NEW ISSUE - BOOK-ENTRY ONLY

DAC Bond

RATINGS: S&P: "AA"
Moody's: "Aa3"
Fitch: "AA+"
(See "RATINGS" herein)

In the opinion of Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming compliance with the tax covenants described herein, interest on the Series 2012B Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of certain corporations' alternative minimum taxable income. See "TAX MATTERS" herein regarding certain other tax considerations.

$97,295,000
ORANGE COUNTY, FLORIDA
SALES TAX REVENUE REFUNDING BONDS, SERIES 2012B

Dated: Date of Delivery **Due: As shown on the inside cover hereof**

Orange County, Florida (the "County") is issuing its $97,295,000 Sales Tax Revenue Refunding Bonds, Series 2012B (the "Series 2012B Bonds") in book-entry form only. The Series 2012B Bonds will be available for purchase by prospective beneficial owners in denominations of $5,000 principal amount, or any integral multiple thereof. Beneficial owners of the Series 2012B Bonds will not receive bond certificates. The Series 2012B Bonds will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Series 2012B Bonds and will receive all payments with respect to the Series 2012B Bonds from The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent and registrar, which payments will be remitted to DTC's participants for subsequent disbursement to the beneficial owners. See "BOOK-ENTRY ONLY SYSTEM" herein.

As used in this Official Statement, unless otherwise defined herein, all capitalized terms shall have the meanings set forth in "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto.

Interest on the Series 2012B Bonds is payable on July 1, 2012, and semi-annually on each January 1 and July 1 thereafter until maturity or earlier redemption. The Series 2012B Bonds are subject to redemption prior to their stated maturities as described herein.

Proceeds of the Series 2012B Bonds, together with other available moneys, will be used by the County to provide funds to: (i) advance refund all of the County's outstanding Sales Tax Revenue Bonds, Series 2002B, and (ii) pay all expenses incidental to the issuance of the Series 2012B Bonds. See "THE REFUNDING PROGRAM" herein.

The Series 2012B Bonds and the interest thereon are limited obligations of the County, payable solely from and secured by a pledge of and lien upon that portion of the Local Government Half-Cent Sales Tax distributed to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to Part VI of Chapter 218, Florida Statutes, as amended, and certain investment earnings as further described herein (the "Pledged Revenues"), all in the manner and to the extent provided in the below described Resolution. Simultaneously with the issuance of the Series 2012B Bonds, the County expects to issue its Taxable Sales Tax Revenue Refunding Bonds, Series 2012A (the "Series 2012A Bonds"). The Series 2012B Bonds are issued on a parity with the County's outstanding Sales Tax Revenue Refunding Bonds, Series 2002A, its Sales Tax Revenue Refunding Bonds, Series 2006, upon their issuance, the Series 2012A Bonds, and any Parity Bonds, as defined in the Resolution, which may be issued in the future. **The Series 2012B Bonds shall not be deemed to constitute a debt or pledge of the faith and credit of the County, the State of Florida (the "State"), or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation. The issuance of the Series 2012B Bonds does not directly or indirectly or contingently obligate the County or the State to levy any ad valorem taxes whatever therefor or to make any appropriation for their payment, except from Pledged Revenues. The Series 2012B Bonds do not constitute a charge or lien or encumbrance, legal or equitable, upon any property of the County (other than the Pledged Revenues and moneys on deposit in the funds and accounts pledged to the Bondholders under the Resolution) or the State.**

A DETAILED MATURITY SCHEDULE IS SET FORTH ON THE INSIDE COVER

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2012B Bonds are offered when, as and if issued, subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and Ruye H. Hawkins, P.A., Orlando, Florida, Co-Bond Counsel. Certain legal matters will be passed upon for the County by Jeffrey J. Newton, County Attorney. Certain legal matters will be passed upon by the County's Co-Disclosure Counsel, Greenberg Traurig, P.A., Orlando, Florida, and Debi V. Rumph, Orlando, Florida. Public Financial Management, Inc., Orlando, Florida serves as Financial Advisor to the County in connection with the issuance of the Series 2012B Bonds. It is expected that the Series 2012B Bonds will be available in definitive form for delivery to DTC in New York, New York, on or about April 26, 2012.

This Official Statement is dated April 3, 2012.

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

$97,295,000
ORANGE COUNTY, FLORIDA
SALES TAX REVENUE REFUNDING BONDS, SERIES 2012B

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[⊥]
2014	$ 870,000	4.000%	0.710%	105.485	684515PW3
2025	8,445,000	5.000	3.140	115.418[(c)]	684515PX1
2026	8,865,000	5.000	3.250	114.430[(c)]	684515PY9
2027	9,310,000	5.000	3.330	113.718[(c)]	684515PZ6
2028	9,770,000	5.000	3.410	113.011[(c)]	684515QA0
2029	13,930,000	5.000	3.480	112.396[(c)]	684515QB8
2030	14,625,000	5.000	3.540	111.873[(c)]	684515QC6
2031	15,355,000	5.000	3.600	111.352[(c)]	684515QD4
2032	16,125,000	4.000	4.074	99.000	684515QE2

⊥ The County shall not be responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

(c) Priced to the call date of January 1, 2022 at par.

ORANGE COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

ORANGE COUNTY MAYOR
Teresa Jacobs

S. Scott Boyd, District 1
Fred Brummer, Commissioner, District 2
John M. Martinez, Commissioner, District 3
Jennifer Thompson, Commissioner, District 4
Ted Edwards, Commissioner, District 5
Tiffany Moore Russell, Commissioner, District 6

COUNTY COMPTROLLER
Martha O. Haynie

COUNTY ADMINISTRATOR
Ajit M. Lalchandani

CHIEF ACCOUNTABILITY OFFICER
Eric D. Gassman

COUNTY ATTORNEY
Jeffrey J. Newton, Esquire

MANAGER, FISCAL AND BUSINESS SERVICES DIVISION
Fred Winterkamp

CO-BOND COUNSEL

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

Ruye H. Hawkins, P.A.
Orlando, Florida

CO-DISCLOSURE COUNSEL

Greenberg Traurig, P.A.
Orlando, Florida

Debi V. Rumph
Orlando, Florida

FINANCIAL ADVISOR
Public Financial Management, Inc.
Orlando, Florida

INDEPENDENT AUDITORS
Cherry, Bekaert & Holland, L.L.P.
Orlando, Florida

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE SERIES 2012B BONDS OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2012B BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

The information set forth herein has been obtained from the County, DTC and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information pertaining to the book-entry only system has been supplied by DTC and is likewise not to be construed as a representation of the County. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement.

THE SERIES 2012B BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2012B BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2012B BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2012B BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE COUNTY OR THE UNDERWRITERS AND ANY ONE OR MORE OWNERS OF THE SERIES 2012B BONDS.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2012B BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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$97,295,000
ORANGE COUNTY, FLORIDA
SALES TAX REVENUE REFUNDING BONDS,
SERIES 2012B

INTRODUCTION

This Official Statement of Orange County, Florida (the "County"), furnishes information in connection with the sale of the County's $97,295,000 Sales Tax Revenue Refunding Bonds, Series 2012B (the "Series 2012B Bonds") to be issued pursuant to Ordinance No. 83-10 enacted by the Board of County Commissioners of the County (the "Board") on April 5, 1983, Master Resolution 93-B-08 adopted by the Board on September 1, 1993, as supplemented and amended by resolutions adopted by the Board on September 17, 1996, March 31, 1998, December 15, 1998, October 8, 2002 and November 29, 2005 (the "Master Resolution"), which amends and restates Resolution No. 83-B-28 adopted by the Board on April 5, 1983, as previously supplemented and amended, (the "Prior Resolution") and as further supplemented and amended by Resolution No. 2012-B-02 adopted by the Board on March 6, 2012 (all such resolutions are collectively, the "Resolution"). Simultaneously with the issuance of the Series 2012B Bonds, the County expects to issue its Taxable Sales Tax Revenue Refunding Bonds, Series 2012A (the "Series 2012A Bonds"), the proceeds of which will be used, in part, to currently refund all of its Sales Tax Revenue Refunding Bonds, Series 1999. The Series 2012B Bonds are being issued on a parity with other obligations of the County issued pursuant to the Master Resolution, which upon issuance of the Series 2012B Bonds, are expected to include the County's Sales Tax Revenue Refunding Bonds, Series 2002A, dated as of October 1, 2002 (the "Series 2002A Bonds") currently outstanding in the aggregate principal amount of $120,065,000, the County's Sales Tax Revenue Refunding Bonds, Series 2006, dated as of January 26, 2006 (the "Series 2006 Bonds") currently outstanding in the aggregate principal amount of $37,285,000 and upon their issuance, the Series 2012A Bonds which are expected to be issued in the aggregate principal amount of $16,805,000. See "THE REFUNDING PROGRAM" herein. Upon the achievement of certain parameters, the County is expected to issue its Sales Tax Revenue Refunding Bonds, Series 2012C in October 2012 in order to currently refund all or a portion of its Series 2002A Bonds. The Series 2002A Bonds, the Series 2006 Bonds and any obligations issued pursuant to the Master Resolution on a parity therewith, including upon their issuance, the Series 2012A Bonds, are herein collectively referred to as the "Bonds."

As used in this Official Statement, unless otherwise defined herein, all capitalized terms shall have the meanings set forth in "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto. See "APPENDIX A — GENERAL INFORMATION CONCERNING ORANGE COUNTY, FLORIDA" attached hereto for general information regarding the County.

Proceeds of the Series 2012B Bonds, together with other available moneys, will be used by the County to provide funds to: (i) advance refund all of the County's outstanding Sales Tax Revenue Bonds, Series 2002B, and (ii) pay all expenses incidental to the issuance of the Series 2012B Bonds. See "THE REFUNDING PROGRAM" herein.

All information included herein has been provided by the County, except where attributed to other sources. The descriptions, summaries and information concerning various ordinances, resolutions, agreements, documents, statutes, reports and instruments contained herein do not purport to be comprehensive or definitive. All references herein to any such ordinances, resolutions, agreements, documents, statutes, reports and instruments are qualified by the entire, actual content of such ordinances, resolutions, indentures, agreements, documents, reports, statutes and instruments, copies of which may be obtained by contacting Mr. Fred Winterkamp, Manager, Fiscal and Business Services Division, Orange County, Florida, County Administration Building, 3rd Floor, 201 South Rosalind Avenue, Orlando, Florida 32801, (407) 836-5442.

Except as specified otherwise herein, the County specifically disclaims, and does not undertake, any obligation to further supplement, amend or update the information contained in this Official Statement to reflect the occurrence of any event or transaction after the date of this Official Statement. The County has contracted with Digital Assurance LLC ("DAC") to be a supplemental source of information for the County's bond issuances. Such services may be discontinued at any time. Information regarding this debt issuance may be found at the DAC internet site, www.dacbond.com. See "CONTINUING DISCLOSURE UNDERTAKING/DAC BONDS" herein.

THE REFUNDING PROGRAM

The refunding program is being undertaken to achieve debt service savings. The proceeds of the Series 2012B Bonds, together with additional monies authorized by the County, will be used to refund all of the County's outstanding Series 2002B Bonds (the "Refunded Bonds"). To effect the refunding of the Refunded Bonds, the County will enter into an Escrow Deposit Agreement for the Refunded Bonds with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as escrow agent (the "Escrow Agent") on or prior to the delivery of the Series 2012B Bonds. Pursuant to the terms of the Escrow Deposit Agreement, the County will deposit the proceeds of the Series 2012B Bonds and certain other available funds with the Escrow Agent for deposit to the credit of the Escrow Deposit Trust Fund (the "Escrow Fund") established pursuant to the Escrow Deposit Agreement. Such monies will be applied, on the date of issuance of the Series 2012B Bonds, to the purchase of certain Qualified Permitted Investments ("Escrow Securities") and any cash remaining after such purchase will be held in the applicable Escrow Fund uninvested. The Escrow Securities will mature at such times and in such amounts so that the maturing principal, together with the interest earnings thereon and any cash balances, will be sufficient to pay when due, all principal of, redemption premiums and accrued interest on the Refunded Bonds as the same become due or are called for redemption as provided in the Escrow Deposit Agreement. The maturing principal of and interest on the Escrow Securities and cash held in each Escrow Fund, in the amounts needed to pay the principal of, interest on and redemption premium with respect to the Refunded Bonds are pledged solely for the benefit of the holders of the Refunded Bonds.

Upon delivery of the Series 2012B Bonds, Robert Thomas CPA, LLC (the "Verification Agent") will verify the accuracy of the arbitrage and escrow yields and the arithmetical computations of the sufficiency of the maturing principal amount of, and interest on the Escrow

Securities, together with any uninvested amounts, to be held in the Escrow Fund to pay the principal, interest and redemption premium on the Refunded Bonds. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein. Upon the issuance of the Series 2012B Bonds and the deposit of moneys in the Escrow Fund as described above, in the opinion of Co-Bond Counsel in reliance upon, among other things, the report of the Verification Agent, the Refunded Bonds shall be deemed paid and no longer outstanding.

The money and the Escrow Securities held in accordance with the Escrow Agreement, all interest or other income thereon, and any proceeds from the disposition thereof will be used only to pay the Refunded Bonds and will not be available for payment of debt service on the Series 2012B Bonds.

SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2012B Bonds, together with other legally available funds of the County, are estimated to be applied as follows:

	SERIES 2012B BONDS
SOURCES OF FUNDS	
Principal Amount of Series 2012B Bonds	$ 97,295,000.00
Net Original Issue Premium	10,222,348.25
County Contribution	2,908,781.25
TOTAL SOURCES	$110,426,129.50
USES OF FUNDS	
Deposit to Escrow Fund	$109,605,507.26
Underwriters' Discount	462,822.59
Costs of Issuance(1)	357,799.65
TOTAL USES	$110,426,129.50

(1) Costs of issuance include financial, legal, printing and other expenses incidental to the issuance of the Series 2012B Bonds.

DESCRIPTION OF THE SERIES 2012B BONDS

General

The Series 2012B Bonds will be issued in denominations of $5,000 principal amount or any integral multiple thereof. The Series 2012B Bonds will be dated their date of delivery, and will bear interest at the rates and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2012B Bonds is payable semi-annually commencing on July 1, 2012, and on each January 1 and July 1 thereafter until payment of principal in full. The Series 2012B Bonds are initially being issued in book-entry form only, and beneficial owners of the Series 2012B Bonds will not receive bond certificates. The Series 2012B Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). DTC will receive all payments with respect to the Series 2012B Bonds from The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, Paying Agent and Registrar, which payments will be remitted to DTC's participants for subsequent disbursement to the beneficial owners. See "BOOK ENTRY-ONLY SYSTEM" herein. If the Series 2012B Bonds are no longer held in book-entry only form, principal of and interest on the Series 2012B Bonds will be paid to the registered owners thereof and the Series 2012B Bonds will be subject to registration of transfer, all in the manner and subject to the terms and conditions provided in the Resolution as described in "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein.

Optional Redemption of Series 2012B Bonds

The Series 2012B Bonds are subject to redemption prior to their maturity, at the option of the County, on or after January 1, 2022, in whole or in part at any time, and if, in part, by lot within a maturity if less than the entire maturity is to be redeemed at a redemption price equal to the principal amount thereof without premium, plus accrued interest to the redemption date.

Notice and Effect of Redemption

Notice of redemption is to be given by deposit in the U.S. Mail of a copy of the redemption notice, postage prepaid, at least 30, but not more than 60, days prior to the date fixed for redemption to registered owners of each Series 2012B Bond to be redeemed at the address as shown on the registration books of the Registrar. Failure to give such notice by mailing to any bondholder, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Series 2012B Bond or portion thereof with respect to which such failure has occurred.

Any notice mailed as provided in the Resolution shall be conclusively presumed to have been duly given whether or not the owner of the Series 2012B Bond receives such notice.

Notice of an optional redemption of Series 2012B Bonds may be conditioned upon the occurrence or non-occurrence of such event or events as are specified in such notice of optional redemption and may be subject to rescission by the County if expressly set forth in such notice.

Except as provided in the preceding paragraph, when notice of redemption is given in the manner and under the conditions provided in the Resolution, the Series 2012B Bonds or portions thereof called for redemption will become due and payable on the redemption date designated in such notice at the redemption price provided for the redemption of such Series 2012B Bonds or portions of the Series 2012B Bonds on such date. On the date so designated for redemption, notice having been mailed and moneys for payment of the redemption price being held in separate accounts by the Paying Agent, in trust for the holders of the Series 2012B Bonds or portions thereof to be redeemed and any conditions to such redemption otherwise being satisfied, all as provided in the Resolution, interest on the Series 2012B Bonds or portions of the Series 2012B Bonds so called for redemption shall cease to accrue, such Series 2012B Bonds and portions of such Series 2012B Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and the holders or registered owners of such Series 2012B Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and to receive Series 2012B Bonds for any unredeemed portion of the Series 2012B Bonds.

In case part but not all of an outstanding Series 2012B Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Series 2012B Bond to its designated paying agent for the payment of the principal amount thereof so called for redemption and the County shall deliver to or upon the order of such registered owner, without charge therefor, for the unredeemed balance of the principal amount of the Series 2012B Bond so surrendered, a Series 2012B Bond or Bonds fully registered as to principal and interest.

So long as a book-entry only system of distribution is in effect for the Series 2012B Bonds, the Registrar shall send the notice of redemption to Cede & Co., as nominee for DTC. Any failure of DTC to mail such notice to any Direct Participant or Indirect Participant or failure of a Participant to provide such notice to a Beneficial Owner, will not affect the validity of the redemption of the Series 2012B Bonds. If less than all of the Series 2012B Bonds of one maturity are called for redemption, DTC will determine which Participant's interest in the Series 2012B Bonds will be called for redemption by lot. In turn, each Participant will determine which Beneficial Owner's Series 2012B Bonds will be called for redemption.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from DTC and the County does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2012B Bonds. The Series 2012B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2012B Bond certificate will be issued for each maturity of the Series 2012B Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of the Series 2012B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2012B Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2012B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2012B Bonds, except in the event that use of the book entry system for the Series 2012B Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2012B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2012B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2012B Bond documents. For example, Beneficial Owners of Series 2012B Bonds may wish to ascertain that the nominee holding the Series 2012B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2012B Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2012B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2012B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Series 2012B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on each payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2012B Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2012B Bond certificates will be printed and delivered.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2012B BONDS, AS NOMINEE OF DTC, REFERENCE HEREIN TO THE BONDHOLDERS OR REGISTERED OWNER OF THE SERIES 2012B BONDS MEANS CEDE & CO., NOT THE BENEFICIAL OWNER OF THE BONDS.

SECURITY FOR THE SERIES 2012B BONDS

Security and Sources of Payment for the Bonds

The Bonds are payable from and secured by a pledge of and lien upon that portion of the Local Government Half-Cent Sales Tax distributed monthly to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund of the State Treasury created under Section 218.61(3), Florida Statutes (the "Sales Tax Proceeds"), and certain investment earnings on certain funds created under the Resolution (collectively, the "Pledged Revenues"), all in the manner and to the extent provided in the Resolution. Sales Tax Proceeds do **not** include any sales tax revenues which may be distributed to the County from the Discretionary Sales Tax Clearing Trust Fund pursuant to Sections 212.054 and 212.055, Florida Statutes.

The Resolution obligates the County to deposit the Sales Tax Proceeds as received to the credit of a special fund designated as the Sales Tax Trust Fund (the "Trust Fund") for which the County Comptroller acts as trustee. Moneys deposited in the Trust Fund are required by the Resolution to be applied in the manner described below under "FLOW OF FUNDS."

The County has covenanted in the Resolution not to issue any other obligations payable from the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien on the Pledged Revenues other than Parity Bonds issued pursuant to the Resolution and obligations to make Qualified Swap Payments upon the conditions and in the manner provided in the Resolution. See "ADDITIONAL BONDS" below.

Limited Obligations of the County

The Series 2012B Bonds shall not constitute general obligations or an indebtedness of the County or the State of Florida within the meaning of any constitutional or statutory limitation of indebtedness, but shall be limited obligations of the County, secured solely by a pledge of, and lien upon, the Sales Tax Proceeds, moneys on deposit in the Designated Series Bond Reserve Account, if any, and investment earnings thereon. The County has the right, but not the obligation, to pay the principal of, premium, if any, and interest on the Series 2012B Bonds from other sources legally available for such purpose; however, no lien or pledge of such additional legally available moneys has been created in favor of the holders of the Series 2012B Bonds. No holder of the Series 2012B Bonds shall ever have the right to compel either the levy of ad valorem taxes or the use of any other source of revenue to pay principal of, premium, if any, or interest on the Series 2012B Bonds. Neither the faith and credit nor the taxing power of the County, the State of Florida or any political subdivision thereof is pledged to the payment of principal of, premium, if any, or interest on the Series 2012B Bonds. The Series 2012B Bonds do not constitute or enjoy a charge, lien or encumbrance, either legal or equitable, upon any property or any revenue source

other than the Pledged Revenues and moneys on deposit in the funds and accounts created and pledged to the Bondholders under the Resolution. The Sales Tax Proceeds do not include any sales tax revenues which may be distributed to the County from the Discretionary Sales Tax Clearing Trust Fund pursuant to Sections 212.054 and 212.055, Florida Statutes.

