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MEETING ON

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ORANGE COUNTY CONVENTION CENTER

ORANGE COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

for the years ended September 30, 2018 and 2017

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CONTENTS

	Pages
Report of Independent Auditor	1-2
Basic Financial Statements:	
Statements of Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statements of Cash Flows	5-6
Notes to Financial Statements	7-48
Supplementary Information:	
Schedule of Budgeted Revenues and Expenses Compared to Actual (Non-GAAP Budgetary Basis)	49
Schedule of Bonded Debt and Interest	50-52
General Debt Covenants (Unaudited)	53-56

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Honorable County Mayor and
Board of County Commissioners of
Orange County, Florida:

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Orange County Convention Center of Orange County, Florida (the "Center"), an enterprise fund of Orange County, Florida, as of and for the years ended September 30, 2018 and 2017, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Orange County Convention Center of Orange County, Florida as of September 30, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note A to the financial statements, the financial statements referred to above present only the Center and do not purport to, and do not, present fairly the financial position of Orange County, Florida, as of September 30, 2018 and 2017, and the changes in its financial position and its cash flows, where applicable, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Notes A and O to the financial statements, the Center adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective October 1, 2017. Also, as discussed in Note A to the financial statements, the Center early adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective October 1, 2016, and GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective October 1, 2017. Our opinion is not modified with respect to these matters.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The Schedule of Budgeted Revenues and Expenses Compared to Actual, Schedule of Bonded Debt and Interest, and General Debt Covenants are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Budgeted Revenues and Expenses Compared to Actual and Schedule of Bonded Debt and Interest have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Budgeted Revenues and Expenses Compared to Actual and Schedule of Bonded Debt and Interest are fairly stated in all material respects in relation to the basic financial statements as a whole. The General Debt Covenants section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

As discussed in Note A, the Center is administered by the Orange County, Florida Board of County Commissioners, for which, in accordance with *Government Auditing Standards*, a report is issued which includes our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
February 20, 2019

ORANGE COUNTY CONVENTION CENTER
STATEMENTS OF NET POSITION
September 30, 2018 and 2017

	2018	2017
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents	$ 232,213,330	$ 148,744,060
Accrued interest receivable	579,802	367,256
Taxes receivable	19,285,187	19,231,745
Accounts receivable	7,279,457	4,355,714
Less allowance for doubtful accounts	(68,419)	(23,398)
Cash and cash equivalents, restricted	59,901,266	35,649,008
Accrued interest receivable, restricted	31,140	31,514
Total current assets	319,221,763	208,355,899
Noncurrent assets:		
Cash and cash equivalents, restricted	5,847,249	7,490,777
Investments, restricted	80,254,850	80,181,075
Nondepreciable capital assets	149,394,932	164,865,939
Depreciable capital assets, net	783,234,895	829,253,875
Total noncurrent assets	1,018,731,926	1,081,791,666
Total assets	1,337,953,689	1,290,147,565
Deferred outflows of resources:		
Deferred amount on debt refundings	25,835,970	29,402,759
Related to pensions and OPEB	7,641,251	7,653,484
Total deferred outflows of resources	33,477,221	37,056,243
Total assets and deferred outflows of resources	$ 1,371,430,910	$ 1,327,203,808
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 17,816,603	$ 18,316,987
Due to other governmental agencies	3,640,166	3,528,931
Unearned revenue	8,794,625	7,447,503
Net pension liability	161,327	170,371
Payable from restricted assets:		
Accrued interest payable	19,549,316	17,276,728
Revenue bonds payable	37,045,000	15,305,000
Total current liabilities	87,007,037	62,045,520
Noncurrent liabilities:		
Compensated absences payable	722,431	832,846
Revenue bonds payable (net of unamortized costs)	873,663,535	922,558,909
Net pension and OPEB liability	19,614,793	19,546,315
Total noncurrent liabilities	894,000,759	942,938,070
Total liabilities	981,007,796	1,004,983,590
Deferred inflows of resources:		
Related to pensions and OPEB	2,092,514	1,103,657
Total liabilities and deferred inflows of resources	983,100,310	1,006,087,247
NET POSITION		
Net investment in capital assets	342,572,365	380,263,773
Restricted for:		
Debt service	122,297,650	100,046,368
Contractual obligations	4,187,539	6,029,278
Unrestricted (deficit)	(80,726,954)	(165,222,858)
Total net position	388,330,600	321,116,561
Total liabilities, deferred inflows of resources and net position	$ 1,371,430,910	$ 1,327,203,808

See accompanying notes to financial statements.

ORANGE COUNTY CONVENTION CENTER
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
for the years ended September 30, 2018 and 2017

	2018	2017
Operating revenues:		
Event services	$ 50,439,546	$ 48,318,612
Rentals	18,482,219	21,615,537
Vendor commissions	7,061,418	7,511,626
Forfeited deposits	36,642	263,459
Miscellaneous	1,314,379	1,003,875
Total operating revenues	77,334,204	78,713,109
Operating and maintenance expenses:		
Personal services	33,365,365	32,289,461
Contractual services	11,718,921	11,272,818
Materials and supplies	2,026,912	2,424,155
Utilities	14,067,786	12,279,459
Repairs and maintenance	8,159,499	8,195,617
Other expenses	6,762,607	6,662,535
Pension and OPEB liability adjustment	1,124,790	973,458
Total operating and maintenance expenses	77,225,880	74,097,503
Operating gain before depreciation and amortization	108,324	4,615,606
Depreciation and amortization	86,652,686	162,867,723
Operating loss	(86,544,362)	(158,252,117)
Nonoperating revenues (expenses):		
Tourist development tax	276,847,383	254,942,009
Tax collection expense	(591,669)	(479,069)
Payments to other agencies	(90,428,469)	(83,109,130)
Interest revenue	4,239,501	1,296,142
Interest expense and fiscal charges	(30,828,939)	(33,468,737)
Debt issuance costs	(486)	(5,422,891)
Gain (Loss) on disposal of assets	(2,959,983)	37,270
Total net nonoperating revenues (expenses)	156,277,338	133,795,594
Income (Loss) before transfers	69,732,976	(24,456,523)
Transfers out	(2,583,203)	(2,053,267)
Change in net position before special item	67,149,773	(26,509,790)
Special item - debt restructure	-	(287,585,393)
Change in net position	67,149,773	(314,095,183)
Total net position, October 1	321,116,561	635,211,744
Restatement	64,266	-
Total net position, October 1, as restated	321,180,827	635,211,744
Total net position, September 30	$ 388,330,600	$ 321,116,561

See accompanying notes to financial statements.

ORANGE COUNTY CONVENTION CENTER
STATEMENTS OF CASH FLOWS
for the years ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers	$ 74,635,958	$ 73,116,831
Cash payments to suppliers for goods and services	(45,054,317)	(40,361,372)
Cash payments to employees for services	(33,442,709)	(32,138,026)
Other operating receipts	1,314,379	1,003,875
Net cash provided (used) by operating activities	(2,546,689)	1,621,308
Cash flows from noncapital financing activities:		
Tourist development tax received	276,793,941	252,835,471
Payments to other agencies	(87,659,132)	(185,094,885)
Transfers out	(2,583,203)	(2,053,267)
Tax collection fees paid	(591,669)	(479,069)
Net cash provided by noncapital financing activities	185,959,937	65,208,250
Cash flows from capital and related financing activities:		
Proceeds from sale of refunding revenue bond	-	532,611,292
Payment into escrow for defeased debt	-	(477,734,564)
Acquisition and construction of capital assets	(29,407,110)	(37,680,618)
Principal paid on revenue bonds	(15,305,000)	(37,580,000)
Interest and fees paid on revenue bonds	(36,812,635)	(38,517,043)
Proceeds from disposition of assets	67,392	37,337
Net cash used by capital and related financing activities	(81,457,353)	(58,863,596)
Cash flows from investing activities:		
Purchase of investments	(80,051,406)	(80,177,306)
Proceeds from sale and maturity of investments	80,177,306	69,241,683
Interest on investments	3,996,205	1,096,179
Net cash provided (used) by investing activities	4,122,105	(9,839,444)
Net increase (decrease) in cash and cash equivalents	106,078,000	(1,873,482)
Cash and cash equivalents, October 1	191,883,845	193,757,327
Cash and cash equivalents, September 30	$ 297,961,845	$ 191,883,845
Classified as:		
Current assets	$ 232,213,330	$ 148,744,060
Current assets, restricted	59,901,266	35,649,008
Noncurrent assets, restricted	5,847,249	7,490,777
Total	$ 297,961,845	$ 191,883,845

See accompanying notes to financial statements.

Continued

ORANGE COUNTY CONVENTION CENTER
STATEMENTS OF CASH FLOWS, Continued
for the years ended September 30, 2018 and 2017

	2018	2017
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	$ (86,544,362)	$ (158,252,117)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	86,652,686	162,867,723
Pension and OPEB adjustment	1,124,790	973,458
Allowance for doubtful accounts	45,021	(82,219)
Decrease (increase) in assets:		
Accounts receivable	(2,923,743)	(1,735,265)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(2,248,203)	380,053
Unearned revenue	1,347,122	(2,530,325)
Total adjustments	83,997,673	159,873,425
Net cash provided (used) by operating activities	$ (2,546,689)	$ 1,621,308

See accompanying notes to financial statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

The Orange County Convention Center (the Center) is owned and operated by the Orange County Board of County Commissioners, Orange County, Florida, an elected body (the Board). The Center serves as a multi-purpose facility designed for conventions, trade shows, exhibits, and other community activities. The Orange County Comptroller, an elected official, provides the accounting and financial reporting functions for the Center. The Center is accounted for as an enterprise fund of the Board.

The Center was formally dedicated and opened on February 26, 1983. The Phase II expansion was opened in January 1989. The Center opened the Phase III expansion in January 1996 and the Phase IV expansion in July 1996, completing the facility currently known as the West Complex. The construction of the North-South Complex (the Phase V expansion project) was completed in September 2003. Land has been purchased for future expansion of the Center.

Basis of Presentation:

The Center uses the enterprise fund concept of accounting. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that expenses of services provided to customers, as well as depreciation, amortization, and interest, be recovered primarily through user charges.

