fiscal Years Ended September 30, 2003 through 2012

Fiscal Year	Tourist		Available Tourist		Fifth Cent		Maximum Annual Debt Service		Coverage Factor (4)
	Development Tax Proceeds (000's)(1)		Development Tax Proceeds (000's)(2)		Tax Proceeds (000's)(1)		for Senior Lien Parity Bonds (000's)(3)		
2012	\$ 116,869		\$ 114,829		\$ 29,217		\$ 72,724		1.98
2011	117,237		115,523		29,309		72,724		1.99
2010	98,507		96,857		24,627		72,724		1.67
2009	94,817		92,866		23,704		74,833		1.56
2008	112,113		110,221		28,028		74,833		1.85
2007	108,705		106,916		27,176		74,833		1.79
2006	102,800		101,127		25,700		75,270		1.68
2005	96,134		94,589		24,034		75,533 (5)		1.57
2004	88,813		87,514		22,203		64,405		1.70
2003	74,685		73,409		18,671		64,405		1.43

(1) Figures reflected in these columns have been calculated on an accrual basis, while the Indenture limitations actually apply to proceeds received on a cash basis. The resulting differences are not material.

(2) Pursuant to the Tourist Development Tax Ordinance and the Indenture, Tourist Development Tax Proceeds received by the County are subject to the prior payment of Priority Expenses of Operation, Maintenance and Promotion of the Convention Center. The maximum amount of Tourist Development Tax Proceeds which can be used for Priority Expenses of Operation, Maintenance and Promotion is the greater of \$400,000 or 1.74% of Tourist Development Tax Proceeds for the previous Fiscal Year. The amounts in this column assume the use of Tourist Development Tax Proceeds for such payments and, accordingly, would constitute Available Development Tax Proceeds under the Indenture.

(3) Represents the projected amount equal to the highest current or future aggregate annual principal and interest requirements of all outstanding Senior Lien Parity Bonds in any Sinking Fund Year.

(4) The Coverage Factor has been calculated for each year by dividing the sum of the Available Tourist Development Tax Proceeds (second column) and the Fifth Cent Tax Proceeds (third column) for each such year by the Maximum Annual Debt Service for Senior Lien Parity Bonds (fourth column) for such year and rounded to the nearest one one-hundredth.

(5) The Series 2002 Bonds, originally issued as subordinate bonds, ascended to the status of Senior Lien Parity Bonds on October 27, 2004.

Orange County, Florida

The Convention Center

Convention Center Facilities

The Convention Center facility is located on approximately 350 acres, lying north of the intersection of Interstate 4 and State Road 528 and consisting of two multipurpose buildings, the West Building and the North/South Building. It was constructed over time in five phases: Phase I was opened in February 1983, Phase II was opened in January 1989, Phase III was opened in January 1996, Phase IV was opened in August 1996, and Phase V was opened in September 2003. The buildings are multipurpose in nature, being designed for conventions, trade shows, meetings and consumer events. The Center contains approximately seven million square feet of space, of which approximately 2.1 million square feet is exhibition space.

The Center's West Building (Phases I through IV) contains approximately four million gross square feet of enclosed building space, including approximately 1.1 million gross square feet of exhibit space. The exhibit space is contiguous and can be subdivided into 18 different configurations with movable partition walls. Each exhibit hall maintains a separate ingress and egress point, allowing use by multiple customers. Halls are "clear span" areas with 30 to 40 foot high ceilings with support facilities consisting of approximately 353,000 gross square feet of meeting rooms, which include a 2,643-seat auditorium of performing arts quality, a 62,000 square foot ballroom, a fully equipped kitchen, concession spaces, administrative spaces, dressing rooms, shops and storage areas.

The North/South Building contains approximately three million gross square feet of enclosed building space, including approximately one million gross square feet of exhibition space. The exhibit space is contiguous and can be subdivided into six different configurations with moveable partition walls. Each exhibit hall maintains a separate ingress and egress point, allowing use by multiple customers. Halls are "clear span" areas with 40 foot high ceilings with support facilities consisting of approximately 166,000 gross square feet of meeting rooms, one fully equipped kitchen, concession spaces, administrative spaces, dressing rooms, shops and storage areas. The West and North/South Buildings are connected by an open-air overhead walkway spanning International Drive.

The Center has approximately 8,200 parking spaces. In addition, nearby property owners also provide convention parking which has increased the number of easily accessible parking spaces available for Convention Center attendees.

Operations and Promotion

The Convention Center is owned and operated by the County and hosts national and international meeting and trade events attended by thousands of people. The Executive Director is responsible for all aspects of its operation and reports directly to the County Administrator. The County's objective is to expand its market share through aggressive marketing campaigns, and when appropriate, to expand the Center. Although Net Operating Revenues derived from the Center are pledged to the payment of the Tourist Development Tax Bonds, the County does not expect a material amount of such revenues to be available in the foreseeable future. For most years that it has been in operation, the Center has incurred a net operating loss and the County has accepted this status as an incentive to help attract desirable convention business for economic development purposes. The current Tourist Development

Orange County, Florida

Plan calls for up to \$10 million per year of Tourist Development Tax collections to be applied as an operating subsidy.

The Convention Center Sales and Events Management Division devotes its time to the promotion, marketing and sale of space in the Center. The Orlando/Orange County Convention and Visitors Bureau, Inc. (the "Bureau"), a Florida not-for-profit corporation, markets and promotes the Orlando/Orange County community and facilities located throughout the community. The Sales and Events Management Division and the Bureau jointly participate in promotional activities for the Center.