Designated Series Bond Reserve Account

The Resolution provides for the establishment and maintenance of a Designated Series Bond Reserve Account as a separate reserve account in the Trust Fund for the purpose of assuring the adequacy of funds for the payment of interest on and principal of the Series 2002A Bonds; the Series 2006 Bonds; upon their issuance, the Series 2012A Bonds; the Series 2012B Bonds and any series of Bonds subsequently issued by the County and designated to be secured by such account and, if designated by the County, Qualified Swap Payments, if any, with respect to such Bonds. However, so long as the Pledged Revenues for each fiscal year equal or exceed 300% of the Maximum Annual Debt Service (as defined in the Resolution) for all Bonds outstanding as of the end of such fiscal year, the County shall not be required to fund the Designated Series Bond Reserve Account. Pledged Revenues currently exceed 300% of Maximum Annual Debt Service. Accordingly, the Designated Series Bond Reserve Account will not be funded upon issuance of the Series 2012B Bonds. Owners of the Series 2012B Bonds shall have no right to funds held in the existing Bond Reserve Account established under the Resolution. See "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

If for any fiscal year the Pledged Revenues are less than 300% of the Maximum Annual Debt Service, the County is required to fund and maintain in the Designated Series Bond Reserve Account an amount equal to the least of (i) the Maximum Annual Debt Service calculated with respect to all series of Bonds outstanding that are secured by the Designated Series Bond Reserve Account, (ii) 125% of the average aggregate annual Principal Requirement and Interest Requirement calculated with respect to all series of Bonds outstanding that are secured by the Designated Series Bond Reserve Account, or (iii) 10% of the aggregate stated original principal amount of all series of Bonds outstanding that are secured by the Designated Series Bond Reserve Account, provided however, that in determining the aggregate stated original principal amount of Bonds outstanding for purposes of this clause (iii), the issue price of the Bonds (net of pre-issuance accrued interest) shall be substituted for the original stated principal amount of those Bonds if such Bonds were sold at either an original issue discount or premium exceeding two percent of the stated redemption price at maturity (the "Designated Series Bond Reserve Account Requirement"). The Designated Series Bond Reserve Account may be funded with cash, Permitted Investments, or one or more Reserve Account Insurance Policies or Reserve Account Letters of Credit (each as defined in the Resolution), or any combination thereof.

Except as provided below with respect to the issuance of additional Parity Bonds resulting in the Pledged Revenues for a fiscal year being less than 300% of Maximum Annual Debt Service, if at any time the County is required to fund the Designated Series Bond Reserve Account, the Designated Series Bond Reserve Account Requirement may be funded in up to thirty-six (36) equal consecutive monthly deposits, commencing not later than the month following the receipt by the County of audited financial statements for the fiscal year with respect to which the Pledged Revenues were less than 300% of the Maximum Annual Debt Service. Amounts required to be deposited in the Designated Series Bond Reserve Account shall be deposited therein from amounts available in the Sales Tax Trust Fund pursuant to the Resolution, after applying such amounts to cure deficiencies in the Bond Reserve Account and any separate bond reserve account created pursuant to the Resolution, including, without limitation, the Designated Series Bond Reserve Account, due to withdrawals therefrom or decreases in the value of Permitted Investments held therein or for any other reason other than the funding of such accounts in installments.

Notwithstanding the foregoing, if the County shall issue an additional series of Parity Bonds and as a result of such issuance, the Pledged Revenues for the fiscal year ended immediately prior to the issuance of such Parity Bonds for which audited financial statements of the County are available are less than 300% of the Maximum Annual Debt Service on all Bonds Outstanding following the issuance of such additional Parity Bonds, the County shall fully fund the Designated Series Bond Reserve Account at the time of issuance of such Parity Bonds. See "SECURITY FOR THE SERIES 2012B BONDS - Additional Bonds" below.

If after being required to commence funding the Designated Series Bond Reserve Account, for two fiscal years the Pledged Revenues equal or exceed 300% of the Maximum Annual Debt Service for all Bonds Outstanding at the end of each such fiscal year, the obligation to fund the Designated Series Bond Reserve Account shall terminate (unless and until the Pledged Revenues again fall below 300% of the Maximum Annual Debt Service as contemplated above) and amounts then on deposit in the Designated Series Bond Reserve Account shall be released from the Designated Series Bond Reserve Account and may be used for any lawful purpose that will not cause interest on any of the Bonds then outstanding to become includable in the gross income of the owners thereof for federal income tax purposes.

Additional Bonds

Pursuant to the Resolution, Parity Bonds of one or more series may be issued on a parity with the Series 2012B Bonds and the other Bonds Outstanding upon the terms and conditions set forth therein. Except as described below with respect to Parity Bonds issued to refund Outstanding Bonds, such Parity Bonds may be issued only if, among other things, the County has received a statement by an independent certified public accountant that either (i) the aggregate amount of Sales Tax Proceeds received by the County in a consecutive 12-month period which ends later than 13 months prior to the issuance of such Parity Bonds or (ii) the average annual amount of Sales Tax Proceeds received by the County in the consecutive 24-month period which ends later than 13 months prior to the issuance of such Parity Bonds, equals or exceeds 135% of the Maximum Annual Debt Service computed on a basis which includes all Bonds to be Outstanding immediately after the issuance of such Parity Bonds. Such statement shall also express an opinion that payments required to be made into the Interest Account, the Principal Account and the Bond Reserve Account are current. See the definitions of "Maximum Annual Debt Service and "Bond Service Requirements" in Appendix C hereto for certain assumptions with respect to Variable Rate Bonds, Put Bonds, Qualified Swap Payments and inverse floating rate bonds, if any. The County may provide for the accession of junior lien obligations to parity status with the Bonds upon, among other conditions, the filing of a certificate of an independent certified public accountant reflecting the satisfaction of the debt coverage requirements described above. The County may enter into certain Qualified Swap Agreements with respect to one or more series of Bonds or portions thereof with Qualified Swap Payments by the County payable on a parity with debt service on Bonds; provided that if such agreement is not entered into at the time of initial issuance of such Bonds the requirements for the issuance of additional Parity Bonds must be met applying such requirements as of the effective date of such agreement, using the Outstanding principal amount of Bonds and the Qualified Swap Payments provided by such Qualified Swap Agreement in calculating the Maximum Annual Debt Service in the manner provided in the definition of the terms "Interest Requirements" and "Bond Service Requirement" under the Resolution. Qualified Swap Payments payable by the County under such agreements are payable from the Interest Account on a parity with interest payments with respect to Bonds issued and Outstanding under the Resolution. The County may grant to the counterparties to such Qualified Swap Agreements a lien on the Pledged Revenues to secure payment of such Qualified Swap Payments and to provide the priority of payment thereof in accordance with the Resolution; provided, however, that such lien and priority of payment shall be effective only so long as payments under the applicable swap agreement meet all requirements provided in the definition of "Qualified Swap Payments" in the Resolution, except that for purposes of this provision only, the maximum term of the Qualified Swap Agreement shall be the actual term of the agreement, not to exceed the term of the Bonds to which it pertains. The County is not a party to any Qualified Swap Agreement with respect to the Bonds.

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

The County is also permitted to issue other obligations payable from the Sales Tax Proceeds provided that such obligations are junior and subordinate in all respects to the Bonds as to liens on and source and security for payment from the Sales Tax Proceeds.

Flow of Funds

The following is a summary of certain provisions of the Resolution relating to the funds and accounts established thereunder. This summary is qualified in its entirety by reference to the Resolution.

Sales Tax Trust Fund and Application of Moneys Therein. The Resolution creates a special fund of the County to be known as the "Sales Tax Trust Fund" (for which the County

Comptroller shall act as trustee) which shall comprise the following accounts and such additional accounts as the County may from time to time determine:

1. The Interest Account which shall be applied by the County to the payment of currently maturing interest on the Bonds and Qualified Swap Payments when due.

2. The Principal Account which shall be applied by the County to the payment of principal of the Bonds when due. The Principal Account shall contain the following sub-accounts and such other sub-accounts as may be authorized by supplemental resolution providing for the issuance of Bonds: (i) the Serial Bonds Subaccount, the money in which shall be applied to the payment of Serial Bonds as and when the same become due, and (ii) the Term Bonds Subaccount, the money in which shall be used to redeem Term Bonds prior to maturity or at maturity pursuant to any sinking fund requirements.

3. The Bond Reserve Account which shall be applied by the County to remedy any deficiency, first in the Interest Account and then in the Principal Account with respect to Bonds secured thereby, and which may otherwise be used only to provide for the payment of principal, interest and redemption premiums, if any, on the Bonds and Qualified Swap Payments upon provision for the payment of all of the Bonds at the time Outstanding.

All of the Sales Tax Proceeds shall be, and any other money derived by Orange County under Chapter 82-154, Laws of Florida, as amended (Part VI of Chapter 218, Florida Statutes) or successor legislation may be, upon designation as Sales Tax Proceeds as provided in the Resolution, deposited in the Sales Tax Trust Fund, as received. All Qualified Swap Payments received by the County shall be deposited into the Interest Account as received.

Money in the Sales Tax Trust Fund shall be applied by the County monthly as received as follows: First, to satisfaction of the monthly Bond Service Requirement by transfer into the Interest Account and the Principal Account. Second, to payments into the Bond Reserve Account and to any separate bond reserve accounts, including, without limitation, the Designated Series Bond Reserve Account, in the amounts required by the Resolution. Third, to the payment of certain obligations to the issuer of any Liquidity Facility or Credit Facility or an interest rate swap, cap, collar or similar financial agreement with respect to Bonds issued under the Resolution or any remarketing agent, auction agent, or other agent with respect to any Variable Rate Bonds, an amount equal to the fees and other amounts owing to such persons accruing in such month which are not otherwise treated as principal or interest payments with respect to Bonds. Fourth, to the payment of amounts required to be paid with respect to obligations of the County secured by a lien on the Sales Tax Proceeds junior and subordinate to the lien thereon in favor of the Bonds. Fifth, to the transfer of all remaining money in the Sales Tax Trust Fund, after the aforementioned requirements have been satisfied and any deficiency in any of the accounts mentioned above have been remedied, to the County to be used by the County for any lawful purpose.

Bond Service Accounts. The Bond Service Accounts shall consist of the Interest Account and the Principal Account. Money in the Interest Account shall be used to pay interest on all Outstanding Bonds by the County and Qualified Swap Payments, when due, without preference or distinction.

Money in the Principal Account shall be used by the County to pay principal of the Bonds when due at maturity or pursuant to mandatory call for redemption prior to maturity. Separate subaccounts may, but need not, be established within the Interest Account and the Principal Account for particular groups of Bonds. Money in the Principal Account shall be applied by the County on a parity basis pro rata to the satisfaction of the Principal Requirements of all Bonds then Outstanding. A deposit in a subaccount for a particular group of Bonds maturing in a future Sinking Fund Year shall be the equivalent of a deposit elsewhere in the Principal Account for Bonds maturing or subject to mandatory redemption in the then current Sinking Fund Year for purposes of the preceding sentence. Money in a subaccount established for any particular group of Bonds shall not be used for the payment of any other Bonds unless provision shall have been made for the payment of all of the Bonds for which such subaccount is established.

The County shall transfer, first from Investment Earnings and then from the Sales Tax Trust Fund into the Bond Service Accounts in each Sinking Fund Year at least such amount as will be fully sufficient to assure the prompt payment of the annual Interest Requirement and the Principal Requirement of the Bonds and Qualified Swap Payments. The amounts to be paid into such accounts in each Sinking Fund Year shall, as nearly as may be practicable, be paid in monthly installments on or before the fifteenth day of each month beginning on the fifteenth day in the first full month following the delivery of any of the Bonds. Each such monthly installment must be sufficient to satisfy the Bond Service Requirement for that month and shall be at least equal to the sum of the following:

> One-sixth (1/6) of the interest falling due on the Bonds on the next succeeding interest payment date and any Qualified Swap Payments accruing in such month, to be paid into the Interest Account;
>
> One-twelfth (1/12) of any annual installment of principal of Bonds not payable from a special subaccount falling due (whether at maturity or upon mandatory call for redemption) during the current Sinking Fund Year, to be paid into the Principal Account; and
>
> One-twelfth (1/12) of the amount of all contributions required to be made during the current Sinking Fund Year into every subaccount in the Principal Account established for a particular group or groups of Bonds payable from such subaccount, to be paid into each such subaccount.

Provided, however, that in the event the County has issued Variable Rate Bonds or other Bonds with respect to which interest is payable on other than a semiannual basis, moneys from the Sales Tax Trust Fund shall be deposited at such other or additional times and in such amounts as necessary to pay the interest falling due on the Variable Rate Bonds or such other Bonds in the manner provided in the resolution authorizing such Variable Rate Bonds or such other Bonds.

Nevertheless, during each Sinking Fund Year, such greater proportions as may be required shall be paid into said accounts when and if needed to make up the amount of interest due on any Bonds on the next succeeding interest payment date, the amount of any Qualified Swap Payment due and payable and the Principal Requirement next falling due. If for any reason there shall be a failure in any month to make all or any part of this prescribed transfer and payment, the amount of the deficiency shall be added to the prescribed transfer and payment in the succeeding month or months. No further payments need be made into such Bond Service Account whenever and so long thereafter as the amount then held therein, when added to the amount in the Bond Reserve Account, is sufficient to retire all Bonds then Outstanding and pay all unpaid interest to accrue on and prior to such retirement and all Qualified Swap Payments. Only such amounts on deposit in the Bond Service Accounts allocable to the Bonds to be redeemed may be used or applied to the optional redemption of Bonds prior to maturity.

Notwithstanding the foregoing or any other provisions of the Resolution to the contrary, if any amount applied to the payment of principal of, premium, if any, or interest on the Bonds that would have been paid from the Bond Service Account, is paid instead under a Credit Facility or a Liquidity Facility, amounts deposited in the Bond Service Account may be paid, to the extent required, to the issuer of the Credit Facility or Liquidity Facility having theretofore made said corresponding payment; provided, however, that there shall only be drawn from the Bond Service Account for reimbursement to the issuer of any such Credit Facility or Liquidity Facility the actual amount drawn under the Credit Facility or Liquidity Facility.

Springing Amendment to Master Resolution

The Resolution provides that when the Outstanding Bonds subsequently issued by the County together with the Series 2012B Bonds and the Series 2012A Bonds equals 51% of the total amount of Bonds outstanding, the applicable section of the Master Resolution shall be amended and restated as follows:

> "Every officer, agent or employee of the County having custody or control of any of the Pledged Revenues or Bond Proceeds shall be bonded by a responsible corporate surety or under a self-insurance plan in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the County as an expense of operation."

Each owner of the Series 2012B Bonds shall be deemed to have irrevocably and expressly consented in writing to the above amendment. After giving effect to the issuance of the Series 2012B Bonds and the Series 2012A Bonds, the consent of the holders of 42% of the Outstanding Bonds will have been deemed received.

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ORANGE COUNTY FLORIDA SALES TAX REVENUE BONDS
COMBINED DEBT SERVICE SCHEDULE

Year Ending January 1	Series 2002A	Series 2006	Series 2012A	Series 2012B	Combined Total Debt Service
2013	$ 11,664,244	$ 3,235,540	$ 1,051,837	$ 3,195,072	$ 19,146,693
2014	9,099,994	3,240,516	2,886,250	5,564,800	20,791,560
2015	10,089,994	3,234,314	2,887,750	4,660,000	20,872,058
2016	9,992,244	3,232,434	5,184,000	4,660,000	23,068,678
2017	8,742,520	3,236,034	6,435,000	4,660,000	23,073,554
2018	13,784,812	3,236,434	1,512,000	4,660,000	23,193,246
2019	17,989,326	3,238,633		4,660,000	25,887,959
2020	17,990,268	3,237,434		4,660,000	25,887,702
2021	17,990,850	3,235,594		4,660,000	25,886,444
2022	17,989,276	3,239,480		4,660,000	25,888,756
2023	17,988,750	3,237,282		4,660,000	25,886,032
2024	16,037,226	3,238,124		4,660,000	23,935,350
2025		3,234,638		13,105,000	16,339,638
2026		3,238,400		13,102,750	16,341,150
2027		3,237,062		13,104,500	16,341,562
2028		3,235,626		13,099,000	16,334,626
2029				16,770,500	16,770,500
2030				16,769,000	16,769,000
2031				16,767,750	16,767,750
2032				16,770,000	16,770,000
TOTAL	$169,359,504	$51,787,545	$19,956,837	$174,848,372	$415,952,258

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THE SALES TAX

Generally

The State of Florida (the "State") levies and collects a sales tax of six percent (6%) on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exemptions and dealer allowances (the "Sales Tax"), as set forth in Chapter 212, Florida Statutes, as amended. In 1982, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes Sales Tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of Sales Tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of Sales Tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half cent on every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized. The largest single source of tax receipts in the State is the Sales Tax.

Section 212.20, Florida Statutes, provides for the distribution of Sales Tax revenues collected by the State. Currently, 8.714% of the entire sales tax remitted to the State by each sales tax dealer located within a particular county (the "Half-Cent Sales Tax Proceeds") is deposited in the Local Government Half-Cent Sales Tax Clearing Trust Fund in the State Treasury (the "Sales Tax Trust Fund") and is earmarked for distribution to the governing body of such county and each participating municipality within that county pursuant to a distribution formula. Accordingly, for every dollar of taxable sales price of an item, effective July 1, 2004, approximately 0.523 cents will be deposited into the Sales Tax Trust Fund. The State Legislature has amended Section 212.20, Florida Statutes, from time to time to revise the percentage of such taxes required to be distributed to the Sales Tax Trust Fund. The most recent revision was implemented on July 1, 2004 whereby the distribution rate was decreased from 9.553% to 8.714%.

The Sales Tax Trust Fund also receives a portion of certain taxes imposed by the State on the sales of communication services (the "CST Revenues") pursuant to Chapter 202, Florida Statutes (the "CST Law"). Accordingly, moneys distributed from the Sales Tax Trust Fund now consist of funds derived from both Sales Tax proceeds and CST Revenues required to be deposited into the Sales Tax Trust Fund. All moneys distributed to the County from the Sales Tax Trust Fund (whether derived from the Sales Tax or from CST Revenues) constitute Sales Tax Proceeds for purposes of the Resolution and are a part of the funds pledged to the payment of the Series 2012B Bonds. Other moneys received by the County pursuant to the CST Law that are not deposited in the Sales Tax Trust Fund are not pledged to the payment of the Series 2012B Bonds. The Sales Tax Proceeds do not include any sales tax revenues which may be distributed to the County from the Discretionary Sales Tax Clearing Trust Fund pursuant to Sections 212.054 and 212.055, Florida Statutes.

The deposits in the Sales Tax Trust Fund are earmarked for distribution to the governmental units (the cities and the county government) of the county in which such Sales Tax was collected, provided such governmental units meet the eligibility requirements for revenue sharing pursuant to Section 218, Part II, Florida Statutes, as amended. Distributions are made from the Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with Part VI, Chapter 218, Florida Statutes.

Eligibility

Pursuant to Section 218.23 and 218.63, Florida Statutes, as amended, to be eligible to participate in the Half-Cent Sales Tax Program, each county is required to have:

(i) reported its finances for its most recently completed fiscal year to the State Department of Financial Services as required by Florida law;

(ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;

(iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values as certified by the property appraiser or, in order to produce revenue equivalent to that which would otherwise be produced by such 3-mill ad valorem tax, to have received certain other revenues authorized by law to be collected by the County, to have collected an occupational license tax, utility tax, levied an ad valorem tax, or received revenue from any combination of these four sources;

The preceding notwithstanding, no unit of local government which was eligible to participate in revenue sharing in the 3 years prior to initially participating in the Half-Cent Sales Tax Program will be ineligible to participate in revenue sharing solely due to a millage or utility tax reduction afforded by the local government half-cent sales tax;

(iv) certified that persons in its employ as law enforcement officers and firefighters meet certain qualifications for employment, and receive certain compensation;

(v) certified that each dependent special district that is budgeted separately from the general budget of such county has met the provisions for annual post audit of its financial accounts in accordance with law; and

(vi) certified to the Florida Department of Revenue that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county as required by law.

The County represents that it has complied with all such requirements including the filing of a certificate of compliance with the State Department of Revenue. There may be future amendments to Sections 218.63 or 218.23, Florida Statutes, which may impose additional requirements of eligibility for participating cities and counties. Section 218.63, Florida Statutes, states that failure of the County to comply with the eligibility requirements would result in the County losing its Sales Tax Trust Fund distributions for 12 months following a determination of non-compliance by the State Department of Revenue. The County has covenanted in the

Resolution to take all lawful action necessary or required to remain an eligible recipient of its portion of the funds in the Sales Tax Trust Fund so long as any of the Bonds remain Outstanding.

Distribution Formula

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

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

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

For purposes of the foregoing, "population" is based upon the latest official State estimate certified prior to the beginning of the local government fiscal year.

The imputed Distribution Factor used by the State during the County's fiscal year ending September 30, 2012 to distribute Half-Cent Sales Tax revenues to the County and the respective participating municipalities is as follows:

County/Municipality	Local Government Half-Cent Sales Tax Distribution Factor
Board of County Commissioners	71.118706%
Apopka	2.937875
Belle Isle	0.423118
Eatonville	0.148035
Edgewood	0.176865
Maitland	1.112982
Oakland	0.179338
Ocoee	2.516028
Orlando	16.806874
Windermere	0.173968
Winter Garden	2.442823
Winter Park	1.963388
Total	100.000000%

Source: State of Florida Department of Revenue

Changes in Distribution

The amount of Half-Cent Sales Tax Proceeds distributed to the County is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the County, (ii) legislative changes relating to the Sales Tax, which may include changes in the scope of taxable sales (including sales over the internet), changes in the tax rate and changes in the amount of sales tax revenue deposited into the Sales Tax Trust Fund, (iii) changes in the relative populations of the unincorporated and incorporated areas within the County, and (iv) other factors which may be beyond the control of the County, including, but not limited to, the potential for increased use of electronic commerce and other internet-related sales activity exempt from taxation, that could have a material adverse impact upon the amount of Sales Tax collected by the State and then distributed to the County. See also "APPENDIX A — GENERAL INFORMATION CONCERNING ORANGE COUNTY, FLORIDA" for a discussion of some of the population and economic factors which have a bearing on sales tax collections.