Basis of Accounting:

The financial statements have been prepared on an accrual basis. Revenues are recognized when earned and expenses are recognized when incurred. In addition, the financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates:

The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Budgetary Data:

Florida Statutes require the Board to adopt an annual budget for the Center on an accrual basis. Revenues and expenses are budgeted on a basis consistent with generally accepted accounting principles except that pension and other postemployment benefits (OPEB) liability

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

adjustment, depreciation, amortization, and gains/losses on the disposal of assets are not budgeted, capitalized net interest costs in Fiscal Year 2017 on funds borrowed to finance the construction of capital assets are budgeted as interest income and interest expense, capital outlays are budgeted as expense, and debt proceeds and principal payments are respectively budgeted as revenue and expense. Beginning net position and expense reserves are also included in the adopted budget. Encumbrance accounting, under which purchase orders are recorded as a reservation of available budget, is practiced during the year. At year end, outstanding encumbrances lapse and are not presented in the financial statements.

The annual budget is subject to amendment during the year. The County Administrator is authorized to approve transfers of appropriations between individual expense accounts. The Board, by motion, may approve transfers of appropriations between a reserve account and an expense account. The Board, by resolution recorded in the minutes, may add to the overall appropriations of the Center due to a financing source unanticipated when the original budget was adopted or due to increased revenues above the level contemplated in the original budget. Amendments to overall appropriations for any other reasons also require a public hearing prior to adoption. There were no amendments during the 2018 fiscal year that were extraordinary or unusual in cause or effect. During the 2017 fiscal year, the budget was increased by $580.1 million, due to the issuance of bonds in December 2016 and July 2017.

<u>Cash and Cash Equivalents and Investments</u>:

The Center's cash and cash equivalents consist of cash on hand, demand and time deposits, and highly liquid investments (including restricted assets) with a maturity of 90 days or less when purchased. With the exception of cash and investment balances held for debt service requirements, the Center's cash balances are pooled with other funds of Orange County (County) for investment purposes. The County investment pool allows all participating funds the ability to deposit and withdraw cash daily as needed, and therefore all balances representing participants' equity in the investments pool are classified as cash equivalents for purposes of these statements. Earnings from the pooled investments are allocated to the Center based on cash participation in the pool. All investments are stated at fair value. Investment fair values are based on quoted market prices, except for bankers' acceptances and commercial paper, which are based on amortized cost. Florida PRIME, a SEC qualifying investment pool as provided by Government Accounting Standards Board (GASB) Statement No. 79, and money market mutual funds are stated at amortized cost, which is substantially the same as fair value.

<u>Accounts Receivable and Revenue Recognition</u>:

Convention service revenues are recognized when earned, with an allowance for accounts considered to be uncollectible.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Restricted Assets:

The use of certain Center assets is restricted by specific provisions of bond indentures and agreements with various parties. Assets so designated are identified as restricted assets on the statement of net position. It is the Center's policy to first apply restricted assets when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted assets are classified as noncurrent if they are for acquisition or construction of capital assets, for liquidation of long-term debts, or are for other than current operations.

Capital Assets:

Capital assets are stated at cost when purchased or constructed, or at acquisition value when donated to the Center. The Center capitalizes expenditures for additions and improvements. The thresholds for capitalization of assets range from $500 to $25,000, depending on the asset class. Expenses for maintenance and repairs are charged to operations. Projects under construction are retained in Construction in Progress and are transferred into Buildings and Improvements when placed in service. Provisions for depreciation are made using the straight-line method, based upon the following estimated useful lives of the assets:

Buildings	5-50 years
Improvements other than buildings	5-75 years
Machinery and equipment	3-15 years

In Fiscal Year 2000, the Board entered into an agreement with Orlando Utilities Commission (OUC) which called for ownership of certain chilled water air cooling equipment to be transferred from the Center to OUC. In return, OUC is providing reduced rates for electric service for 20 years. The Center records these rights as intangible capital assets to be amortized over the 20-year life of the agreement.

In October 2008, the Center and the Board's Environmental Protection Division developed a project in partnership with the State of Florida and OUC that resulted in Central Florida's first large-scale solar energy photovoltaic system (the Project). The roof of Phase V of the Center provided a unique opportunity for a photovoltaic system of this size. The Center provided approximately $4.3 million to the Project for the exclusive right to receive all the electricity generated by the Project at no cost. The Board holds all right, title, and interest in the Project facilities. The Center records this right as an intangible capital asset, which is amortized over the 30-year anticipated life of the Project.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred Outflows and Inflows of Resources:

The Center presents amounts charged on the refunding of debt as a deferred outflow and amortizes these amounts over the life of the debt. The Center presents amounts related to pensions and OPEB as deferred outflows of resources and deferred inflows of resources.

Accounts Payable and Accrued Liabilities:

Current liabilities reported as accounts payable and accrued liabilities were comprised of the following components at September 30:

	2018	2017
Due to vendors and other agencies	$ 15,141,738	$ 15,675,486
Salaries and benefits payable	2,674,865	2,641,501
	$ 17,816,603	$ 18,316,987

Unearned Revenue/Forfeited Deposits:

As the Center enters into contracts for rental of space for future events, certain amounts are collected in advance in order to secure the facility on the specified dates. These amounts are reported as unearned revenue until the event occurs, at which time operating revenue is recognized. If the lessee cancels the event, and the Center is unable to re-let the space, the amounts collected in advance are retained by the Center, and recognized as forfeited deposit revenue.

Net Position:

During Fiscal Year 2017, the Board issued $291,685,000 of debt to finance capital assets belonging to the City of Orlando (City). The Center reports this debt and associated unamortized costs related to the financing of $7,536,677, while the City reports the related capital assets and unspent bond proceeds. The amount of unrestricted net position associated with this debt is ($299,221,677) at September 30, 2018; the remaining positive balance of unrestricted net position is $218,494,723 at September 30, 2018.

Obligation for Bond Arbitrage Rebate:

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the Center must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. Arbitrage rebate, if any, is due and payable on each five-year anniversary of the respective debt issue. As of September 30, 2018 and 2017, the Center had no outstanding arbitrage liability.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Compensated Absences:

The Center accrues a liability, with a corresponding charge to current operations, for employees' rights to receive compensation for future absences to be subsequently taken or paid at point of employment termination in accordance with GASB Statement No. 16. The liability for compensated absences was $2,693,571 and $2,711,306 at September 30, 2018 and 2017, respectively. Of these amounts, $1,971,140 and $1,878,460, respectively, is expected to be paid out within one year and thus is included in current accrued liabilities; the remainder is reported as noncurrent. The current portion is based on the average annual amount of leave paid over the preceding three years.

Operating and Nonoperating Revenues:

The Center reports as operating revenues all charges for services generated through rental of the facility, including hall and room rentals, fees for support services associated with events, and commissions from vendors. Other revenues, including tourist development taxes and interest revenue, are classified as nonoperating.

Capitalization of Interest:

With the implementation of GASB Statement No. 89 in Fiscal Year 2018, the Center no longer capitalizes net interest costs on funds used to finance the construction of capital assets. The statement requires prospective application. As such, beginning with the fiscal year ended September 30, 2018, interest costs are reported as expense for the period. The amount of net interest cost capitalized was $1,487,113 for the fiscal year ended September 30, 2017.

The total interest cost for the Center was $30,815,044 and $33,461,547 for the fiscal years ended September 30, 2018 and 2017, respectively.

Pension Expense:

The Center expenses required pension contributions as a component of personal services expense. The remaining portion of pension expense, consisting of the proportionate share of the Florida Retirement System's actuarially determined pension expense in excess of amounts contributed by the Center, is presented as a pension liability adjustment.

Other Postemployment Benefit Expense:

The Center expenses other postemployment benefit (OPEB) contributions as a component of personal services expense. The remaining portion of OPEB expense, consisting of the actuarially determined portion of the County's OPEB expense in excess of amounts contributed by the Center, is presented as an OPEB liability adjustment.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Bond Amortization Costs:

Bond premium and discount are being amortized over the life of the debt using the interest method. Also, in accordance with GASB Statement No. 23, the difference between the reacquisition price and the net carrying amount of defeased debt in refunding transactions is being amortized over the shorter of the life of the old debt or the life of the new debt using the interest method. Amortization of bond premium and discount and amortization of the deferred amount on refunding are recorded as components of interest expense. Amortization of these bond costs for the fiscal years ended September 30, 2018 and 2017 was as follows:

	2018	2017
Net amortization of bond premium	$ (11,850,376)	$ (7,572,782)
Amortization of deferred amounts on debt refundings	3,566,789	4,103,959

New Accounting Pronouncements:

Effective October 1, 2017, the Center adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 represents a significant change to the reporting requirements for OPEB plans by establishing a net OPEB liability, an actuarially calculated amount representing the OPEB benefits accrued by current employees and retirees of the Center. Certain estimates and assumptions are involved with the calculation of the net OPEB liability and actual results may differ. The impact of differences between estimated and actual results are presented as deferred inflows of resources or deferred outflows of resources. These deferred inflows and outflows will be applied in the calculation of the OPEB expense over time, reducing the volatility created by items such as investment performance.

Effective October 1, 2016, the Center adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* Implementation of this statement resulted in a distinction of the Center's revenue bonds offered for public sale from revenue bonds directly placed with an investor and additional disclosure of terms specified in debt agreements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Effective October 1, 2017, the Center adopted the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Prior to the implementation, applicable interest costs of the Center were capitalized for assets under construction. The interest became part of the cost of the associated asset and would then be depreciated over the useful life of the asset. Beginning with Fiscal Year 2018, the interest costs are now reported as an expense for the period in which the expense is incurred. To illustrate the impact of this change, the amount of interest that was capitalized during Fiscal Year 2017 was $1,487,113, which would have been included in the interest expense amount if GASBS 89 were in effect for that reporting period. This Statement requires prospective application. Therefore, no prior period adjustments have been applied and the interest capitalized prior to this statement continues to be included in the historical cost of the assets.

