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ORANGE COUNTY CONVENTION CENTER
ORANGE COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT
for the years ended September 30, 2025 and 2024

ORANGE COUNTY CONVENTION CENTER

ANNUAL FINANCIAL REPORT

for the years ended September 30, 2025 and 2024

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Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying basic financial statements of the Orange County Convention Center (the "Center"), an enterprise fund of Orange County, Florida, as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Orange County Convention Center as of September 30, 2025 and 2024, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Orange County, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

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, 2025 and 2024, 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 Note Q to the financial statements, the Center determined that its previously issued financial statements contained a reporting error. As a result, net position at September 30, 2024 has been restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audits were 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.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the General Debt Covenants section but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

As discussed in Note A to the financial statements, 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 18, 2026

**ORANGE COUNTY CONVENTION CENTER
STATEMENTS OF NET POSITION
September 30, 2025 and 2024**

	<u>2025</u>	<u>2024 (restated)</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and cash equivalents	\$ 484,618,626	\$ 390,972,069
Accrued interest receivable	1,803,374	1,316,954
Taxes receivable	28,975,696	25,970,610
Accounts receivable	4,889,964	5,595,989
Less allowance for doubtful accounts	(236,438)	(811,163)
Due from other governmental agencies	4,500	-
Cash and cash equivalents, restricted	49,846,331	70,898,283
Total current assets	569,902,053	493,942,742
Noncurrent assets:		
Cash and cash equivalents, restricted	5,344,444	24,589,600
Investments, restricted	58,676,100	59,476,720
Nondepreciable capital assets	270,517,534	212,672,515
Depreciable/amortizable capital assets, net	490,329,321	507,439,417
Total noncurrent assets	824,867,399	804,178,252
Total assets	1,394,769,452	1,298,120,994
Deferred outflows of resources:		
Deferred amount on debt refundings	6,113,144	7,732,740
Related to pensions and OPEB	5,046,492	6,438,755
Total deferred outflows of resources	11,159,636	14,171,495
Total assets and deferred outflows of resources	\$ 1,405,929,088	\$ 1,312,292,489
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 48,096,050	\$ 41,625,438
Due to other governmental agencies	4,571,295	4,085,483
Subscription-based information technology	292,486	273,929
Unearned revenue	13,374,454	14,050,456
Net pension liability	-	33,155
Payable from restricted assets:		
Accrued interest payable	11,931,594	13,249,844
Revenue bonds payable	32,585,000	52,730,000
Total current liabilities	110,850,879	126,048,305
Noncurrent liabilities:		
Compensated absences payable	1,459,142	1,247,365
Subscription-based information technology	-	298,920
Revenue bonds payable (net of unamortized costs)	515,723,424	553,265,232
Net pension and OPEB liability	22,664,550	27,237,894
Total noncurrent liabilities	539,847,116	582,049,411
Total liabilities	650,697,995	708,097,716
Deferred inflows of resources:		
Related to pensions and OPEB	5,998,627	4,148,402
Total liabilities and deferred inflows of resources	656,696,622	712,246,118
<u>NET POSITION</u>		
Net investment in capital assets	485,389,659	402,239,411
Restricted for:		
Debt service	99,595,323	139,475,287
Contractual obligations	2,339,958	2,239,472
Unrestricted	161,907,526	56,092,201
Total net position	\$ 749,232,466	\$ 600,046,371

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, 2025 and 2024**

	<u>2025</u>	<u>2024 (restated)</u>
Operating revenues:		
Event services	\$ 54,640,494	\$ 55,391,181
Rentals	26,784,060	22,496,125
Vendor commissions	7,132,328	7,883,228
Forfeited deposits	1,551,788	2,889,016
Miscellaneous	<u>2,081,871</u>	<u>1,394,359</u>
Total operating revenues	<u>92,190,541</u>	<u>90,053,909</u>
Operating and maintenance expenses:		
Personal services	51,692,476	47,245,763
Contractual services	18,630,808	14,552,655
Materials and supplies	3,287,333	6,593,894
Utilities	17,404,523	18,421,782
Repairs and maintenance	9,521,867	15,160,373
Other expenses	9,738,028	9,513,682
Pension and OPEB liability adjustment	<u>(1,364,011)</u>	<u>152,728</u>
Total operating and maintenance expenses	<u>108,911,024</u>	<u>111,640,877</u>
Operating loss before depreciation and amortization	(16,720,483)	(21,586,968)
Depreciation and amortization	<u>42,745,445</u>	<u>41,248,308</u>
Operating loss	<u>(59,465,928)</u>	<u>(62,835,276)</u>
Nonoperating revenues (expenses):		
Tourist development tax	384,587,078	359,464,592
Tax collection expense	(906,082)	(731,984)
Payments to other agencies	(170,044,324)	(159,513,495)
Investment income	21,704,289	26,271,471
Interest expense and fiscal charges	(20,534,570)	(22,029,257)
Gain (loss) on disposal of assets	(2,558,868)	76,038
Federal and state grants	<u>4,500</u>	<u>-</u>
Total net nonoperating revenues (expenses)	<u>212,252,023</u>	<u>203,537,365</u>
Income before transfers	152,786,095	140,702,089
Capital contributions	-	3,500,000
Transfers out	<u>(3,600,000)</u>	<u>(3,100,000)</u>
Change in net position	149,186,095	141,102,089
Total net position, October 1	<u>600,046,371</u>	<u>458,944,282</u>
Total net position, September 30	<u>\$ 749,232,466</u>	<u>\$ 600,046,371</u>

See accompanying notes to financial statements.

**ORANGE COUNTY CONVENTION CENTER
STATEMENTS OF CASH FLOWS
for the years ended September 30, 2025 and 2024**

	<u>2025</u>	<u>2024 (restated)</u>
Cash flows from operating activities:		
Cash received from customers	\$ 88,900,350	\$ 90,888,773
Cash payments to suppliers for goods and services	(70,059,271)	(64,500,001)
Cash payments to employees for services	(51,264,720)	(46,507,269)
Other operating receipts	2,081,871	1,394,359
	<u>(30,341,770)</u>	<u>(18,724,138)</u>
Net cash used by operating activities		
Cash flows from noncapital financing activities:		
Tourist development tax received	381,581,992	358,237,380
Payments to other agencies	(157,387,916)	(159,984,070)
Transfers out	(3,600,000)	(3,100,000)
Tax collection fees paid	(906,082)	(731,984)
	<u>219,687,994</u>	<u>194,421,326</u>
Net cash provided by noncapital financing activities		
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(81,944,978)	(52,190,785)
Principal paid on revenue bonds	(52,730,000)	(50,275,000)
Interest and fees paid on revenue bonds	(24,944,681)	(27,734,643)
Proceeds from disposition of assets	81,116	78,124
	<u>(159,538,543)</u>	<u>(130,122,304)</u>
Net cash used by capital and related financing activities		
Cash flows from investing activities:		
Purchase of investments	(57,661,755)	(58,242,714)
Proceeds from sale and maturity of investments	58,242,714	78,559,119
Investment gain	22,960,809	27,703,667
	<u>23,541,768</u>	<u>48,020,072</u>
Net cash provided by investing activities		
Net increase in cash and cash equivalents	53,349,449	93,594,956
Cash and cash equivalents, October 1	<u>486,459,952</u>	<u>392,864,996</u>
Cash and cash equivalents, September 30	<u>\$ 539,809,401</u>	<u>\$ 486,459,952</u>
Classified as:		
Current assets	\$ 484,618,626	\$ 390,972,069
Current assets, restricted	49,846,331	70,898,283
Noncurrent assets, restricted	5,344,444	24,589,600
	<u>\$ 539,809,401</u>	<u>\$ 486,459,952</u>
Total		

See accompanying notes to financial statements.