The share of the Sales Tax collected within the County and deposited into the Sales Tax Trust Fund which is to be distributed to the County will be affected by changes in the relative populations of the unincorporated and incorporated areas within the County. Such relative populations are subject to change through normal increases and decreases of population within the existing unincorporated and incorporated areas of the County and are also subject to change by the annexation of previously unincorporated areas of the County by the municipalities within the County. Such annexations would increase the population of the incorporated areas and decrease the population of the unincorporated areas, unless the growth of development in rural unincorporated areas exceeds the loss of population from municipal annexation.

Pursuant to Section 409.915, Florida Statutes, Florida counties are charged a portion of the costs paid by the State under its Medicaid program. On March 29, 2012, the Governor signed a law providing that the State will reduce each county's monthly distribution of Half-Cent Sales Tax Proceeds by the amount to be due from such county based on the State's determination of each county's eligible Medicaid recipients. The law provides that, as an assurance to holders of bonds secured by Half-Cent Sales Tax Proceeds issued before the effective date of the law or bonds issued to refund such bonds which mature no later than the bonds they refunded and which result in a reduction of debt service payable in each fiscal year (such as the Series 2012B Bonds), the amount available for distribution to a county shall remain as provided by law and continue to be subject to any lien or claim on behalf of the bondholders. Under the law, counties are permitted to request refunds from the State for erroneous amounts.

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Prior to this law, the State invoiced the County for Medicaid reimbursement amounts and the County paid only its portion which was validated, from its general funds. Sales Tax is a revenue source of the County's general fund. In Fiscal Years 2010 and 2011, the County was billed \$21,871,393 and \$22,986,696 respectively; and after reviewing and reconciling the invoices, the County reimbursed the State \$14,923,443 and \$13,537,317, respectively. It is expected that the County may have less of an opportunity to recoup valid disputed charges because the State has not yet established the procedures for addressing disputed claims. At this time it is impossible for the County to assess the impact such law may have, if any, on the payment of the Series 2012B Bonds.

ORANGE COUNTY, FLORIDA
ACTUAL AND PROJECTED HALF-CENT SALES TAX DISTRIBUTIONS(1)

County Fiscal Year	Distribution Factor(2)	Distribution to Orange County(3)	Percentage Change (%)
2001-02	0.7242	102,065,458	(0.1)
2002-03	0.7229	106,220,337	4.1
2003-04	0.7203	111,463,997	4.9
2004-05	0.7190	124,839,016	12.0
2005-06	0.7177	128,579,388	3.0
2006-07	0.7151	127,663,844	(0.7)
2007-08	0.7133	125,664,792	(1.6)
2008-09	0.7127	113,182,774	(9.9)
2009-10	0.7104	115,978,290	2.5
2010-11	0.7094	124,823,258	7.6
2011-12	0.7112	129,773,027(4)	4.0

(1) This table represents actual Sales Tax Proceeds distributed to Orange County during fiscal years 2001-02 through 2010-11.

(2) The Distribution Factor is calculated on the basis of the distribution formula detailed in Section 218.62(2), Florida Statutes, as set forth above and is applied for the State's fiscal year of July 1 through June 30. This factor uses revenue sharing population estimates (i.e., permanent population minus inmates and patients residing in institutions operated by the Federal government or by the State's Department of Corrections, Department of Children and Families or Department of Health) and is constructed utilizing a one-year lag in population estimates.

(3) Proceeds of the Local Government Half-Cent Sales Tax Program distributed to the County in accordance with the Distribution Formula.

(4) Projected amount estimated by the State of Florida, Department of Revenue, Office of Tax Research.

Source: Orange County, Florida, Comptroller's Office and State of Florida, Department of Revenue, Office of Tax Research.

ORANGE COUNTY, FLORIDA
HISTORICAL AND PROJECTED
DEBT SERVICE COVERAGES

County Fiscal Year	Actual and Projected Sales Tax Proceeds[1]	Combined Maximum Annual Debt Service[3]	Debt Service Coverage[4]
2001-02	102,065,458	20,822,228	4.90
2002-03	106,220,337	26,705,759	3.98
2003-04	111,463,997	26,705,759	4.17
2004-05	124,839,016	26,705,759	4.67
2005-06	128,579,388	26,271,837	4.89
2006-07	127,663,844	26,271,837	4.86
2007-08	125,664,792	26,271,837	4.78
2008-09	113,182,774	26,271,837	4.31
2009-10	115,978,290	26,271,837	4.41
2010-11	124,823,258	26,271,837	4.75
2011-12	129,773,027[2]	26,271,837	4.94

(1) This table represents actual Sales Tax Proceeds distributed to Orange County during fiscal years 2001-02 through 2010-11.

(2) Projected amount estimated by the State of Florida, Department of Revenue, Office of Tax Research.

(3) Reflects actual Maximum Annual Debt Service for all series of Sales Tax Revenue Bonds and Sales Tax Revenue Refunding Bonds outstanding in each respective sinking fund year.

(4) This calculation of debt service coverage uses only the Half-Cent Sales Tax Proceeds and not investment earnings on certain funds created under the Resolution, which are also Pledged Revenues.

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

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LIMITATION ON STATE REVENUES

At the November 8, 1994, general election, Florida voters approved an amendment to Article VII, Section 1(e) of the Florida Constitution which is commonly referred to as the "Limitation on State Revenues Amendment" (the "Amendment"). The Amendment provides that State revenues collected for any fiscal year of the State shall be limited to State revenues allowed under the Amendment for the prior fiscal year, plus an adjustment for growth. As used in the Amendment, "growth" means an amount equal to the average annual rate of growth in Florida personal income over the most recent twenty quarters times the State revenues allowed under the Amendment for the prior fiscal year. State revenues collected for any fiscal year in excess of this limitation are required to be transferred to the budget stabilization fund until the fund reaches the maximum balance specified in Section 19(g) of Article III of the Florida Constitution, and thereafter is required to be refunded to taxpayers, as provided by general law. The limitation on State revenues imposed by the Amendment may be increased by a two-thirds vote of each house of the State Legislature.

The term "State Revenues," as used in the Amendment, means taxes, fees, licenses and charges for services imposed by the State Legislature on individuals, businesses, or agencies outside State government. However, the term "State Revenues" does not include: (i) revenues that are necessary to meet the requirements set forth in documents authorizing the issuance of bonds by the State; (ii) revenues that are used to provide matching funds for the federal Medicaid program, with the exception of the revenues used to support the Public Medical Assistance Trust Fund or its successor program and with the exception of State matching funds used to fund elective expansions made after July 1, 1994; (iii) proceeds from the State lottery returned as prizes; (iv) receipts of the Florida Hurricane Catastrophe Fund; (v) balances carried forward from prior fiscal years; (vi) taxes, licenses, fees and charges for services imposed by local, regional or school district governing bodies; or (vii) revenue from taxes, licenses, fees and charges for services required to be imposed by any amendment or revision to the Florida Constitution after July 1, 1994. The Amendment took effect on January 1, 1995, and was first applied to State fiscal year 1995-96, which ended June 30, 1996.

In its 2011 regular session, the Florida Legislature passed a resolution which (i) replaces the Amendment based on State personal income growth with a new state revenue limitation based on changes in population and inflation (the "Proposed Limitation"); (ii) requires excess revenues to be deposited into the Budget Stabilization Fund to support public education or to return to taxpayers; (iii) adds certain items to the state revenues subject to the limitation; (iv) authorizes the Florida Legislature to increase the revenue limitation by a supermajority vote; and (v) authorizes the Florida Legislature to place the new state revenue limitation proposal before the voters, which would require approval of 60% of the voters. The proposal is expected to be on the ballot in the 2012 general election. If approved by 60% of the voters, the Proposed Limitation is more likely to constrain state revenues than the current state revenue limitation; however, the potential impact on the County or its finances cannot be ascertained at this time.

It is unclear whether revenues from taxes imposed by the State, but earmarked by State law for distribution to local governments, such as sales taxes, will be deemed to constitute "State Revenues" under the Amendment or the Proposed Limitation, if approved by the voters.

To the extent the Sales Tax Proceeds constitute "State Revenues" which are subject to and limited by the Amendment or the Proposed Limitation, if approved by the voters, the future distribution of increases in such Sales Tax Proceeds to the County may be adversely affected by the Amendment or the Proposed Limitation, if approved by the voters.

There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the County or its finances.

LITIGATION

The County is a defendant from time to time in various lawsuits. The County believes that none of the actions presently pending will have a material effect upon its finances or its right to receive the Sales Tax Proceeds in the full amount as provided by law. There is no pending or, to the knowledge of the County, any threatened litigation against the County which in any way questions or affects the validity of the Series 2012B Bonds, or any proceedings or transactions relating to their issuance, sale or delivery, or the adoption of the Resolution.

CONTINUING DISCLOSURE UNDERTAKING/DAC BONDS

The County has agreed to execute a Continuing Disclosure Undertaking, a form of which is attached hereto as APPENDIX E, concurrently with the issuance of the Series 2012B Bonds. Under the Continuing Disclosure Undertaking, the County, as an "obligated party" under Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934 (the "Rule") and, initially, the sole obligated party under the Continuing Disclosure Undertaking, will provide certain financial information and operating data (the "Annual Information") relating to the County and notices of the occurrence of certain enumerated events with respect to the Series 2012B Bonds.

The Annual Information will be filed by or on behalf of the County to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System ("EMMA"), or with such other repository as designated from time to time by the SEC. See "FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached hereto as APPENDIX E. The nature of the information to be provided in the Annual Information and the notices of such enumerated events is set forth in "FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached hereto as APPENDIX E. The Continuing Disclosure Undertaking further provides that a default under the Continuing Disclosure Undertaking shall not constitute an Event of Default under the Resolution.

The County has not failed to comply with any previous continuing disclosure undertaking pursuant to the Rule.

The County has contracted with Digital Assurance Certification LLC ("DAC") to be a supplemental source of information for the County's bond issuances. Such services may be discontinued at any time. Information regarding this debt issuance may be found at the DAC internet site, www.dacbond.com.

FINANCIAL STATEMENTS

The audited basic financial statements and required supplementary information of the County, for the Fiscal Year ended September 30, 2011 and report thereon of Cherry, Bekaert & Holland, L.L.P., Orlando, Florida, are attached hereto as APPENDIX B. The Series 2012B Bonds are payable from the Pledged Revenues as defined in the Bond Resolution and herein and the Series 2012B Bonds are not secured by, or payable from, the general revenues of the County. The financial statements attached hereto as APPENDIX B are presented for general informational purposes only.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc., Orlando, Florida as Financial Advisor in connection with the preparation of the County's plan of financing and with respect to the authorization and issuance of the Series 2012B Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2012B Bonds and with regard to the exclusion from gross income for federal income tax purposes of the interest on the Series 2012B Bonds are subject to the legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida and Ruye H. Hawkins, P.A., Orlando, Florida, Florida whose legal services as Co-Bond Counsel have been retained by the County. See "TAX MATTERS" herein. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2012B Bonds, will be delivered at the time of original delivery of the Series 2012B Bonds.

The proposed text of the legal opinion of Co-Bond Counsel is set forth as "APPENDIX D — FORM OF CO-BOND COUNSEL OPINION" attached hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by re-circulation of the Official Statement or otherwise shall create no implication that Co-Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in its opinion subsequent to its date.

Certain legal matters will be passed upon for the County by Jeffrey J. Newton, Esquire, County Attorney. Certain legal matters will be passed upon by the County's Co-Disclosure Counsel, Greenberg Traurig, P.A., Orlando, Florida, and Debi V. Rumph, Orlando, Florida.

Nabors, Giblin & Nickerson, P.A. and Ruye H. Hawkins, P.A., Co-Bond Counsel, have not undertaken independently to verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of the information or statements contained in this Official Statement, or any exhibits, schedules or appendices hereto, except for the portion hereof captioned "THE REFUNDING PROGRAM," "DESCRIPTION OF THE SERIES 2012B BONDS," "SECURITY FOR SERIES 2012B BONDS," "DESCRIPTION OF SERIES 2012B

BONDS," and "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION," to the extent such portions purport to summarize certain provisions of the Resolution and the Escrow Deposit Agreement and the accuracy of the information under the caption "TAX MATTERS."

CONTINGENT FEES

The County has retained Co-Bond Counsel, Co-Disclosure Counsel and the Financial Advisor, with respect to the authorization, sale, execution and delivery of the Series 2012B Bonds. Payment of the fees of such professionals and a discount to the Underwriters are each contingent upon the issuance of the Series 2012B Bonds.

TAX MATTERS

Opinion of Co-Bond Counsel

In the opinion of Co-Bond Counsel, the form of which is included as "APPENDIX D — FORM OF CO-BOND COUNSEL OPINION" attached hereto, the interest on the Series 2012B Bonds is excludable from gross income and is not a specific item of tax preference for federal income tax purposes under existing statutes, regulations, rulings and court decisions. However, interest on the Series 2012B Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the County to comply subsequently to the issuance of the Series 2012B Bonds with certain requirements of the Code, regarding the use, expenditure and investment of Series 2012B Bonds proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2012B Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The County has covenanted in the Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2012B Bonds for purposes of federal income taxation. In rendering its opinion, Co-Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2012B Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2012B Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2012B Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2012B Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Co-Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2012B Bonds. Prospective purchasers of Series 2012B Bonds should be aware that the ownership of Series 2012B Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2012B Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2012B Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2012B Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2012B Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2012B BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL OR CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Series 2012B Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2012B Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2012B Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2012B Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2012B Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2012B Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2012B Bonds. For example, proposals have been discussed in connection with jobs programs and deficit spending reduction that could significantly reduce the benefit of, or otherwise affect the exclusion from gross income of, interest on obligations such as the Series 2012B Bonds. The further introduction or enactment of one or more of such proposals could affect the market price or marketability of the Series 2012B Bonds.

Tax Treatment of Original Issue Discount

Co-Bond Counsel is further of the opinion that the difference between the principal amount of the Series 2012B Bonds maturing January 1, 2032 (the "2012B Discount Bond") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriters or wholesalers) at which price a substantial amount of such 2012B Discount Bond of the same maturity was sold constitutes original issue discount which is excludable from gross income for federal income tax purposes to the same extent as interest on the Series 2012B Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of the 2012B Discount Bond and the basis of the 2012B Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the 2012B Discount Bond, even though there will not be a corresponding cash payment. Owners of the 2012B Discount Bond are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such 2012B Discount Bond.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2012B Bonds maturing on January 1, 2014 (the "Non-Callable Premium Bonds") and the Series 2012B Bonds maturing on January 1, 2025 through and including January 1, 2031 (collectively, the "Callable Premium Bonds" and together with the Non-Callable Premium Bonds the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal tax purposes. The amount of amortizable bond premium for a tax year is determined actuarially on a constant interest rate basis over the term of each Non-Callable Premium Bond and to the first call date in the case of the Callable Premium Bonds. For the purposes of determining gain and loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for the purposes of determining various other tax consequences of owning such Premium Bonds. Owners of Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATINGS

The Series 2012B Bonds have been assigned ratings of "AA" by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), "Aa3" by Moody's Investors Service ("Moody's") and "AA+" by Fitch Ratings ("Fitch") (S&P, Moody's and Fitch are collectively referred to as the "Rating Agencies"). Such ratings reflect only the respective views of such Rating Agencies, and an explanation of the significance of such ratings may be obtained from the respective Rating Agencies. Any downward change in or suspension or withdrawal of such ratings may have an adverse effect on the market price of the Series 2012B Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2012B Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2012B Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by (i) bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery, (ii) principles of equity, and (iii) exercise of governmental police powers.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of (a) the arithmetical computations of the adequacy of the maturing principal and interest earned on the Escrow Securities to pay when due, the principal of, premium, if any, and interest on the Refunded Bonds and (b) the arithmetical computations supporting the conclusion of Co-Bond Counsel that the Series 2012B Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, have been verified by the Verification Agent.

UNDERWRITING

The Series 2012B Bonds are being purchased by J.P. Morgan Securities, on behalf of itself and Estrada Hinojosa & Company, Inc. (collectively, the "Underwriters"), subject to certain terms and conditions.

The Underwriters shall purchase the Series 2012B Bonds at an aggregate price of $107,054,525.66 (equal to the principal amount of the Series 2012B Bonds, less Underwriters' discount of $462,822.59, plus net original issue premium of $10,222,348.25). The Series 2012B Bonds are offered for sale to the public at the prices set forth on the inside front cover page of this Official Statement. The Series 2012B Bonds may be offered and sold to certain dealers at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the County to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a "conduit" issuer). The County is not and has not been, since December 31, 1975, in default as to principal and interest on bonds or other debt obligations which it has issued.

There are several special-purpose governmental authorities in Orange County that have served as conduit issuers of "private activity" bonds for such purposes as housing, industrial development, and health care. Defaults have occurred in connection with some of those bonds. However, these governmental authorities are legally separate and distinct from the County, and the County has no liability whatsoever for the payment of such defaulted bonds.

MISCELLANEOUS

All information included herein has been provided by the County except where attributed to other sources. The information herein has been compiled from official and other sources and, while not guaranteed by the County, is believed to be correct. So far as any statements made in this Official Statement and the appendices attached hereto which involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representation of fact, and no representation is made that any of the estimates will be realized. Except as specified otherwise herein, the County specifically disclaims, and does not undertake, any obligation to further supplement, amend or update the information contained in this Official Statement to reflect the occurrence of any event or transaction since the date of this Official Statement. See "CONTINUING DISCLOSURE UNDERTAKING/DAC BONDS" herein.

AUTHORIZATION OF OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the Board.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

By: */s/ Teresa Jacobs*
Teresa Jacobs, County Mayor

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APPENDIX A

GENERAL INFORMATION CONCERNING ORANGE COUNTY, FLORIDA

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General Information Concerning Orange County

Orange County, Florida (the "County") was established in 1824 and became a Charter County upon the enactment of its County Charter approved by the voters effective January 1, 1987. Its territorial limits as they presently exist were defined in 1913 and encompass approximately 1,000 square miles. Orlando, the County seat, is its principal city. It is located geographically in the approximate center of the State of Florida (the "State"), midway between Jacksonville to the north and Miami to the south, between the St. Petersburg-Tampa area on the Gulf of Mexico and Daytona Beach on the Atlantic Coast. Two of the State's major highways, Interstate 4 (for east-west travel) and the Florida Turnpike (for north-south travel), intersect ten miles southwest of downtown Orlando. In 2010, the County had a population of 1,145,956. For the period from 2001 to 2010, the population of the County has increased from 930,034 to 1,145,956. This represents an increase of approximately 23.2% for the County and an average annual increase of 2.5% for the 2001-2010 period.

Administration and Management

Board of County Commissioners; Home Rule Charter

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

Commissioner	District	Term Began	Term Expires
S. Scott Boyd	1	November 2008	December 2012
Frederick C. Brummer*	2	January 2011	December 2014
John M. Martinez**	3	December 2011	December 2012
Jennifer Thompson	4	January 2011	December 2014
Ted B. Edwards**	5	January 2011	December 2012
Tiffany Moore Russell*	6	January 2011	December 2014

* Originally elected 2006; serving consecutive terms.

** Commissioners Martinez and Edwards are filling the remainder of a four year term of former Commissioners that left public service prior to the end of the normal term.

The County Mayor

The chief ceremonial and executive official of the County is the County Mayor. Prior to a charter amendment that was approved by the electors in November 2004, the County Mayor was known as the County Chairman. The County Mayor is eligible for two consecutive four-year terms. This official serves as the chair of the Board and exercises direct authority over the day-to-day operations of all elements of County government under the jurisdiction of the Board, consistent with the policies, ordinances and resolutions enacted by the Board. The current County Mayor is Teresa Jacobs. Mayor Teresa Jacobs served as an Orange County Commissioner for District 1 from 2000 to 2008. She was elected to the position of County Mayor in November 2010 and began her first elected term in January 2011. The duties of the County Mayor include the following:

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

The County Comptroller

The County Comptroller's duties can be classified into three broad categories: financial, audit, and records administration. The Comptroller's specific roles include serving as chief financial officer, county auditor, clerk of the board, recorder, and general custodian of all county funds and records. The incumbent County Comptroller is Martha O. Haynie, who was re-elected to the position for a sixth four-year term in November 2008. Ms. Haynie is a certified public accountant who has over 30 years of experience in accounting and auditing. Ms. Haynie's term expires in January 2013.

The County Administrator

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

The County Attorney

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

Budget Process

The annual budget process for Orange County covers the period from October 1st to September 30th of the following year. In January, the Office of Management and Budget (OMB) projects revenues and expenditures for the next fiscal year using a financial projection model. This model provides the county with a clear vision of the level of financial control needed to develop the upcoming fiscal year budgets.

In late March, departments and divisions submit their proposed budgets to OMB for review based on budget guidelines provided by the County Mayor to all county departments and constitutional officers. By July, spending plans are finalized and the proposed millage is established. The County Mayor presents the proposed budget to the Board in July. The budget for the upcoming year becomes effective October 1 and the spending plan as authorized by the Board will be implemented throughout the fiscal year.