B. DEPOSIT AND INVESTMENT RISK

As of September 30, 2018 and 2017, the carrying value of the Center's deposits and investments, with their respective Standard & Poor's and Moody's Investors Service credit ratings, was as follows:

Investment Type	2018	2017	Credit Rating
Demand and time deposits	$ 3,085,146	$ 2,698,680	NA
Money market mutual funds	64,910,274	34,135,198	AAAm/Aaa-mf
U.S. Treasury Bills	80,254,850	80,181,075	A-1+
County investment pool:			
Florida PRIME	105,634,118	33,930,388	AAAm
U.S. Treasury Bills	8,338,559	-	A-1+
U.S. Treasury Notes	113,009,941	112,403,576	AA+/Aaa
Federal instrumentalities:			
Notes and bonds	2,982,125	8,714,821	AA+/Aaa
Money market mutual funds	1,682	1,182	AAAm/Aaa-mf
Total	$ 378,216,695	$ 272,064,920	

The Center's fair value measurement for U.S. Treasury Bills, U.S. Treasury Notes and Federal Instrumentalities uses observable inputs other than quoted prices in active markets (Level 2 inputs). Demand and time deposits, Florida PRIME and money market mutual funds are valued at amortized cost.

The Center deposits all cash and investments, with the exception of balances for debt service requirements, in the County's investment pool portfolio. Funds required to be provided for debt service are maintained by the Center separately from the pooled investments. Investment balances by type, included in the County's investment pool, are presented above based on the Center's proportionate share of the investment pool portfolio.

B. DEPOSIT AND INVESTMENT RISK, Continued

Credit Risk:

The Board's Investment Policy (Policy) limits credit risk by restricting authorized investments to the following: obligations issued or explicitly guaranteed by the U.S. Government (Treasuries), obligations of certain U.S. Government-sponsored Federal instrumentalities (Instrumentalities), direct obligations of states and municipalities, repurchase agreements comprised of Treasuries or Instrumentalities, Florida PRIME administered by the Florida State Board of Administration, commercial paper, bankers' acceptances, bank certificates of deposit or savings accounts, and money market mutual funds (Money Markets). The Policy requires that investments in Instrumentality debt be guaranteed by the full faith and credit of the U. S. Government-sponsored agency, and that investments in Money Markets have a Standard & Poor's rating of AAAm or AAAg. Eligible Money Markets are limited to those comprised of Treasuries.

Concentration of Credit Risk:

Except for Treasuries, the Policy establishes limitations on portfolio composition for all permitted investments, both by investment type and by issuer, in order to control concentration of credit risk. The Policy, which pertains to the overall investment pool portfolio of the Board and is not monitored at the individual fund level, provides that a maximum of 45% of the portfolio may be invested in any of four specified Instrumentalities, with a limit of 15% of the portfolio invested in any one issuer; and that a maximum of 25% of the portfolio may be invested in Money Markets, with a limit of 10% of the portfolio invested in any one issuer. At September 30, 2018, the Center's portion of the Board investment pool portfolio was invested in two authorized Instrumentalities, each of which represented less than one percent of the total pool portfolio.

Custodial Credit Risk:

The Policy requires that bank demand and time deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida. At September 30, 2018 and 2017, all of the Center's bank deposits were in qualified public depositories.

The Policy requires execution of a third-party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the Board's name. As of September 30, 2018 and 2017, all of the Center's investments were held in a bank's trust department in the Board's name.

B. DEPOSIT AND INVESTMENT RISK, Continued

Interest Rate Risk:

For all investment types, the Policy limits the investment of current operating funds to 13 months. To increase returns and provide diversity, the Policy also provides for the investment of noncurrent (beyond 13 months) operating funds in investments with maturities no longer than 60 months. Noncurrent operating funds are invested in the intermediate term portfolio with a maximum maturity of 36 months, and the noncurrent operating portfolio with a maximum maturity of 60 months. Construction funds and debt service reserve funds may be invested for up to 10 years, subject to debt covenant restrictions and liquidity needs.

The Center's investments had weighted average maturities of 9.7 months and 13.8 months at September 30, 2018 and 2017, respectively. The portfolio did not contain any callable securities at September 30, 2018 and 2017. The Money Markets have a weighted average maturity of not more than 60 days.

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C. RESTRICTED ASSETS

The use of certain Center assets is restricted by specific provisions of bond indentures and agreements with various parties. Restricted assets were as follows at September 30, 2018 and September 30, 2017.

	Cash and Cash Equivalents	Investments	Accrued Interest Receivable	Totals
September 30, 2018:				
Bond interest	$ 19,707,378	$ -	$ 31,140	$ 19,738,518
Bond principal	37,045,000	-	-	37,045,000
Bond reserve	1,659,710	80,254,850	-	81,914,560
Sixth cent TDT	3,148,888	-	-	3,148,888
Hotel surcharge	4,187,539	-	-	4,187,539
Total restricted assets	65,748,515	80,254,850	31,140	146,034,505
Less: current portion	59,901,266	-	31,140	59,932,406
Restricted assets, noncurrent portion	$ 5,847,249	$ 80,254,850	$ -	$ 86,102,099
September 30, 2017:				
Bond interest	$ 17,322,721	$ -	$ 31,514	$ 17,354,235
Bond principal	15,305,000	-	-	15,305,000
Bond reserve	1,461,499	80,181,075	-	81,642,574
Bond issuance costs	45,978	-	-	45,978
Sixth cent TDT	2,975,309	-	-	2,975,309
Hotel surcharge	6,029,278	-	-	6,029,278
Total restricted assets	43,139,785	80,181,075	31,514	123,352,374
Less: current portion	35,649,008	-	31,514	35,680,522
Restricted assets, noncurrent portion	$ 7,490,777	$ 80,181,075	$ -	$ 87,671,852

D. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2018 and 2017 was as follows:

	Balance 10/1/2017	Additions	Reductions	Balance 9/30/2018
Capital assets, not being depreciated:				
Land	$ 111,601,451	$ 16,350	$ -	$ 111,617,801
Construction in progress	53,264,488	25,089,562	(40,576,919)	37,777,131
Total capital assets, not being depreciated	164,865,939	25,105,912	(40,576,919)	149,394,932
Capital assets, being depreciated/amortized:				
Buildings	1,383,190,650	38,822,191	(12,613,060)	1,409,399,781
Improvements other than buildings	57,725,797	2,254,543	(800,651)	59,179,689
Machinery and equipment	44,978,286	3,420,238	(2,870,542)	45,527,982
Intangible	8,094,291	-	-	8,094,291
Total capital assets, being depreciated/amortized	1,493,989,024	44,496,972	(16,284,253)	1,522,201,743
Less accumulated depreciation/amortization for:				
Buildings	(609,033,356)	(81,642,429)	9,360,322	(681,315,463)
Improvements other than buildings	(20,299,035)	(1,576,305)	337,809	(21,537,531)
Machinery and equipment	(31,151,638)	(3,100,606)	2,722,856	(31,529,388)
Intangible	(4,251,120)	(333,346)	-	(4,584,466)
Total accumulated depreciation/amortization	(664,735,149)	(86,652,686)	12,420,987	(738,966,848)
Total capital assets, being depreciated/amortized, net	829,253,875	(42,155,714)	(3,863,266)	783,234,895
Total Center capital assets, net	$ 994,119,814	$ (17,049,802)	$ (44,440,185)	932,629,827

	Balance 10/1/2016	Additions	Reductions	Balance 9/30/2017
Capital assets, not being depreciated:				
Land	$ 111,601,451	$ -	$ -	$ 111,601,451
Construction in progress	27,114,539	36,766,011	(10,616,062)	53,264,488
Total capital assets, not being depreciated	138,715,990	36,766,011	(10,616,062)	164,865,939
Capital assets, being depreciated/amortized:				
Buildings	1,373,412,234	9,778,416	-	1,383,190,650
Improvements other than buildings	56,811,412	926,385	(12,000)	57,725,797
Machinery and equipment	43,265,576	3,272,971	(1,560,261)	44,978,286
Intangible	8,094,291	-	-	8,094,291
Total capital assets, being depreciated/amortized	1,481,583,513	13,977,772	(1,572,261)	1,493,989,024
Less accumulated depreciation/amortization for:				
Buildings	(451,976,511)	(157,056,845)	-	(609,033,356)
Improvements other than buildings	(18,715,922)	(1,583,113)	-	(20,299,035)
Machinery and equipment	(28,817,413)	(3,894,419)	1,560,194	(31,151,638)
Intangible	(3,917,774)	(333,346)	-	(4,251,120)
Total accumulated depreciation/amortization	(503,427,620)	(162,867,723)	1,560,194	(664,735,149)
Total capital assets, being depreciated/amortized, net	978,155,893	(148,889,951)	(12,067)	829,253,875
Total Center capital assets, net	$ 1,116,871,883	$ (112,123,940)	$ (10,628,129)	$ 994,119,814

E. CHANGES IN LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities (current and noncurrent portions) of the Center for the years ended September 30, 2018 and 2017 is as follows:

	Balance 10/1/2017 Restated	Additions	Reductions	Balance 9/30/2018
Compensated absences payable	$ 2,711,306	$ 2,026,917	$ (2,044,652)	$ 2,693,571
Revenue bonds payable:				
Public Offerings	849,795,000	-	(12,140,000)	837,655,000
Direct placements	9,635,000	-	(3,165,000)	6,470,000
Less unamortized costs:				
Bond premium/discount, net	78,433,909	-	(11,850,374)	66,583,535
Total revenue bonds payable, net of unamortized costs	937,863,909	-	(27,155,374)	910,708,535
Net pension liability	19,716,686	303,123	-	20,019,809
Net OPEB liability (asset)	(64,266)	517,125	(696,548)	(243,689)
Total net pension liability/ OPEB (asset)	19,652,420	820,248	(696,548)	19,776,120
Center long-term liabilities, including current portion	$ 960,227,635	$ 2,847,165	$ (29,896,574)	$ 933,178,226

	Balance 10/1/2016	Additions	Reductions	Balance 9/30/2017
Compensated absences payable	$ 2,613,185	$ 1,966,124	$ (1,868,003)	$ 2,711,306
Revenue bonds payable:				
Public Offerings	650,750,000	486,425,000	(287,380,000)	849,795,000
Direct placements	12,745,000	-	(3,110,000)	9,635,000
Less unamortized costs:				
Bond premium/discount, net	42,571,849	46,186,290	(10,324,230)	78,433,909
Total revenue bonds payable, net of unamortized costs	706,066,849	532,611,290	(300,814,230)	937,863,909
Net pension liability	18,270,749	1,445,937	-	19,716,686
Center long-term liabilities, including current portion	$ 726,950,783	$ 536,023,351	$ (302,682,233)	$ 960,291,901

F. REVENUE BONDS PAYABLE

Public Offerings:

On September 1, 2009, the Board issued $83,405,000 of Tourist Development Tax Refunding Revenue Bonds, Series 2009, to refund on a current basis all of the $43,630,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A maturing on October 1, 2011-2018, and all of the $45,300,000 of outstanding Tourist Development Tax Revenue Bonds, Series 1998B maturing on October 1, 2011-2018, and to pay expenses of issuance of the Series 2009 Bonds.