Source – The Convention Center: Orange County Convention Center Department

Tourist Development Tax Bond Insurance

Concurrent with the issuance of the Series 2002, 2002A, 2003A, and 2005 Bonds, Ambac Assurance Corporation issued its Municipal Bond New Issue Insurance Policy (the "Policies") for the bonds. XL Capital Assurance, Inc. (currently Syncora Guarantee, Inc.) issued its Policy with the issuance of the Series 2006 Bonds. Concurrent with the issuance of the Series 2007 Bonds, Financial Guaranty Insurance Company (reinsured by National Public Finance Guarantee Corporation) and CIFG Assurance North America, Inc. (CIFG) each issued their Policy for certain maturities of this series. CIFG and MBIA Insurance Corporation (currently National Public Finance Guarantee Corporation) each issued their Policy for certain maturities concurrent with the issuance of the Series 2007A Bonds. The Series 2009 Bonds and the Series 2010 Bonds are not insured. The Policies unconditionally guarantee the payment of that portion of the principal or accreted value (if applicable) of and interest on the bonds, which has become due for payment, but shall be unpaid by reason of Nonpayment by the County (as defined in the Policies). The Policies are non-cancelable and the premiums were fully paid at the respective times of delivery of the bonds. The Policies cover failure to pay principal or accreted value (if applicable) of the bonds on their respective stated maturity date or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the bonds may have been otherwise called for redemption, accelerated or advanced in maturity, and covers the failure to pay an installment of interest on the stated date for its payment.

With regard to the Series 2007 and 2007A Bonds insured by CIFG, an October 2008 announcement was made by Assured Guaranty Corporation (Assured) that it had entered into an agreement with CIFG to assume via reinsurance \$13 billion of net par insured from CIFG, including the subject County bonds. As of July 8, 2011, the insurance obligation was transferred to and assumed by Assured.

Requirements for Additional Tourist Development Tax Bonds

The County is permitted to issue additional Senior Lien Parity Bonds subject to certain conditions specified in the Bond Indenture. Pursuant to the Bond Indenture, the County had covenanted to issue no further obligations of any kind or nature payable from or enjoying a lien on the Pledged Funds or on a parity with the Senior Lien Parity Bonds, until the sooner to occur of: (a) accession or (b) redemption or defeasance of all outstanding Subordinate Bonds. On

Orange County, Florida

October 27, 2004, certain conditions of the Indenture were satisfied and the Series 2002 Bonds ascended to parity status with the Senior Lien Parity Bonds.

Additional Parity Bonds may be issued under the Indenture solely for purposes of financing the acquisition of land for the completion of, or the making of improvements, extensions, enlargements, renewals, replacements or repairs to, the Convention Center, including refunding other obligations issued for such purpose, or for other capital improvements for which the Tourist Development Trust Fund may legally be used. Additional Bonds may be issued on the condition, among others, that there shall have been obtained and filed with the County a statement by an independent certified public accountant reciting the opinion based upon necessary investigation that the portion of Available Tourist Development Tax Proceeds, Pledged Fifth Cent Tax Proceeds and any Supplemental Revenues which are pledged to the payment of all Bonds and which are received in a consecutive 12-month period, which ends later than 13 months prior to the issuance of such Parity Bonds, equals or exceeds 133% of the Maximum Annual Debt Service. Certain adjustments to Tourist Development Tax Revenues are permitted due to rate increases. The County may issue refunding bonds for all or any part of the Senior Lien Parity Bonds if the issuance of such refunding bonds will not result in an increase in the annual debt service requirement for the Senior Lien Parity Bonds to be refunded for any fiscal year to and including the latest maturity thereof, as evidenced by a verification report prepared by an underwriter, financial advisor, a certified public accountant or firm of certified public accountants or any other consultant acceptable to the County.

Defeased Tourist Development Tax Debt Outstanding

The Tourist Development Tax Revenue Bonds, Series 1980 currently has a maturity that is defeased but still outstanding. On December 30, 1985, the County used available cash, together with proceeds from the issuance of the Tourist Development Tax Revenue Refunding Bonds, Series 1985, to advance refund all of the outstanding Series 1980 Bonds in the amount of \$34,260,000. The Series 1980 Bonds are being paid according to their original maturity schedule, including mandatory calls on term bonds. The remaining term bond due on September 1, 2015 will mature or be called as set forth below. The Paying Agent for the Series 1980 Bonds is U.S. Bank National Association, Orlando, Florida. Interest payment dates are September 1 and March 1 of each year and remaining principal is payable as follows:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
September 1, 2013	9.25	\$ 2,590,000
September 1, 2014	9.25	2,830,000
September 1, 2015 (final maturity)	9.25	<u>3,090,000</u>
Total Outstanding		<u>\$ 8,510,000</u>

Orange County, Florida

The Tourist Development Tax Revenue Bonds, Series 1985 currently has a maturity that is defeased but still outstanding. On December 30, 1985, the County used available cash, together with proceeds from the issuance of the Tourist Development Tax Revenue Refunding Bonds, Series 1985, to advance refund all of the outstanding Series 1985 Bonds in the amount of \$12,370,000. The Series 1985 Bonds are being paid according to their original maturity schedule, including mandatory calls on term bonds. The remaining term bond due on September 1, 2015 will mature or be called as set forth below. The Paying Agent for the Series 1985 Bonds is U.S. Bank National Association, Orlando, Florida. Interest payment dates are September 1 and March 1 of each year and remaining principal is payable as follows:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
September 1, 2013	9.375	\$ 935,000
September 1, 2014	9.375	1,025,000
September 1, 2015 (final maturity)	9.375	<u>1,120,000</u>
Total Outstanding		<u>\$ 3,080,000</u>

The Tourist Development Tax Revenue Bonds, Series 1990 currently has a portion of a maturity that is defeased but still outstanding. On June 6, 2000, the County used available cash to advance refund a portion of the outstanding October 1, 2016 term bond of the Series 1990 Bonds in the amount of \$17,045,000. This term bond will mature or be called as set forth below. The Paying Agent for the Series 1990 Bonds is U.S. Bank National Association, Orlando, Florida. Interest payment dates are October 1 and April 1 of each year and principal is payable as follows:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
October 1, 2012	6.00	\$ 3,225,000
October 1, 2013	6.00	3,415,000
October 1, 2014	6.00	1,720,000
October 1, 2015	6.00	1,430,000
October 1, 2016 (final maturity)	6.00	<u>4,210,000</u>
Total Outstanding		<u>\$ 14,000,000</u>