The Property Appraiser certifies the tax roll by July 1. Within 35 days thereafter, the Board must advise the Property Appraiser of the proposed and rolled-back millage rates. The rolled-back rate is that millage rate which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100%, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115% of the previous year's total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year less the amount, if any, paid or applied as a consequence of an obligation measured by the dedicated increment value. Notices of proposed property taxes, which include proposed and rolled-back millage rates, are mailed to each taxpayer within 55 days after the date the tax roll is certified. Within 80 days, but not earlier than 65 days, after the Property Appraiser certifies the tax roll, the Board conducts a public hearing to adopt the tentative budget and millage rates. No sooner than two days nor later than 20 days after the first public hearing, a second public hearing is held to finally adopt the budget and millages. The millages adopted at the second public hearing cannot exceed those adopted at the first public hearing without individual taxpayers being sent an additional notice of proposed property taxes. The maximum allowable millage for the County cannot exceed 10 mills, exclusive of voter-approved levies.

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

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

Taxable Assessed Property Valuations
Orange County, Florida
2002 – 2011

Fiscal Year[1]	Taxable Real Property Valuation	Taxable Personal Property Valuation	Centrally Assessed Property Valuation[2]	Total Taxable Property Valuation
2011	$73,548,706,979	$8,008,239,130	$22,076,031	$ 81,579,022,140
2010	75,469,110,719	8,105,120,427	12,538,415	83,586,769,561
2009	88,964,627,849	8,196,399,075	17,078,383	97,178,105,307
2008	99,393,842,302	8,187,176,637	15,826,598	107,596,845,537
2007	99,024,397,168	8,266,008,576	5,865,402	107,296,271,146
2006	84,455,418,451	7,804,541,783	5,666,452	92,265,626,686
2005	67,866,436,246	7,366,554,814	20,226,805	75,253,217,865
2004	59,953,350,238	7,409,361,742	27,569,966	67,390,281,946
2003	54,914,139,084	7,193,294,051	25,703,736	62,133,136,871
2002	51,174,610,221	7,493,736,396	19,639,733	58,687,986,350

(1) Information is reported based on the fiscal year in which associated tax revenue is recognized – e.g., the 2010 tax roll data is reported here for Fiscal Year 2011, as that is the period of collection and revenue recognition.

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

Source: Orange County Property Appraiser's Office

Tax Levies and Collections
Orange County, Florida
2002 – 2011

Fiscal Years Ending 9/30	County wide Base Millage	Property Taxes Levied[1]	Tax Discount[2]	Net Tax Collections[3]	Total Tax Collections[4]	Gross Tax Collection Versus Taxes Levied[5]
2011	4.4347	$372,736,856	$12,961,204	$357,325,139	$358,605,438	99.34%
2010	4.4347	426,645,690	14,437,510	409,068,703	410,688,637	99.26
2009	4.4347	477,252,866	15,924,275	457,633,359	460,545,819	99.23
2008	4.4347	477,591,217	16,059,035	458,177,217	460,341,783	99.30
2007	5.1639	476,758,645	16,309,050	456,932,140	458,499,321	99.26
2006	5.1639	390,275,519	13,703,370	373,772,974	375,474,988	99.28
2005	5.1639	348,216,904	12,324,232	322,610,162	334,654,521	96.19
2004	5.1639	322,402,714	11,307,678	307,013,159	308,029,110	98.73
2003	5.1639	304,723,204	10,631,502	290,494,930	291,095,075	98.82
2002	5.1639	289,874,510	10,194,900	277,724,614	278,474,727	99.33

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

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

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

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

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

Source: Orange County Tax Collector's Office

Millage Rates [1]
Orange County, Florida
2002 – 2011

Fiscal Year[1]	General Revenue	Capital Projects	Parks Fund	Total Countywide
2011	4.0441	0.2250	0.1656	4.4347
2010	4.0441	0.2250	0.1656	4.4347
2009	4.0441	0.2250	0.1656	4.4347
2008	4.0441	0.2250	0.1656	4.4347
2007	4.7299	0.2500	0.1840	5.1639
2006	4.7299	0.2500	0.1840	5.1639
2005	4.7299	0.2500	0.1840	5.1639
2004	4.7299	0.2500	0.1840	5.1639
2003	4.7299	0.2500	0.1840	5.1639
2002	4.7299	0.2500	0.1840	5.1639

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

(2) Information is reported based on the fiscal year in which associated tax revenue is recognized – e.g., the 2010 tax roll data is reported here for Fiscal Year 2011, as that is the period of collection and revenue recognition.

Source: Orange County Property Appraiser's Office

Orange County, Florida
Principal Taxpayers
Tax Roll Year 2011[1]

Taxpayer	Type of Business	Appraised Valuation	Percentage of Total Taxable Appraised Value
Walt Disney Company	Tourism	$6.45 billion	7.91%
Universal Studios	Tourism	1.41 billion	1.73
Marriott Corporation	Hospitality	1.05 billion	1.29
Hilton Corp	Hospitality	899 million	1.10
Progress Energy	Electric Utility	608 million	0.75
Orange Lake CC	Hospitality	599 million	0.73
Rosen Hotels/RH Resorts	Hospitality	447 million	0.55
Westgate Resorts	Hospitality	437 million	0.54
Wyndham Resorts	Hospitality	420 million	0.51
Lockheed Martin	Aerospace/Defense	410 million	0.50
Total taxable assessed value of 10 largest taxpayers		12.73 billion	15.60
Total taxable assessed value of other taxpayers		68.85 billion	84.40
Total taxable assessed value of all taxpayers		$81.58 billion	100.00%

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

Source: Orange County Property Appraiser's Office

Pension and OPEB

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

The County has implemented GASB No.45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB 45 requires the County to report the actuarially determined accrued costs of other post-employment benefits ("OPEB"), such as health and life insurance, and annually recognize the cost of such benefits as a part of compensation for employee services over the working lifetime of its employees. Through the engagement of an actuarial firm, the County has determined its estimated OPEB funding obligations as of the Fiscal Year ended September 30, 2011. The total actuarially determined unfunded obligation was \$51.2 million at the end of Fiscal Year 2011. The County does not expect the funding of the actuarially determined OPEB costs to have a significant impact on its operating costs or financial position.

The County has created a qualifying irrevocable trust to fund the annual required contribution ("ARC") amount. For Orange County Government, consisting of the Board and its six constitutional officers, the County contributed \$1,844,671 in Fiscal Year 2011, which consisted of components for the normal cost and amortization payment to fund the annual actuarial obligation. The irrevocable OPEB trust fund established by the County will cover benefits that have been approved by the Board for county employees and the constitutional officers, with the exception of the Clerk of Courts who is responsible for the establishment of her own trust fund.

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

Sources: AON Hewitt, Orange County Government 2011-12 Actuarial Report for GASB 43 and 45; Orange County Sheriff's Office 2011-12 Actuarial Report for GASB 43 and 45. Florida Retirement System 2010-11 Annual Report.

ORANGE COUNTY, FLORIDA
SCHEDULE OF BONDED INDEBTEDNESS*
as of January 30, 2012

Issue Date	Issue Title	Amount Issued	Outstanding Principal	Pledged for Payment
12/02/92	Capital Improvement and Refunding Revenue Bonds, Series 1992	$ 43,280,361	$ 1,366,140	Fifty Percent of State Revenue Sharing From Prior Fiscal Year
06/28/94	Public Facilities Revenue Bonds, Series 1994A	33,843,803	8,874,619	Other Designated Non-Ad Valorem County Revenues
02/19/98	Water Utilities System Refunding Revenue Bonds, Series 1998	50,675,000	10,865,000	Water Utilities System Operating Revenues
01/21/99	Sales Tax Revenue Refunding Bonds, Series 1999	37,160,000	27,725,000	Local Government Half-Cent Sales Tax
04/17/02	Tourist Development Tax Revenue Bonds, Series 2002	216,460,000	1,260,000	Tourist Development Tax and Operating Revenues
07/03/02	Tourist Development Tax Refunding Revenue Bonds, Series 2002A	57,340,000	12,670,000	Tourist Development Tax and Operating Revenues
11/07/02	Sales Tax Revenue Refunding Bonds, Series 2002A	164,960,000	120,065,000	Local Government Half-Cent Sales Tax
11/07/02	Sales Tax Revenue Bonds, Series 2002B	113,105,000	104,495,000	Local Government Half-Cent Sales Tax
10/08/03	Tourist Development Tax Refunding Revenue Bonds, Series 2003A	17,330,000	16,410,000	Tourist Development Tax and Operating Revenues
10/15/03	Public Service Tax Refunding and Improvement Revenue Bonds, Series 2003	117,035,000	61,515,000	Public Service Taxes
05/10/05	Tourist Development Tax Refunding Revenue Bonds, Series 2005	238,285,000	216,760,000	Tourist Development Tax and Operating Revenues
01/26/06	Sales Tax Revenue Refunding Bonds, Series 2006	43,585,000	37,285,000	Local Government Half-Cent Sales Tax
06/06/06	Tourist Development Tax Refunding Revenue Bonds, Series 2006	73,435,000	73,025,000	Tourist Development Tax and Operating Revenues
06/06/07	Tourist Development Tax Refunding Revenue Bonds, Series 2007	139,635,000	138,790,000	Tourist Development Tax and Operating Revenues
07/11/07	Tourist Development Tax Refunding Revenue Bonds, Series 2007A	167,800,000	153,955,000	Tourist Development Tax and Operating Revenues
05/07/09	Capital Improvement Refunding Revenue Bonds, Series 2009	25,480,000	22,735,000	Fifty Percent of State Revenue Sharing From Prior Fiscal Year
09/01/09	Tourist Development Tax Refunding Revenue Bonds, Series 2009	83,405,000	76,415,000	Tourist Development Tax and Operating Revenues
09/28/10	Tourist Development Tax Refunding Revenue Bonds, Series 2010	144,395,000	144,395,000	Tourist Development Tax and Operating Revenues
	TOTAL BONDED INDEBTEDNESS	$1,767,209,164	$1,228,605,759	

* Does not include any indebtedness incurred by Orange County in connection with equipment lease-purchase agreements loans or similar financing transactions, and does not include indebtedness that has been legally defeased.

Source: Orange County, Florida, Comptroller's Office 01/30/12.

Population

Orange County currently ranks fifth in population density of the 67 counties in the State. Metro Orlando, which consists of Orange, Osceola, Seminole and Lake Counties, is home to over 2 million people. Over one third of Metro Orlando's population is between the ages of 20 and 44, and the population median age is 37.6, which is lower than the State of Florida's average age of 40.4, which also translates into a large work force. Between 2001 and 2015, Metro Orlando's population is expected to grow by 34%.

Sources: Metro Orlando Economic Development Commission; University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2010

Historical and Projected Future Populations
Orange County, Orlando MSA, Florida and United States
2001-2010, 2015, 2020, 2025

Year[1]	Orange County	% Inc.	Orlando MSA	% Inc.	Florida	% Inc.	United States	% Inc.
2025	1,423,000	8.4	2,751,800	9.1	22,573,600	6.2	349,439,199	4.1
2020	1,312,500	9.4	2,523,300	10.2	21,246,900	6.9	335,804,546	4.2
2015	1,199,600	4.7	2,289,400	7.3	19,881,200	5.7	322,365,787	4.4
2010	1,145,956	3.3	2,134,411	1.8	18,801,310	0.3	308,745,538	0.6
2009	1,108,882	-0.5	2,097,422	-0.3	18,750,483	-0.3	307,006,550	0.9
2008	1,114,979	0.8	2,103,480	0.9	18,807,219	0.7	304,374,846	0.9
2007	1,105,603	2.4	2,083,923	2.5	18,680,367	1.8	301,579,895	1.0
2006	1,079,524	3.5	2,032,877	4.1	18,349,132	2.4	298,593,212	1.0
2005	1,043,437	2.9	1,953,354	3.1	17,918,227	2.3	295,753,151	0.9
2004	1,013,937	3.1	1,894,992	3.6	17,516,732	2.6	293,045,739	0.9
2003	983,165	2.9	1,829,219	3.5	17,071,508	2.4	290,326,418	0.9
2002	955,865	2.8	1,767,918	3.5	16,674,608	2.1	287,803,914	1.0
2001	930,034	3.8	1,707,851	3.8	16,331,739	2.2	285,081,556	-1.3
Average Annual Increase 2001-2010		2.5%		2.7%		1.6%		0.7%

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

Sources: Florida Research and Economic Database; U.S. Census Bureau, Population Division; University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2010

Population by Age
2010 Estimate

	Orange County		State of Florida	
0-14 Years	226,298	20.8%	3,286,693	17.4%
15-24 Years	150,140	13.8%	2,457,392	13.0%
25-44 Years	318,776	29.3%	4,725,450	25.1%
45-64 Years	277,433	25.5%	5,099,851	27.1%
65 and Over	115,325	10.6%	3,273,940	17.4%
Total	1,087,972	100.0%	18,843,326	100.0%

Sources: Metro Orlando Economic Development Commission; U.S. Census Bureau, Population Division

Housing

As of 2009, residential building permits in Orange County totaled 1,929, of which 1,811 were for single-family dwellings. Residential valuation was in excess of $388 million.

During 2010, 35,021 homes were sold in the Orlando MSA with an average selling price of $143,774. The median selling price for an existing home in the Orlando MSA in the third quarter of 2011 was $127,800 compared with the national average of $169,500.

There were 1,328 estimated apartment unit completions in the Orlando MSA during 2010. The overall estimated apartment vacancy rate in 2010 was 9.6%, with rentals at an estimated average of $845 a month.

Sources: Metro Orlando Economic Development Commission; Orlando Regional Realtor Association; University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2010

Building Permits
2000 – 2009

Year	Single Family	Multi Family	Residential Valuations ($000)
2009	1,811	118	$ 388,919
2008	2,485	2,928	682,092
2007	4,025	4,135	1,172,762
2006	9,511	4,241	2,341,794
2005	10,861	6,357	2,357,451
2004	11,664	3,011	2,134,535
2003	9,971	3,990	1,633,892
2002	8,092	5,311	1,357,233
2001	7,396	3,345	1,047,828
2000	6,168	4,085	908,233

Sources: University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2010

Economy

Employment

As of December 2011, employment in Orange County was 543,570 with an unemployment rate of 9.4%.

Source: Florida Research and Economic Database.

Largest Employers In Orange County, Florida
2010

Employer	Number of Employees
Walt Disney Company	58,000
Orange County Public Schools	21,349
Adventist Health System/Florida Hospital	16,700
Greater Orlando Aviation Authority	15,712
Orlando Regional Health System	14,000
Lockheed Martin Corp.	13,000
Universal Studios	13,000
Orange County Government	10,705(1)
University of Central Florida	9,500
Sea World Orlando	7,000

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

Source: Orlando Business Journal: 2011 Book of Lists, Central Florida

Comparison of Annual Unemployment Rates
2002 – 2011

Year	Orange County	Florida	U.S.
2011	10.2%	10.6%	8.9%
2010	11.4	11.5	9.6
2009	10.5	10.5	9.3
2008	5.7	6.3	5.8
2007	3.8	4.1	4.6
2006	3.1	3.4	4.6
2005	4.2	3.8	5.1
2004	4.6	4.7	5.5
2003	4.9	5.3	6.0
2002	5.4	5.7	5.8

Sources: Metro Orlando Economic Development Commission; University of Florida, College of Business Administration, Bureau of Economic & Business Research, Florida Statistical Abstract, 2010; Florida Research and Economic Database (subject to frequent revision)

Average Annual Labor Force Summary
Orange County, Florida
2002 – 2011

Year	Labor Force	Employed	Unemployed	Unemployment Rate
2011	605,269	543,294	61,975	10.2%
2010	604,314	535,509	68,805	11.4
2009	603,219	540,062	63,157	10.5
2008	606,770	572,198	34,572	5.7
2007	592,878	570,604	22,274	3.8
2006	575,990	558,312	17,678	3.1
2005	536,630	514,168	22,462	4.2
2004	528,933	504,531	24,402	4.6
2003	547,148	520,264	26,884	4.9
2002	538,261	509,401	28,860	5.4

Sources: Metro Orlando Economic Development Commission; Florida Research and Economic Database (subject to frequent revision)

Tourism

General

Orange County is one of the world's top visitor destinations. In 2010, the area hosted 51.5 million visitors, and expects to host more than 53 million in 2011. Major tourist attractions in Orange County include Walt Disney World Magic Kingdom, Epcot, Disney's Hollywood Studios, Disney's Animal Kingdom, Downtown Disney, SeaWorld Orlando, Discovery Cove, Aquatica, Universal Studios, Islands of Adventure and CityWalk.

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

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

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

Orange County hosted 9.5 million business-related visitors in 2010. Among those who came for a convention or group meeting, 60% stayed overnight, with an average length stay of 3.4 nights.

2010 and Historical Information

Tourism is the driving force behind Orange County and Central Florida's economy. The economic impact on the Central Florida economy in 2010 was $28.3 billion in visitor spending, $3.8 billion of which came from international visitors and $24.5 billion from domestic visitors. Direct industry employment accounted for 24.4% of the area's employment with direct wages of $7.3 billion in 2010. In fiscal year 2011, tourism generated nearly $176 million in Orange County tourist development taxes (all six cents).

Of the 51.5 million visitors in 2010, 47.8 million were domestic and 3.7 million were international. Of the 47.8 million domestic visitors, 38.3 million or 80% were leisure travelers and 9.5 million were business travelers. The average length of stay for overnight leisure visitors was 4.4 nights. Overnight convention/meeting attendees accounted for 3.2 million of the 9.5 million business visitors and had an average stay of 3.4 nights.

Of the 3.7 million international visitors in 2010, 2.7 million were from overseas and 960,000 were from Canada. Canada surpassed the United Kingdom (840,000) to become Orlando's top international country of origin.

Attraction Information

Of the top 10 most visited theme parks in North America in 2010, seven are in the Orlando area. In addition, the 11th most visited park is Busch Gardens in Tampa. Attendance estimates for these attractions are presented on the following chart.

Theme Park Attendance*

Park	Attendance in Millions 2008	2009	2010	% Increase/Decrease 08 to 09	09 to 10
Walt Disney World Magic Kingdom	17.06	17.23	16.97	1.0%	-1.5%
Epcot	10.94	10.99	10.83	0.5	-1.5%
Disney's Animal Kingdom	9.54	9.59	9.69	0.5	1.0%
Disney's Hollywood Studios	9.61	9.70	9.60	1.0	-1.0%
Islands of Adventure	5.30	4.50	5.95	-15.0	32.2%
Universal Studios	6.23	5.40	5.93	-13.3	9.8%
Sea World Orlando	5.93	5.80	5.10	-2.1	-12.1%
Busch Gardens of Florida	4.41	4.10	4.20	-7.0	2.4%
Total Theme Park Attendance	69.02	67.31	68.27	-2.5%	1.4%

* Numbers may vary due to rounding

Source: Theme Entertainment Association – Economic Research Association

Walt Disney Company

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

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

Universal Orlando

The Universal Orlando Resort is comprised of Universal Studios, Islands of Adventure and CityWalk. The Portofino Bay Resort, the Hard Rock Hotel, and the Royal Pacific Resort are located on-site. Universal Studios is an 838-acre park combining a motion picture and television studio complex with theme park rides, and motion picture and television theme performances. Islands of

Adventure is an adjacent theme park with numerous rides. The much anticipated Wizarding World of Harry Potter opened in the Islands of Adventure Park in June 2010. CityWalk is a 30-acre entertainment complex comprised of eateries, clubs, shops and a 20-screen movie theater.

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

SeaWorld Orlando

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

Hotel/Accommodations

There were approximately 84,477 hotel rooms in Orange County at the end of 2010. Recently the Hilton Orlando, adjacent to the Orange County Convention Center opened in late 2009 adding 1,400 rooms to the area. The Peabody's expansion of 750 rooms opened in the fall of 2010.

In 2011 the opening of the Wyndham Hotel & Spa at Bonnet Creek added 400 rooms. This increased the total number of rooms in the Metro Orlando area, which includes surrounding counties, to 115,599. Occupancy in the Metro Orlando area was 63.2% in 2010, which was a 6.2% increase from 2009. 2010's average daily rate (ADR) was $91.95, down 1.5% from the previous year.

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

Business and Industry

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

Metro Orlando's office market totals more than 37.7 million square feet and had an occupancy rate of approximately 79.6% as of the third quarter of 2011. Sites for new office buildings are available in downtown locations as well as suburban settings. As of the third quarter of 2011, the Orlando MSA's total industrial space was over 106 million square feet. Orlando continues to be a key distribution center in Florida. Industrial occupancy rates run more than 86%.

The Metro Orlando Economic Development Commission was established in 1977 to bring new industry into the area. Since then, it has successfully assisted thousands of companies relocate, expand and grow in Metro Orlando. This has led to the creation of more than 169,000 jobs; over $9.2 billion in capital investment; and almost 77 million square feet of office and industrial space leased or constructed.

Source: Metro Orlando Economic Development Commission

Medical Research

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

On July 28, 2010, the University of Central Florida's College of Medicine opened its new $65 million 170,000-square-foot medical education building. According to UCF, the new medical education building is the first to start from scratch in the United States in more than 30 years. The new UCF Health Sciences Campus is a state-of-the-art complex for medical and biomedical education and research located in the center of the emerging medical city. The life sciences cluster at Lake Nona will transform the Central Florida economy and is expected to create more than 30,000 jobs by 2017 and have a projected annual economic impact of $7.6 billion.

The Department of Veterans Affairs has broken ground on a new Orlando VA Medical Center to be located on 65-acres in Southeast Orange County. The 1.2 million-square-foot facility, opening in fall of 2012, is estimated to cost $665 million to construct. In October 2010, construction started on a new $60 million University of Florida Academic & Research Center. The center is expected to be completed in summer 2012.