Continued

ORANGE COUNTY CONVENTION CENTER
STATEMENTS OF CASH FLOWS, Continued
for the years ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024 (restated)</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (59,465,928)	\$ (62,835,276)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	42,745,445	41,248,308
Pension and OPEB adjustment	(1,364,011)	152,728
Allowance for doubtful accounts	(574,725)	793,233
Decrease (Increase) in assets:		
Accounts receivable	706,025	(2,336,682)
Increase (Decrease) in liabilities:		
Accounts payable and accrued liabilities	(11,712,574)	1,092,127
Unearned revenue	(676,002)	3,161,424
Total adjustments	<u>29,124,158</u>	<u>44,111,138</u>
Net cash used by operating activities	<u>\$ (30,341,770)</u>	<u>\$ (18,724,138)</u>
Noncash investing, capital, and financing activities:		
Capital assets acquired through payables	\$ 18,701,136	\$ 13,394,597
Capital contributions received	<u>-</u>	<u>3,500,000</u>
Total noncash investing, capital and financing activities	<u>\$ 18,701,136</u>	<u>\$ 16,894,597</u>

See accompanying notes to financial statements.

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS
for the years ended September 30, 2025 and 2024**

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

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

(OPEB) liability adjustments, depreciation, amortization and gains/losses on disposal of assets, are not budgeted, and 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.

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 fiscal year 2025 or 2024 that were extraordinary or unusual in cause or effect.

Cash and Cash Equivalents and Investments:

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 investment 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 based on quoted market prices, except for demand and time deposits, Florida PRIME, a qualifying investment pool as provided by Governmental Accounting Standards Board (GASB) Statement No. 79, and money market mutual funds, which are based on amortized cost.

Accounts Receivable and Revenue Recognition:

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

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

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. Subscription-based assets are recorded at the present value of payments expected to be made during the subscription term adjusted for any costs recorded as prepaid assets during the initial implementation stages of the information technology project. 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 other than buildings when placed in service. Provisions for depreciation and amortization 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
Subscription-based assets	2-5 years

In Fiscal Year 2000, the Board entered into an agreement with the Orlando Utilities Commission (OUC), transferring ownership of specific chilled water air cooling equipment from the Center to OUC. In exchange, OUC committed to providing discounted electric service rates for a period of 20 years. The Center recognized these rights as intangible capital assets and amortized them over the duration of the agreement, which concluded in Fiscal Year 2021. In Fiscal Year 2025, the Board approved a new Chilled Water Service Agreement under which OUC will design and construct a new chilled water plant and decommission the existing one. The new plant is expected to be completed by February 6, 2028, with the current rates continuing until then. Once the new plant is operational, new discounted rates will begin and will be in effect for an initial period of 20 years.

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

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 held all right, title, and interest in the Project facilities. The Center recorded this right as an intangible capital asset, which was amortized over the 30-year anticipated life of the Project.

In Fiscal Year 2024, the solar panels were removed to accommodate a re-roofing and solar replacement project. The interlocal agreement with OUC was terminated as of October 8, 2024, and the solar panels were disposed of during Fiscal Year 2025. A replacement solar farm was installed on the roof of the Convention Center and became operational in Fiscal Year 2025.

Subscription-Based Information Technology Arrangements:

The Center has entered into one noncancellable arrangement for a subscription-based information technology program. The Center recognizes a liability and an intangible subscription-based asset in the statement of net position. Assets with a value of \$1 million or more are recognized.

At the commencement of the arrangement, the liability is measured at the present value of payments expected to be made during the subscription term. In subsequent fiscal years, the liability is reduced by the principal portion of the payments made. The asset is initially measured as the amount of the liability, adjusted for any payments made during the initial implementation stages previously recorded as a prepaid asset. In subsequent fiscal years, the subscription-based asset is amortized on the straight-line basis over its useful life which is the same as the subscription term.

Key estimates and judgments related to subscription-based arrangements include how the Center determines: 1) the discount rate used to discount the expected payments to present value, 2) the subscription term and, 3) the subscription payments. The Center uses the interest rate charged by the vendor as the discount rate. When the discount rate is not provided by the vendor, the Center uses its estimated incremental borrowing rate. The term includes the noncancellable period of the subscription. Payments included in the initial measurement of the liability include fixed payments and any other payments reasonably certain of being required based on an assessment of all relevant factors.

The Center monitors changes in circumstances that would require a remeasurement of its subscription-based liabilities and will remeasure the asset and liability if these changes are expected to significantly affect the amount of the liability.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

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:

	2025	2024
Due to vendors and other agencies	\$ 43,270,323	\$ 37,015,690
Salaries and benefits payable	4,825,727	4,609,748
	\$ 48,096,050	\$ 41,625,438

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.

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, 2025, the Center had outstanding arbitrage rebate liability in the amount of \$245,352 and no outstanding liability for year ended September 30, 2024.

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Compensated Absences:

The Center accrues costs of paid time off as a liability for leave that has not been used if: (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash. The compensated absences liability also includes other salary-related costs incrementally associated with the payment of Social Security and Medicare taxes. The liability for compensated absences was \$3,927,482 and \$3,675,175 at September 30, 2025 and 2024, respectively. Of these amounts, \$2,468,340 and \$2,427,810, 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.

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 \$1,861,706 and \$2,672,417 for Fiscal Year 2025 and 2024, respectively, while the City reports the related capital assets and unspent bond proceeds. The amount of unrestricted net position (deficit) associated with this debt is (\$285,731,706) at September 30, 2025, and (\$294,357,417) at September 30, 2024. The remaining positive balance of unrestricted net position is \$447,639,232 at September 30, 2025, and \$350,449,618 at September 30, 2024.

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, forfeited deposits related to facility rentals, fees for support services associated with events, commissions from vendors, and certain other miscellaneous charges. Other revenues, including tourist development taxes, gain (loss) on disposal of assets, and investment income, are classified as nonoperating.

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 OPEB contributions as a component of personal services expense. The remaining portion of OPEB expense, consisting of the actuarially determined portion of

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

the County's OPEB expense in excess of amounts contributed by the Center, is presented as an OPEB liability adjustment.

Bond Amortization Costs:

Bond premiums 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 amortization of the deferred amount on refunding are recorded as components of interest and fiscal charges expense. Amortization of these bond costs for the fiscal years ended September 30, 2025 and 2024 was as follows:

	2025	2024
Net amortization of bond premium	\$ (4,956,808)	\$ (5,576,988)
Amortization of deferred amounts on debt refundings	1,619,596	2,167,360

New Accounting Pronouncement:

Effective October 1, 2024, the Center implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement establishes a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when an obligation is incurred. A liability is recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or otherwise paid. The implementation of this standard resulted in no material impact on the Center's financial statements.

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Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

B. DEPOSIT AND INVESTMENT RISK

As of September 30, 2025 and 2024, 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:

<u>Investment Type</u>	<u>2025</u>	<u>2024</u>	<u>Credit Rating</u>
Demand and time deposits	\$ 61,383,033	\$ 73,825,918	NA
Money market mutual funds	3,160,449	22,693,489	AAAm/Aaa-mf
U.S. Treasury Notes	58,676,100	59,476,720	AA+/Aaa
County investment pool:			
Florida PRIME	196,995,661	157,566,151	AAAm
U.S. Treasury Bills	82,141,478	76,085,339	A-1+
U.S. Treasury Notes	160,298,301	134,325,829	AA+/Aa1
Federal instrumentalities:			
Notes and bonds	6,903,292	2,869,054	AA+/Aa1
Discount notes	25,227,265	11,320,289	A-1+/P-1
Money market mutual funds	3,699,922	7,773,883	AAAm/Aaa-mf
Total	<u>\$ 598,485,501</u>	<u>\$ 545,936,672</u>	

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.

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

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

B. DEPOSIT AND INVESTMENT RISK, Continued

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, 2025, the Center's portion of the Board investment pool portfolio was invested in two authorized Instrumentalities, each of which represented 5.4% or less 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, 2025 and 2024, 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, 2025 and 2024, all of the Center's investments were held in a bank's trust department in the Board's name.