Orange County, Florida

The Tourist Development Tax Refunding Revenue Bonds, Series 1992A currently has a maturity that is defeased but still outstanding. On June 6, 2000, the County used available cash to advance refund a portion of the outstanding Series 1992A Bonds in the amount of \$13,580,000. The remaining term bond due on October 1, 2013 will mature or be called as set forth below. The Paying Agent for the Series 1992A Bonds is U.S. Bank National Association, Orlando, Florida. Interest payment dates are April 1 and October 1 of each year and remaining principal is payable as follows:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>
October 1, 2012	6.25	\$ 1,320,000
October 1, 2013 (final maturity)	6.25	<u>1,405,000</u>
Total Outstanding		<u><u>\$ 2,725,000</u></u>

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Orange County, Florida

**Combined Schedule of Bonded Debt and Interest
All Tourist Development Tax Bonds
September 30, 2012**

<u>Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 31,490,000	\$ 20,285,679	\$ 51,775,679
2013	33,090,000	38,977,709	72,067,709
2014	35,415,000	37,309,074	72,724,074 **
2015	37,125,000	35,595,143	72,720,143
2016	38,925,000	33,790,094	72,715,094
2017	40,830,000	31,892,962	72,722,962
2018	42,820,000	29,902,487	72,722,487
2019	42,925,000	27,872,900	70,797,900
2020	45,140,000	25,773,300	70,913,300
2021	47,375,000	23,537,681	70,912,681
2022	50,405,000	21,188,469	71,593,469
2023	52,915,000 *	18,688,450	71,603,450
2024	55,475,000 *	16,128,213	71,603,213
2025	29,290,000 *	13,367,862	42,657,862
2026	30,685,000 *	11,992,381	42,677,381
2027	32,145,000 *	10,551,269	42,696,269
2028	33,680,000 *	9,041,425	42,721,425
2029	35,325,000 *	7,408,638	42,733,638
2030	37,065,000 *	5,696,069	42,761,069
2031	39,250,000	3,972,225	43,222,225
2032	42,310,000	2,009,725	44,319,725
Totals	\$ 833,680,000	\$ 424,981,755	\$ 1,258,661,755

* Principal reflects mandatory redemption requirements for Series 2006 term bonds.

** Maximum Annual Debt Service

Tourist Development Tax Bond Detail Information by Series

There are nine series of Tourist Development Tax Revenue Bonds currently outstanding as summarized at the beginning of this section. The following is a detailed profile of each series.

Orange County, Florida

\$216,460,000 Tourist Development Tax Revenue Bonds Series 2002

Dated March 15, 2002

Final maturity October 1, 2012

Purpose

The Series 2002 Bonds were issued to provide funds, together with other available funds of the County, to complete the Phase V Expansion of the Convention Center.

Security

The Series 2002 Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2002 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2002 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Greenberg Traurig, P.A., Miami, FL Mathis Law Firm, P.A., Orlando, FL Moreland & Mendez, P.A., Maitland, FL
Insurance Provider:	Ambac Assurance Corporation

Ratings

	<u>Insured*</u>	<u>Underlying*</u>
Moody's Investors Service:	A1	A1
Standard & Poor's:	A+	A+
Fitch Ratings:	AA-	AA-

*Ratings as of final outstanding maturity on October 1, 2012.

Orange County, Florida

Call Provisions

The remaining Series 2002 Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

The Series 2002 Bonds were issued to provide funds, together with other available funds of the County, to pay the costs associated with completing the Phase V Expansion Project of the Convention Center.

Refunded Bonds

Not applicable

Additional Information

The Tourist Development Tax Subordinate Revenue Bonds, Series 2002, were originally issued as junior lien bonds. On October 27, 2004, certain conditions of the Indenture were satisfied and the Series 2002 Bonds ascended to senior lien status on parity with the Senior Lien Parity Bonds. To reflect its senior lien status, the name of the Series 2002 Bonds was changed to the Orange County, Florida Tourist Development Tax Revenue Bonds, Series 2002.

Schedule of Bonded Debt and Interest Tourist Development Tax Revenue Bonds, Series 2002 September 30, 2012

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	4.50	<u>\$ 1,260,000</u>	<u>\$ 28,350</u>	<u>\$ 1,288,350</u>
Totals		<u><u>\$ 1,260,000</u></u>	<u><u>\$ 28,350</u></u>	<u><u>\$ 1,288,350</u></u>

Orange County, Florida

\$57,340,000
Tourist Development Tax Refunding Revenue Bonds
Series 2002A

Dated May 15, 2002

Final maturity October 1, 2013

Purpose

The Series 2002A Bonds were issued to provide funds, together with other available moneys of the County, to currently refund a portion of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1992A.

Security

The Series 2002A Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2002A Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2002A Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Bond Counsel:	Greenberg Traurig, P.A., Miami, FL
Co-Bond Counsel:	Mathis Law Firm, P.A., Orlando, FL
	Moreland & Mendez, P.A., Maitland, FL
Insurance Provider:	Ambac Assurance Corporation

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	A1	A1
Standard & Poor's:	A+	A+
Fitch Ratings:	AA-	AA-

Orange County, Florida

Call Provisions

The Series 2002A Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2002A Bonds were issued to currently refund all of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1992A maturing after October 1, 2002, in the total principal amount of \$58,165,000.

Refunded Bonds Call Date

The refunded Series 1992A Bonds were called on October 1, 2002.