Construction is currently under way for a 630,000-square-foot Nemours Children's Hospital that will include 95 beds and serve as the core of a 60-acre pediatric health campus featuring a children's clinic, emergency department, diagnostic and ambulatory programs, along with education and research centers. Nemours plans to open the $380 million hospital in 2012.

Sources: Sanford-Burnham Medical Research Institute; University of Central Florida, College of Medicine; Department of Veterans Affairs; West Orlando News Online; Orlando Business Journal; The Nemours Foundation

Naval Air Warfare Center Training Systems Division

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

Source: Naval Air Warfare Center, Training Systems Division, Public Affairs Office

Agriculture

Agriculture and related agribusiness industries are a major part of the economy of Orange County. They were valued at $1,560,552,000 in 2010. Thousands more work in marketing, and distribution of agriculture related products and services. There are over 1,900 farms and plant nurseries in the County and 25% of the land area continues to be in agricultural use. Orange County ranked eight among 67 Florida counties in total annual farm cash receipts.

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

Citrus has been an important economic factor in Orange County for the last century. In 2010, 3,518 acres of citrus and two citrus packinghouses in the county made a direct and indirect impact to the economy of $95 million. It should be noted that each acre of citrus grove captures over 1.25 million gallons of rainfall annually, making citrus groves a major contributor to recharging the aquifer.

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

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

2010 Value of Orange County Agriculture

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

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

Education

The Orlando MSA currently has seven major institutions of higher learning: the University of Central Florida (a four-year state university with more than 56,000 full and part-time students, second largest university in the nation); Rollins College (the oldest four-year institution of higher learning in the State and an independent, co-educational liberal arts college with a full and part-time equivalent enrollment of more than 3,200 students); Barry University (an independent, coeducational Catholic international university with Florida's ABA approved law school with an enrollment of more than 6,400 students); Seminole State College (a four-year undergraduate institution with more than 32,000 students); Valencia College (a two-year undergraduate institution covering eight campuses and centers with nearly 60,000 full and part-time students annually); Lake-Sumter Community College (a two-year undergraduate institution serving more than 7,500 students annually); and the Florida A&M University Law School which opened in fall of 2002 and has been ABA accredited since 2004.

The UCF College of Medicine was established in 2006 by the Florida Legislature and the Florida Board of Governors to increase opportunities for medical education in Florida, address the physician shortage, and enhance the economy. UCF Medical School M.D program enrolled its second class of 60 students in August 2010 and will soon produce 120 medical graduates each year.

The following chart provides public school enrollment for the 2009-2010 school year.

Public School Statistics
Orlando MSA
2010 - 2011 School Year

	Orange County	**Seminole County**	**Lake County**	**Osceola County**
Total Number of Schools(1)	243	73	59	64
Number of Elementary Schools	131	41	28	26
Number of Secondary Schools	112	32	31	38
Number of Students(2)	179,989	64,335	41,315	54,776
Number of High School Grads(3)	10,481	4,494	2,464	3,443
Number of Teachers (Classroom)	12,899	4,417	2,981	3,326
Average Teacher Salary	$44,695	$47,985	$41,630	$45,575

(1) Includes Elementary Schools, Middle Schools, High Schools, Combination Schools and Adult Schools.
(2) Includes Elementary School, Middle School and High School Students.
(3) Data as of 2009-2010 school year.

Sources: Metro Orlando Economic Development Commission; University of Central Florida; Rollins College; Barry University; Seminole State College; Valencia College; Lake-Sumter Community College; Florida A&M University

Transportation

Air service to Orange County and Central Florida is primarily provided by Orlando International Airport ("OIA"). OIA ranks as the 13th busiest domestic facility, 27th busiest world facility and the third largest airport property in the country with more than 13,000 acres. Designated as an international port of entry with full customs service, OIA has grown tremendously since 1970. Air passengers have increased from 1.3 million in 1971 to over 35 million in 2011. That increase in travelers gives OIA the distinction of being the second busiest airport in Florida. As of 2010, OIA is served by 43 airlines comprised of 33 scheduled airlines, 4 charter carriers and 6 airlines providing cargo service. There are approximately 850 daily flights (based on commercial, military, and general aviation operations). The airfield has the capacity of 140 operations per hour. Only 35 percent of airport property is developed, leaving large areas available for expansion.

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

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

Located 50 miles to the east is Port Canaveral, the only deep-water port between the harbors of Jacksonville and Fort Lauderdale. Port Canaveral is the second busiest cruise port in the world and the world's first quadramodal transportation hub, interchanging freight among sea, land, air, and space. During 2010, 2.7 million revenue cruise passengers passed through the Port's cruise terminals. Port Canaveral is home to some of the finest cruise terminals in the world. Six cruise terminals are in operation, and a total of 3.2 million tons of cargo moved through Port Canaveral's facilities in 2010. The Port of Tampa is on Tampa Bay, located 70 miles west of Orlando. Largely a bulk commodities port, it is ranked among the top 10 in the nation in overall tonnage handled.

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

In addition to these major interstate thoroughfares, Orange County is linked throughout by other major road systems. The 408 East-West Expressway expedites cross-town traffic through the City of Orlando. The 12.5 Osceola Parkway links the international airport to major attractions and half dozen regional arterial highways. To address road transportation needs, four mid-Florida county governments have combined efforts to construct a 55-mile, limited access beltway encircling Metro Orlando known as the Central Florida Greeneway. It is scheduled for widening between Beachline Expressway and Curry Ford Road in 2011 and will be completed in the spring of 2012.

Officially known as the Central Florida Regional Transportation Authority, LYNX is the primary mass transit provider in the Orlando urban area with a fleet of approximately 265 buses on 61 routes. LYNX buses operate daily on a fixed route system that primarily serves the communities of Orange, Seminole, and Osceola Counties covering 2,500 square miles and more than 1.8 million people. LYNX provides over 85,000 rides each weekday and provided nearly 26 million passenger trips in 2010. Lynx provides LYMMO, a state-of-the-art, three-mile, dedicated lane bus system in downtown Orlando, available free-of-charge.

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Sources: Metro Orlando Economic Development Commission; Greater Orlando Aviation Authority; Orange County Expressway Authority; Central Florida Regional Transportation Authority

Major Revenues and Taxable Sales

The following table sets forth the major non-ad valorem revenues for the County for the most recent 10-year period. Sales tax, public service tax and state revenue sharing account for the bulk of the revenues while gas taxes contribute the remainder. These revenues amounted to approximately

$282 million in Fiscal Year 2010-2011. The next chart compares year-end totals for gross and taxable sales for Orange County, the State of Florida and selected other counties.

Major Sources of Non-Ad Valorem Revenue/Ten-Year History
Orange County, Florida
2002-2011

Fiscal Year	Sales Tax	Local Option Gas Tax	County Gas Tax	Constitutional Gas Tax	State Revenue Sharing	Public Service Tax[1]
2011	$124,823,259	$22,732,982	$4,509,757	$10,247,499	$27,820,309	$92,091,369
2010	115,978,290	23,772,252	4,502,366	10,361,498	26,687,880	95,830,061
2009	113,182,774	23,704,729	4,572,815	10,312,035	26,136,558	88,568,808
2008	125,664,792	24,511,333	4,602,861	10,444,897	28,492,161	89,196,824
2007	127,663,844	24,992,763	4,807,737	10,841,990	30,453,957	88,591,690
2006	128,579,388	25,274,554	4,910,190	10,920,696	31,257,697	83,318,548
2005	124,839,016	25,923,517	4,878,586	11,105,687	28,924,581	77,804,255
2004	111,463,997	24,803,915	4,678,320	10,579,959	27,509,675	72,338,180
2003	106,220,337	23,891,689	4,526,850	10,185,794	25,432,915	72,753,277
2002	102,065,458	23,712,653	4,422,780	9,874,169	24,896,667	75,013,164

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

Source: Orange County Comptroller's Office.

ORANGE COUNTY, FLORIDA
COMPARISON OF GROSS AND TAXABLE SALES FOR
THE STATE OF FLORIDA AND SELECTED COUNTIES

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

Source: Florida Department of Revenue, Office of Research and Analysis.

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

APPENDIX B

AUDITED BASIC FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
OF ORANGE COUNTY, FLORIDA
FOR THE YEAR ENDED SEPTEMBER 30, 2011

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ORANGE COUNTY, FLORIDA

BASIC FINANCIAL STATEMENTS
and
REQUIRED SUPPLEMENTARY INFORMATION

For The Year Ended
September 30, 2011

Prepared by:
Martha O. Haynie, CPA
County Comptroller

ORANGE COUNTY GOVERNMENT
FLORIDA

ORANGE COUNTY, FLORIDA

BASIC FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION

for the year ended September 30, 2011

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CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Orange County, Florida (the "County"), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Orange County Housing Finance Authority, Orange County Research and Development Authority, Orange County Industrial Development Authority, and Orange Blossom Trail Development Board, Inc., whose statements reflect 99% and 83% of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Orange County Housing Finance Authority, Orange County Research and Development Authority, Orange County Industrial Development Authority, and Orange Blossom Trail Development Board, Inc. are based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Fire Protection MSTU Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2012, on our consideration of the County'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis section on pages 3 through 12 and pension and other postemployment benefits disclosures on pages 120 through 123 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Cherry, Bekaert & Holland, L.L.P.

Orlando, Florida
March 19, 2012

Management's Discussion and Analysis

Orange County's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements.

The government-wide financial statements include not only Orange County and its blended component units (known as the primary government), but also a legally separate housing finance authority and other entities for which the County is financially accountable. Information included in this discussion and analysis focuses on the activities of the primary government. Accordingly, information provided does not include the activities of discretely-presented component units.

Financial Highlights

- Orange County's assets exceeded its liabilities at September 30, 2011 by $5,704.5 million (net assets). Of this amount, $745.5 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens, creditors and enterprise fund customers.

- The County's total net assets increased by $50.2 million over the previous year, with $12.8 million of the increase resulting from governmental activities and $37.4 million resulting from business-type activities.

- At September 30, 2011, the County's governmental fund balance sheet reported a combined ending fund balance of $903.0 million, a decrease of $25.1 million compared to the previous fiscal year. Of the combined governmental fund balances, $106.9 million remains in the various funds of the County as unassigned.

- The General Fund reported a fund balance of $121.3 million, a decrease of $24.8 million from last fiscal year. This ending fund balance equates to 17.8% of General Fund expenditures and transfers out for the year.

- Total bonded debt decreased by $48.8 million in fiscal year 2011, due to scheduled payments of principal on outstanding bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Continued

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

Both of the government-wide financial statements distinguish functions of Orange County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County's governmental activities include general government, public safety, physical environment, transportation, economic environment, human services, and culture/recreation. The County's business-type activities include a convention center facility, a solid waste system, and a water/wastewater utility system. Financial information in the government-wide financial statements distinguishes discretely-presented component units from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13 through 15 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Orange County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Orange County maintains 53 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Protection MSTU Fund, and Sales Tax Trust Fund, each of which are considered to be major funds for the 2011 fiscal year. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Orange County adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for governmental funds to demonstrate compliance with the budget.

Continued

The basic governmental funds financial statements can be found on pages 16 through 21 of this report.

Proprietary funds. Orange County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its convention center facility, solid waste system, and water/wastewater utility system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its risk management, fleet management, and employee health benefits and insurance services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Financial statements of proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Orange County Convention Center, Solid Waste System, and Water Utilities System, each of which are considered to be major funds of the County. Individual fund data for the County's six internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22 through 26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 119 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits for employees of the Orange County Library District, and other postemployment benefits with respect to employees of Orange County and the Clerk of Circuit and County Courts. Required supplementary information can be found on pages 120 through 123 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 124 through 204 of this report.

Continued

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Orange County's assets exceeded liabilities by $5,704.5 million at the close of the most recent fiscal year, representing an increase in total net assets for the year amounting to $50.2 million.

The largest portion of the County's net assets (78.1%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and intangibles), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Orange County's Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 1,164.5	$ 1,175.2	$ 445.3	$ 427.4	$ 1,609.8	$ 1,602.6
Capital assets	3,414.3	3,397.9	2,333.0	2,350.9	5,747.3	5,748.8
Total assets	4,578.8	4,573.1	2,778.3	2,778.3	7,357.1	7,351.4
Long-term liabilities outstanding	569.6	583.5	901.6	946.5	1,471.2	1,530.0
Other liabilities	104.0	97.2	77.4	69.9	181.4	167.1
Total liabilities	673.6	680.7	979.0	1,016.4	1,652.6	1,697.1
Net assets:						
Invested in capital assets, net of related debt	2,990.3	2,982.9	1,462.2	1,443.3	4,452.5	4,426.2
Restricted	354.2	344.2	152.3	154.4	506.5	498.6
Unrestricted	560.7	565.3	184.8	164.2	745.5	729.5
Total net assets	$ 3,905.2	$ 3,892.4	$ 1,799.3	$ 1,761.9	$ 5,704.5	$ 5,654.3

An additional portion of the County's net assets (8.9%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 13.0% of total net assets ($745.5 million) represents unrestricted amounts that may be used to meet the government's ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities.

At the end of the current fiscal year, as in the prior year, the County is able to report positive balances in all three categories of net assets as a whole and individually within the governmental and business-type activities. Unrestricted net assets increased by $16.0 million (2.2%) compared with the prior year, largely due to increases in the Sales Tax Trust Fund ($19.7 million), the Convention Center Fund ($24.3 million) and the Solid Waste System ($16.7 million), offset by decreases in the General Fund ($26.5 million), and the Miscellaneous Construction Projects Fund ($20.5 million). The most significant components of the $7.9 million increase in restricted net assets (a 1.6% increase from the prior year) are associated with the Debt Service Funds, which accounts for $4.1 million of the increase, primarily due to increased tax revenues. Other increases totaling $9.4 million in the areas of public safety, physical environment and transportation are the result of conservative spending practices. Decreases in restricted net assets are associated with the SHIP fund ($3.3 million) as a result of reduced revenue and the Convention Center fund ($2.7 million) as a result of reduction in debt service.

The changes in net assets displayed below shows the governmental and business-type activities during the previous two fiscal years. The increase in net assets for each year represents the extent to which revenues exceeded expenses during the year.

Orange County's Changes in Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 170.5	$ 158.8	$ 226.1	$ 211.3	$ 396.6	$ 370.1
Operating grants and contributions	158.0	176.1	-	-	158.0	176.1
Capital grants and contributions	63.9	48.9	19.2	25.6	83.1	74.5
General revenues:						
Ad valorem taxes	570.2	654.0	-	-	570.2	654.0
Other taxes	118.2	121.9	175.8	147.7	294.0	269.6
State shared	152.6	142.7	-	-	152.6	142.7
Interest	8.1	14.1	2.0	5.3	10.1	19.4
Other	11.0	34.2	6.8	6.6	17.8	40.8
Total revenues	1,252.5	1,350.7	429.9	396.5	1,682.4	1,747.2
Expenses:						
General government	220.7	210.7	-	-	220.7	210.7
Public safety	506.9	521.3	-	-	506.9	521.3
Physical environment	67.2	68.3	-	-	67.2	68.3
Transportation	194.5	181.3	-	-	194.5	181.3
Economic environment	45.5	40.0	-	-	45.5	40.0
Human services	125.2	127.2	-	-	125.2	127.2
Culture and recreation	66.4	70.9	-	-	66.4	70.9
Interest on long-term debt	21.8	24.6	-	-	21.8	24.6
Convention Center	-	-	196.5	183.0	196.5	183.0
Solid Waste System	-	-	16.7	21.0	16.7	21.0
Water Utilities System	-	-	170.8	170.8	170.8	170.8
Total expenses	1,248.2	1,244.3	384.0	374.8	1,632.2	1,619.1
Increase in net assets before transfers	4.3	106.4	45.9	21.7	50.2	128.1
Transfers in (out)	8.5	4.4	(8.5)	(4.4)	-	-
Increase in net assets	12.8	110.8	37.4	17.3	50.2	128.1
Net assets, beginning of year	3,892.4	3,781.6	1,761.9	1,708.5	5,654.3	5,490.1
Restatements	-	-	-	36.1	-	36.1
Net assets, beginning of year, as restated	3,892.4	3,781.6	1,761.9	1,744.6	5,654.3	5,526.2
Net assets, end of year	$ 3,905.2	$ 3,892.4	$ 1,799.3	$ 1,761.9	$ 5,704.5	$ 5,654.3

Continued

Overall revenues decreased by $56.9 million, or 3.3%, compared to last fiscal year. Ad valorem taxes were down $83.8 million, due to a reduction in taxable assessed value. Other tax revenues were up $24.4 million from last fiscal year, primarily due to an increase in tourism and a corresponding increase in Tourist Development Tax. State Shared Taxes, largely consisting of sales tax, was up $9.9 million. Investment interest income decreased by $9.3 million compared to the prior year, due to reduced interest rates and investment in a conservative asset mix. Program revenues experienced an overall increase of $24.9 million, which is mainly attributable to a slight increase in the economy and construction industry, increased Convention Center bookings, increased water and wastewater rates and Water Utilities consumption.

Total expenses increased by $16.6 million in comparison to last fiscal year. This is mainly due to the increase in Tourist Development Taxes and subsequent required payments to other agencies which are based on Tourist Development Tax collections.

Financial Analysis of Orange County's Funds

As noted earlier, Orange County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of September 30, 2011, Orange County governmental funds reported combined fund balances of $903.0 million, a decrease of $25.1 million compared with the prior year balances. Approximately 12% of this total amount ($106.9 million) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance falls into the categories of either not in spendable form, restricted, committed or assigned. These categories indicate that the funds are not available for new spending because they have already been designated for a specific purpose either by action of the County, statutory or debt based requirements.

The General Fund is the chief operating fund of the County. At September 30, 2011, total fund balance in the General Fund was $121.3 million, of which $106.9 million was unassigned. As a measure of the General Fund's liquidity, the total and unassigned fund balance amounts equate to approximately 18% and 16% of total fund expenditures and transfers out, respectively. The fund balance of the General Fund decreased by $24.8 million during the current fiscal year due to a decrease in ad valorem tax revenues.

The Fire Protection MSTU special revenue fund has a total committed fund balance of $52.5 million. This fund balance decreased $10.0 million during the current fiscal year due to a decrease in ad valorem tax revenues.

The Sales Tax Trust debt service fund has a total fund balance of $183.9 million, of which $50.0 million is reserved for payment of debt service. The $23.6 million increase in fund balance for the year is the result of increase sales tax revenue and management's decision to delay budgeted interfund transfers in order to conserve funds for future needs.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. At September 30, 2011, total net assets amounted to $1,799.3 million for enterprise funds, as compared to

Continued

$1,761.9 million at September 30, 2010. Total net assets of the Convention Center fund of $527.0 million recognized a $26.1 million increase for the year, largely due to growth in tourism. Tourist development tax collections increased in 2011 by $28.1 million offset by an additional $2.9 million in operating expenses as compared with the prior year.

Total net assets of the Solid Waste System amounted to $116.5 million at the end of the fiscal year, representing a $12.5 million increase from the prior year amount of $104.0 million. This was almost entirely due to operating activities. Operating expenditures experienced a decrease of $5.8 million or approximately 38% due primarily to a reduction in closure costs compared with the prior year. Unrestricted net assets stand at $11.9 million, and the System continues to have no outstanding bonded debt.

The Water Utilities System total net assets fell by $1.1 million during the year, to $1,155.8 million from $1,156.9 million. The largest portion of System net assets (89.4%) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Unrestricted net assets of the System decreased by $12.4 million to $91.3 million from a balance of $103.7 million the previous year, largely due to operating and capital activities.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2011 as well as the final budget are presented. During the year, the budget for fund balance brought forward from the prior year was increased by $18.9 million to more closely reflect the final actual amount. Revenue budgets were decreased for charges for services, with increases as well in budgets for current expenditures and increases in the budgetary reserve for contingencies.

Budgeted taxes revenue represents the full levy of property taxes for the year, while actual results reflect early payment discounts allowed by State statute. Negative revenue variances totaling approximately $15.7 million were more than fully offset by the legally-mandated statutory deduction. Expenditures for general government, public safety, economic environment and human services were under budget by a total of $44.1 million due to conservative spending practices. During the year, overall revenues exceeded the total budgetary estimate and actual expenditures were less than budgetary estimates in every category.

Capital Asset and Debt Administration

Capital assets. Orange County's investment in capital assets for its governmental and business-type activities as of September 30, 2011 amounts to $5,747.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, improvements other than buildings, infrastructure, machinery and equipment, and intangible items. The overall net increase in the County's capital assets for the current fiscal year was 0.62% (increases of 0.48% for governmental activities and 0.82% for business-type activities for the year). Major capital asset events in the current year included the following:

- Approximately 57 road widening and extension projects were continued or completed at a combined cost of $30.0 million during the fiscal year.

- Capital assets valued at $46.9 million were received as capital contributions - $39.6 million for governmental activities and $7.3 million for business-type activities.

- At fiscal year-end, the County had outstanding construction contracts for various projects totaling approximately $138 million.