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 6.6 months and 8.1 months at September 30, 2025 and 2024, respectively. The portfolio did not contain any callable securities at September 30, 2025 and 2024. The Money Markets have a weighted average maturity of not more than 60 days. Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

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, 2025 and September 30, 2024:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Totals</u>
<u>September 30, 2025:</u>			
Bond interest	\$ 12,087,557	\$ -	\$ 12,087,557
Bond principal	32,585,000	-	32,585,000
Bond reserve	3,004,486	58,676,100	61,680,586
Sixth cent TDT	5,173,774	-	5,173,774
Hotel surcharge	<u>2,339,958</u>	<u>-</u>	<u>2,339,958</u>
Total restricted assets	55,190,775	58,676,100	113,866,875
Less: current portion	<u>49,846,331</u>	<u>-</u>	<u>49,846,331</u>
Restricted assets, noncurrent portion	<u>\$ 5,344,444</u>	<u>\$ 58,676,100</u>	<u>\$ 64,020,544</u>
 <u>September 30, 2024:</u>			
Bond interest	\$ 13,593,205	\$ -	\$ 13,593,205
Bond principal	52,730,000	-	52,730,000
Bond reserve	22,350,128	59,476,720	81,826,848
Sixth cent TDT	4,575,078	-	4,575,078
Hotel surcharge	<u>2,239,472</u>	<u>-</u>	<u>2,239,472</u>
Total restricted assets	95,487,883	59,476,720	154,964,603
Less: current portion	<u>70,898,283</u>	<u>-</u>	<u>70,898,283</u>
Restricted assets, noncurrent portion	<u>\$ 24,589,600</u>	<u>\$ 59,476,720</u>	<u>\$ 84,066,320</u>

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

D. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2025 and 2024 was as follows:

	Balance 10/1/2024	Additions	Reductions	Balance 9/30/2025
Capital assets, not being depreciated:				
Land	\$ 115,117,801	\$ -	\$ (3,500,000)	\$ 111,617,801
Construction in progress	97,554,714	87,936,136	(26,591,117)	158,899,733
Total capital assets, not being depreciated	<u>212,672,515</u>	<u>87,936,136</u>	<u>(30,091,117)</u>	<u>270,517,534</u>
Capital assets, being depreciated/amortized:				
Buildings	1,490,728,181	26,757,828	-	1,517,486,009
Improvements other than buildings	63,245,921	10,255	-	63,256,176
Machinery and equipment	47,099,651	986,649	(2,183,634)	45,902,666
Subscription based asset	1,091,222	8,119	-	1,099,341
Intangible	8,094,291	-	(4,282,094)	3,812,197
Total capital assets, being depreciated/amortized	<u>1,610,259,266</u>	<u>27,762,851</u>	<u>(6,465,728)</u>	<u>1,631,556,389</u>
Less accumulated depreciation/amortization expense for:				
Buildings	(1,021,821,201)	(39,326,122)	-	(1,061,147,323)
Improvements other than buildings	(32,013,293)	(1,634,843)	-	(33,648,136)
Machinery and equipment	(42,450,524)	(1,507,605)	2,137,711	(41,820,418)
Subscription based asset	(522,119)	(276,875)	-	(798,994)
Intangible	(6,012,712)	-	2,200,515	(3,812,197)
Total accumulated depreciation/amortization expense	<u>(1,102,819,849)</u>	<u>(42,745,445)</u>	<u>4,338,226</u>	<u>(1,141,227,068)</u>
Total capital assets, being depreciated/amortized, net	<u>507,439,417</u>	<u>(14,982,594)</u>	<u>(2,127,502)</u>	<u>490,329,321</u>
Total Center capital assets, net	<u>\$ 720,111,932</u>	<u>\$ 72,953,542</u>	<u>\$ (32,218,619)</u>	<u>\$ 760,846,855</u>
	Balance 10/1/2023	Additions (restated)	Reductions	Balance 9/30/2024 (restated)
Capital assets, not being depreciated:				
Land	\$ 111,617,801	\$ 3,500,000	\$ -	\$ 115,117,801
Construction in progress	54,779,733	59,560,143	(16,785,162)	97,554,714
Total capital assets, not being depreciated	<u>166,397,534</u>	<u>63,060,143</u>	<u>(16,785,162)</u>	<u>212,672,515</u>
Capital assets, being depreciated/amortized:				
Buildings	1,473,750,848	16,977,333	-	1,490,728,181
Improvements other than buildings	63,177,571	68,350	-	63,245,921
Machinery and equipment	47,836,294	2,319,560	(3,056,203)	47,099,651
Subscription based asset	1,091,222	-	-	1,091,222
Intangible	8,094,291	-	-	8,094,291
Total capital assets, being depreciated/amortized	<u>1,593,950,226</u>	<u>19,365,243</u>	<u>(3,056,203)</u>	<u>1,610,259,266</u>
Less accumulated depreciation/amortization expense for:				
Buildings	(985,694,822)	(36,126,379)	-	(1,021,821,201)
Improvements other than buildings	(30,344,924)	(1,668,369)	-	(32,013,293)
Machinery and equipment	(42,468,708)	(3,038,019)	3,056,203	(42,450,524)
Subscription based asset	(249,314)	(272,805)	-	(522,119)
Intangible	(5,869,976)	(142,736)	-	(6,012,712)
Total accumulated depreciation/amortization expense	<u>(1,064,627,744)</u>	<u>(41,248,308)</u>	<u>3,056,203</u>	<u>(1,102,819,849)</u>
Total capital assets, being depreciated/amortized, net	<u>529,322,482</u>	<u>(21,883,065)</u>	<u>-</u>	<u>507,439,417</u>
Total Center capital assets, net	<u>\$ 695,720,016</u>	<u>\$ 41,177,078</u>	<u>\$ (16,785,162)</u>	<u>\$ 720,111,932</u>

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

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, 2025 and 2024 is as follows:

	Balance 10/1/2024	Additions	Reductions	Balance 9/30/2025	Due Within One Year
Compensated absences payable (net)	\$ 3,675,175	\$ 252,307	\$ -	\$ 3,927,482	\$ 2,468,340
Subscription-based information technology	572,849	8,119	(288,482)	292,486	292,486
Revenue bonds payable:					
Public offerings	586,415,000	-	(52,730,000)	533,685,000	32,585,000
Plus unamortized costs:					
Bond premium	19,580,232	-	(4,956,808)	14,623,424	(3,338,366)
Total revenue bonds payable, net of unamortized costs	605,995,232	-	(57,686,808)	548,308,424	29,246,634
Net pension liability	26,593,115	-	(5,081,170)	21,511,945	-
Net OPEB liability	677,934	1,445,511	(970,840)	1,152,605	-
Total net pension and OPEB liability	27,271,049	1,445,511	(6,052,010)	22,664,550	-
Center long-term liabilities, including current portion	<u>\$ 637,514,305</u>	<u>\$ 1,705,937</u>	<u>\$ (64,027,300)</u>	<u>\$ 575,192,942</u>	<u>\$ 32,007,460</u>
	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024	Due Within One Year
Compensated absences payable (net)	\$ 3,494,970	\$ 180,205	\$ -	\$ 3,675,175	\$ 2,427,810
Subscription-based information technology	823,364	-	(250,515)	572,849	273,929
Revenue bonds payable:					
Public offerings	636,690,000	-	(50,275,000)	586,415,000	52,730,000
Plus unamortized costs:					
Bond premium	25,157,220	-	(5,576,988)	19,580,232	(4,956,808)
Total revenue bonds payable, net of unamortized costs	661,847,220	-	(55,851,988)	605,995,232	47,773,192
Net pension liability	28,002,848	-	(1,409,733)	26,593,115	33,155
Net OPEB liability	1,020,136	1,227,278	(1,569,480)	677,934	-
Total net pension and OPEB liability	29,022,984	1,227,278	(2,979,213)	27,271,049	33,155
Center long-term liabilities, including current portion	<u>\$ 695,188,538</u>	<u>\$ 1,407,483</u>	<u>\$ (59,081,716)</u>	<u>\$ 637,514,305</u>	<u>\$ 50,508,086</u>

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE

Public Offerings:

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 were not subject to redemption prior to maturity. Final payment on the bond occurred on October 1, 2024.