Schedule of Bonded Debt and Interest
Tourist Development Tax Refunding Revenue Bonds, Series 2002A
September 30, 2012

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	5.50	\$ 6,165,000	\$ 348,425	\$ 6,513,425
2013	5.50	6,505,000	357,775	6,862,775
Totals		<u>\$ 12,670,000</u>	<u>\$ 706,200</u>	<u>\$ 13,376,200</u>

Orange County, Florida

\$17,330,000
Tourist Development Tax Refunding Revenue Bonds
Series 2003A

Dated September 15, 2003

Final maturity October 1, 2019

Purpose

The Series 2003A Bonds were issued to provide funds, together with other available moneys of the County, to advance refund a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 1994B.

Security

The Series 2003A Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2003A Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2003A Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Greenberg Traurig, P.A., Miami, FL Moreland & Mendez, P.A., Maitland, FL
Insurance Provider:	Ambac Assurance Corporation

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	A1	A1
Standard & Poor's:	A+	A+
Fitch Ratings:	AA-	AA-

Orange County, Florida

Call Provisions

Series 2003A Bonds maturing on or after October 1, 2014 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot, on any date on or after October 1, 2013, with no premium.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2003A Bonds were issued to advance refund all of the outstanding Tourist Development Tax Revenue Bonds, Series 1994B due on October 1, 2019, in the total principal amount of \$15,780,000.

Refunded Bonds Call Date

The refunded Series 1994B Bonds were called on October 1, 2004.

**Schedule of Bonded Debt and Interest
Tourist Development Tax Refunding Revenue Bonds, Series 2003A
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	3.50	\$ 130,000	\$ 331,945	\$ 461,945
2013	3.60	135,000	659,340	794,340
2014	3.70	140,000	654,480	794,480
2015	3.875	2,960,000	649,300	3,609,300
2016	4.00	3,070,000	534,600	3,604,600
2017	4.00	3,195,000	411,800	3,606,800
2018	4.125	3,320,000	284,000	3,604,000
2019	4.25	3,460,000	147,050	3,607,050
Totals		<u>\$ 16,410,000</u>	<u>\$ 3,672,515</u>	<u>\$ 20,082,515</u>

Orange County, Florida

\$238,285,000
Tourist Development Tax Refunding Revenue Bonds
Series 2005

Dated May 10, 2005

Final maturity October 1, 2031

Purpose

The Series 2005 Bonds were issued to provide funds, together with other available moneys of the County, to advance refund a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 2000.

Security

The Series 2005 Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2005 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2005 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Refunded Bonds Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Greenberg Traurig, P.A., Miami, FL
	Moreland & Mendez, P.A., Maitland, FL
Insurance Provider:	Ambac Assurance Corporation

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	A1	A1
Standard & Poor's:	A+	A+
Fitch Ratings:	AA-	AA-

Orange County, Florida

Call Provisions

Series 2005 Bonds maturing on or after October 1, 2016 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot, on any date on or after October 1, 2015, with no premium.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2005 Bonds were issued to advance refund all of the outstanding Tourist Development Tax Revenue Bonds, Series 2000 maturing on and after October 1, 2010, in the total principal amount of \$239,050,000.

Refunded Bonds Call Date

The refunded Series 2000 Bonds were called on October 1, 2009.

Schedule of Bonded Debt and Interest Tourist Development Tax Refunding Revenue Bonds, Series 2005 September 30, 2012

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	5.00	\$ 10,850,000	\$ 5,346,093	\$ 16,196,093
2013	5.00	11,390,000	10,149,688	21,539,688
2014	5.00	8,570,000	9,580,188	18,150,188
2015	5.00	8,600,000	9,151,687	17,751,687
2016	5.00	11,730,000	8,721,688	20,451,688
2017	5.00	7,855,000	8,135,187	15,990,187
2018	5.00	8,245,000	7,742,438	15,987,438
2019	5.00	8,655,000	7,330,187	15,985,187
2020	5.00	9,085,000	6,897,438	15,982,438
2021	5.00	9,545,000	6,443,188	15,988,188
2022	5.00	9,230,000	5,965,937	15,195,937
2023	4.25	9,695,000	5,504,438	15,199,438
2024	5.00	10,110,000	5,092,400	15,202,400
2025	5.00	11,455,000	4,586,900	16,041,900
2026	5.00	12,025,000	4,014,150	16,039,150
2027	5.00	12,630,000	3,412,900	16,042,900
2028	5.00	13,265,000	2,781,400	16,046,400
2029	5.00	13,925,000	2,118,150	16,043,150
2030	4.50	14,620,000	1,421,900	16,041,900
2031	5.00	15,280,000	764,000	16,044,000
Totals		<u>\$ 216,760,000</u>	<u>\$ 115,159,957</u>	<u>\$ 331,919,957</u>

Orange County, Florida

\$73,435,000
Tourist Development Tax Refunding Revenue Bonds
Series 2006

Dated June 6, 2006

Final maturity October 1, 2032

Purpose

The Series 2006 Bonds were issued to provide funds, together with other available moneys of the County, to advance refund a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 2002.

Security

The Series 2006 Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2006 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2006 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Refunded Bonds Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Nabors, Giblin & Nickerson, P.A., Tampa, FL
	Ruye H. Hawkins, P.A., Orlando, FL
Insurance Provider:	Syncora Guarantee, Inc. (formerly XL Capital Assurance, Inc.)

Ratings

	<u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	A1	A1
Standard & Poor's:	A+	A+
Fitch Ratings:	AA-	AA-

Orange County, Florida

Call Provisions

Optional Redemption: Series 2006 Bonds maturing on or after October 1, 2017 are subject to redemption prior to maturity, at the option of the County, in whole or in part by lot on any date on or after October 1, 2016, with no premium.

Mandatory Redemption: Series 2006 term bonds maturing October 1, 2024 and 2030 are subject to mandatory redemption prior to maturity in part by lot at no premium in the following principal amounts on the dates specified.