Orange County Capital Assets (Net)
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Non depreciable assets:						
Land	$ 1,060.4	$ 1,054.5	$ 230.8	$ 229.7	$ 1,291.2	$ 1,284.2
Construction in progress	233.7	216.3	149.2	257.8	382.9	474.1
Depreciable assets:						
Buildings and improvements	540.2	548.0	1,006.3	1,031.0	1,546.5	1,579.0
Improvements other than buildings	-	-	888.8	736.1	888.8	736.1
Infrastructure	1,469.7	1,466.2	-	-	1,469.7	1,466.2
Machinery and equipment	88.3	108.3	37.7	41.1	126.0	149.4
Intangibles	22.0	4.6	20.2	18.3	42.2	22.9
Total capital assets	$ 3,414.3	$ 3,397.9	$ 2,333.0	$ 2,314.0	$ 5,747.3	$ 5,711.9

Additional information on the County's capital assets can be found in note E on pages 61 and 62 of this report.

Long-term debt. At the end of the current fiscal year, Orange County had total bonded debt outstanding (net of unamortized costs) of $1,244.4 million, entirely comprised of debt that is secured solely by specified revenue sources (i.e., revenue bonds). Of these revenue bonds, $837.7 million, or 67%, is secured by the first five cents of the County's tourist development tax levy for the financing of the various expansion phases of the Orange County Convention Center.

Orange County Outstanding Debt
Revenue Bonds
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue bonds	$ 396.2	$ 415.3	$ 848.2	$ 877.9	$ 1,244.4	$ 1,293.2

The County's total bonded debt decreased by $48.8 million during the 2011 fiscal year -- $19.1 million for governmental activities bonds, and $29.7 million for the business-type activities. The reductions were associated with principal payments on maturing debt obligations.

As of September 30, 2011, the County had no outstanding general obligation debt. Capacity for pledging existing revenue sources is still available with respect to public service taxes, sales tax revenue, state revenue sharing revenue, tourist development tax revenue, gas tax revenue, and utility systems revenue, as well as property taxes. Bonds backed by any of these sources, with the exception of property taxes, could still be issued and would not require voter approval. Any property tax bonds would be a general obligation issue requiring voter approval.

Additional information on the County's bonded debt and other long-term liabilities can be found in notes K through N on pages 84 through 109 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Orange County decreased to 10.1% from a rate of 11.6% a year ago. This is slightly better than the state's average unemployment rate of 10.6% but higher than the national average of 9.0% at September 30, 2011.
- Taxable property valuation decreased approximately 12.6% from $95.6 billion in 2010 to $83.6 billion in 2011.
- Countywide taxable sales increased from $29.8 billion in 2010 to $32.1 billion in 2011.
- Countywide motor fuel sales decreased from 674 million gallons in 2010 to 661 million gallons in 2011.

All of these factors were considered in preparing the County's budget for the 2012 fiscal year.

During the year ended September 30, 2011, unassigned fund balance in the General Fund decreased to $106.9 million. The County has appropriated this amount in the 2012 fiscal year budget in accordance with the requirements of State statute. Property tax rates remain unchanged for the 2012 fiscal year, however, they have been affected in recent years as follows.

In 2007, the Florida Legislature adopted property tax limiting legislation that impacted all counties, cities, and special districts. This action imposed statutory changes on how property tax millage rates are adopted, and it resulted in Orange County adopting rates in the 2008 fiscal year that were five percent below the roll-back rate (except for Fire/EMS at three percent). Going forward, annual millage rates may be levied up to the roll-back rate or to a rate approximating the roll-back rate based on certain allowed adjustments. Rate increases beyond such limitations require either a super-majority or unanimous vote of the governing body, depending on the magnitude of the increase.

This legislative action also placed a constitutional amendment on the ballot, which was approved by Florida voters in January 2008. Referred to as "Amendment 1", it made four changes affecting taxable assessed value. First, with respect to homestead property, it increased the current $25,000 homestead exemption by another $25,000 (for property values between $50,000 - $75,000), except for school district taxes. Second, Amendment 1 allows property owners to transfer (make portable) up to $500,000 of their "Save Our Homes" benefits to their next homestead when they move. "Save Our Homes", a 1995 amendment to the Florida Constitution, limits the annual increase in assessed value for homestead property to the lesser of three percent or the percentage change in the Consumer Price Index. Third, the amendment limits the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to 10%, except for

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school district taxes. And fourth, it provides a $25,000 exemption for tangible personal property. Amendment 1 was effective for property taxes collected for the 2009 fiscal year, except for the 10% assessment cap on non-homestead property, which became effective for the 2010 fiscal year.

For the 2011 and 2012 fiscal years, the County's property tax millage rate levies remained unchanged from the reduced rates adopted in 2008. However, for fiscal year 2011, taxable assessed values decreased by 12.6% from 2010, and this trend continued with the 2012 taxable assessed values being decreased by 2.4% from 2011. Based on the revised statutory methodology and this drop in assessed values, the County's "roll-back" millage rate for fiscal year 2011 was about 15% higher than the actual rate adopted, and the maximum rate allowed with a simple majority vote was about 21% higher than the "roll-back" rate. Due to the continued weakened economy, the County chose to reduce its budget for fiscal year 2012 rather than upwardly adjust property tax millage rates to compensate for the reduction in taxable values. Thus, under the provisions of the 2007 legislation, the County retains the option for millage rate adjustments in future fiscal years that could mitigate reductions in property tax receipts due to reduced assessed values, without the requirement of a super-majority vote.

As for the County's business-type activities, the Water Utilities System automatic three percent rate increase for all categories of the water and wastewater rate schedules was allowed to occur for fiscal year 2011, but was repealed for fiscal year 2012. In the Solid Waste System, a phased approach for tipping fee increases began with 6.5% and 39.5% increases for Class I and Class III refuse in December 2008, respectively, continued with 6.5% increases in Class I and Class III tipping fees in December 2009, and finished with an additional 6.5% increase in Class I tipping fees in December 2010. Further, automatic annual increases of three percent for all tipping fee categories are scheduled to begin in October 2012.

Requests for Information

This financial report is designed to provide a general overview of Orange County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Martha O. Haynie, County Comptroller, Post Office Box 38, Orlando, Florida 32802-0038. Complete financial statements for each of the individual component units may be obtained at each respective administrative office as reflected in note A on page 37 of this report.

BASIC FINANCIAL STATEMENTS

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements

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ORANGE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2011

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
ASSETS				
Cash and cash equivalents	$ 1,031,036,948	$ 211,842,730	$ 1,242,879,678	$ 12,011,209
Investments	29,586,660	-	29,586,660	15,825,363
Receivables, net	37,694,745	43,459,215	81,153,960	291,540
Internal balances	(70,000)	70,000	-	-
Due from other governmental agencies	46,613,220	2,120,995	48,734,215	154,363
Inventories and prepaid costs	11,983,272	6,915,903	18,899,175	43,993
Restricted assets	-	180,905,122	180,905,122	569,263,411
Net OPEB assets	7,610,802	-	7,610,802	-
Nondepreciable capital assets	1,294,108,103	380,074,411	1,674,182,514	8,480,517
Depreciable capital assets, net	2,120,228,798	1,952,957,383	4,073,186,181	9,727,845
Total assets	$ 4,578,792,548	$ 2,778,345,759	$ 7,357,138,307	$ 615,798,241
LIABILITIES				
Accounts payable and accrued liabilities	$ 89,017,911	$ 31,192,384	$ 120,210,295	$ 4,066,401
Due to other governmental agencies	3,872,981	11,475,134	15,348,115	124,366
Unearned revenue	1,224,027	6,151,055	7,375,082	175,637
Accrued interest payable	9,935,891	21,344,839	31,280,730	1,837,222
Customer deposits	-	7,257,083	7,257,083	-
Long-term liabilities:				
Portion due within one year	98,245,456	36,173,274	134,418,730	930,000
Portion due after one year	469,806,885	865,409,685	1,335,216,570	532,246,075
Net pension and OPEB obligations	1,519,380	-	1,519,380	-
Total liabilities	673,622,531	979,003,454	1,652,625,985	539,379,701
NET ASSETS				
Invested in capital assets, net of related debt	2,990,287,347	1,462,252,701	4,452,540,048	18,188,759
Restricted for:				
Debt service	79,104,184	105,640,810	184,744,994	12,306,826
General government	10,518,454	-	10,518,454	-
Public safety	39,780,868	-	39,780,868	-
Physical environment	10,842,499	30,624,537	41,467,036	-
Transportation	168,352,581	-	168,352,581	1,553,693
Economic environment	34,454,478	16,037,853	50,492,331	-
Human services	490,279	-	490,279	-
Culture and recreation	10,605,445	-	10,605,445	-
Unrestricted	560,733,882	184,786,404	745,520,286	44,369,262
Total net assets	3,905,170,017	1,799,342,305	5,704,512,322	76,418,540
Total liabilities and net assets	$ 4,578,792,548	$ 2,778,345,759	$ 7,357,138,307	$ 615,798,241

See accompanying notes to the financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
for the year ended September 30, 2011

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	$ 242,838,346	$ (22,095,496)	$ 52,446,514	$ 33,260,639	$ 16,224,338
Public safety	499,771,004	7,191,177	47,755,637	15,702,394	1,401,543
Physical environment	67,424,052	111,901	52,604,457	5,758,578	-
Transportation	190,687,884	3,815,087	11,320,009	15,215,193	44,925,920
Economic environment	45,530,719	-	-	37,600,315	-
Human services	125,221,595	-	1,489,097	49,292,296	-
Culture and recreation	63,442,886	2,943,156	4,887,121	1,138,644	1,709,903
Interest on long-term debt	21,770,431	-	-	-	-
Total governmental activities	1,256,686,917	(8,034,175)	170,502,835	157,968,059	64,261,704
Business-type activities:					
Convention Center	194,205,521	2,216,786	47,019,525	-	-
Solid Waste System	15,840,112	848,101	27,399,187	-	-
Water Utilities System	165,870,486	4,969,288	151,643,665	-	19,221,442
Total business-type activities	375,916,119	8,034,175	226,062,377	-	19,221,442
Total primary government	$ 1,632,603,036	$ -	$ 396,565,212	$ 157,968,059	$ 83,483,146
Component units	$ 38,964,416		$ 37,330,279	$ 2,424,524	$ -

General revenues:
Taxes:
Ad valorem tax
Tourist development tax
Public service tax
Communications services tax
Local option gas tax
Business tax
Unrestricted state shared revenues:
Sales tax
Revenue sharing
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues and transfers

Change in net assets

Net assets, October 1, 2010
Effect of change in accounting principle
Effect of correction of an error
Net assets, October 1, 2010, as restated

Net assets, September 30, 2011

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
$ (118,811,359)	$ -	$ (118,811,359)	$ -
(442,102,607)	-	(442,102,607)	-
(9,172,918)	-	(9,172,918)	-
(123,041,849)	-	(123,041,849)	-
(7,930,404)	-	(7,930,404)	-
(74,440,202)	-	(74,440,202)	-
(58,650,374)	-	(58,650,374)	-
(21,770,431)	-	(21,770,431)	-
(855,920,144)	-	(855,920,144)	-
-	(149,402,782)	(149,402,782)	-
-	10,710,974	10,710,974	-
-	25,333	25,333	-
-	(138,666,475)	(138,666,475)	-
(855,920,144)	(138,666,475)	(994,586,619)	-
-	-	-	790,387
570,156,100	-	570,156,100	-
-	175,854,576	175,854,576	-
67,046,930	-	67,046,930	-
25,044,439	-	25,044,439	-
23,783,013	-	23,783,013	-
2,363,476	-	2,363,476	-
124,823,259	-	124,823,259	-
27,820,310	-	27,820,310	-
8,133,279	2,029,017	10,162,296	6,610
10,988,171	6,808,981	17,797,152	6,684,418
8,536,568	(8,536,568)	-	-
868,695,545	176,156,006	1,044,851,551	6,691,028
12,775,401	37,489,531	50,264,932	7,481,415
3,895,386,545	1,721,979,205	5,617,365,750	69,110,049
(2,991,929)	2,991,929	-	-
-	36,881,640	36,881,640	(172,924)
3,892,394,616	1,761,852,774	5,654,247,390	68,937,125
$ 3,905,170,017	$ 1,799,342,305	$ 5,704,512,322	$ 76,418,540

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2011

	Major Funds				
	General	Fire Protection MSTU	Sales Tax Trust	Other Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 145,318,413	$ 53,689,681	$ 154,862,363	$ 551,285,058	$ 905,155,515
Investments	-	-	8,799,472	19,353,325	28,152,797
Receivables:					
Taxes	-	-	-	9,834,140	9,834,140
Accounts	975,229	15,773,928	-	454,181	17,203,338
Notes and loans	-	-	-	11,319,857	11,319,857
Special assessments	-	-	-	145,883	145,883
Accrued interest	649,355	231,415	258,422	1,411,569	2,550,761
Less allowance for doubtful accounts	(7,164)	(6,058,395)	-	(929,073)	(6,994,632)
Due from other funds	5,611,835	1,167,378	-	2,082,308	8,861,521
Due from other governmental agencies	1,897,696	69,074	20,021,831	24,013,744	46,002,345
Inventories	-	-	-	299,161	299,161
Assets held for resale	-	-	-	9,557,175	9,557,175
Deposits and prepaid costs	467,616	-	-	757,823	1,225,439
Advances to other funds	3,200,000	-	-	-	3,200,000
Total assets	$ 158,112,980	$ 64,873,081	$ 183,942,088	$ 629,585,151	$ 1,036,513,300
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 31,539,041	$ 4,623,442	$ -	$ 49,484,820	$ 85,647,303
Matured bonds and notes payable	-	-	-	10,100,373	10,100,373
Matured interest payable	-	-	-	6,314,593	6,314,593
Due to other funds	2,593,948	-	-	6,643,797	9,237,745
Due to other governmental agencies	1,122,256	-	-	2,750,726	3,872,982
Due to individuals	898,351	-	-	47,236	945,587
Deferred revenue	687,498	7,739,410	-	5,798,131	14,225,039
Advances from other funds	-	-	-	3,200,000	3,200,000
Total liabilities	36,841,094	12,362,852	-	84,339,676	133,543,622
Fund balances:					
Nonspendable	3,667,616	-	-	1,338,867	5,006,483
Restricted	2,565,476	-	50,030,877	271,046,861	323,643,214
Committed	9,856	52,510,229	-	181,965,656	234,485,741
Assigned	8,113,540	-	133,911,211	90,896,021	232,920,772
Unassigned	106,915,398	-	-	(1,930)	106,913,468
Total fund balances	121,271,886	52,510,229	183,942,088	545,245,475	902,969,678
Total liabilities and fund balances	$ 158,112,980	$ 64,873,081	$ 183,942,088	$ 629,585,151	$ 1,036,513,300

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
September 30, 2011

Total fund balances for governmental funds		$ 902,969,678
Total net assets reported for governmental activities in the statement of net assets is different because:		
1. Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 1,060,406,931	
Construction in progress	233,701,172	
Buildings and improvements, net of $229,125,096 accumulated depreciation	540,149,130	
Infrastructure, net of $703,661,835 accumulated depreciation	1,469,712,176	
Machinery and equipment, net of $261,457,697 accumulated depreciation	88,322,403	
Intangibles, net of $22,470,763 accumulated depreciation	22,045,089	
Total capital assets, net		3,414,336,901
2. The net OPEB assets resulting from contributions in excess of the annual required contribution in previous years are not financial resources and therefore are not reported in the funds.		7,610,802
3. The net pension and OPEB obligations resulting from contributions in amounts less than the annual required contribution in previous years are not due and payable in the current period and therefore are not reported in the funds.		(1,519,380)
4. Internal service funds are used by management to charge costs associated with risk management, fleet maintenance, and employee medical benefits. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets, net of amounts for capital assets accounted for in item 1 above, are:		75,377,424
5. Amounts to be collected under long-term receivables are not available to pay for the current period's expenditures, and therefore are reported as deferred in the funds.		13,001,012
6. Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities, except for portions payable early in the following year for which sufficient resources have been accumulated in the funds to liquidate the liabilities. These liabilities (net of portions accounted for in internal service funds) consist of:		
Bonds payable (net of unamortized costs, and net of $10,100,373 reported as fund liabilities)	(386,140,170)	
Accreted interest payable	(25,147,788)	
Notes payable	(15,395,000)	
Capital leases	(204,460)	
Compensated absences (net of $479,664 in internal service funds)	(70,297,046)	
Landfill closure costs payable	(5,800,658)	
Total long-term liabilities		(502,985,122)
7. Interest payable on long-term debt is not accrued in governmental funds; rather, it is recognized as an expenditure when due. These liabilities are reported in the statement of net assets.		(3,621,298)
Total net assets of governmental activities		$ 3,905,170,017

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
for the year ended September 30, 2011

	Major Funds				
	General	Fire Protection MSTU	Sales Tax Trust	Other Governmental Funds	Totals
Revenues:					
Taxes	$ 329,193,050	$ 97,592,596	$ -	$ 261,608,312	$ 688,393,958
Special assessments	-	-	-	84,977	84,977
Licenses and permits	606,506	936,966	-	8,958,668	10,502,140
Intergovernmental	32,325,348	430,209	124,823,259	147,966,990	305,545,806
Charges for services	72,124,000	13,586,968	-	110,559,405	196,270,373
Fines and forfeitures	434,652	-	-	5,404,028	5,838,680
Interest	2,763,909	725,810	302,291	3,728,242	7,520,252
Miscellaneous	7,698,632	484,614	125	8,154,555	16,337,926
Total revenues	445,146,097	113,757,163	125,125,675	546,465,177	1,230,494,112
Expenditures:					
Current:					
General government	197,780,244	-	-	17,639,980	215,420,224
Public safety	343,254,722	124,946,736	-	26,119,153	494,320,611
Physical environment	6,797,194	-	-	62,777,093	69,574,287
Transportation	32,864,403	-	-	116,755,932	149,620,335
Economic environment	2,809,500	-	-	44,196,236	47,005,736
Human services	74,910,791	-	-	49,600,961	124,511,752
Culture and recreation	3,177,658	-	-	58,187,764	61,365,422
Capital outlay:					
General government	-	-	-	7,064,335	7,064,335
Public safety	-	-	-	16,637,568	16,637,568
Physical environment	-	-	-	1,889,277	1,889,277
Transportation	-	-	-	45,832,434	45,832,434
Human services	-	-	-	41,240	41,240
Culture and recreation	-	-	-	1,605,049	1,605,049
Debt service:					
Principal retirement	1,342,566	-	9,075,000	12,213,893	22,631,459
Interest and fiscal charges	16,736	-	14,694,634	8,597,778	23,309,148
Total expenditures	662,953,814	124,946,736	23,769,634	469,158,693	1,280,828,877
Excess (deficiency) of revenues over (under) expenditures	(217,807,717)	(11,189,573)	101,356,041	77,306,484	(50,334,765)
Other financing sources (uses):					
Transfers in	209,629,976	1,155,405	-	103,120,283	313,905,664
Transfers out	(17,901,953)	-	(77,754,679)	(209,712,464)	(305,369,096)
Issuance of capital lease debt	1,258,387	-	-	-	1,258,387
Long-term debt issued	-	-	-	15,395,000	15,395,000
Total other financing sources (uses)	192,986,410	1,155,405	(77,754,679)	(91,197,181)	25,189,955
Net change in fund balances	(24,821,307)	(10,034,168)	23,601,362	(13,890,697)	(25,144,810)
Fund balances, October 1, 2010, as restated	146,093,193	62,544,397	160,340,726	559,136,172	928,114,488
Fund balances, September 30, 2011	$ 121,271,886	$ 52,510,229	$ 183,942,088	$ 545,245,475	$ 902,969,678

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
for the year ended September 30, 2011

Total net change in fund balances for governmental funds			$ (25,144,810)
The change in net assets reported for governmental activities in the statement of activities is different because:			
1. Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($88,893,153) exceeds capital outlay ($82,366,316) in the current period, excluding amounts recorded in the internal service funds.			(6,526,837)
2. Donations of capital assets increase net assets in the statement of activities, but are not reported in the governmental funds because they are not financial resources.			39,630,688
3. In the statement of activities, a gain or loss on sales, trade-ins, or other dispositions of capital assets is reported, whereas in the governmental funds, the proceeds received from dispositions of capital assets increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of capital assets disposed.			(16,633,334)
4. Proceeds of certain long-term debt are reported as financing sources in governmental funds and thus contribute to the increase in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. This is the amount by which payment of principal on this debt exceeds the proceeds from issuance of new debt.			
	Bonds	$ 19,175,373	
	Notes	(13,281,480)	
	Capital leases	84,178	
			5,978,071
5. Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are used. The net changes associated with these expenses/expenditures are as follows:			
	Compensated absences	5,297,863	
	Accrued/accreted interest	1,916,709	
	Amortization of bond costs	(377,992)	
	Closure costs	(57,432)	
	Net pension and OPEB assets/obligations	(2,348,820)	
			4,430,328
6. Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when financial resources are available. This is the net adjustment to current year revenue in converting to the full accrual basis.			(1,081,667)
7. Internal service funds are used by management to charge costs associated with risk management, fleet maintenance, and employee medical benefits. In the statement of activities, the net revenue (expense) of internal service funds is reported with governmental activities.			12,122,962
Change in net assets of governmental activities			$ 12,775,401

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
for the year ended September 30, 2011