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.

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.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE, Continued

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:

<u>Year</u>	<u>Principal Amount</u>
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:

<u>Year</u>	<u>Principal Amount</u>
2035	\$ 38,335,000
2036 (final maturity)	39,860,000

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.

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.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE, Continued

The following is a summary of revenue bonds payable as of September 30, 2025 and 2024:

Public Offerings:

	September 30	
	2025	2024
<u>\$144,395,000 Tourist Development Tax Refunding Revenue Bonds, Series 2010:</u>		
Serial bonds, due October 1, 2024 with interest due semi-annually on April 1 and October 1, at 5.00%	\$ -	\$ 42,780,000
Unamortized bond premium	-	-
Deferred amount on refunding	-	-
	-	-
Series 2010 Bonds payable net of unamortized costs	-	42,780,000
 <u>\$154,195,000 Tourist Development Tax Refunding Revenue Bonds, Series 2015:</u>		
Serial bonds, due October 1, from 2024 to 2031 with interest due semi-annually on April 1 and October 1, at 5.00%	79,005,000	87,955,000
Unamortized bond premium	2,713,762	3,744,994
Deferred amount on refunding	(1,658,647)	(2,124,903)
	79,005,000	87,955,000
Series 2015 Bonds payable net of unamortized costs	80,060,115	89,575,091

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE, Continued

	September 30	
	<u>2025</u>	<u>2024</u>
<u>\$63,025,000 Tourist Development Tax Refunding Revenue Bonds, Series 2016:</u>		
Serial bonds, due October 1, 2024; 2031 and 2032 with interest due semi-annually on April 1 and October 1, at 4.00% to 5.00%	\$ 61,025,000	\$ 62,025,000
Unamortized bond premium	3,806,296	4,380,547
Deferred amount on refunding	(1,689,732)	(1,904,393)
Series 2016 Bonds payable net of unamortized costs	63,141,564	64,501,154
 <u>\$88,940,000 Tourist Development Tax Revenue Bonds, Series 2016A:</u>		
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	508,931	726,786
Series 2016A Bonds payable net of unamortized costs	89,448,931	89,666,786

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE, Continued

	September 30	
	2025	2024
<u>\$202,745,000 Tourist Development Tax Refunding Revenue Bonds, Series 2016B:</u>		
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	1,352,775	1,945,629
Series 2016B Bonds payable net of unamortized costs	204,097,775	204,690,629
<u>\$194,740,000 Tourist Development Tax Refunding Revenue Bonds, Series 2017:</u>		
Serial bonds, due October 1, from 2025 to 2030 with interest due semi-annually on April 1 and October 1, at 5.00%	101,970,000	101,970,000
Unamortized bond premium	6,241,660	8,782,276
Deferred amount on refunding	(2,764,765)	(3,703,444)
Series 2017 Bonds payable net of unamortized costs	105,446,895	107,048,832

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE, Continued

	September 30	
	<u>2025</u>	<u>2024</u>
Classified as:		
Amounts displayed as liabilities:		
Revenue bonds payable, current portion (payable from restricted assets)	\$ 32,585,000	\$ 52,730,000
Revenue bonds payable, noncurrent portion	515,723,424	553,265,232
Amounts displayed as deferred outflows:		
Deferred amount on refundings	<u>(6,113,144)</u>	<u>(7,732,740)</u>
Total	<u>\$ 542,195,280</u>	<u>\$ 598,262,492</u>

The total principal and interest remaining to be paid on all outstanding series of bonds was \$684,573,120 and \$762,484,557 as of September 30, 2025 and 2024, respectively. Principal and interest paid or defeased was \$77,911,437 and \$78,031,562, and total pledged revenue was \$316,319,443 and \$295,385,663, respectively, for the fiscal years ended September 30, 2025 and 2024.

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Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE, Continued

All series of Tourist Development Tax revenue 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 Reserve 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 \$59,645,800.

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.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

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, 2025.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

F. REVENUE BONDS PAYABLE, Continued

Future principal and interest payments (in thousands) required on the Series 2015, Series 2016, Series 2016A, Series 2016B, and Series 2017 Bonds, which were publicly offered, are as follows as of September 30, 2025:

<u>Bond Year</u> <u>Ending October 1</u>	<u>Public Offerings</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 32,585	\$ 11,932
2026	34,210	22,234
2027	35,915	20,523
2028	37,670	18,773
2029	39,545	16,890
2030-2034	241,265	53,742
2035-2036	<u>112,495</u>	<u>6,794</u>
Totals	<u>\$ 533,685</u>	<u>\$ 150,888</u>

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,

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ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

G. RETIREMENT SYSTEMS, Continued

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 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.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

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 3.0% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.0%. 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 96 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 3.0% 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 are as follows:

Job Class	July 1, 2025 - September 30, 2025	July 1, 2024 - June 30, 2025	October 1, 2023 - June 30, 2024
Regular	14.03%	13.63%	13.57%
Special Risk Administrative			
Support	39.48%	39.82%	39.82%
Special Risk	35.19%	32.79%	32.67%
Senior Management Services	33.24%	34.52%	34.52%
Elected Officers	54.57%	58.68%	58.68%
DROP participants	22.02%	21.13%	21.13%

These employer contribution rates include a 2.00% HIS Plan subsidy for the period October 1, 2023 through September 30, 2025.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

The Center's contributions to the Pension Plan totaled \$2,624,124 and \$2,533,670 for the fiscal years ended September 30, 2025 and 2024, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The Center reported a liability of \$13,234,729 and \$17,067,187 for its proportionate share of the Board's Pension Plan's net pension liability as of September 30, 2025 and 2024, 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, 2025, the Center's share was 2.82%, which was a decrease of 0.07% from its proportionate share of 2.89% measured as of September 30, 2024.

For the fiscal years ended September 30, 2025 and 2024, the Center recognized pension expense of \$1,311,285 and \$2,613,340, respectively. In addition, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	Deferred Outflows of Resources		Deferred Inflows of Resources	
	9/30/2025	9/30/2024	9/30/2025	9/30/2024
Differences between expected and actual experience	\$ 1,413,608	\$ 1,724,244	\$ -	\$ -
Change of assumptions	1,536,896	2,339,214	-	-
Net difference between projected and actual earnings on Pension Plan investments	-	-	2,209,672	1,134,374
Changes in proportion and differences between Center Pension Plan contributions and proportionate share of contributions	200,402	360,340	262,143	291,399
Center Pension Plan contributions subsequent to the measurement date	652,409	589,386	-	-
Total	<u>\$ 3,803,315</u>	<u>\$ 5,013,184</u>	<u>\$ 2,471,815</u>	<u>\$ 1,425,773</u>

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

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 \$652,409, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. 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:

<u>Fiscal Year Ending September 30:</u>	<u>Amount</u>
2026	\$ 2,114,903
2027	(389,995)
2028	(575,449)
2029	(470,368)

Actuarial Assumptions – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

All assumptions were the same in the July 1, 2024 valuation.