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

On September 28, 2010, the Board issued $144,395,000 of Tourist Development Tax Refunding Revenue Bonds, Series 2010, to refund on a current basis all of the $115,590,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A maturing or subject to mandatory call on October 1, 2019-2024, and all of the $46,775,000 of outstanding Tourist Development Tax Revenue Bonds, Series 1998B maturing October 1, 2019-2024, and to pay expenses of issuance of the Series 2010 Bonds.

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

On July 7, 2015, the Board issued $154,195,000 of Tourist Development Tax Refunding Revenue Bonds, Series 2015, to refund on a current basis all of the $185,950,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 2005, maturing on or after October 1, 2015.

Series 2015 Bonds maturing on or after October 1, 2026 are redeemable prior to their stated date of maturity, at the option of the Board in whole or in part (by lot within maturities) on any date on or after October 1, 2025, at a redemption price equal to the principal amount plus accrued interest to the redemption date, with no redemption premium.

On July 14, 2016, the Board issued $63,025,000 of Tourist Development Tax Refunding Revenue Bonds, Series 2016, to refund on a current basis all of the $72,635,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 2006, maturing on or after October 1, 2016.

Series 2016 Bonds maturing after October 1, 2026 are redeemable prior to their stated date of maturity, at the option of the Board in whole or in part (by lot within maturities) on any date on or after October 1, 2026, at a redemption price equal to the principal amount plus accrued interest to the redemption date, with no redemption premium.

F. REVENUE BONDS PAYABLE, Continued

On December 21, 2016, the Board issued $88,940,000 of Tourist Development Tax Revenue Bonds, Series 2016A, to pay a portion of the cost to complete the Stage II project of the City of Orlando's Performing Arts Center and to fund increases to the debt service reserve account.

Series 2016A Bonds maturing on or after October 1, 2027 are redeemable prior to their stated date of maturity, at the option of the Board in whole or in part (by lot within maturities) on any date on or after October 1, 2026, at a redemption price equal to the principal amount plus accrued interest to the redemption date, with no redemption premium.

The Series 2016A Term Bond maturing on October 1, 2036 is subject to mandatory redemption prior to maturity, by lot, at a redemption price equal to par plus accrued interest to the date of redemption on October 1 of each year, in the following principal amounts in the years specified:

Year	Principal Amount
2035	$ 16,810,000
2036 (final maturity)	17,490,000

On December 21, 2016, the Board issued $202,745,000 of Tourist Development Tax Refunding Revenue Bonds, Series 2016B to advance refund all of the $235,290,000 of outstanding City of Orlando Contract Tourist Development Tax Payments Revenue Bonds, Series 2014A.

Series 2016B Bonds maturing on or after October 1, 2027 are redeemable prior to their stated date of maturity, at the option of the Board in whole or in part (by lot within maturities) on any date on or after October 1, 2026, at a redemption price equal to the principal amount plus accrued interest to the redemption date, with no redemption premium.

The Series 2016B Term Bond maturing on October 1, 2036 is subject to mandatory redemption prior to maturity, by lot, at a redemption price equal to par plus accrued interest to the date of redemption on October 1 of each year, in the following principal amounts in the years specified:

Year	Principal Amount
2035	$ 38,335,000
2036 (final maturity)	39,860,000

F. REVENUE BONDS PAYABLE, Continued

On July 6, 2017, the Board issued $194,740,000 of Tourist Development Tax Refunding Revenue Bonds, Series 2017, to refund on a current basis all of the $131,950,000 and $120,960,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 2007 and Series 2007A, respectively.

The Series 2017 Bonds are not subject to redemption prior to maturity.

Direct Placement:

On July 16, 2013, the Board issued a $16,015,000 Tourist Development Tax Refunding Revenue Bond, Series 2013, to refund on a current basis all of the $16,280,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 2003A maturing on and after October 1, 2013, and to pay expenses of issuance of the Series 2013 Bond. This bond was a direct placement.

The Series 2013 Bond is not subject to optional redemption prior to maturity.

The Series 2013 Bond is subject to mandatory sinking fund redemption on October 1 of each year, in the following principal amounts in the years specified:

Year	Principal Amount
2018	$ 3,210,000
2019 (final maturity)	3,260,000

In the event of default on all bonded debt, the Center must transfer principal and interest accounts to the Trustee and the Trustee is required to draw on the Bond Reserve Accounts to make up any deficiency.

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F. REVENUE BONDS PAYABLE, Continued

The following is a summary of revenue bonds payable as of September 30, 2018 and 2017:

Public Offerings:

	September 30	
	2018	2017
$83,405,000 Tourist Development Tax Refunding Revenue Bonds, Series 2009:		
Serial bonds, due October 1, from 2017 to 2018 with interest due semi-annually on April 1 and October 1, at 4.00% to 5.00%	$ 6,250,000	$ 12,205,000
Unamortized bond premium	-	53,580
Deferred amount on refunding	-	(60,183)
Series 2009 Bonds payable net of unamortized costs	6,250,000	12,198,397
$144,395,000 Tourist Development Tax Refunding Revenue Bonds, Series 2010:		
Serial bonds, due October 1, from 2019 to 2024 with interest due semi-annually on April 1 and October 1, at 5.00%	144,395,000	144,395,000
Unamortized bond premium	6,785,249	8,329,714
Deferred amount on refunding	(7,707,156)	(9,113,697)
Series 2010 Bonds payable net of unamortized costs	143,473,093	143,611,017

F. REVENUE BONDS PAYABLE, Continued

	September 30 2018	September 30 2017
$154,195,000 Tourist Development Tax Refunding Revenue Bonds, Series 2015:		
Serial bonds, due October 1, from 2017 to 2031 with interest due semi-annually on April 1 and October 1, at 4.00% to 5.00%	$ 137,560,000	$ 143,745,000
Unamortized bond premium	14,452,388	17,116,833
Deferred amount on refunding	(5,446,063)	(6,051,340)
Series 2015 Bonds payable net of unamortized costs	146,566,325	154,810,493
$63,025,000 Tourist Development Tax Refunding Revenue Bonds, Series 2016:		
Serial bonds, due October 1, 2023; 2024; 2031 and 2032 with interest due semi-annually on April 1 and October 1, at 4.00% to 5.00%	63,025,000	63,025,000
Unamortized bond premium	8,187,092	8,827,096
Deferred amount on refunding	(3,062,282)	(3,227,769)
Series 2016 Bonds payable net of unamortized costs	68,149,810	68,624,327
$88,940,000 Tourist Development Tax Revenue Bonds, Series 2016A:		
Serial bonds, due October 1, from 2025 to 2034 with interest due semi-annually on April 1 and October 1, at 3.25% to 5.00%	54,640,000	54,640,000
Term bond, due October 1, 2036, with interest due semi-annually on April 1 and October 1, at 4.00%	34,300,000	34,300,000
Unamortized bond premium	2,033,921	2,251,777
Series 2016A Bonds payable net of unamortized costs	90,973,921	91,191,777

F. REVENUE BONDS PAYABLE, Continued

	September 30	
	2018	2017
$202,745,000 Tourist Development Tax Refunding Revenue Bonds, Series 2016B:		
Serial bonds, due October 1, from 2025 to 2034 with interest due semi-annually on April 1 and October 1, at 4.00% to 5.00%	$ 124,550,000	$ 124,550,000
Term bond, due October 1, 2036, with interest due semi-annually on April 1 and October 1, at 4.00%	78,195,000	78,195,000
Unamortized bond premium	5,502,756	6,095,610
Series 2016B Bonds payable net of unamortized costs	208,247,756	208,840,610
$194,740,000 Tourist Development Tax Refunding Revenue Bonds, Series 2017:		
Serial bonds, due October 1, from 2018 to 2022 and 2025 to 2030 with interest due semi-annually on April 1 and October 1, at 5.00%	194,740,000	194,740,000
Unamortized bond premium	29,622,129	35,759,299
Deferred amount on refunding	(9,554,517)	(10,899,328)
Series 2017 Bonds payable net of unamortized costs	214,807,612	219,599,971

F. REVENUE BONDS PAYABLE, Continued

Direct Placement:

	September 30	
	2018	2017
$16,015,000 Tourist Development Tax Refunding Revenue Bond, Series 2013:		
Term bond, due October 1, 2019 with interest due semi-annually on April 1 and October 1, at 1.537%	$ 6,470,000	$ 9,635,000
Deferred amount on refunding	(65,952)	(50,442)
Series 2013 Bond payable net of unamortized costs	$ 6,404,048	$ 9,584,558
Total revenue bonds payable net of unamortized costs	$ 884,872,565	$ 908,461,150

	September 30	
	2018	2017
Classified as:		
Amounts displayed as liabilities:		
Revenue bonds payable, current portion (payable from restricted assets)	$ 37,045,000	$ 15,305,000
Revenue bonds payable, noncurrent portion	873,663,535	922,558,909
Amounts displayed as deferred outflows:		
Deferred amount on refundings	(25,835,970)	(29,402,759)
Total	$ 884,872,565	$ 908,461,150

The total principal and interest remaining to be paid on all outstanding series of bonds was $1,220,034,009 and $1,272,165,053 as of September 30, 2018 and 2017, respectively. Principal and interest paid or defeased was $52,131,044 and $326,613,628, and total pledged revenue was $227,748,825 and $209,673,144, respectively, for the fiscal years ended September 30, 2018 and 2017.