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Taxes	$ 342,381,094	$ 342,381,094	$ 329,193,050	$ (13,188,044)
Licenses and permits	616,150	616,150	606,506	(9,644)
Intergovernmental	34,339,838	34,339,838	32,325,348	(2,014,490)
Charges for services	70,385,920	67,931,107	72,124,000	4,192,893
Fines and forfeitures	513,176	513,176	434,652	(78,524)
Interest	3,182,572	3,182,572	2,763,909	(418,663)
Miscellaneous	6,057,966	6,179,466	7,698,632	1,519,166
Less statutory deduction	(20,402,225)	(20,285,234)	-	20,285,234
Total revenues	437,074,491	434,858,169	445,146,097	10,287,928
Expenditures:				
Current:				
General government	217,143,866	218,272,788	197,723,989	20,548,799
Public safety	353,226,735	355,502,929	342,052,590	13,450,339
Physical environment	7,548,239	7,554,739	6,797,194	757,545
Transportation	32,906,577	32,904,577	32,864,403	40,174
Economic environment	7,973,773	7,973,773	2,809,500	5,164,273
Human services	77,754,071	79,806,950	74,910,791	4,896,159
Culture and recreation	3,573,315	3,573,315	3,177,658	395,657
Reserve for contingencies	54,215,859	64,052,475	-	64,052,475
Debt service:				
Principal retirement	1,346,628	1,350,925	1,342,566	8,359
Interest and fiscal charges	15,207	16,742	16,736	6
Total expenditures	755,704,270	771,009,213	661,695,427	109,313,786
Excess (deficiency) of revenues over (under) expenditures	(318,629,779)	(336,151,044)	(216,549,330)	119,601,714
Other financing sources (uses):				
Transfers in	214,810,378	214,068,594	209,629,976	(4,438,618)
Transfers out	(21,276,414)	(21,924,281)	(17,901,953)	4,022,328
Total other financing sources (uses)	193,533,964	192,144,313	191,728,023	(416,290)
Net change in fund balance	(125,095,815)	(144,006,731)	(24,821,307)	119,185,424
Fund balance, October 1, 2010	125,095,815	144,006,731	146,093,193	2,086,462
Fund balance, September 30, 2011	$ -	$ -	$ 121,271,886	$ 121,271,886

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION MSTU FUND
for the year ended September 30, 2011

	Budget			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Taxes	$ 101,521,075	$ 101,521,075	$ 97,592,596	$ (3,928,479)
Licenses and permits	1,185,546	1,185,546	936,966	(248,580)
Intergovernmental	350,000	350,000	430,209	80,209
Charges for services	13,032,187	13,032,187	13,586,968	554,781
Interest	1,580,000	1,580,000	725,810	(854,190)
Miscellaneous	57,000	57,000	484,614	427,614
Less statutory deduction	(5,967,790)	(5,967,790)	-	5,967,790
Total revenues	111,758,018	111,758,018	113,757,163	1,999,145
Expenditures:				
Current:				
Public safety	143,913,356	155,120,570	124,946,736	30,173,834
Reserve for contingencies	31,328,616	20,811,845	-	20,811,845
Total expenditures	175,241,972	175,932,415	124,946,736	50,985,679
Excess (deficiency) of revenues over (under) expenditures	(63,483,954)	(64,174,397)	(11,189,573)	52,984,824
Other financing sources:				
Transfers in	1,630,000	1,630,000	1,155,405	(474,595)
Total other financing sources	1,630,000	1,630,000	1,155,405	(474,595)
Net change in fund balance	(61,853,954)	(62,544,397)	(10,034,168)	52,510,229
Fund balance, October 1, 2010	61,853,954	62,544,397	62,544,397	-
Fund balance, September 30, 2011	$ -	$ -	$ 52,510,229	$ 52,510,229

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
BALANCE SHEET
PROPRIETARY FUNDS
September 30, 2011

	Business-type Activities -- Enterprise Funds				Governmental
	Convention Center	Solid Waste System	Water Utilities System	Totals	Activities -- Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 90,384,485	$ 45,536,471	$ 75,921,774	$ 211,842,730	$ 125,881,433
Investments	-	-	-	-	1,433,863
Receivables:					
Taxes	19,393,202	-	-	19,393,202	-
Accounts	802,561	2,778,538	15,709,694	19,290,793	3,346,260
Accrued interest	230,430	126,028	322,181	678,639	289,375
Note	275,000	-	-	275,000	-
Less allowance for doubtful accounts	(146,207)	(6,122)	(170,109)	(322,438)	(237)
Due from other funds	-	-	70,000	70,000	306,224
Due from other governmental agencies	-	-	2,120,995	2,120,995	610,875
Inventories and prepaid costs	-	349,777	2,843,265	3,193,042	901,497
Cash and cash equivalents, restricted	53,039,034	205,314	30,850,064	84,094,412	-
Total current assets	163,978,505	48,990,006	127,667,864	340,636,375	132,769,290
Noncurrent assets:					
Cash and cash equivalents, restricted	16,434,116	-	7,720,884	24,155,000	-
Investments, restricted	72,655,710	-	-	72,655,710	-
Accounts receivable	-	-	2,744,352	2,744,352	-
Prepaid costs	-	-	3,722,861	3,722,861	-
Note receivable	1,399,667	-	-	1,399,667	-
Capital assets:					
Land	111,601,451	33,286,171	85,954,435	230,842,057	-
Construction in progress	20,441,694	3,842,898	124,947,762	149,232,354	138,775
Buildings and improvements	1,381,764,509	100,153,458	1,561,718,959	3,043,636,926	723,498
Machinery and equipment	26,638,808	28,573,541	73,562,716	128,775,065	1,532,918
Intangible	8,094,291	-	24,112,315	32,206,606	-
Less accumulated depreciation and amortization	(384,574,570)	(60,989,287)	(806,097,357)	(1,251,661,214)	(1,855,923)
Total capital assets	1,163,966,183	104,866,781	1,064,198,830	2,333,031,794	539,268
Total noncurrent assets	1,254,455,676	104,866,781	1,078,386,927	2,437,709,384	539,268
Total assets	$ 1,418,434,181	$ 153,856,787	$ 1,206,054,791	$ 2,778,345,759	$ 133,308,558

See accompanying notes to the financial statements.

Continued

ORANGE COUNTY, FLORIDA
BALANCE SHEET, Continued
PROPRIETARY FUNDS
September 30, 2011

	Business-type Activities -- Enterprise Funds				Governmental
	Convention Center	Solid Waste System	Water Utilities System	Totals	Activities -- Internal Service Funds
LIABILITIES AND FUND EQUITY					
Current liabilities:					
Accounts payable and accrued liabilities	$ 14,864,509	$ 1,801,858	$ 19,832,537	$ 36,498,904	$ 2,757,394
Claims payable	-	-	-	-	17,362,389
Due to other governmental agencies	11,074,286	-	400,848	11,475,134	-
Unearned revenue	6,151,055	-	-	6,151,055	-
Landfill closure costs	-	374,277	-	374,277	-
Payable from restricted assets:					
Accrued interest payable	21,039,889	-	304,950	21,344,839	-
Loan payable	-	-	507,477	507,477	-
Revenue bonds payable	29,985,000	-	-	29,985,000	-
Customer deposits	-	205,314	7,051,769	7,257,083	-
Total current liabilities	83,114,739	2,381,449	28,097,581	113,593,769	20,119,783
Noncurrent liabilities:					
Compensated absences payable	690,091	162,986	1,748,317	2,601,394	147,290
Claims payable	-	-	-	-	37,124,793
Loan payable	-	-	9,826,535	9,826,535	-
Revenue bonds payable (net of unamortized costs)	807,675,133	-	10,566,819	818,241,952	-
Landfill closure costs	-	34,739,804	-	34,739,804	-
Total noncurrent liabilities	808,365,224	34,902,790	22,141,671	865,409,685	37,272,083
Total liabilities	891,479,963	37,284,239	50,239,252	979,003,454	57,391,866
Net assets:					
Invested in capital assets, net of related debt	324,208,536	104,709,731	1,033,334,434	1,462,252,701	539,268
Restricted for:					
Debt service	105,051,118	-	589,692	105,640,810	-
Contractual obligations	16,037,853	-	30,624,537	46,662,390	-
Unrestricted	81,656,711	11,862,817	91,266,876	184,786,404	75,377,424
Total net assets	526,954,218	116,572,548	1,155,815,539	1,799,342,305	75,916,692
Total liabilities and net assets	$ 1,418,434,181	$ 153,856,787	$ 1,206,054,791	$ 2,778,345,759	$ 133,308,558

See accompanying notes to the financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
for the year ended September 30, 2011

	Business-type Activities -- Enterprise Funds				Governmental Activities -- Internal Service Funds
	Convention Center	Solid Waste System	Water Utilities System	Totals	
Operating revenues:					
Charges for services	$ 47,019,525	$ 27,399,187	$ 151,643,665	$ 226,062,377	$ 138,422,102
Miscellaneous	1,088,560	1,583,387	3,599,226	6,271,173	6,052,840
Total operating revenues	48,108,085	28,982,574	155,242,891	232,333,550	144,474,942
Operating and maintenance expenses:					
Personal services	25,389,196	6,986,238	42,584,145	74,959,579	4,508,465
Contractual services	7,546,880	2,636,864	27,379,031	37,562,775	8,131,137
Materials and supplies	1,842,087	1,915,194	5,219,890	8,977,171	11,234,184
Utilities	11,773,655	311,907	12,540,592	24,626,154	125,401
Repairs and maintenance	6,923,842	1,943,753	11,996,948	20,864,543	169,995
Provision for landfill closure costs	-	(5,250,591)	-	(5,250,591)	-
Liability claims and expenses	-	-	-	-	36,809,132
Health and life insurance expenses	-	-	-	-	71,427,719
Other expenses	5,887,277	751,069	4,851,702	11,490,048	460,481
Total operating and maintenance expenses	59,362,937	9,294,434	104,572,308	173,229,679	132,866,514
Operating income (loss) before depreciation and amortization	(11,254,852)	19,688,140	50,670,583	59,103,871	11,608,428
Depreciation and amortization	31,523,389	7,393,479	63,951,185	102,868,053	98,493
Operating income (loss)	(42,778,241)	12,294,661	(13,280,602)	(43,764,182)	11,509,935
Nonoperating revenues (expenses):					
Tourist development tax	175,854,576	-	-	175,854,576	-
Interest revenue	791,989	235,401	1,001,627	2,029,017	613,027
Interest expense and fiscal charges	(40,259,464)	(300)	(315,519)	(40,575,283)	-
Gain (loss) on disposal of assets	(376,950)	634	(2,000,762)	(2,377,078)	-
Payments to other agencies	(63,322,270)	-	-	(63,322,270)	-
Amortization of bond issuance costs	(492,811)	-	-	(492,811)	-
Tax collection expense	(1,084,486)	-	-	(1,084,486)	-
Federal and state grants	-	-	537,174	537,174	-
Total net nonoperating revenues (expenses)	71,110,584	235,735	(777,480)	70,568,839	613,027
Income (loss) before contributions and transfers	28,332,343	12,530,396	(14,058,082)	26,804,657	12,122,962
Capital contributions	-	-	19,221,442	19,221,442	-
Transfers out	(2,236,568)	-	(6,300,000)	(8,536,568)	-
Change in net assets	26,095,775	12,530,396	(1,136,640)	37,489,531	12,122,962
Total net assets, October 1, 2010, as restated	500,858,443	104,042,152	1,156,952,179	1,761,852,774	63,793,730
Total net assets, September 30, 2011	$ 526,954,218	$ 116,572,548	$ 1,155,815,539	$ 1,799,342,305	$ 75,916,692

See accompanying notes to the financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
for the year ended September 30, 2011

	Business-type Activities -- Enterprise Funds				Governmental Activities -- Internal Service Funds
	Convention Center	Solid Waste System	Water Utilities System	Totals	
Cash flows from operating activities:					
Cash received from customers	$ 45,741,259	$ 27,657,212	$ 154,459,791	$ 227,858,262	$ 138,517,361
Cash payments to suppliers for goods and services	(32,643,959)	(17,181,502)	(55,741,535)	(105,566,996)	(129,396,659)
Cash payments to employees for services	(25,554,102)	(7,144,421)	(42,798,841)	(75,497,364)	(4,538,337)
Other operating receipts	1,088,560	-	-	1,088,560	6,466,956
Program loans	276,050	-	-	276,050	-
Net cash provided (used) by operating activities	(11,092,192)	3,331,289	55,919,415	48,158,512	11,049,321
Cash flows from noncapital financing activities:					
Tourist development tax received	166,445,176	-	-	166,445,176	-
Payments to other agencies	(52,886,589)	-	-	(52,886,589)	-
Transfers out	(2,236,568)	-	(6,300,000)	(8,536,568)	-
Tax collection fees paid	(1,084,486)	-	-	(1,084,486)	-
Net cash provided (used) by noncapital financing activities	110,237,533	-	(6,300,000)	103,937,533	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(10,654,017)	(6,255,841)	(68,047,662)	(84,957,520)	(88,183)
Principal paid on long-term debt	(29,285,000)	-	(564,649)	(29,849,649)	-
Interest and fees paid on long-term debt	(39,295,160)	-	(850,656)	(40,145,816)	-
Capital contributions	-	-	11,961,025	11,961,025	-
Proceeds from capital grant	-	-	537,174	537,174	-
Proceeds from disposition of assets	26,837	646	187,471	214,954	-
Net cash used by capital and related financing activities	(79,207,340)	(6,255,195)	(56,777,297)	(142,239,832)	(88,183)
Cash flows from investing activities:					
Purchase of investments	(107,537,462)	-	-	(107,537,462)	(505,063)
Proceeds from sale of investments	106,775,831	-	-	106,775,831	52,346
Interest on investments	959,844	254,827	1,043,687	2,258,358	645,695
Net cash provided by investing activities	198,213	254,827	1,043,687	1,496,727	192,978
Net increase (decrease) in cash and cash equivalents	20,136,214	(2,669,079)	(6,114,195)	11,352,940	11,154,116
Cash and cash equivalents, October 1, 2010, as restated	139,721,421	48,410,864	120,606,917	308,739,202	114,727,317
Cash and cash equivalents, September 30, 2011	$ 159,857,635	$ 45,741,785	$ 114,492,722	$ 320,092,142	$ 125,881,433
Classified as:					
Current assets	$ 90,384,485	$ 45,536,471	$ 75,921,774	$ 211,842,730	$ 125,881,433
Current assets, restricted	53,039,034	205,314	30,850,064	84,094,412	-
Noncurrent assets, restricted	16,434,116	-	7,720,884	24,155,000	-
Totals	$ 159,857,635	$ 45,741,785	$ 114,492,722	$ 320,092,142	$ 125,881,433

See accompanying notes to the financial statements.

Continued

ORANGE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS, Continued
PROPRIETARY FUNDS
for the year ended September 30, 2011

	Business-type Activities -- Enterprise Funds				Governmental Activities -- Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	**Convention Center**	**Solid Waste System**	**Water Utilities System**	**Totals**	
Operating income (loss)	$ (42,778,241)	$ 12,294,661	$ (13,280,602)	$ (43,764,182)	$ 11,509,935
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	31,523,389	7,393,479	63,951,185	102,868,053	98,493
Decrease (increase) in assets:					
Accounts receivable	562,435	(1,231,321)	(132,604)	(801,490)	371,311
Allowance for doubtful accounts	(69,642)	(632)	(29,676)	(99,950)	-
Due from other funds	-	-	-	-	54,725
Due from other governmental agencies	-	-	(959,498)	(959,498)	55,681
Inventories and prepaid costs	-	(36,127)	4,597,730	4,561,603	(103,121)
Note receivable	276,050	-	-	276,050	-
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	1,230,802	(919,156)	1,262,507	1,574,153	(65,418)
Claims payable	-	-	-	-	(872,285)
Due to other governmental agencies	-	-	11,840	11,840	-
Unearned revenue	(1,836,985)	-	-	(1,836,985)	-
Landfill closure costs	-	(14,076,206)	-	(14,076,206)	-
Customer deposits	-	(93,409)	498,533	405,124	-
Total adjustments	31,686,049	(8,963,372)	69,200,017	91,922,694	(460,614)
Net cash provided (used) by operating activities	$ (11,092,192)	$ 3,331,289	$ 55,919,415	$ 48,158,512	$ 11,049,321
Noncash investing, capital, and financing activities:					
Capital asset donations received	$ -	$ -	$ 7,260,415	$ 7,260,415	$ -

See accompanying notes to the financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2011

	Pension and Other Postemployment Benefit Trust	Private Purpose Trust	Agency
ASSETS			
Cash and cash equivalents	$ 675,463	$ 472,236	$ 54,500,832
Investments:			
Domestic equity securities and mutual funds	38,909,459	-	-
International equity securities and mutual funds	15,231,319	-	-
Real estate and mutual funds	909,447		
Money market accounts and mutual funds	2,488,693	-	-
Stable value account and mutual funds	1,722,082	-	-
Fixed income mutual funds	9,571,134	-	-
Corporate bonds	2,243,612	-	-
Government bonds	9,088,846	-	-
Asset backed securities	1,773,575	-	-
Total investments	81,938,167	-	-
Accounts receivable	4,805,793	-	-
Accrued income	54,623	-	-
Due from individuals	-	-	10,384
Due from other governmental agencies	-	-	17,494
Prepaid items	19,262	-	-
Total assets	87,493,308	472,236	$ 54,528,710
LIABILITIES			
Accounts payable	10,572,147	-	$ -
Due to other governmental agencies	-	-	14,141,740
Due to individuals	-	-	34,218,713
Deposits	-	-	6,168,257
Total liabilities	10,572,147	-	$ 54,528,710
NET ASSETS			
Held in trust for pension and other postemployment benefits	76,921,161	-	
Held in trust for other purposes	-	472,236	
Total net assets	$ 76,921,161	$ 472,236	

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
for the year ended September 30, 2011

	Pension and Other Postemployment Benefit Trust	Private Purpose Trust
Additions:		
Employer contributions	$ 5,638,740	$ -
Employee contributions	5,176	-
Net investment income (loss)	(1,697,477)	43
Total additions	3,946,439	43
Deductions:		
Benefits paid to participants	5,770,833	-
Administrative expenses	14,977	-
Total deductions	5,785,810	-
Increase in net assets	(1,839,371)	43
Net assets, October 1, 2010	78,760,532	472,193
Net assets, September 30, 2011	$ 76,921,161	$ 472,236

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
COMPONENT UNITS
September 30, 2011

	Orange County Housing Finance Authority	Nonmajor Component Units	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,737,163	$ 6,274,046	$ 12,011,209
Investments	-	10,026	10,026
Accounts receivable	-	218,134	218,134
Accrued interest receivable	73,406	-	73,406
Due from other governmental agencies	-	154,363	154,363
Deposits and prepaid costs	24,927	19,066	43,993
Restricted cash and cash equivalents	-	7,594	7,594
Restricted accrued interest receivable	966,248	-	966,248
Total current assets	6,801,744	6,683,229	13,484,973
Noncurrent assets:			
Investments	15,815,337	-	15,815,337
Restricted cash and cash equivalents	22,023,626	-	22,023,626
Restricted investments	159,114,133	-	159,114,133
Notes and loans receivable, net	387,151,810	-	387,151,810
Nondepreciable capital assets	112,000	8,368,517	8,480,517
Depreciable capital assets, net	205,697	9,522,148	9,727,845
Total noncurrent assets	584,422,603	17,890,665	602,313,268
Total assets	$ 591,224,347	$ 24,573,894	$ 615,798,241
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	$ 269,833	$ 728,732	$ 998,565
Due to other governmental agencies	-	124,366	124,366
Current portion of long-term liabilities	-	20,000	20,000
Unearned revenue	-	175,637	175,637
Payable from restricted assets:			
Accounts payable and accrued liabilities	3,032,247	-	3,032,247
Accrued interest payable	1,837,222	-	1,837,222
Revenue bonds payable	910,000	-	910,000
Arbitrage rebate payable	35,589	-	35,589
Total current liabilities	6,084,891	1,048,735	7,133,626
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized costs)	531,083,534	-	531,083,534
Obligation under capital leases	-	214	214
Notes payable	1,162,327	-	1,162,327
Total noncurrent liabilities	532,245,861	214	532,246,075
Total liabilities	538,330,752	1,048,949	539,379,701
NET ASSETS			
Invested in capital assets, net of related debt	317,697	17,871,062	18,188,759
Restricted for bond programs	12,306,826	-	12,306,826
Restricted for other purposes	-	1,553,693	1,553,693
Unrestricted	40,269,072	4,100,190	44,369,262
Total net assets	52,893,595	23,524,945	76,418,540
Total liabilities and net assets	$ 591,224,347	$ 24,573,894	$ 615,798,241

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
for the year ended September 30, 2011

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Orange County Housing Finance Authority			
Economic environment	$ 28,541,783	$ 32,893,702	$ -
Nonmajor component units:			
General government	2,434,617	-	-
Transportation	4,076,018	1,894,755	-
Economic environment	3,911,998	2,541,822	2,424,524
Total nonmajor component units	10,422,633	4,436,577	2,424,524
Total component units	$ 38,964,416	$ 37,330,279	$ 2,424,524

General revenues:

Unrestricted investment earnings
Miscellaneous

Total general revenues

Change in net assets

Net assets, October 1, 2010, as restatec

Net assets, September 30, 2011

Net (Expense) Revenue and Changes in Net Assets		
Orange County Housing Finance Authority	**Nonmajor Component Units**	**Totals**
$ 4,351,919	$ -	$ 4,351,919
-	(2,434,617)	(2,434,617)
-	(2,181,263)	(2,181,263)
-	1,054,348	1,054,348
-	(3,561,532)	(3,561,532)
4,351,919	(3,561,532)	790,387
-	6,610	6,610
-	6,684,418	6,684,418
-	6,691,028	6,691,028
4,351,919	3,129,496	7,481,415
48,541,676	20,395,449	68,937,125
$ 52,893,595	$ 23,524,945	$ 76,418,540

See accompanying notes to financial statements.