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

The actuarial assumptions used in the July 1, 2025 and July 1, 2024 valuations were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

The table below contains a summary of return assumptions for various asset classes based on the long-term target asset allocation. The details below are summarized results of a more detailed market outlook model with additional asset classes. Each asset class assumption is based on a consistent set of underlying real return assumptions and are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean		2.4%		1.5%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.70% for the July 1, 2025 and 2024 actuarial valuations. 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.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

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 6.70% for Fiscal Years 2025 and 2024, 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 (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Center's proportionate share of the net pension liability at September 30, 2025	\$ 25,972,951	\$ 13,234,729	\$ 2,555,188
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Center's proportionate share of the net pension liability at September 30, 2024	\$ 30,043,884	\$ 17,067,187	\$ 6,220,794

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2025 and 2024, the Center reported de minimis amounts payable for outstanding contributions to the Pension Plan.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

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 – Eligible retirees and beneficiaries received the following:

	October 1, 2023 - September 30, 2025
Monthly HIS payment for each year of creditable service completed at the time of retirement	\$ 7.50
Minimum HIS payment per month	45.00
Maximum HIS payment per month	225.00

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 Fiscal Years 2025 and 2024, the HIS contribution rate was 2.00%. 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 \$587,214 and \$547,707 for the fiscal years ended September 30, 2025 and 2024, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The Center reported a liability of \$8,277,216 and \$9,525,928 for its proportionate share of the Board’s HIS Plan’s net pension liability as of September 30, 2025 and 2024, 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, 2024. The

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

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, 2025, the Center's proportionate share was 5.17%, which was an increase of 0.01% from its proportionate share of 5.16% measured as of September 30, 2024.

For the fiscal years ended September 30, 2025 and 2024, the Center recognized pension expense of \$232,964 and \$448,759, respectively. In addition, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	Deferred Outflows of Resources		Deferred Inflows of Resources	
	9/30/2025	9/30/2024	9/30/2025	9/30/2024
Differences between expected and actual experience	\$ 49,409	\$ 91,979	\$ 13,130	\$ 18,291
Change of assumptions	73,263	168,587	2,002,046	1,127,748
Net difference between projected and actual earnings on HIS Plan investments	-	-	6,889	3,445
Changes in proportion and differences between Center HIS Plan contributions and proportionate share of contributions	326,977	291,587	141,188	193,030
Center HIS Plan contributions subsequent to the measurement date	137,750	127,600	-	-
Total	<u>\$ 587,399</u>	<u>\$ 679,753</u>	<u>\$ 2,163,253</u>	<u>\$ 1,342,514</u>

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

The deferred outflows of resources related to the HIS Plan resulting from Center contributions to the HIS Plan subsequent to the measurement date, totaling \$137,750, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2026	\$ (353,532)
2027	(469,907)
2028	(384,958)
2029	(307,850)
2030	(197,357)

Actuarial Assumptions – The total pension liability in the July 1, 2025 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Municipal bond rate	5.20%

All assumptions were the same in the June 30, 2024 measurement date with the exception of the municipal bond rate which was 3.93%. This differs due to changes in the applicable municipal bond index between measurement dates.

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions that determined the total pension liability as of June 30, 2024 and 2025 were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate - The discount rate used to measure the total pension liability was 5.20% and 3.93% for the July 1, 2025 and 2024 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 FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

G. RETIREMENT SYSTEMS, Continued

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 5.20% and 3.93%, for the Fiscal Year 2025 and 2024, 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 (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Center's proportionate share of the net pension liability at September 30, 2025	\$ 9,333,893	\$ 8,277,216	\$ 7,390,999
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Center's proportionate share of the net pension liability at September 30, 2024	\$ 10,844,045	\$ 9,525,928	\$ 8,431,678

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 Annual Comprehensive Financial Report.

Payables to the HIS Plan - At September 30, 2025 and 2024, 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 Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Center employees participating in DROP are not eligible to participate in the Investment Plan.

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ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

G. RETIREMENT SYSTEMS, Continued

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, 2023 through September 30, 2025 was 0.06% of payroll. Allocations to the investment member's accounts during the period covering October 1, 2023 to September 30, 2025 as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class--11.30%, Special Risk Administrative Support class--12.95%, Special Risk class--19.00%, Senior Management Service class--12.67% and County Elected Officers class--16.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. 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 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, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the 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 \$1,447,966 and \$1,263,347 for the fiscal years ended September 30, 2025 and 2024, respectively.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

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 five dollars per year of service up to a maximum of \$150 per month. Effective October 1, 2025, the monthly benefit will increase to \$7.50 per year of service up to a maximum of \$225 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 commencement at such deferral date. Additionally, in accordance with State statute, Center 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 2025, the Center’s ADC payment was \$222,107, representing 0.58% of the Center’s covered employee payroll amount of \$38,449,774. For Fiscal Year 2024, the Center’s ADC payment was \$340,250, representing 0.98% of the Center’s covered employee payroll amount of \$34,893,103. A full presentation of the Trust and OPEB Plan assets, liabilities, and actuarial methods and assumptions is included in the Orange County, Florida Annual Comprehensive Financial Report. Separate stand-alone financial statements for the Trust are not prepared.

At September 30, 2025 and 2024, Center employee plan participation consisted of:

	2025	2024
Active members	450	433
Inactive employees currently receiving benefits	127	130
Inactive employees with deferred benefits	2	2

Net OPEB Liability – The Center’s net OPEB liability measured as of September 30, 2025 and 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates.

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

Actuarial Assumptions – The total OPEB liability in the September 30, 2025 actuarial valuation was determined based on a five-year actuarial experience study for the period ended October 1, 2024, 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%
Discount rate used to measure total OPEB liability	7.0%
Projected annual salaries increase	3.65% - 8.50%, including inflation
Inflation rate	2.5%
Healthcare cost trend rate	Starting at 6.0% for 2026 and gradually decreasing according to the Getzen Model to an ultimate trend rate of 4.0% in 2050
Mortality	Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvement using Scale MP-2021

The total OPEB liability in September 30, 2024 actuarial valuation was determined based on a five-year actuarial experience study for the period ended October 1, 2024, 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%
Discount rate used to measure total OPEB liability	7.0%
Projected annual salaries increase	3.4% - 8.2%, including inflation
Inflation rate	2.5%
Healthcare cost trend rate	Starting at 6.5% for 2025 and gradually decreasing according to the Getzen Model to an ultimate trend rate of 4.0% in 2050
Mortality	Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvement using Scale MP-2018

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**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

The long-term expected rate of return on OPEB plan investments was determined by deriving net arithmetic expectations of the Trust's portfolio by applying the capital market assumptions of national investment forecasters for each asset class to the Trust's asset allocation and netting out expected investment expenses. These forecasters' arithmetic return assumptions for the portfolio were then converted to 50th percentile expectations. The consensus average best estimates of geometric real rates of return (expected returns, net of investment expenses and inflation) for each major asset class included in the asset allocations as of September 30, 2025 are summarized in the following table, which also approximate the rate of return and asset allocation as of September 30, 2024:

<u>Asset Class</u>	<u>Expected Nominal Rate of Return</u>	<u>Expected Real Rate of Return</u>	<u>Allocation</u>
Large Cap U.S. Equity	6.83%	4.33%	45.7%
Small Cap U.S. Equity	7.04%	4.54%	4.3%
International Equity	7.18%	4.68%	23.9%
Emerging Markets Equity	8.12%	5.62%	9.1%
Non-U.S. Developed Bond	5.64%	3.14%	5.0%
Intermediate Duration Bonds-Gov't	4.55%	2.05%	8.2%
Intermediate Duration Bonds-Credit	4.86%	2.36%	3.8%
Total Portfolio	7.06%	4.56%	100.0%

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Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

Changes in the Net OPEB Liability – For the Center for fiscal years ended September 30, 2025 and 2024, are displayed in the following tables:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 9-30-2024	\$ 4,309,247	\$ 3,631,313	\$ 677,934
Changes for the year:			
Service cost	156,067	-	156,067
Interest	304,937	-	304,937
Change in Benefit Terms	927,847	-	927,847
Differences between expected and actual experience	56,660	-	56,660
Changes of assumptions	(174,418)	-	(174,418)
Contribution - employer	-	222,107	(222,107)
Net investment income	-	553,550	(553,550)
Benefit payments	(218,148)	(218,148)	-
Other changes	304,122	324,887	(20,765)
Net changes	1,357,067	882,396	474,671
Balances at 9-30-2025	\$ 5,666,314	\$ 4,513,709	\$ 1,152,605