F. REVENUE BONDS PAYABLE, Continued

All series of Tourist Development Tax revenues bonds outstanding are payable on a parity basis solely from all available tourist development taxes, net operating revenues of the Center, investment earnings, pledged fifth cent tax proceeds, naming rights revenues, and moneys held in certain accounts established by the Bond Indenture. The Bond Indenture specifies the order of priority in which revenues (Tourist Development Tax Revenues, Pledged Fifth Cent Tax Proceeds, Operating Revenues, and Naming Rights Revenues) are to be deposited into these accounts. The purposes of the various accounts, in order of priority of monthly revenue transfers, are as follows (priorities established with regard to junior lien debt are omitted):

Tourist Development Tax Revenues (first four cents of levy):

Operating Revenue Account - Deposit an amount sufficient to cover an emergency payment, formally determined by the Board, required because of a temporary shortage of Gross Operating Revenues and needed for the payment of Priority Expenses of Operation, Maintenance and Promotion.

Principal and Interest Accounts - Deposit an amount on or before the 15th day of each month, together with amounts from the Pledged Fifth Cent Tax Fund, sufficient to satisfy the monthly debt service requirement for the bonds.

Bond Reserve Account - Deposit an amount sufficient to assure that the total of cash on deposit plus the amount available under the surety bond is not less than the maximum annual debt service requirement of $79,985,688.

Rebate Account - Deposit an amount required to pay the rebate requirement on account of the bonds to the U.S. Treasury as required by applicable law.

Operating Revenue Account - Deposit an amount sufficient to remedy any deficiencies and to provide a 30-day operating reserve for operation, maintenance, and promotion expenses of the Center.

Renewal and Replacement Reserve Account - All pledged revenues remaining in the Enterprise Fund shall be deposited in the Renewal and Replacement Reserve Account for the purpose of: first, to remedy any deficiency in the Principal and Interest Accounts; second, to remedy any deficiency in the Bond Reserve Account; third, to pay expenses of operation, maintenance and promotion due to an insufficiency in the Operating Revenue Account; fourth, to repay any Supplemental Revenues with interest, so supplied; and fifth, to make such other payments as are designated in the Tourist Development Plan or otherwise approved by the Board.

F. REVENUE BONDS PAYABLE, Continued

Pledged Fifth Cent Tax Proceeds:

All pledged fifth cent Tourist Development Tax revenues shall be paid into the Pledged Fifth Cent Tax Fund, and shall be applied as follows: first, to the Principal and Interest Accounts to provide for the monthly debt service requirement for the bonds; second, to provide any requirement for principal or interest payment on the bonds prior to making such payment from the Bond Reserve Account; third, to remedy any deficiency in the Bond Reserve Account; and fourth, for any other lawful purpose.

Operating Revenues:

All gross operating revenues will be deposited into the Operating Revenue Account and will be applied as follows: first, to payment of Priority Expenses of Operation, Maintenance and Promotion; and second, to payment of any other budgeted expenses of the Center's operation. All remaining moneys will be applied as follows: first, to payment of monthly bond interest and principal requirements, if needed; second, to any required payment into the Bond Reserve Account; and third, for any other lawful purpose.

Naming Rights Revenues:

Moneys received from the sale of the right to name all or a portion of the Center shall be paid into the Naming Rights Revenue Account, to be applied as follows: first, to pay Priority Expenses of Operation, Maintenance and Promotion, if needed; second, to satisfy the monthly principal and interest debt service requirement; third, to remedy any deficiency in the Bond Reserve Account; and fourth, any moneys remaining shall be transferred to the Board's general fund. The Center has not received naming rights revenue as of September 30, 2018.

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F. REVENUE BONDS PAYABLE, Continued

Future principal and interest payments (in thousands) required on the Series 2009, Series 2010, Series 2015, Series 2016, Series 2016A, Series 2016B, and Series 2017 Bonds, which were publicly offered, and Series 2013, which was a direct placement, are as follows as of September 30, 2018:

Bond Year	Public Offerings		Direct Placement Bond	
Ending October 1	Principal	Interest	Principal	Interest
2018	$ 33,835	$ 19,499	$ 3,210	$ 50
2019	35,465	37,370	3,260	50
2020	40,545	35,597	-	-
2021	42,575	33,569	-	-
2022	48,545	31,441	-	-
2023-2027	205,715	122,134	-	-
2028-2032	214,470	74,124	-	-
2033-2036	216,505	22,075	-	-
Totals	$ 837,655	$ 375,809	$ 6,470	$ 100

The amount of defeased debt still outstanding, and not reported on the statements of net position, is as follows as of September 30, 2018 and 2017:

	Original Defeased Amount	September 30 2018	September 30 2017
Tourist Development Tax Refunding Revenue Bonds, Series 2007	$ 131,950,000	$ -	$ 131,950,000
Tourist Development Tax Refunding Revenue Bonds, Series 2007A	120,960,000	-	120,960,000
Totals	$ 252,910,000	$ -	$ 252,910,000

G. RETIREMENT SYSTEMS

Florida Retirement System:

General Information - All of the Center's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for

G. RETIREMENT SYSTEMS, Continued

life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of- living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular--7.92% and 8.26%; Special Risk Administrative Support--34.63% and 34.98%; Special Risk--23.27% and 24.50%; Senior Management Service--22.71% and 24.06%; Elected Officers'--45.50% and 48.70%; and DROP participants--13.26% and 14.03%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2017 through September 30, 2018.

G. RETIREMENT SYSTEMS, Continued

The Center's contributions to the Pension Plan totaled $1,302,774 and $1,191,996 for the fiscal years ended September 30, 2018 and 2017, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The Center reported a liability of $13,428,826 and $13,384,122 for its proportionate share of the Board's Pension Plan's net pension liability as of September 30, 2018 and 2017, respectively. The net pension liability for each fiscal year was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation in each year as of July 1. The Center's proportionate share of the net pension liability was based on the Center's fiscal year contributions relative to the same fiscal year contributions of all participating members of the Board. At September 30, 2018, the Center's share was 3.02%, which was a decrease of 0.05% percent from its proportionate share of 3.07% measured as of September 30, 2017.

For the fiscal years ended September 30, 2018 and 2017, the Center recognized pension expense of $2,299,923 and $2,242,621, respectively. In addition, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		Deferred Inflows of Resources	
	9/30/18	9/30/17	9/30/18	9/30/17
Differences between expected and actual experience	$ 1,137,623	$ 1,228,340	$ 41,290	$ 74,141
Change of assumptions	4,387,887	4,498,010	-	-
Net difference between projected and actual earnings on Pension Plan investments	-	-	1,037,541	331,692
Changes in proportion and differences between Center Pension Plan contributions and proportionate share of contributions	335,949	416,435	77,268	137,055
Center Pension Plan contributions subsequent to the measurement date	365,391	336,321	-	-
Total	$ 6,226,850	$ 6,479,106	$ 1,156,099	$ 542,888

G. RETIREMENT SYSTEMS, Continued

The deferred outflows of resources related to the Pension Plan resulting from Center contributions to the Plan subsequent to the measurement date, totaling $365,391, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2019	$ 1,751,883
2020	1,243,389
2021	249,809
2022	841,225
2023	540,491
Thereafter	78,563

Actuarial Assumptions – The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

G. RETIREMENT SYSTEMS, Continued

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate (property)	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	6.0%	6.0%	5.7%	8.6%
Total	100.0%			
Assumed Inflation - Mean		2.6%		1.9%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.00% and 7.10% for the July 1, 2018 and 2017 actuarial valuation, respectively. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the Center's proportionate share of the net pension liability calculated using the discount rate of 7.00% and 7.10%, for the Fiscal Year 2018 and 2017, respectively, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

G. **RETIREMENT SYSTEMS, Continued**

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability at September 30, 2018	$ 24,508,171	$ 13,428,826	$ 4,226,775

	1% Decrease (6.10%)	Discount Rate (7.10%)	1% Increase (8.10%)
Center's proportionate share of the net pension liability at September 30, 2017	$ 24,224,453	$ 13,384,122	$ 4,384,164

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

Payables to the Pension Plan - At September 30, 2018 and 2017, the Center reported de minimis amounts payable for outstanding contributions to the Pension Plan.

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the

G. RETIREMENT SYSTEMS, Continued

HIS contribution rate was 1.66%. The Center contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Center's contributions to the HIS Plan totaled $339,750 and $320,201 for the fiscal years ended September 30, 2018 and 2017, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The Center reported a liability of $6,590,983 and $6,332,564 for its proportionate share of the Board's HIS Plan's net pension liability as of September 30, 2018 and 2017, respectively. The net pension liability for each fiscal year was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation prepared as of July 1, 2018. The Center's proportionate share of the net pension liability was based on the Center's fiscal year contributions relative to the same fiscal year contributions of all participating members of the Board. At September 30, 2018, the Center's proportionate share was 5.32%, which was an increase of 0.14% from its proportionate share of 5.18% measured as of September 30, 2017.

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G. RETIREMENT SYSTEMS, Continued

For the fiscal years ended September 30, 2018 and 2017, the Center recognized pension expense of $548,688 and $513,798, respectively. In addition, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources 9/30/18	Deferred Outflows of Resources 9/30/17	Deferred Inflows of Resources 9/30/18	Deferred Inflows of Resources 9/30/17
Differences between expected and actual experience	$ 100,905	$ -	$ 11,198	$ 13,185
Change of assumptions	732,999	890,141	696,854	547,584
Net difference between projected and actual earnings on HIS Plan investments	3,978	3,512	-	-
Changes in proportion and differences between Center HIS Plan contributions and proportionate share of contributions	285,875	194,332	-	-
Center HIS Plan contributions subsequent to the measurement date	90,773	86,393	-	-
Total	$ 1,214,530	$ 1,174,378	$ 708,052	$ 560,769

The deferred outflows of resources related to the HIS Plan resulting from Center contributions to the HIS Plan subsequent to the measurement date, totaling $90,773, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows of resources related to the HIS Plan will be recognized in pension expense as follows:

September 30:	Amount
2019	$ 150,991
2020	150,656
2021	115,246
2022	59,520
2023	(48,373)
Thereafter	(12,335)

G. RETIREMENT SYSTEMS, Continued

Actuarial Assumptions – The total pension liability in the July 1, 2018 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used to determine the July 1 valuations, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.87% and 3.58% for the July 1, 2018 and 2017 actuarial valuation, respectively. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the Center's proportionate share of the net pension liability calculated using the discount rate of 3.87% and 3.58%, for the Fiscal Year 2018 and 2017, respectively as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Center's proportionate share of the net pension liability at September 30, 2018	$ 7,506,744	$ 6,590,983	$ 5,827,644
	1% Decrease (2.58%)	**Discount Rate (3.58%)**	**1% Increase (4.58%)**
Center's proportionate share of the net pension liability at September 30, 2017	$ 7,226,294	$ 6,332,564	$ 5,588,136

G. RETIREMENT SYSTEMS, Continued

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

Payables to the HIS Plan - At September 30, 2018 and 2017, the Center reported de minimis amounts payable for outstanding contributions to the HIS Plan.

Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Center employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution and by forfeited benefits of plan members. The employer contribution for the period from October 1, 2017 through September 30, 2018 was 0.06% of payroll. Allocations to the investment member's accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class--6.30%, Special Risk Administrative Support class--7.95%, Special Risk class--14.00%, Senior Management Service class--7.67% and County Elected Officers class--11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are

G. RETIREMENT SYSTEMS, Continued

placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Center.

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

The Center's Investment Plan pension expense totaled $294,462 and $231,269 for the fiscal years ended September 30, 2018 and 2017, respectively.

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

Plan Description – In addition to the pension benefits described in Note G, the Center offers a postemployment benefit plan (OPEB Plan) that subsidizes the cost of health care for its retirees and eligible dependents. Employees of the Center with at least 10 years of combined service under the Center and/or any other Board department or any of the five county officers (County Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, or Tax Collector) who retire and immediately begin receiving benefits from the Florida Retirement System (FRS) are eligible to receive a monthly benefit of three dollars per year of service up to a maximum of $90 per month. If combined service is at least 20 years and receipt of FRS benefits is deferred to a later date, the monthly benefit may be vested for commencement at such deferral date. Additionally, in accordance with State statute, Board employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the Board's health insurance plan at the same group rate as for active employees.

The Board has established the Orange County Health Care Benefit Trust (Trust), a single-employer defined benefit OPEB plan for, and administered by, the Board and County officers noted above. The Board has the authority to establish and amend the Plan and engages an actuarial firm to determine each participant's estimated obligation and actuarially determined

Contribution (ADC). For Fiscal Year 2018, the Center's ADC payment was $114,290, representing 0.44% of the Center's covered payroll amount of $26,116,073. For Fiscal Year 2017, the Center's actuarially determined annual OPEB cost (AOC) payment to the trust was $166,204, representing 0.86% of the Center's covered payroll amount of $19,355,731. A full presentation of the Trust and OPEB Plan assets, liabilities, and actuarial methods and assumptions is included in the Orange County, Florida Comprehensive Annual Financial Report. Separate stand-alone financial statements for the Trust are not prepared.

At September 30, 2018, the date of the latest actuarial valuation, Center employee plan participation consisted of:

Active members	407
Inactive employees currently receiving benefits	85
Inactive employees with deferred benefits	4

Net OPEB Liability - The Center's net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the September 30, 2018 actuarial valuation was determined based on a five-year actuarially experience study for the period ended September 30, 2018, and using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

The actuarial assumptions are:

Investment rate of return	7.0%
Blended discount rate used to measure total OPEB liability	6.91%
Projected annual salaries increase	4.5%
Inflation rate	2.5%
Healthcare cost trend rate	Pre-65 increase of 7.3%; post 65 increase of 8.6% for Fiscal Year 2019, grading to an ultimate rate of 5.0% for Fiscal Year 2027
Mortality	Pub-2010 Headcount Weighted General and Public Safety tables, projected with Scale MP-2018

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Expected Nominal Rate of Return	Expected Real Rate of Return	Allocation
Large Cap U.S. Equity	6.30%	3.71%	46.70%
Small Cap U.S. Equity	6.80%	4.20%	3.30%
International Equity	7.30%	4.68%	26.30%
Emerging Markets Equity	8.00%	5.37%	6.70%
Non-US Developed Bond	3.00%	0.49%	5.00%
Intermediate Duration Bonds-Gov't	2.80%	0.29%	7.80%
Intermediate Duration Bonds-Credit	3.70%	1.17%	4.20%
Total Portfolio	6.74%	4.14%	100.00%

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H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

Changes in the Net OPEB Liability – for the Center for the fiscal year ended September 30, 2018, is displayed in the following table:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (asset) Liability (a) - (b)
Balances at 9-30-17	2,764,479	2,828,745	(64,266)
Changes for the year:			
Service cost	142,231	-	142,231
Interest	152,439	-	152,439
Differences between expected and actual experience	(167,191)	-	(167,191)
Changes of assumptions	222,455	-	222,455
Contribution - employer	-	235,778	(235,778)
Net investment income	-	293,579	(293,579)
Benefit payments	(202,720)	(202,720)	-
Net changes	147,214	326,637	(179,423)
Balances at 9-30-18	$ 2,911,693	$ 3,155,382	$ (243,689)

Plan fiduciary net position as a percentage of the total OPEB liability: 108.37%

The discount rate used to measure the total OPEB liability is 6.91%. The projection of cash flows used to determine the discount rate assumed the Center would continue to fund the actuarially determined contribution. Only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

Based on these assumptions, the OPEB fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through 2071.

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

Sensitivity of the Center's Net OPEB Liability (Asset) to Changes in the Discount Rate - The following represents the Center's net OPEB liability (asset) calculated using the discount rate of 6.91%, as well as what the Center's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.91%)	Current Discount Rate (6.91%)	1% Increase (7.91%)
Center's net OPEB liability (asset) at September 30, 2018	$ 19,996	$ (243,689)	$ (477,514)

Sensitivity of the Center's Net OPEB Liability (Asset) to Changes in the healthcare cost trend rates - The following represents the Center's OPEB liability (asset) calculated using a health care cost trend rate of 8.6%, as well as what the Center's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (7.6%)	Current Discount Rate (8.6%)	1% Increase (9.6%)
Center's net OPEB liability (asset) at September 30, 2018	$ (387,420)	$ (243,689)	$ (79,487)

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H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

For the fiscal year ended September 30, 2018, the Center recognized OPEB expense of $84,847. In addition, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 150,217
Change of assumptions	199,871	-
Net difference between projected and actual earnings on OPEB Plan investments	-	78,146
Total	$ 199,871	$ 228,363

The OPEB Plan's deferred outflows of resources and deferred inflows of resources related to the Center at September 30, 2018 will be recognized in OPEB expense of the Center as follows:

Fiscal Year Ending September 30:	Amount
2019	$ (13,926)
2020	(13,926)
2021	(13,926)
2022	(13,928)
2023	5,610
Thereafter	21,604

I. INSURANCE COVERAGE

The Board maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with commercial carriers are also in force for claims exceeding the amount chargeable against the loss fund. The Center participated in the self-insurance program during Fiscal Years 2018 and 2017 at an annual cost of $3,175,405 and $2,931,589, respectively. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2018.

I. INSURANCE COVERAGE, Continued

Additionally, the Board maintains a self-insured plan for employee medical benefits in which the Center participates. The self-insurance plan covers all regular employees and certain retirees and former employees of the Board and their eligible dependents. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited.

J. TOURIST DEVELOPMENT TAX REVENUE

Pursuant to Section 125.0104, Florida Statutes, the County's Ordinance No. 78-7 enacted on March 16, 1978, as amended, and a referendum approved by the voters of the County, the Board levied the Tourist Development Tax effective May 1, 1978. The Tourist Development Tax was initially imposed at the rate of two percent of total rent paid for lease of any living quarters located in the County for a term of six months or less. Effective June 1, 1986, the Board increased the rate of the Tourist Development Tax to three percent, and effective October 1, 1989, the Board increased the rate to four percent. Pursuant to the original ordinance and bond covenants, the tax proceeds are applied as described in Note F.

On December 13, 1994, the Board authorized the levy of an additional one percent of Tourist Development Tax effective February 1, 1995. Per Section 125.0104(3), Florida Statutes, the fifth cent was, at the time of levy by the Board, restricted for the purposes of the construction, reconstruction, or renovation of a professional sports franchise facility. The permitted purposes have since been broadened in the statute, and during Fiscal Year 2000, the Board adopted the Second Amended and Restated Indenture of Trust that, among other things, included the fifth cent tax revenues in the pledged revenues securing all Tourist Development Tax Revenue Bonds.

On July 18, 2006, the Board approved the levy of an additional one percent of Tourist Development Tax effective September 1, 2006, bringing the total levy to six percent. Section 125.0104(3), Florida Statutes, authorizes the levy of the additional one percent tax, the sixth cent, to fund certain purposes including debt service on bonds issued to finance the construction of, or reconstruction or renovation of, facilities for certain professional sports franchises, and the promotion of tourism. The sixth cent tax revenues are not pledged to the payment of any of the outstanding Tourist Development Tax revenue bonds. The Board fully dedicated the use of the sixth cent tax revenues for purposes of tourism promotion and a community events facility further described in Note L. The tax is currently collected and administered by the Orange County Comptroller in accordance with an ordinance adopted by the Board.

K. HOTEL SURCHARGE REVENUE

Pursuant to an agreement dated June 12, 1979, between the Board and Orlando Central Park, Inc., three hotel sites adjacent to the Center carried the requirement that any hotel built upon those sites is obligated to pay a revenue surcharge to the Center. The surcharge amount, restricted in its use to the Convention Center site, was set at one percent of the hotel's gross rental revenues and was payable quarterly. All three of the designated sites were developed as hotels, and they remitted the surcharge to the Center on a quarterly basis through the end of the agreement on December 27, 2009. As of September 30, 2018 and 2017, the balance of unspent hotel surcharge revenue was $4,187,539 and $6,029,278, respectively.