Term bonds maturing October 1, 2024

<u>Date</u>	<u>Amount</u>
October 1, 2023	\$ 2,290,000
October 1, 2024 (final maturity)	2,395,000

Term bonds maturing October 1, 2030

<u>Date</u>	<u>Amount</u>
October 1, 2025	\$ 125,000
October 1, 2026	130,000
October 1, 2027	135,000
October 1, 2028	140,000
October 1, 2029	145,000
October 1, 2030 (final maturity)	155,000

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2006 Bonds were issued to advance refund all of the outstanding Tourist Development Tax Revenue Bonds, Series 2002 maturing or subject to mandatory call in years 2023, 2024, 2031, and 2032, in the total principal amount of \$70,475,000.

Refunded Bonds Call Date

The refunded Series 2002 Bonds were called on April 1, 2012.

Orange County, Florida

**Schedule of Bonded Debt and Interest
Tourist Development Tax Refunding Revenue Bonds, Series 2006
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	3.75	\$ 90,000	\$ 1,754,519	\$ 1,844,519
2013	4.00	95,000	3,505,662	3,600,662
2014	4.00	100,000	3,501,863	3,601,863
2015	4.00	105,000	3,497,862	3,602,862
2016	4.125	105,000	3,493,663	3,598,663
2017	4.25	110,000	3,489,331	3,599,331
2018	4.25	115,000	3,484,656	3,599,656
2019	4.25	120,000	3,479,769	3,599,769
2020	4.375	125,000	3,474,669	3,599,669
2021	4.375	130,000	3,469,200	3,599,200
2022	4.50	135,000	3,463,513	3,598,513
2023	4.50	2,290,000 *	3,457,437	5,747,437
2024	4.50	2,395,000 *	3,354,388	5,749,388
2025	4.625	125,000 **	3,246,612	3,371,612
2026	4.625	130,000 **	3,240,831	3,370,831
2027	4.625	135,000 **	3,234,819	3,369,819
2028	4.625	140,000 **	3,228,575	3,368,575
2029	4.625	145,000 **	3,222,100	3,367,100
2030	4.625	155,000 **	3,215,394	3,370,394
2031	5.00	23,970,000	3,208,225	27,178,225
2032	4.75	42,310,000	2,009,725	44,319,725
Totals		<u>\$ 73,025,000</u>	<u>\$ 68,032,813</u>	<u>\$ 141,057,813</u>

* Mandatory redemption of \$4,685,000 Term Bonds due October 1, 2024

** Mandatory redemption of \$830,000 Term Bonds due October 1, 2030

Orange County, Florida

\$139,635,000
Tourist Development Tax Refunding Revenue Bonds
Series 2007

Dated June 6, 2007

Final maturity October 1, 2030

Purpose

The Series 2007 Bonds were issued to provide funds, together with other available moneys of the County, to advance refund a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 2002.

Security

The Series 2007 Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2007 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2007 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Refunded Bonds Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Nabors, Giblin & Nickerson, P.A., Tampa, FL
	Ruye H. Hawkins, P.A., Orlando, FL
Insurance Providers:	Assured Guaranty Corporation
	Financial Guaranty Insurance Company (reinsured by National Public Finance Guarantee Corporation)

Orange County, Florida

Ratings

	Assured Guaranty <u>Insured</u>	FGIC <u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	A1	A1	A1
Standard & Poor's:	AA-	A+	A+
Fitch Ratings:	AA-	AA-	AA-

Call Provisions

Series 2007 Bonds maturing on or after October 1, 2018 are subject to redemption prior to maturity, at the option of the County, in whole or in part by lot, on any date on or after October 1, 2017, with no premium.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2007 Bonds were issued to advance refund all of the outstanding Tourist Development Tax Revenue Bonds, Series 2002 maturing or subject to mandatory call on or after October 1, 2013, in the total principal amount of \$136,380,000.

Refunded Bonds Call Date

The refunded Series 2002 Bonds were called on April 1, 2012.

Orange County, Florida

**Schedule of Bonded Debt and Interest
Tourist Development Tax Refunding Revenue Bonds, Series 2007
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	4.00	\$ 230,000	\$ 3,157,372	\$ 3,387,372
2013	4.00	1,555,000	6,305,544	7,860,544
2014	4.00	1,620,000	6,243,343	7,863,343
2015	4.00	1,685,000	6,178,544	7,863,544
2016	4.00	1,750,000	6,111,143	7,861,143
2017	4.00	1,825,000	6,041,144	7,866,144
2018	4.00	1,900,000	5,968,143	7,868,143
2019	4.00	1,980,000	5,892,144	7,872,144
2020	4.00	2,060,000	5,812,943	7,872,943
2021	4.125	2,140,000	5,730,543	7,870,543
2022	4.125	2,235,000	5,642,269	7,877,269
2023	4.25	180,000	5,550,075	5,730,075
2024	4.25	190,000	5,542,425	5,732,425
2025	4.50	17,710,000	5,534,350	23,244,350
2026	4.50	18,530,000	4,737,400	23,267,400
2027	4.50	19,380,000	3,903,550	23,283,550
2028	4.75	20,275,000	3,031,450	23,306,450
2029	4.75	21,255,000	2,068,388	23,323,388
2030	4.75	22,290,000	1,058,775	23,348,775
	Totals	<u><u>\$ 138,790,000</u></u>	<u><u>\$ 94,509,545</u></u>	<u><u>\$ 233,299,545</u></u>

Note: Maturities in the years 2012 through 2024, 2026, and 2027 are insured by Assured Guaranty.
Maturities in the years 2025 and 2028 through 2030 are insured by FGIC.

Orange County, Florida

\$167,800,000
Tourist Development Tax Refunding Revenue Bonds
Series 2007A

Dated July 11, 2007

Final maturity October 1, 2021

Purpose

The Series 2007A Bonds were issued to provide funds, together with other available moneys of the County, to currently refund all of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1997.