Plan fiduciary net position as a percentage of
the total OPEB liability: 79.66%

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Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 9-30-2023	\$ 5,266,196	\$ 4,246,060	\$ 1,020,136
Changes for the year:			
Service cost	188,289	-	188,289
Interest	373,012	-	373,012
Changes of assumptions	(253,650)	-	(253,650)
Contribution - employer	-	340,250	(340,250)
Net investment income	-	975,580	(975,580)
Benefit payments	(251,481)	(251,481)	-
Other changes	(1,013,119)	(1,679,096)	665,977
Net changes	(956,949)	(614,747)	(342,202)
Balances at 9-30-2024	\$ 4,309,247	\$ 3,631,313	\$ 677,934

Plan fiduciary net position as a percentage of
the total OPEB liability: 84.27%

The discount rate used to measure the total OPEB liability is 7.00% in Fiscal Years 2025 and 2024. 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.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

Sensitivity of the Center's Net OPEB Liability to Changes in the Discount Rate - The following represents the Center's net OPEB liability calculated using the discount rate of 7.00% for Fiscal Years 2025 and 2024, as well as what the Center's net OPEB 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's net OPEB liability at September 30, 2025	\$ 1,727,921	\$ 1,152,605	\$ 649,602
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's net OPEB liability at September 30, 2024	\$ 1,108,086	\$ 677,934	\$ 301,084

Sensitivity of the Center's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following represents the Center's OPEB liability calculated using a health care cost trend rate starting at 6.0% for Fiscal Year 2025 and 6.5% for Fiscal Year 2024 and gradually decreasing according to the Getzen Model to an ultimate trend rate of 4.0% in 2050, as well as what the System's net OPEB 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	Current Healthcare Cost Trend Rate Assumption	1% Increase
Center's net OPEB liability at September 30, 2025	\$ 836,877	\$ 1,152,605	\$ 1,532,431
	1% Decrease	Healthcare Cost Trend Rate Assumption	1% Increase
Center's net OPEB liability at September 30, 2024	\$ 392,042	\$ 677,934	\$ 1,020,882

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN, Continued

For fiscal years ended September 30, 2025 and 2024, the Center recognized OPEB expense of \$770,262 and \$614,973, respectively. In addition, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2025</u>	<u>9/30/2024</u>
Differences between expected and actual experience	\$ 71,966	\$ 38,607	\$ 226,418	\$ 282,662
Change of assumptions	583,812	707,211	404,880	332,002
Net difference between projected and actual earnings on OPEB Plan investments	<u>-</u>	<u>-</u>	<u>732,261</u>	<u>765,451</u>
Total	<u>\$ 655,778</u>	<u>\$ 745,818</u>	<u>\$ 1,363,559</u>	<u>\$ 1,380,115</u>

The OPEB Plan's deferred outflows of resources and deferred inflows of resources related to the Center at September 30, 2025 will be recognized in OPEB expense of the Center as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Amount</u>
2026	\$ (197,076)
2027	(268,748)
2028	(188,300)
2029	(52,243)
2030	(11,446)
Thereafter	10,032

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 2025 and 2024 at an annual cost of \$4,250,643 and \$4,474,222, respectively. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2025. Effective March 14, 2025, the Board established a captive insurance company, Mosquito Property and Casualty, Inc. (Company) domiciled in

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

I. INSURANCE COVERAGE, Continued

Vermont under the provisions of Title 11B of the Vermont Statutes Annotated and the insurance laws of the State of Vermont. The Company will provide additional coverage for property, general liability, and automobile liability above the self-insurance coverage tiers and was formed to enhance risk management strategies, provide greater flexibility, and reduce overall insurance costs. Premiums will be separately paid to the self-insurance fund and captive insurance program beginning in fiscal year 2026.

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

Continued

ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024

J. TOURIST DEVELOPMENT TAX REVENUE, Continued

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, 2025 and 2024, the balance of unspent hotel surcharge revenue was \$2,339,958 and \$2,239,472, respectively.

L. PAYMENTS TO OTHER AGENCIES

Under the terms of the 2007 Tourism Promotion Agreement, as amended, between the Board and the Orlando/Orange County Convention and Visitors Bureau, Inc., doing business as Visit Orlando, a not-for-profit corporation that is dedicated to promotion of local community tourist activities and facilities, the Center has contributed portions of the Tourist Development Tax, and Sixth Cent Tax levy to Visit Orlando. Beginning Fiscal Year 2020, with the governing board's approval of the 2019 Tourism Promotion Agreement on October 22, 2019, the percentage of the Center's Tourist Development Tax payments to Visit Orlando for the Fiscal Years 2024 through 2028 will be 50% of the Sixth Cent Tax and 32.5% of the 1st – 4th Cents Tax resulting in a total contribution of 30% of the overall Tourist Development Tax Revenue annually.

On March 26, 2024, the Board approved the first amendment to the 2019 Tourism Promotion Agreement, extending the Early Non-Renewal Date by 75 days to June 17, 2024. On May 21, 2024, the Board approved the second amendment to the Agreement, extending the percentage of Tourist Development Tax payments to Visit Orlando for each year the Agreement remains in effect.

For the 2025 and 2024 fiscal years, the total contributions to Visit Orlando were \$100,376,124 and \$107,839,378, respectively. On April 9, 2024, the governing board approved amendments to the Tourist Development Plan. Beginning in Fiscal Year 2025, Visit Orlando's annual funding will be reduced by up to \$15 million. Of this amount, \$5 million will be allocated each year to support capital projects and events, based on recommendations from the Application Revenue Committee. The remaining \$10 million will

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

L. PAYMENTS TO OTHER AGENCIES, Continued

be designated annually by Visit Orlando to cover expenses related to promoting or incentivizing major athletic events in Orange County, as recommended by the Sports Incentive Committee. All committee recommendations are subject to approval by the Tourist Development Council and the governing board prior to distribution. In addition, the Center contributed \$16,452,211 and \$15,231,095 in Fiscal Years 2025 and 2024, respectively, to other agencies for purposes of promoting tourism in Orange County in connection with various events and to provide funding for legally authorized auditoriums and museums.

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, construction of a new Performing Arts Center and a new Events Center to replace the Amway Arena. Based on specified criteria, a calculated portion of the first four cents levy of Tourist Development Taxes was 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. However, the Center is obligated to pay a portion of sixth cent tax revenues on a monthly basis to the City for the Events Center project. 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.

For Fiscal Years 2025 and 2024, the monthly sixth cent tax revenue payments to the City totaled \$32,048,903 and \$29,955,271, respectively.

On November 19, 2024, the Board approved two Interlocal Funding Agreements with the City of Orlando. The first agreement allocates up to \$400 million for improvements to Camping World Stadium, as outlined in the amended Tourist Development Plan's eighth priority. These improvements aim to enhance the stadium's seating mix and functionality, upgrade the upper seating bowls, elevate the fan experience, and modernize stadium systems. The second agreement allocates up to \$226 million, funded by half of the Sixth Cent Tourist Development Tax, for infrastructure and system updates to the Kia Center. As of fiscal year 2025, no contributions have been made.

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 acoustic hall. This obligation was met with proceeds from the Center's Tourist Development Tax Revenue Bonds, Series 2016A, which were issued on December 21, 2016.