L. PAYMENTS TO OTHER AGENCIES

The Board has committed to contribute $8,050,000 per year plus one-half of one cent of the Tourist Development Tax levy to the Orlando/Orange County Convention and Visitors Bureau, Inc., doing business as Visit Orlando (Visit Orlando), a not-for-profit corporation that is dedicated to promotion of local community tourist activities and facilities. Also, the Board has committed to pay Visit Orlando a portion of the sixth cent Tourist Development Tax from inception of its levy. On October 22, 2013, the Board committed an additional $5.5 million per year to Visit Orlando for five fiscal years, beginning in Fiscal Year 2014.

For the 2018 and 2017 fiscal years, the total contributions to Visit Orlando were $57,459,761 and $53,204,556, respectively. In addition, the Board contributed $2,826,500 and $1,891,000 in Fiscal Years 2018 and 2017, respectively, to other agencies for purposes of promoting tourism in Orange County in connection with various events.

On August 6, 2007, an Interlocal Agreement between the Board, the City of Orlando (City), and the City of Orlando Community Redevelopment Agency received final approval. The primary purpose of the Agreement was to contribute certain Tourist Development Tax proceeds to the City for a portion of the financing needed for renovation of the Florida Citrus Bowl Stadium and construction of a new Performing Arts Center and new Events Center. Based on specified criteria, a calculated portion of the first four cents levy of Tourist Development Taxes were to be paid once each fiscal year to the City for the Citrus Bowl and Performing Arts Center projects from prior year actual tax proceeds. This annual obligation from the first four cents levy, was eliminated upon issuance by the Board of the Tourist Development Tax Refunding Revenue Bonds, Series 2016B, which advance refunded the City's debt. Additionally, a portion of sixth cent tax revenues will be paid on a monthly basis to the City for the Events Center project, designated to replace the Amway Arena. These payments are scheduled to be made for the earlier of 30 years or until associated debt of up to $540 million issued by the City is defeased or redeemed in full.

L. PAYMENTS TO OTHER AGENCIES, Continued

For Fiscal Years 2018 and 2017, the monthly sixth cent tax revenue payments to the City totaled $25,886,943 and $24,065,518 respectively.

On July 16, 2012, the Second Amendment to the Agreement was approved, requiring the County to set aside $12,500,000 in a reserve account to replenish draws made from City reserves, as necessary, to support the renovations to the Citrus Bowl. During Fiscal Year 2017, this reserve amount was applied as a source of funds toward the issuance of the Tourist Development Tax Refunding Revenue Bonds, Series 2016B.

On October 22, 2013, the Third Amendment to the Agreement was approved, requiring additional contributions of certain Tourist Development Tax proceeds to the City for financing of the Performing Arts Center and the Citrus Bowl, and for financing a portion of a Major League Soccer Stadium. The additional amount to be financed due to this amendment was anticipated to be $57 million. Of that, $20 million was committed to the Soccer Stadium. On May 29, 2015, the Orlando City Soccer Club announced that it decided to privately fund the entire cost of the Soccer Stadium. This commitment was thus placed on hold.

On November 1, 2016, the Second Amended and Restated Interlocal Agreement was approved, providing for an additional $45 million of Tourist Development Tax funding to complete the Performing Arts Center and to repeal commitments of Tourist Development Tax funding toward a Major League Soccer Stadium.

In 2002, the County created the Arts & Cultural Tourism Fund, a special revenue fund for the purpose of supporting tourism-related arts and cultural events and facilities. The specified revenue for this fund was transferred annually from a three percent portion of the first four cents of the Tourist Development Tax receipts. Beginning in Fiscal Year 2011, the County combined the Arts and Cultural Tourism Fund with the Convention Center Fund. For the 2018 and 2017 fiscal years, the total contributions to arts and cultural agencies were $4,255,265 and $3,948,056, respectively.

M. COMMITMENTS AND CONTINGENCIES

Outstanding commitments under operating and construction contracts for the Center total approximately $91.8 million and $56.9 million at September 30, 2018 and 2017, respectively. The Center is a party in various lawsuits and other claims incidental to the ordinary course of its operation, some of which are covered by the Board’s self-insurance program. While the results of litigation cannot be predicted with certainty, management believes the final outcome of such litigation will not have a material adverse effect on the Center’s financial position.

N. TRANSFERS OUT

Beginning in Fiscal Year 2006, the Board authorized annual transfers to the General Fund for reimbursing the operation and maintenance expenses of the Orange County Regional History Center, up to an annual maximum funding amount initially set at $2,500,000, subject to annual increases and approval by the Board. Transfers of $2,583,203 and $2,053,267, respectively, were made in Fiscal Years 2018 and 2017 for this purpose.

O. RESTATEMENT

As described in Note H, the Center participates in the Orange County Healthcare Benefit Trust, a single-employer defined benefit OPEB Plan. In accordance with the implementation of GASB Statement No. 75, the Center is required to report its share of the net OPEB liabilities and related deferred outflows and deferred inflows of the defined benefit OPEB Plan in which it participates. Implementation of this Statement resulted in a $64,266 increase in beginning net position at October 1, 2017 for the cumulative effect of the change in accounting principle. Fiscal Year 2017 financial statements have not been restated because it was not practical to determine the effect of the Statement for that period. Also, the beginning balances of deferred outflows of resources and deferred inflows of resources were not reflected in the restated October 1, 2017 net position, since it was not practical to determine such balances.

SUPPLEMENTARY INFORMATION

ORANGE COUNTY CONVENTION CENTER
SCHEDULE OF BUDGETED REVENUES AND EXPENSES COMPARED TO ACTUAL
(NON-GAAP BUDGETARY BASIS*)
for the year ended September 30, 2018

	Budget	Actual
Operating revenues:		
Event services	$ 43,992,437	$ 50,439,546
Rentals	19,086,717	18,482,219
Vendor commissions	5,044,225	7,061,418
Forfeited deposits	-	36,642
Miscellaneous	939,340	1,314,379
Total operating revenues	69,062,719	77,334,204
Operating and maintenance expenses:		
Personal services	35,081,937	33,365,365
Contractual services	12,969,461	11,718,921
Materials and supplies	2,098,023	2,026,912
Utilities	15,333,682	14,067,786
Repairs and maintenance	9,886,306	8,159,499
Other expenses	7,587,216	6,762,607
Total operating and maintenance expenses	82,956,625	76,101,090
Operating gain (loss), budgetary basis*	(13,893,906)	1,233,114
Nonoperating revenues (expenses):		
Tourist development tax	275,000,000	276,847,383
Tax collection expense	(591,669)	(591,669)
Payments to other agencies	(104,846,533)	(90,428,469)
Interest revenue	985,000	4,239,501
Interest expense and fiscal charges	(39,364,733)	(39,112,526)
Debt issuance costs	(486)	(486)
Total net nonoperating revenues (expenses)	131,181,579	150,953,734
Income before transfers out, budgetary basis*	117,287,673	152,186,848
Transfers out	(2,900,000)	(2,583,203)
Change in net position, budgetary basis*	$ 114,387,673	$ 149,603,645

*Budgetary basis, for purposes of this schedule, includes all budgeted items except for capital outlay, debt principal and other non-expense transactions, beginning net position, and expense reserves.

ORANGE COUNTY CONVENTION CENTER
SCHEDULE OF BONDED DEBT AND INTEREST
September 30, 2018

BOND YEAR ENDING OCTOBER 1	TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2009		TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2010		TOURIST DEVELOPMENT TAX REFUNDING REVENUE BOND SERIES 2013		TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2015	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2018	$ 6,250,000	$ 125,000 (a)	$ -	$ 3,609,875 (a)	$ 3,210,000 (b)	$ 49,722 (a)	$ 6,435,000	$ 3,439,000 (a)
2019	-	-	4,580,000	7,219,750	3,260,000 (b)	50,106	8,680,000	6,556,250
2020	-	-	8,525,000	6,990,750	-	-	8,700,000	6,122,250
2021	-	-	8,955,000	6,564,500	-	-	9,140,000	5,687,250
2022	-	-	38,805,000	6,116,750	-	-	8,125,000	5,230,250
2023	-	-	40,750,000	4,176,500	-	-	8,525,000	4,824,000
2024	-	-	42,780,000	2,139,000	-	-	8,950,000	4,397,750
2025	-	-	-	-	-	-	9,820,000	3,950,250
2026	-	-	-	-	-	-	10,280,000	3,459,250
2027	-	-	-	-	-	-	10,810,000	2,945,250
2028	-	-	-	-	-	-	11,250,000	2,404,750
2029	-	-	-	-	-	-	11,815,000	1,842,250
2030	-	-	-	-	-	-	12,435,000	1,251,500
2031	-	-	-	-	-	-	12,595,000	629,750
Totals	$ 6,250,000	$ 125,000	$ 144,395,000	$ 36,817,125	$ 6,470,000	$ 99,828	$ 137,560,000	$ 52,739,750

(a) Represents semi-annual requirement only
(b) Mandatory redemption for Series 2013 Bond due October 1, 2019

ORANGE COUNTY CONVENTION CENTER
SCHEDULE OF BONDED DEBT AND INTEREST, Continued
September 30, 2018

BOND YEAR ENDING OCTOBER 1	TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2016		TOURIST DEVELOPMENT TAX REVENUE BONDS SERIES 2016A		TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2016B		TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2017	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2018	$ -	$ 1,270,500 (a)	$ -	$ 1,870,569 (a)	$ -	$ 4,316,150 (a)	$ 21,150,000	$ 4,868,500 (a)
2019	-	2,541,000	-	3,741,137	-	8,632,300	22,205,000	8,679,500
2020	-	2,541,000	-	3,741,138	-	8,632,300	23,320,000	7,569,250
2021	-	2,541,000	-	3,741,137	-	8,632,300	24,480,000	6,403,250
2022	-	2,541,000	-	3,741,138	-	8,632,300	1,615,000	5,179,250
2023	1,000,000	2,541,000	-	3,741,137	-	8,632,300	-	5,098,500
2024	1,000,000	2,491,000	-	3,741,137	-	8,632,300	-	5,098,500
2025	-	2,441,000	2,385,000	3,741,137	5,430,000	8,632,300	14,950,000	5,098,500
2026	-	2,441,000	2,510,000	3,621,888	5,705,000	8,360,800	15,715,000	4,351,000
2027	-	2,441,000	2,615,000	3,496,388	5,975,000	8,075,550	16,515,000	3,565,250
2028	-	2,441,000	2,760,000	3,411,400	6,295,000	7,776,800	17,365,000	2,739,500
2029	-	2,441,000	2,895,000	3,273,400	6,590,000	7,462,050	18,245,000	1,871,250
2030	-	2,441,000	3,020,000	3,128,650	6,885,000	7,132,550	19,180,000	959,000
2031	21,510,000	2,441,000	3,875,000	2,977,650	8,825,000	6,788,300	-	-
2032	39,515,000	1,580,600	2,870,000	2,783,900	6,545,000	6,347,050	-	-
2033	-	-	15,545,000	2,640,400	35,440,000	6,019,800	-	-
2034	-	-	16,165,000	2,018,600	36,860,000	4,602,200	-	-
2035	-	-	16,810,000 (c)	1,372,000	38,335,000 (d)	3,127,800	-	-
2036	-	-	17,490,000 (c)	699,600	39,860,000 (d)	1,594,400	-	-
Totals	$ 63,025,000	$ 35,134,100	$ 88,940,000	$ 57,482,406	$ 202,745,000	$ 132,029,550	$ 194,740,000	$ 61,481,250