Security

The Series 2007A Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2007A Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2007A Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Nabors, Giblin & Nickerson, P.A., Tampa, FL Ruye H. Hawkins, P.A., Orlando, FL
Insurance Providers:	Assured Guaranty Corporation National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation)

Ratings

	<u>Assured</u> <u>Guaranty</u> <u>Insured</u>	<u>National</u> <u>Insured</u>	<u>Underlying</u>
Moody's Investors Service:	A1	A1	A1
Standard & Poor's:	AA-	A+	A+
Fitch Ratings:	AA-	AA-	AA-

Orange County, Florida

Call Provisions

Series 2007A Bonds maturing on or after October 1, 2018 are subject to redemption prior to maturity, at the option of the County, in whole or in part by lot, on any date on or after October 1, 2017, with no premium.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2007A Bonds were issued to currently refund all of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1997, in the total principal amount of \$176,345,000.

Refunded Bonds Call Date

The refunded Series 1997 Bonds were called on October 1, 2007.

**Schedule of Bonded Debt and Interest
Tourist Development Tax Refunding Revenue Bonds, Series 2007A
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	5.00	\$ 5,430,000	\$ 3,829,975	\$ 9,259,975
2013	5.00	5,705,000	7,388,450	13,093,450
2014	4.50	7,560,000	7,103,200	14,663,200
2015	5.00	8,290,000	6,763,000	15,053,000
2016	5.00	6,010,000	6,348,500	12,358,500
2017	5.00	21,890,000	6,048,000	27,938,000
2018	5.00	22,990,000	4,953,500	27,943,500
2019	5.00	24,130,000	3,804,000	27,934,000
2020	5.00	25,345,000	2,597,500	27,942,500
2021	5.00	26,605,000	1,330,250	27,935,250
	Totals	<u>\$ 153,955,000</u>	<u>\$ 50,166,375</u>	<u>\$ 204,121,375</u>

Note: Maturities in the years 2012 through 2016 are insured by Assured Guaranty.
Maturities in the years 2017 through 2021 are insured by National.

Orange County, Florida

\$83,405,000
Tourist Development Tax Refunding Revenue Bonds
Series 2009

Dated September 1, 2009

Final maturity October 1, 2018

Purpose

The Series 2009 Bonds were issued to provide funds, together with other available moneys of the County, to currently refund a portion of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A and a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 1998B.

Security

The Series 2009 Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2009 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2009 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Refunded Bonds Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Nabors, Giblin & Nickerson, P.A., Tampa, FL
	Ruye H. Hawkins, P.A., Orlando, FL
Insurance Provider:	None

Ratings

	<u>Uninsured</u>
Moody's Investors Service:	A1
Standard & Poor's:	A+
Fitch Ratings:	AA-

Orange County, Florida

Call Provisions

The Series 2009 Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2009 Bonds were issued to currently refund a portion of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A, in the total principal amount of \$43,630,000, and to currently refund a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 1998B, in the total principal amount of \$45,300,000.

Refunded Bonds Call Date

The refunded Series 1998A Bonds and Series 1998B Bonds were called on October 1, 2009.

**Schedule of Bonded Debt and Interest
Tourist Development Tax Refunding Revenue Bonds, Series 2009
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	5.00	\$ 7,335,000	\$ 1,879,125	\$ 9,214,125
2013	5.00	7,705,000	3,391,500	11,096,500
2014	5.00	17,425,000	3,006,250	20,431,250
2015	5.00	15,485,000	2,135,000	17,620,000
2016	5.00	16,260,000	1,360,750	17,620,750
2017	5.00	5,955,000	547,750	6,502,750
2018	4.00	6,250,000	250,000	6,500,000
Totals		<u>\$ 76,415,000</u>	<u>\$ 12,570,375</u>	<u>\$ 88,985,375</u>

Orange County, Florida

\$144,395,000
Tourist Development Tax Refunding Revenue Bonds
Series 2010

Dated September 28, 2010

Final maturity October 1, 2024

Purpose

The Series 2010 Bonds were issued to provide funds, together with other available moneys of the County, to currently refund a portion of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A and a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 1998B.

Security

The Series 2010 Bonds are limited obligations of the County, payable solely from Available Tourist Development Tax Proceeds of the County, Fifth Cent Tax Proceeds, Net Operating Revenues of the County's Convention Center and from investment earnings on certain funds created under the Bond Indenture.

Form

The Series 2010 Bonds were issued as fully registered bonds in denominations of \$5,000 or any integral multiples of \$5,000. The Series 2010 Bonds are in book-entry only form and were registered initially in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York. Interest is payable semi-annually on April 1 and October 1 of each year.

Reserve Requirement

The reserve requirement is the maximum annual debt service requirement for all outstanding series of Tourist Development Tax Bonds taken as a whole. The reserve requirement amount is \$72,724,074 and is fully funded with invested cash from available funds transferred from the Renewal and Replacement Reserve Account and bond proceeds.

Agents

Registrar and Paying Agent:	U.S. Bank National Association, Orlando, FL
Refunded Bonds Paying Agent:	U.S. Bank National Association, Orlando, FL
Co-Bond Counsel:	Greenberg Traurig, P.A., Orlando, FL
	Debi V. Rumph, Orlando, FL
Insurance Provider:	None

Ratings

	<u>Uninsured</u>
Moody's Investors Service:	N/A
Standard & Poor's:	A+
Fitch Ratings:	AA-

Orange County, Florida

Call Provisions

The Series 2010 Bonds are not subject to redemption prior to maturity.

Projects Funded with Proceeds

Not applicable

Refunded Bonds

The Series 2010 Bonds were issued to currently refund a portion of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A, in the total principal amount of \$115,590,000, and to currently refund a portion of the outstanding Tourist Development Tax Revenue Bonds, Series 1998B, in the total principal amount of \$46,775,000.

Refunded Bonds Call Date

The refunded Series 1998A Bonds and Series 1998B Bonds were called on November 2, 2010.