Also on December 21, 2016, the Center issued its Tourist Development Tax Refunding Revenue Bonds, Series 2016B, which advance refunded the City's debt on the Florida Citrus Bowl and the Performing Arts Center, thus eliminating the Center's annual obligation to the City from the first four cents levy.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

L. PAYMENTS TO OTHER AGENCIES, Continued

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. On October 22, 2019, the Board committed to providing an additional amount of up to \$2 million of Tourist Development Tax revenues, in addition to three percent of the first four cents of the Tourist Development Tax revenues for its Arts and Cultural Tourism Program. On November 28, 2023, the Board amended the Tourist Development Plan to increase the commitment to this fund. Beginning in Fiscal Year 2024, the funding provided from the first four cents increased to five percent along with an additional amount of up to \$2.5 million for this Program. On October 29, 2024, the Board approved a contract with United Arts of Central Florida, Inc. to provide for the distribution of funds for recipients of the Fiscal Year 2025 Orange County Arts and Cultural Affairs Grants as approved by the Board in the amount of \$10,585,714. For Fiscal Years 2025 and 2024, the total contributions to arts and cultural agencies were \$11,167,086 and \$6,487,751, respectively.

On May 21, 2024, the Board approved a Funding Agreement with the University of Central Florida (UCF). Beginning in Fiscal Year 2025, the County agrees to contribute a total aggregate amount not to exceed \$90 million solely from excess Tourist Development Tax revenues for UCF Stadium improvements. For Fiscal Year 2025, the total contribution to UCF was \$10,000,000.

M. COMMITMENTS AND CONTINGENCIES

Outstanding commitments under operating and construction contracts for the Center totaled approximately \$185.6 million and \$118.4 million at September 30, 2025 and 2024, 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.

As described in Note L above, the Center makes payments to other entities related to Tourist Development Tax receipts based on individual agreements with those entities. For those payments which are based on a percentage of the Tourist Development Taxes received, payments will continue as outlined in the related agreements.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

N. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Center has entered into one arrangement for a subscription-based information technology program. The term is such that the Center capitalized the subscription-based asset and reported the obligation in statement of net position. The term of the arrangement is four years. During Fiscal Year 2025, the subscription-based asset was remeasured due to a change in the amount of the subscription payments. As a result of the remeasurement, both the subscription asset and the corresponding liability were increased to reflect the updated cost. The value of the liability was \$292,486 and \$572,849 at September 30, 2025 and 2024, respectively.

The Center used its estimated incremental borrowing rate as no interest rate was provided by the vendor. The value of the subscription-based asset as of the end of the Fiscal Year 2025 and 2024, respectively, was \$300,347 and \$569,103 and had accumulated amortization of \$798,994 and \$522,119.

Future principal and interest payments (in thousands) required for this arrangement are as follows as of September 30, 2025:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 292	\$ 10	\$ 302

O. 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. For this purpose, transfers of \$3,600,000 and \$3,100,000 were made in Fiscal Years 2025 and 2024, respectively.

On April 23, 2019, the Board approved the Application Review Committee (ARC) request for additional funding for the Orange County Regional History Center museum capital construction in an amount up to \$5,750,000. No transfers were made during Fiscal Year 2025 or 2024.

P. SUBSEQUENT EVENTS

On October 2, 2025, the Board issued \$64,070,000 of Tourist Development Tax Refunding Revenue Bonds, Series 2025. The proceeds will be used to refund on a current basis all outstanding Tourist Development Tax Revenue Bonds, Series 2015, maturing on or after October 1, 2026, totaling \$154,195,000.

Continued

**ORANGE COUNTY CONVENTION CENTER
NOTES TO FINANCIAL STATEMENTS, Continued
for the years ended September 30, 2025 and 2024**

Q. ACCOUNTING CHANGES AND ERROR CORRECTIONS

Correction of an Error in Previously Issued Financial Statements:

During fiscal year 2025, the Center determined that its previously issued financial statements contained a reporting error. In fiscal year 2024, the Center received land following the dissolution of the OnePulse Foundation as compensation to the County for funding previously provided. The related land transaction was not recorded timely. As a result, nondepreciable capital assets, net investment in capital assets, capital contributions, and total net position were understated by \$3,500,000 for the fiscal year ended September 30, 2024. The correction of this error is reflected in the table below:

	<u>9/30/2024 As Previously Reported</u>	<u>Reporting Error Correction</u>	<u>9/30/2024 As Restated</u>
Total net position	<u>\$ 596,546,371</u>	<u>\$ 3,500,000</u>	<u>\$ 600,046,371</u>

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, 2025
(Unaudited)

	<u>Budget</u>	<u>Actual</u>
Operating revenues:		
Event services	\$ 48,724,071	\$ 54,640,494
Rentals	26,437,595	26,784,060
Vendor commissions	8,027,352	7,132,328
Forfeited deposits	-	1,551,788
Miscellaneous	1,134,220	2,081,871
	<hr/>	<hr/>
Total operating revenues	84,323,238	92,190,541
	<hr/>	<hr/>
Operating and maintenance expenses:		
Personal services	51,693,668	51,692,476
Contractual services	21,198,435	18,630,808
Materials and supplies	3,290,846	3,287,333
Utilities	18,106,785	17,404,523
Repairs and maintenance	9,820,010	9,521,867
Other expenses	10,316,261	9,738,028
	<hr/>	<hr/>
Total operating and maintenance expenses	114,426,005	110,275,035
	<hr/>	<hr/>
Operating loss, budgetary basis*	(30,102,767)	(18,084,494)
	<hr/>	<hr/>
Nonoperating revenues (expenses):		
Tourist development tax	375,000,000	384,587,078
Tax collection expense	(906,082)	(906,082)
Payments to other agencies	(198,880,826)	(170,044,324)
Investment income	1,723,203	21,704,289
Interest expense and fiscal charges	(23,903,187)	(20,534,570)
Federal and state grants	-	4,500
	<hr/>	<hr/>
Total net nonoperating revenues (expenses)	153,033,108	214,810,891
	<hr/>	<hr/>
Income before transfers out, budgetary basis*	122,930,341	196,726,397
	<hr/>	<hr/>
Transfers out	(3,600,000)	(3,600,000)
	<hr/>	<hr/>
Change in net position, budgetary basis*	\$ 119,330,341	\$ 193,126,397
	<hr/>	<hr/>

*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, 2025**

BOND YEAR ENDING OCTOBER 1	TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2015		TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS SERIES 2016		TOURIST DEVELOPMENT TAX REFUNDING 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	PRINCIPAL	INTEREST
2025	\$ 9,820,000	\$ 1,975,125 (a)	\$ -	\$ 1,220,500 (a)	\$ 2,385,000	\$ 1,870,569 (a)	\$ 5,430,000	\$ 4,316,150 (a)	\$ 14,950,000	\$ 2,549,250 (a)
2026	10,280,000	3,459,250	-	2,441,000	2,510,000	3,621,888	5,705,000	8,360,800	15,715,000	4,351,000
2027	10,810,000	2,945,250	-	2,441,000	2,615,000	3,496,388	5,975,000	8,075,550	16,515,000	3,565,250
2028	11,250,000	2,404,750	-	2,441,000	2,760,000	3,411,400	6,295,000	7,776,800	17,365,000	2,739,500
2029	11,815,000	1,842,250	-	2,441,000	2,895,000	3,273,400	6,590,000	7,462,050	18,245,000	1,871,250
2030	12,435,000	1,251,500	-	2,441,000	3,020,000	3,128,650	6,885,000	7,132,550	19,180,000	959,000
2031	12,595,000	629,750	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 (b)	1,372,000	38,335,000 (c)	3,127,800	-	-
2036	-	-	-	-	17,490,000 (b)	699,600	39,860,000 (c)	1,594,400	-	-
Totals	<u>\$ 79,005,000</u>	<u>\$ 14,507,875</u>	<u>\$ 61,025,000</u>	<u>\$ 17,447,100</u>	<u>\$ 88,940,000</u>	<u>\$ 31,294,445</u>	<u>\$ 202,745,000</u>	<u>\$ 71,603,450</u>	<u>\$ 101,970,000</u>	<u>\$ 16,035,250</u>