(a) Represents semi-annual requirement only
(c) Mandatory Redemption for $34,300,000 Term Bond Due October 1, 2036
(d) Mandatory Redemption for $78,195,000 Term Bond Due October 1, 2036

Continued

ORANGE COUNTY CONVENTION CENTER
SCHEDULE OF BONDED DEBT AND INTEREST, Continued
September 30, 2018

BOND YEAR ENDING OCTOBER 1	ALL TOURIST DEVELOPMENT TAX REVENUE BONDS PRINCIPAL		INTEREST		TOTAL DEBT SERVICE	
2018	$ 37,045,000	(f)	$ 19,549,316	(a)	56,594,316	
2019	38,725,000	(f)	37,420,043		76,145,043	
2020	40,545,000		35,596,688		76,141,688	
2021	42,575,000		33,569,437		76,144,437	
2022	48,545,000		31,440,688		79,985,688	(e)
2023	50,275,000		29,013,437		79,288,437	
2024	52,730,000		26,499,687		79,229,687	
2025	32,585,000		23,863,187		56,448,187	
2026	34,210,000		22,233,938		56,443,938	
2027	35,915,000		20,523,438		56,438,438	
2028	37,670,000		18,773,450		56,443,450	
2029	39,545,000		16,889,950		56,434,950	
2030	41,520,000		14,912,700		56,432,700	
2031	46,805,000		12,836,700		59,641,700	
2032	48,930,000		10,711,550		59,641,550	
2033	50,985,000		8,660,200		59,645,200	
2034	53,025,000		6,620,800		59,645,800	
2035	55,145,000	(f)	4,499,800		59,644,800	
2036	57,350,000	(f)	2,294,000		59,644,000	
Totals	$ 844,125,000		$ 375,909,009		$ 1,220,034,009	

(a) Represents semi-annual requirement only
(e) Maximum annual debt service
(f) Principal reflects mandatory redemotion requirements for Series 2013 Term Bond, Series 2016A Term Bond and Series 2016B Term Bond

The following disclosures are required by the general covenants made in connection with the issuance of the bonds:

1. For the year ended September 30, 2018, the Orange County Comptroller collected $183,642,856 of pledged Tourist Development Tax proceeds (first four percent of levy), all of which was deposited into the Tourist Development Trust Fund. In addition, $45,910,714 of Fifth Cent Tax proceeds was collected and deposited into the Pledged Fifth Cent Tax Fund. Total collections of pledged tax proceeds were $229,553,570. Tourist Development Trust Funds are accounted for within the Center's financial statements.

2. Transfers of pledged tax proceeds from the Tourist Development Trust Fund and the Pledged Fifth Cent Tax Fund were made as follows:

Date Received	Amount Received	Interest Account	Principal Account	Operating Revenue Account
October 2, 2017	$ 14,626,553	$ 3,258,220	$ 3,087,084	$ 8,281,249
November 2, 2017	16,026,454	3,258,219	3,087,083	9,681,152
December 4, 2017	18,322,623	3,258,219	3,087,084	11,977,320
January 2, 2018	18,291,932	3,211,777	3,087,083	11,993,072
February 2, 2018	19,336,433	3,258,219	3,087,084	12,991,130
March 2, 2018	19,855,739	2,944,233	3,087,083	13,824,423
April 2, 2018	20,072,359	3,258,220	3,087,083	13,727,056
May 2, 2018	25,628,327	3,258,219	3,087,084	19,283,024
June 4, 2018	20,350,810	3,258,219	3,087,083	14,005,508
July 2, 2018	17,994,221	3,258,220	3,087,083	11,648,918
August 2, 2018	20,912,463	3,258,219	3,087,083	14,567,161
September 4, 2018	18,135,656	2,983,436	3,087,083	12,065,137
	$ 229,553,570	$ 38,463,420	$ 37,045,000	$ 154,045,150

3. Cash and Cash Equivalents and Investments Detail - Bond Indenture Accounts:

At September 30, 2018, the balances of the accounts created by the Bond Indenture, stated at fair value, were as follows:

Account	Cash and Cash Equivalents	Investments	Accrued Interest	Total
Tourist Development Trust	$ 12,595,552	$ -	$ -	$ 12,595,552
Pledged Fifth Cent Tax	3,148,888	-	-	3,148,888
Operating revenue	6,689,983	-	579,802	7,269,785
Bond interest	19,707,378	-	-	19,707,378
Bond principal	37,045,000	-	-	37,045,000
Bond reserve	1,659,710	80,254,850	-	81,914,560
Renewal and replacement reserve	189,239,394	-	-	189,239,394
Totals	$ 270,085,905	$ 80,254,850	$ 579,802	$ 350,920,557

At September 30, 2017, the balances of the accounts created by the Bond Indenture, stated at fair value, were as follows:

Account	Cash and Cash Equivalents	Investments	Accrued Interest	Total
Tourist Development Trust	$ 11,705,279	$ -	$ -	$ 11,705,279
Pledged Fifth Cent Tax	2,926,320	-	-	2,926,320
Operating revenue	6,053,251	-	367,256	6,420,507
Bond interest	17,322,721	-	-	17,322,721
Bond principal	15,305,000	-	-	15,305,000
Bond reserve	1,461,499	80,181,075	-	81,642,574
Bond issuance costs	45,978	-	-	45,978
Renewal and replacement reserve	117,072,387	-	-	117,072,387
Totals	$ 171,892,435	$ 80,181,075	$ 367,256	$ 252,440,766

During the 2018 and 2017 fiscal years, no funds were received which were required to be deposited to the Gifts, Grants and Other Income accounts. No restricted or unrestricted funds remained in this account as of September 30, 2018 or September 30, 2017.

4. Budget for Bond Indenture Accounts – 2018/2019 Fiscal Year:

Revenues:	
Operating revenues	$ 63,708,918
Tourist development tax revenues	220,833,333
Investment earnings-operating and debt service	996,385
Subtotal	285,538,636
Less statutory deduction	(14,276,932)
Total revenues	271,261,704
Expenses and other disbursements:	
Operation and maintenance	75,863,502
Bond interest and fees	39,123,632
Bond principal	37,045,000
Total expenses and other disbursements	152,032,134
Excess of budgeted funds available for deposit to renewal and replacement reserve account	$ 119,229,570
Budgeted payments to other agencies and transfers to other funds from renewal and replacement reserve balance	$ 57,839,802

Note: The budget schedule itemized above excludes the revenues and expenditures associated with the levy of the sixth cent Tourist Development Tax. The sixth cent is not a part of the Bond Indenture and is not pledged to the repayment of the outstanding Tourist Development Tax Bonds.

5. Schedule of Insurance in Force:

Policy	Term/ Carrier	Coverage	Self-Insured Retention/ Deductible	Limits
Property	4/1/18-4/1/19 various	Flood, earthquake	$ 500,000	$ 50,000,000
		Named windstorm	2% of structure value	$ 100,000,000
		All other wind/hail	$ 500,000	$ 500,000,000
		All other risks	$ 500,000	$ 1,000,000,000
Terrorism	4/1/18-4/1/19 Lloyd's of London	Sabotage & Terrorism	$ 25,000	$ 100,000,000
		Revenue	$ 100,000	$ 10,000,000
Excess Liability	4/1/18-4/1/19 Lloyd's of London	General liability, employers' and employee benefits liability, auto liability, errors and omissions law enforcement and terrorism	$ 1,000,000	$ 10,000,000(a) $ 20,000,000(b)
		Employment practices, sexual harassment, and sexual misconduct	$ 1,000,000	$ 5,000,000(a) $ 10,000,000(b)
Workers' Compensation	4/1/18-Indefinite	Florida Workers' Compensation Act & Employers' Liability	All self-insured	Statutory
Crime	4/1/18-4/1/19 Massachusetts Bay Insurance Co.	Public dishonesty	$ 50,000	$ 2,000,000
		Forgery or alteration	$ 5,000	$ 100,000
		Theft, disappearance, or destruction	$ 50,000	$ 5,000,000
		Computer fraud, wire funds transfer	$ 50,000	$ 1,000,000
		Personal Acct Protection	$ 5,000	$ 100,000
Boiler and Machinery	4/1/18-4/1/19 Travelers Property & Casualty	Machinery breakdown	$ 50,000	$ 100,000,000
Vehicle and Mobile Equipment Floater	4/1/18-4/1/19 Berkley National Ins. Co.	Commercial Inland	$ 250,000	$ 5,000,000
Environmental and Storage Tank Liability	4/1/18-4/1/21 Illinois Union Insurance Co. (ACE)	Pollution conditions and operations	$ 250,000	$ 4,000,000(a) $ 12,000,000(b)
Cyber Liability	4/1/18-4/1/19 Lloyd's of London	Security and privacy liability, media content, liability, cyber extortion	$ 500,000	$ 5,000,000
		Business Interruption/Digital Asset Loss	$ 500,000	$ 5,000,000
		PCI-DSS Assessment	$ 500,000	$ 1,000,000

(a) Per occurrence (b) In aggregate

Note: This schedule is provided to present summarized data for informational purposes regarding the Center's insurance coverage. As such, it should not be construed to represent a complete description of each policy.