**Schedule of Bonded Debt and Interest
Tourist Development Tax Refunding Revenue Bonds, Series 2010
September 30, 2012**

<u>Year Ended September 30</u>	<u>Interest Rate (%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	-	\$ -	\$ 3,609,875	\$ 3,609,875
2013	-	-	7,219,750	7,219,750
2014	-	-	7,219,750	7,219,750
2015	-	-	7,219,750	7,219,750
2016	-	-	7,219,750	7,219,750
2017	-	-	7,219,750	7,219,750
2018	-	-	7,219,750	7,219,750
2019	5.00	4,580,000	7,219,750	11,799,750
2020	5.00	8,525,000	6,990,750	15,515,750
2021	5.00	8,955,000	6,564,500	15,519,500
2022	5.00	38,805,000	6,116,750	44,921,750
2023	5.00	40,750,000	4,176,500	44,926,500
2024	5.00	42,780,000	2,139,000	44,919,000
Totals		<u>\$ 144,395,000</u>	<u>\$ 80,135,625</u>	<u>\$ 224,530,625</u>

COMPONENT UNIT ENTITIES

Orange County, Florida

Component Unit Entities

Under accounting principles generally accepted in the United States of America for governmental entities, determination of the financial reporting entity of the County is founded upon the objective of accountability. In that context, there are legally separate component units for which all or a majority of their governing boards are appointed by the Board of County Commissioners or are County Commissioners themselves, or for which the nature and significance of their relationship to the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Despite the ability to impose its will on these entities, the County does not have a financial benefit or burden relationship with them.

There are eight legally separate entities that meet this component unit criteria, and they are discretely presented in the County's CAFR. Additionally, these component units respectively issue their own audited financial statements on an annual basis.

Four of the eight component units actively issue debt in connection with the services they provide. One is a housing finance authority and three are conduit financing authorities. While the County has no legal obligation for the debt issued by these authorities, County approval of debt issuances is required pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). They are as follows.

Orange County Housing Finance Authority

The Orange County Housing Finance Authority serves to finance dwelling accommodations for low, moderate, and middle-income persons in Orange County and three adjacent counties. The Orange County Board of County Commissioners appoints its five-member board. There is no budget approval required by the County, although there is a TEFRA requirement for County approval of any bonded debt issuance. The County has no obligation to pay the outstanding debt of the Authority; however, the County does have the power to remove an Authority board member without cause.

Bonds and other obligations issued by the Authority are payable, both as to principal and interest, solely from the assets of the various housing programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of the County, the State or of any local government therein. Neither the faith, credit and revenues nor the taxing power of the County, the State or any local government therein is pledged to the payment of the principal or interest on the obligations. During the fiscal year, the Authority issued \$52.5 million in housing bonds, and the aggregate principal amount outstanding at September 30, 2012 was approximately \$480.3 million. Detailed disclosures are reported in the separate financial statements of the Authority, which may be obtained from its administrative office at the following address:

Orange County Housing Finance Authority
2211 E. Hillcrest Street
Orlando, FL 32803-4905

Orange County, Florida

Conduit Financing Authorities

These Authorities serve to assist in the financing and refinancing of certain types of capital projects for third parties. Revenue bonds issued are payable solely from moneys and other assets pledged under the indentures of trust with the bond trustees and do not constitute debt of the Authorities. The Authorities serve only as "conduit" agents for their respective bond issues. The County also has no financial obligation for bonds issued by the Authorities. Therefore, the bonds outstanding are not reported in the financial statements of the Authorities or the County since neither has any commitment for their repayment.

Orange County Industrial Development Authority

The Orange County Industrial Development Authority serves to assist in financing and refinancing capital projects that will foster economic development in the County. The Board of County Commissioners appoints its five-member board. The Authority is not legally required to adopt a budget; however, the County must authorize the issuance of bonded debt pursuant to TEFRA requirements. Neither the Authority nor the County has any legal obligation for repayment of the revenue bonds issued through the Authority. As an issuer of "conduit" debt obligations, the Authority has no assets or liabilities.

From inception through the end of the 2012 fiscal year, the Authority has issued approximately \$776.7 million in revenue bonds. During the fiscal year, the Authority issued \$87.4 million in industrial development revenue bonds, and the aggregate principal amount outstanding at September 30, 2012 for bonds issued after October 1, 1996 was approximately \$241.4 million. The separate financial statements of the Authority may be obtained from its administrative office at the following address:

Orange County Industrial Development Authority
301 E. Pine Street, Suite 900
Orlando, FL 32801

Orange County Health Facilities Authority

The Orange County Health Facilities Authority serves to assist health facilities in the acquisition, construction, financing and refinancing of capital projects within the County and, under certain circumstances, outside the geographic limits of the County. The Board of County Commissioners appoints its five-member board. The Authority is not legally required to adopt a budget; however, the County must authorize the issuance of bonded debt pursuant to TEFRA requirements. Neither the Authority nor the County has any legal obligation for repayment of the revenue bonds issued through the Authority. As an issuer of "conduit" debt obligations, the Authority generally has no assets, liabilities, revenues, or expenses. However, during fiscal year 2011, the Authority was awarded a judgment in the amount of \$1,178,167, of which \$760,526 was donated to Orange County during fiscal year 2012 as surplus funds.

During the fiscal year, the Authority issued approximately \$204.1 million in health facilities bonds and the aggregate principal amount outstanding at September 30, 2012 was approximately \$1.4 billion. The separate financial statements of the Authority may be obtained from its administrative office at the following address:

Orange County, Florida

Orange County Health Facilities Authority
c/o Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 N. Eola Drive
Orlando, FL 32801

Orange County Educational Facilities Authority

The Orange County Educational Facilities Authority serves to assist accredited institutions of higher education in the acquisition, construction, financing, and refinancing of capital projects within the County. The Board of County Commissioners appoints its seven-member board. The Authority is not legally required to adopt a budget; however, the County must authorize the issuance of bonded debt pursuant to TEFRA requirements. Neither the Authority nor the County has any legal obligation for repayment of the revenue bonds issued through the Authority. As an issuer of "conduit" debt obligations, the Authority has no assets, liabilities, revenues, or expenses.