(a) Represents semi-annual requirement only

(b) Mandatory Redemption for \$34,300,000 Term Bond Due October 1, 2036

(c) 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, 2025

<u>BOND YEAR ENDING OCTOBER 1</u>	<u>ALL TOURIST DEVELOPMENT TAX REVENUE BONDS</u>		<u>TOTAL DEBT SERVICE</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2025	\$ 32,585,000	\$ 11,931,594 (a)	\$ 44,516,594
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 (d)
2035	55,145,000 (e)	4,499,800	59,644,800
2036	57,350,000 (e)	2,294,000	59,644,000
Totals	\$ 533,685,000	\$ 150,888,120	\$ 684,573,120

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

**ORANGE COUNTY CONVENTION CENTER
GENERAL DEBT COVENANTS
for the year ended September 30, 2025
(Unaudited)**

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, 2025, the Orange County Comptroller collected \$252,504,951 of pledged Tourist Development Tax proceeds (first four percent of levy), all of which was deposited into the Tourist Development Trust Fund. In addition, \$63,126,182 of Fifth Cent Tax proceeds was collected and deposited into the Pledged Fifth Cent Tax Fund. Total collections of pledged tax proceeds were \$315,631,133. 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:

<u>Date Received</u>	<u>Amount Received</u>	<u>Interest Account</u>	<u>Principal Account</u>	<u>Operating Revenue Account</u>
October 2, 2024	\$ 19,212,644	\$ 988,599	\$ 2,715,417	\$ 15,508,628
November 4, 2024	21,642,176	1,988,599	2,715,417	16,938,160
December 4, 2024	24,655,075	1,988,599	2,715,417	19,951,059
January 2, 2025	26,568,555	1,988,599	2,715,417	21,864,539
February 2, 2025	26,649,072	1,988,599	2,715,417	21,945,056
March 4, 2025	27,956,517	1,431,778	2,715,417	23,809,322
April 2, 2025	29,670,401	888,599	2,715,417	26,066,385
May 2, 2025	33,540,876	1,988,599	2,715,417	28,836,860
June 3, 2025	27,687,521	1,988,599	2,715,417	22,983,505
July 3, 2025	25,169,379	1,988,599	2,715,417	20,465,363
August 2, 2025	28,146,240	988,599	2,715,417	24,442,224
September 3, 2025	24,732,677	1,212,863	2,715,413	20,804,401
Total	<u>\$ 315,631,133</u>	<u>\$ 19,430,631</u>	<u>\$ 32,585,000</u>	<u>\$ 263,615,502</u>

Continued

**ORANGE COUNTY CONVENTION CENTER
GENERAL DEBT COVENANTS, Continued
for the year ended September 30, 2025
(Unaudited)**

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

At September 30, 2025, the balances of the accounts created by the Bond Indenture, stated at fair value, were as follows:

<u>Account</u>	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Tourist Development Trust	\$ 17,308,078	\$ -	\$ -	\$ 17,308,078
Pledged Fifth Cent Tax	4,327,019	-	-	4,327,019
Operating revenue	(5,650,434)	-	1,803,374	(3,847,060)
Bond interest	12,087,557	-	-	12,087,557
Bond principal	32,585,000	-	-	32,585,000
Bond reserve	3,004,486	58,676,100	-	61,680,586
Renewal and replacement reserve	347,170,056	-	-	347,170,056
Totals	<u>\$ 410,831,762</u>	<u>\$ 58,676,100</u>	<u>\$ 1,803,374</u>	<u>\$ 471,311,236</u>

At September 30, 2024, the balances of the accounts created by the Bond Indenture, stated at fair value, were as follows:

<u>Account</u>	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Tourist Development Trust	\$ 15,402,299	\$ -	\$ -	\$ 15,402,299
Pledged Fifth Cent Tax	3,850,671	-	-	3,850,671
Operating revenue	(1,144,306)	-	1,316,954	172,648
Bond interest	13,593,205	-	-	13,593,205
Bond principal	52,730,000	-	-	52,730,000
Bond reserve	22,350,128	59,476,720	-	81,826,848
Renewal and replacement reserve	327,023,760	-	-	327,023,760
Totals	<u>\$ 433,805,757</u>	<u>\$ 59,476,720</u>	<u>\$ 1,316,954</u>	<u>\$ 494,599,431</u>

Continued

**ORANGE COUNTY CONVENTION CENTER
GENERAL DEBT COVENANTS, Continued
for the year ended September 30, 2025
(Unaudited)**

4. Budget for Bond Indenture Accounts – 2025/2026 Fiscal Year:

Revenues:	
Operating revenues	\$ 92,396,928
Tourist development tax revenues	360,000,000
Investment earnings-operating and debt service	<u>10,723,203</u>
Subtotal	463,120,131
Less statutory deduction	<u>(23,156,007)</u>
Total revenues	<u>439,964,124</u>
Expenses and other disbursements:	
Operation and maintenance	113,775,537
Bond interest and fees	22,273,938
Bond principal	<u>34,210,000</u>
Total expenses and other disbursements	<u>170,259,475</u>
Excess of budgeted funds available for deposit to renewal and replacement reserve account	<u>\$ 269,704,649</u>
Budgeted payments to other agencies and transfers to other funds from renewal and replacement reserve balance	<u>\$ 124,868,791</u>

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.

Continued

**ORANGE COUNTY CONVENTION CENTER
GENERAL DEBT COVENANTS, Continued
for the year ended September 30, 2025
(Unaudited)**

5. Schedule of Insurance in Force:

<u>Policy</u>	<u>Term/ Carrier</u>	<u>Coverage</u>	<u>Self-Insured Retention/Deductible</u>		<u>Limits</u>
Property	4/1/25-4/1/26 various	Flood, earthquake	\$	500,000	\$ 50,000,000
		Named windstorm		5% of structure value	\$ 50,000,000
		All other wind/hail	\$	500,000	\$ 500,000,000
		All other risks	\$	500,000	\$ 1,000,000,000
Terrorism	4/1/25-4/1/26 Lloyd's of London	Sabotage and terrorism	\$	25,000	\$ 100,000,000
		Revenue	\$	100,000	\$ 10,000,000
Excess Liability	4/1/25-4/1/26 Mosquito Property & Causality	Liability: General; employee benefits; auto; public officials; employment practices; law enforcement; & sex crimes	\$	1,000,000	\$ 5,000,000 (a)(b)
		Excess Liability	\$	2,000,000	\$ 5,000,000 (a)(b)
Legal Malpractice	5/26/25-5/26/26 National Union Fire Insurance	Errors and omissions		Non-Indem Costs \$ 25,000 all other	\$ 2,000,000
Workers' Compensation	4/1/19-Indefinite	Florida Workers' Compensation Act & Employers' Liability		All self-insured	Statutory
Crime	4/1/25-4/1/26 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
		Money Orders & Counterfeit	\$	5,000	\$ 100,000
Boiler and Machinery	4/1/25-4/1/26 XL Insurance America Inc.	Machinery breakdown	\$	50,000	\$ 100,000,000
Vehicle and Mobile Equipment Floater	4/1/25-4/1/26 Starr Surplus Lines	Commercial Inland	\$	250,000	\$ 5,000,000
Environmental and Storage Tank Liability	4/1/24-4/1/27 Illinois Union Insurance Co. (Chubb)	Pollution conditions and operations	\$	250,000	\$ 4,000,000(a)
			\$		\$ 12,000,000(b)
Cyber Liability	4/1/25-4/1/26 Lloyd's of London	Media liability, Info Security & Privacy, Regulatory Defense, Event Mgmt, Business interruption/Digital Asset Loss, PCI-DSS Assessment Cyber extortion	\$	1,000,000	\$ 9,000,000
				50% coinsurance	\$ 4,500,000
International Travel	4/1/25-4/1/26 Insurance Co of PA	Foreign AL & GL, Repatriation Kidnap & Ransom		None	\$ 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.