No new debt was issued during the fiscal year. At September 30, 2012 the total outstanding principal of revenue bonds issued by the Authority was approximately \$24.0 million. The separate financial statements of the Authority may be obtained from its administrative office at the following address:

Orange County Educational Facilities Authority
c/o Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 N. Eola Drive
Orlando, FL 32801

INVESTMENT POLICY

Orange County, Florida

Investment Policy

The Board of County Commissioners (Board) has adopted an Investment Ordinance and the County Comptroller's Office Investment Policy (Policy). The Ordinance was most recently updated on August 31, 2004 and the Policy was most recently updated on August 23, 2011. The Policy applies to all investment activities and financial assets of the Board, except as superceded by any specific provisions of Bond Resolutions and Indentures. In February 2011, the Association of Public Treasurers of the United States and Canada recertified the Policy's Certification of Excellence under its Written Investment Policy Certification Program. Initial certification was obtained in June 1993. It is the objective of the County Comptroller to invest public funds held by or for the benefit of the Board in a manner which will safely preserve portfolio principal, provide adequate liquidity to meet cash flow needs, and optimize returns while conforming to all federal, state, and local laws governing the investment of public funds.

Investment Objectives

The primary objectives, in priority order, of investment activities are:

Safety: Safety of principal is the foremost objective of the investment program. Investments of the County are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the County Comptroller controls risks and diversifies its investments by investing funds among a variety of securities offering independent returns and maturities, as well as among a variety of securities issuers and financial institutions.

Liquidity: The investment program shall remain sufficiently liquid to enable the County to meet all operating, payroll and capital requirements that might be reasonably anticipated.

Return on Investment: The Policy is designed with the objective of maximizing the return on the portfolio commensurate with minimizing investment risk given various economic cycles and the cash flow characteristics of the portfolio.

Permitted Investments

Subject to certain restrictions in the Policy concerning maximum allowable percentages, the County may invest in the following types of securities:

- Negotiable direct obligations of, or obligations guaranteed by the United States Government;
- Florida Local Government Surplus Funds Trust Fund also known as Florida PRIME (SBA);
- Bonds, debentures, or notes (as outlined in the Policy) issued and guaranteed by the full faith and credit of United States Government sponsored enterprises (Federal Instrumentalities) that are not guaranteed by the full faith and credit of the United States Government;

Orange County, Florida

- Non-negotiable interest bearing time certificates of deposit or savings accounts in national or state banks, with such deposits being secured under the Florida Security for Public Deposits Act;
- Repurchase agreements comprised of only direct obligations of the United States Government or Federal Instrumentalities as permitted in the Policy;
- Inventory-based bankers' acceptances issued by a domestic bank meeting certain conditions stated in the Policy;
- Commercial paper of any United States company meeting certain conditions stated in the Policy;
- State and local government taxable and tax-exempt debt, general obligation and revenue bonds meeting certain conditions stated in the Policy;
- Securities and Exchange Commission (SEC) qualified constant net asset value money market mutual funds that authorize only Treasuries and Treasury-backed repurchase agreements, with such funds having an S&P rating criteria of "AAAm" or "AAAg"; and
- SEC qualified constant net asset value money market mutual funds that authorize certain investment instruments stated in the Policy (for arbitrage compliance only), with such funds having an S&P rating criteria of "AAAm" or "AAAg."

Investment Maturity and Liquidity

To minimize the impact of market risk, it is intended that all investments will be held to maturity. However, in rare circumstances, investments may be sold prior to maturity for cash flow purposes, appreciation purposes or to limit losses; however, no investment shall be made based solely on earnings anticipated from capital gains.

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio is continuously invested in readily available funds. The Policy limits the investment of current operating funds to 13 months, and the investment of noncurrent operating funds to 60 months. Bond reserves, construction funds, and other nonoperating funds may be invested for up to 10 years, subject to bond covenants and liquidity needs.

Risk and Diversification

Assets held are diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought and sold. To control concentration of credit risk, the Policy establishes limitations on portfolio composition by investment type and by issuer. Investment staff members are expected to display prudence in the selection of securities as a way to minimize default risk.

Orange County, Florida

Retiree Health Care Benefit Trust

In September 2007, the Board elected to establish a qualifying irrevocable trust to fund its other post employment benefit (OPEB) plan and appointed the County Comptroller as Trustee. On March 27, 2008, the County Comptroller established a formal investment policy for this trust, named as the Retiree Health Care Benefit Trust (the Trust). The County Comptroller most recently updated the Trust's investment policy on July 24, 2012.

Investment Objectives

Assets shall be invested to achieve a long-term return of 7.5% annually, provide a sufficient level of funds to meet future disbursements on an inflation-adjusted basis, and maximize returns for the level of risk taken.

Permitted Investments

Subject to certain restrictions in the policy concerning maximum allowable percentages, the Trustee may invest in the following types of securities:

- Securities and Exchange Commission (SEC) qualified constant net asset value money market mutual funds.
- SEC registered, U.S. dollar-denominated mutual funds comprised of the following assets:
 - o Equity ownership in companies located anywhere around the globe;
 - o Debt obligations in investment grade securities with an S&P credit rating of BBB- or above, or a Moody's credit rating of Baa3 or above;
 - o Real estate investment trusts (REITs);
 - o Funds comprised of commodity index futures contracts.

Investment Maturity and Liquidity

Assets of the Trust will be invested in accordance with the long-term investment horizon of the Trust. The Trust will maintain sufficient liquidity to meet required benefit payments.

Risk and Diversification

Mutual funds shall be utilized to diversify investments in equity securities, debt securities and money market securities. Index funds shall be utilized to gain broad diversification in equity markets and bond markets. Mutual fund holdings shall be diversified by issuers and industries, as well as the size and location of issuers and industries. Bond market index funds shall also be diversified by maturities.



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BOND DISCLOSURE SUPPLEMENT YEAR ENDED SEPTEMBER 30, 2012