ORANGE COUNTY, FLORIDA
INDEX TO THE NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements of Orange County, Florida (County) were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (GAAP). The following summary of the more significant accounting policies of the County is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

Reporting Entity:

Entity status for financial reporting purposes is governed by Statement No's. 14 and 39 of the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for the establishment of GAAP in governmental entities. Determination of the financial reporting entity of the County is founded upon the objective of accountability. Therefore, these financial statements include the County government (the primary government) and two types of legally separate component units (blended and discrete) for which operational or financial responsibility rests with the elected officials of the County or for which the nature and significance of their relationship to the County are such that exclusion would cause the financial statements to be misleading or incomplete.

Operational or financial responsibility is considered to have been met if the primary government appoints a voting majority of the component unit's governing board and it is able to impose its will on the unit or there is potential for the unit to provide specific financial benefits or impose specific financial burdens on the primary government. All component units of the County have a September 30 fiscal year end.

The County is governed under the authority of the County Charter (Charter), which provides for home rule and is derived from the Florida Constitution. Under the Charter, the principal legislative body of the County is the Board of County Commissioners (Board), a seven-member elected body consisting of six Commissioners elected by district and the County Mayor elected at-large. The County Mayor also serves as the principal executive officer. In addition, certain designated governmental functions are performed by constitutional officers who are elected at-large. The constitutional officers are the Clerk of the Circuit and County Courts, County Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. Although these six officers are operationally autonomous, they do not hold sufficient corporate powers of their own to be considered legally separate component units for financial reporting purposes. Therefore, they are reported together with the Board as part of the primary government.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Blended component units are legally separate entities that are in substance part of the County's operation, as they either have governing bodies that are substantively the same as the Board or they provide their services exclusively or almost exclusively to the County government. The financial transactions of these component units are merged in with similar transactions of the County as part of the primary government. The blended component units of the County are as follows:

Orange Blossom Trail (OBT) Local Government Neighborhood Improvement District (NID) - This district serves to provide for improvements in public safety in a designated area adjacent to Orange Blossom Trail. The governing body of the District is the Board of County Commissioners, which provides substantial funding of operations. The District is presented as a special revenue fund.

Water and Navigation Control Districts - The Lake Conway Water and Navigation Control District and the Windermere Water and Navigation Control District each serve to provide for the regulation of shoreline alteration, aquatic plant management, and lake patrol activities for their designated areas. The governing board of each District is the Board of County Commissioners. The primary revenue source is ad valorem property taxes levied by the Board and the annual budgets of each District must be approved by the Board. These Districts are presented together as a special revenue fund.

International Drive Community Redevelopment Agency - This agency serves to provide improved transportation and roadway conditions in the International Drive corridor. The governing body of the Agency is the Board of County Commissioners, which provides substantial funding of operations. The Agency is presented as a special revenue fund.

Orange Blossom Trail (OBT) Community Redevelopment Agency - This agency serves to renew economic interest and improve the commercial diversity and viability of a redevelopment area adjacent to Orange Blossom Trail. The governing body of the Agency is the Board of County Commissioners, which provides substantial funding of operations. The Agency is presented as a special revenue fund.

Orange County Library District - This district serves to provide comprehensive library services and serves County residents except for those within the cities of Winter Park and Maitland. The governing board of the District is composed of the Board of County Commissioners plus one member appointed by the City Council of the City of Orlando, Florida. This governing board levies the property taxes necessary to operate the District, adopts the annual budget, and approves debt issuances. The District is presented in special revenue, debt service, capital projects, internal service and fiduciary funds.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Discretely-presented component units are legally separate entities which do not meet the criteria for blending. They are reported in separate columns to emphasize that they are legally separate from the County. The discrete component units of the County are as follows:

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

Orange County Research and Development Authority - This authority serves to establish, develop, and operate, in cooperation with the Board of County Commissioners and the University of Central Florida, a research and development park known as "Central Florida Research Park." Eight positions on its nine-member board are appointed by the Board of County Commissioners. The annual budget and amendments, as well as all bonded debt issues, must be approved by the Board. Although the County is not legally responsible for the operations or debt of the Authority, it has given economic assistance in prior fiscal years.

International Drive Master Transit and Improvement District - This district serves to administer transportation and capital planning projects along certain segments of International Drive. Two of the three board members are members of the Board of County Commissioners. There is no budget approval required by the Board; however, a major portion of the District's funding is derived from Municipal Service Taxing Units (MSTUs) of the County. During the 2011 fiscal year, $4.7 million was paid to the District from the County's MSTUs.

Orange County Health Facilities Authority - This authority serves to assist health facilities in the acquisition, construction, financing and refinancing of capital projects within the County and, under certain circumstances, outside the geographic limits of the County. Its five-member board is appointed by the Board of County Commissioners. The Authority is not legally required to adopt a budget; however, the Board must authorize the issuance of bonded debt. Neither the Authority nor the County has any legal obligation for repayment of the revenue bonds issued through the Authority. The Authority is an issuer of "conduit" debt obligations. See Note V, Subsequent Events, for discussion regarding fiscal year 2011 assets and revenues.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Orange Blossom Trail Development Board, Inc. - This not-for-profit corporation, established by interlocal agreement between the Board of County Commissioners and the City of Orlando, serves to provide management services for redevelopment of a section of Orange Blossom Trail. Six positions of the nine-member board of directors are appointed by the Board, and they may be removed without cause. There is no budget approval requirement nor responsibility for deficit funding on the part of the County; however, a major portion of the Corporation’s revenues are derived from grants and reimbursements from the County

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

Except for the Orange County Library District, none of the blended component units prepare individual financial statements. Individual audited financial statements for the Library District and the discretely-presented component units can be obtained directly from their administrative offices as follows:

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Orange County Library District
101 East Central Boulevard
Orlando, FL 32801

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

Orange County Research and Development Authority
12424 Research Parkway, Suite 100
Orlando, FL 32826

International Drive Master Transit and Improvement District
7081 Grand National Drive, Suite 105
Orlando, FL 32819

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

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

Orange Blossom Trail Development Board, Inc.
2719 S. Orange Blossom Trail
Orlando, FL 32805

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

The remainder of these notes provides disclosures for both the primary government and discretely-presented component units. If no separate component unit reference is made, the disclosure should be regarded as equally applicable for all components of the reporting entity. In certain cases, GAAP requires special or separate note references for discretely-presented component units. Such disclosures are correspondingly noted as required and are displayed to the extent given in the individual audited financial statements of the applicable component unit.

Financial statement presentation:

Government-wide financial statements – The statement of net assets and the statement of activities report information about the nonfiduciary activities of the primary government and its discretely-presented component units. Adjustments have been made to minimize the double-counting of interfund activity. These statements distinguish between governmental activities and business-type activities. Governmental activities are primarily financed through taxes and intergovernmental revenues, while business-type activities are primarily financed through charges for services to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County’s governmental activities, and for each of the business-type activities. Direct expenses are those that are clearly identified with a specific program or segment. Indirect expense allocations are displayed separately from the direct expenses. Program revenues include (a) fees, fines, and charges for service, and (b) grants and contributions that are restricted for the operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund financial statements - The fund financial statements report information about the County's funds, including fiduciary funds. Separate columns are presented for each major governmental, enterprise, and discretely-presented component unit fund.

The County reports the following major governmental funds:

General Fund - This is the County's primary operating fund; it accounts for all financial transactions not required to be accounted for in another fund.

Fire Protection MSTU - This fund accounts for fire protection and emergency medical services financed with ad valorem taxes levied in the MSTU, as well as service fee revenues. The MSTU encompasses the unincorporated area of the County.

Sales Tax Trust - This fund accounts for receipt of the County's share of state sales tax, and debt service payments for the County's outstanding sales tax revenue bonds.

The County reports the following major enterprise funds:

Convention Center - This fund accounts for the operation of the Orange County Convention Center, and the payment of debt service on the outstanding tourist development tax revenue bonds. Major revenues are charges for services and tourist development taxes.

Solid Waste System - This fund accounts for the County's solid waste disposal (landfill) operation, primarily financed through user charges.

Water Utilities System - This fund accounts for costs associated with residential and commercial sewer and water services provided to various sections of the County, primarily financed through user charges.

The County reports the previously described *Orange County Housing Finance Authority*, a discrete component unit, as a major component unit fund.

Additionally, the County reports the following fund types:

Internal service funds - These funds account for risk management, fleet management, and employee medical benefits services provided to other County departments on a cost-reimbursement basis, as well as Library District employee medical benefits and Sheriff's office health insurance and workers' compensation claims.

Pension trust and other postemployment benefit fund - These funds account for the receipt and disbursement of assets held in trust for participants of the Library District's

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

defined benefit pension, defined contribution pension, and money purchase pension plans, and for other postemployment benefit plans of the County, Library District and Clerk of the Circuit and County Courts.

Private purpose trust fund - This fund accounts for assets held in trust for the benefit of the St. Johns River Water Management District, pursuant to a trust agreement dated February 21, 2006.

Agency funds - These funds account for assets held on behalf of third parties. Examples include developers' escrows held pending satisfactory performance on construction projects, escrows for the Burnham Institute grant from the County and other funding parties, and taxes, fees and fines collected on behalf of other governments.

Measurement Focus and Basis of Accounting:

The government-wide, proprietary fund, and trust fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus, and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available to finance expenditures of the current period." The County considers amounts collected on grants within 120 days after year-end, and amounts collected within 60 days after year-end on all other governmental funds, to be available and thus recognizes them as revenues of the current year. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early the following year.

Revenues of the County which are susceptible to accrual under the modified accrual basis include property taxes, gas taxes, public service taxes, grant revenues, interest revenue, and charges for services. In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, entitlements and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be earned by the County; therefore,

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

revenues are recognized based upon when the expenditures are made if they meet the criterion of availability. In the other, moneys are essentially unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Agency funds do not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting.

Fund Balance Presentation:

Fund balances of the Governmental Funds are classified as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted*:* This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed: This classification includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the County. Such formal action may be in the form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.

Assigned: This classification includes amounts that are intended by the County to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the governing body or official.

Unassigned*:* This classification represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The County uses restricted amounts first when both restricted and unrestricted fund balances are available.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

GASB Statement No. 20 Election:

Pursuant to the election option made available by GASB Statement No. 20, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the business-type activities and the enterprise fund financial statements.

Budgets and Budgetary Accounting:

Chapter 129, Florida Statutes, requires that the annual fiscal year budget be legally adopted by the Board at the fund level, and that any expenditures or contract for expenditure in the fiscal year for an amount greater than the total fund budget is unlawful. Pursuant to this legal requirement, an annual appropriated budget is adopted by resolution subject to public hearing. Such resolution sets the budget appropriations in total by fund for each governmental fund and each proprietary fund of the Board. Budgets for the trust funds and agency funds are not legally required or adopted. Budgetary information presented in this report is in a categorized format by revenue source, expenditure function, and expenditure reserves, which represents a detail level greater than the statutory level of control. At the close of the fiscal year, all budget appropriations lapse to the extent that they have not been expended. Outstanding encumbrances also lapse, but are re-established in the succeeding fiscal year against the newly adopted budget.

In addition to the statutory requirements discussed above, the County has adopted management control and approval guidelines for expenditures and budget amendments. Key components of these management guidelines are as follows:

1. Each fund contains allocations by object of expenditure, and for reserves for various purposes.
2. No expenditure or encumbrance may occur without a sufficient budgetary balance.
3. Allocations within a fund may be transferred within a department by action of the County's budget officer or between departments by action of the Board.
4. Available balances to or from reserves may be used to modify an expenditure allocation in the same fund upon approval of the Board.
5. A revenue or other financing source which was originally unanticipated may be appropriated by action of the Board.
6. Increased revenues for proprietary funds may be appropriated by action of the Board.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Since transfers of budget allocations between departments must be approved by the Board, the department level is deemed the legal level of budgetary control. Such legal level of budgetary control corresponds to the categorical breakdowns reflected in the financial statements, except for the General Fund, the Grants special revenue fund and the Miscellaneous Construction Projects capital projects fund. These funds contain multiple operating departments requiring Board approval for budget transfers. Schedules showing budgeted and actual expenditures at the department level for these three funds are presented as supplementary information at the end of this Financial Section.

In instances where total fund appropriations are amended by revenues or other financing sources unanticipated in the existing budget, an amending budget resolution is adopted which indicates the revised budget appropriation for each affected fund. Amendments to overall appropriations for any other reasons also require a public hearing prior to adoption.

Budget appropriations presented in this report include all legally adopted appropriations as amended during the fiscal year. During the 2011 fiscal year, appropriation increases of approximately $311 million were approved by the Board, primarily due to new grant awards, for reappropriation of unexpended grant award balances and encumbrances outstanding at the end of the 2010 fiscal year, and to appropriate budget for proceeds of loan transactions during the year. The original adopted budget for the 2011 fiscal year totaled $3.10 billion and the final amended budget totaled $3.41 billion, representing a 10.0% increase during the year.

All governmental fund budgets are prepared on a basis consistent with GAAP, except that capital outlay expenditures and other financing sources related to the acquisition of assets through capital leases are not budgeted. For the 2011 fiscal year, the following adjustments were necessary to present the actual data on a budgetary basis for the General Fund:

	Expenditures	Other Financing Sources (Uses)
GAAP basis	$ 662,953,814	$ 192,986,410
Non-budgeted capital lease transactions	(1,258,387)	(1,258,387)
Non-GAAP budgetary basis	$ 661,695,427	$ 191,728,023

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The budgets for the proprietary funds are prepared on an accrual basis and are consistent with GAAP except that depreciation, amortization, noncash capital contributions, and gains/losses on the disposal of assets are not budgeted, capitalized net interest costs on funds borrowed to finance the construction of capital assets are budgeted as interest income and interest expense, capital outlays are budgeted as expense, and debt proceeds and principal payments are respectively budgeted as revenue and expense. Insurance liability claims in the Risk Management internal service fund are budgeted according to the loss reserves available for disbursement rather than by new liabilities incurred during the fiscal year. Budgets are not adopted for the Library District Internal Service Fund, or for the Sheriff's Health Insurance and Workers' Compensation Internal Service Funds.

Annual budgets are prepared according to the following procedures:

During the month of July, the County Mayor, after working with the County's budget officer to establish proposed funding priorities for the ensuing fiscal year, presents a tentative budget for each fund which includes all estimated receipts, taxes to be levied, all other financing sources and all estimated expenditures and reserves.

The Board examines these tentative budgets in work sessions throughout the month of July. Pursuant to law, the budgets of each fund are balanced (i.e., all revenues and other financing sources equal all expenditures, reserves, and other financing uses). Subject to hearing and notice requirements, the budgets may be revised as deemed necessary provided they remain in balance.

In September, public hearings are held to adopt tentative and final budgets. The hearings are held primarily to explain the budget and obtain public input. In accordance with statutory requirements, the annual budgets are enacted prior to October 1 through passage of a resolution. If for some reason a budget is not enacted by October 1, Florida Statutes provide for continued operation under the previous year's budget subject to any amendments.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded as a reservation of budget, is employed as an extension of the statutorily required budgetary process. Under Florida Statutes, appropriations, even if encumbered, lapse at fiscal year end. Encumbrances outstanding at September 30, 2011 represented by purchase orders and other executory contracts, were approximately $83.5 million. It is the County's intention to substantially honor these encumbrances under authority provided in the subsequent year's budget.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents:

Cash balances from the majority of funds are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts, and therefore all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these statements. For investments which are held separately from the pools, those which are highly liquid (including restricted assets) with an original or remaining maturity of 90 days or less when purchased are considered to be cash equivalents.

Investments:

All investments are stated at fair value. Investment fair values are based on quoted market prices, except for bankers' acceptances and commercial paper, which are based on accreted value. Investments in mutual funds, which are SEC 2a-7 investment pools, and the Local Government Surplus Funds Trust Fund (Florida PRIME), which is an external 2a7-like investment pool, are stated at share price which is substantially the same as fair value.

Accounts Receivable:

Amounts due from private individuals, organizations, or other governments which pertain to charges for services rendered by County departments are reported as accounts receivable.

Receivables are reviewed periodically to establish or update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the age of the various accounts. The County records the amount of earned but unbilled service revenues for the Water Utilities System enterprise fund.

Notes and Loans Receivable:

The County has several agreements with other agencies under which cash has been advanced to those agencies for the purpose of financing loans to developers for multi-family affordable housing projects. These noninterest-bearing advances will be repaid to the County over varying terms of up to 30 years. The outstanding principal balance is

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

reported as Notes and Loans Receivable in the Local Housing Assistance (SHIP) special revenue fund, with a corresponding amount in Restricted Fund Balance, as future use of collected proceeds remain restricted. With the exception of an allowance established for one note to recognize a reduction from the amount due for compliance with conditions of the agreement, no uncollectible allowance has been established for these receivables, based upon management's evaluation of the loans.

The Orange County Housing Finance Authority component unit records loans receivable relative to the financing of multi-family housing developments and single-family residential housing. These loans are carried at original cost, including unamortized discount, less principal collections. Servicing of loans is provided by various approved and qualified private lending institutions and servicing organizations on behalf of the Authority. Servicing costs on single-family issues are recorded as a reduction of interest income. Based upon management's evaluation of the loan portfolio an allowance for potential losses has been established. Loans receivable are pledged as collateral for the payment of principal and interest on bonded indebtedness.

Interfund Balances and Activity:

During the course of normal operations, the County has numerous transactions between funds. Examples of these transactions include providing services, constructing assets or servicing debt. These transactions are generally recorded as interfund transfers, except for internal service fund charges which are reflected as revenues to internal service funds and expenses or expenditures to the funds receiving the services. Additionally, short-term interfund loans are recorded from time to time as cash flow needs arise. As of fiscal year-end, any unpaid amounts related to these transactions are reported as "due from other funds" or "due to other funds" on the fund financial statements. Interfund loans not expected to be repaid within one year are reported as advances. In governmental funds, advances are offset equally by a nonspendable fund balance which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Interfund balances and transfers are consolidated for government-wide financial reporting, and residual balances between governmental activities and business-type activities, if any, are reported on the government-wide financial statements.

Inventories:

The Orange County Library District special revenue fund inventory consists of supplies held for consumption. This inventory is carried at cost using the first-in, first-out method. The cost is recorded as an expenditure at the time individual inventory items are consumed (consumption method).

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Inventories in proprietary fund types consist of materials and supplies held for consumption and are valued at the lower of cost or market. Cost is determined by the Solid Waste System and the Water Utilities System enterprise funds using the weighted average and the moving average methods, respectively. The Fleet Management internal service fund values inventory using the first-in, first-out method.

Assets Held for Resale:

The County administers a program whereby it purchases residential properties with the express intent of resale. Properties purchased are rehabilitated and offered for sale to purchasers meeting certain criteria. Properties held for resale are reported at lower of cost or net realizable value in the governmental funds.

Restricted Assets:

The use of certain assets of enterprise funds is restricted by specific provisions of bond resolutions and agreements with various parties. Assets so designated are identified as restricted assets on the balance sheet. When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as they are needed. Restricted assets are classified as noncurrent if they are for acquisition or construction of capital assets, for liquidation of long-term debt, or are for other than current operations.

Capital Assets:

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated fair market value on the date of donation. The thresholds for capitalization of assets range from $500 to $1 million, depending on the asset class. Costs of maintenance and repairs that do not add to the value of assets or extend their useful lives are not capitalized.

All capital assets except land and construction in progress are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 to 50 years
Improvements other than buildings	10 to 50 years
Machinery and equipment	3 to 15 years
Infrastructure – roadways	20 to 50 years
Infrastructure – drainage	20 to 75 years
Intangibles	3 to 40 years

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capitalization of Interest:

As required by the interest topic of the FASB Accounting Standards Codification, the enterprise funds capitalize net interest costs on funds borrowed to finance the construction of capital assets. Interest cost information for the enterprise funds for the fiscal year ended September 30, 2011 is as follows:

	Convention Center	Water Utilities System
Total interest cost	$ 40,191,348	$ 964,604
Net amount capitalized	$ 909,470	$ 662,690

The net amount capitalized included amortization of bond issuance costs.

Accounts Payable and Accrued Liabilities:

Liabilities reported as Accounts Payable and Accrued Liabilities on the government-wide statement of net assets are comprised of the following components:

	Governmental Activities	Business-type Activities
Current payables due to vendors	$ 70,404,415	$ 25,288,326
Salaries and wages payable	15,481,071	2,118,662
Retainage on contracts payable	3,132,425	3,785,396
Total accounts payable and accrued liabilities	$ 89,017,911	$ 31,192,384

Unearned Revenue and Deferred Revenue:

In instances where assets have been received by the County for services to be rendered in future periods, asset balances have been offset by an unearned revenue liability account in the financial statements. Unearned revenues of the County's business-type activities at September 30, 2011 are associated with cash received to secure future bookings at the Convention Center.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred revenue liabilities are reported in the governmental funds to offset receivables and deposits that do not meet the availability criterion under the modified accrual basis of accounting. Primary examples of the County's deferred revenues are amounts associated with outstanding receivables for EMS transport services, 911 system service provider fees and grants, where payments will be received in cash over future periods. Also included are deposits held from builders for future building permit issuance, where revenue will be earned in future periods. These deposits are presented as unearned revenue for governmental activities on the statement of net assets.

Landfill Closure Costs:

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to 30 years after closure. In accordance with GASB Statement No. 18, the County is recognizing these costs of closure and postclosure maintenance over the active life of each landfill area, based on landfill capacity used during the period. Required obligations for these costs are recognized in the governmental activities for internal landfill operations and in the Solid Waste System enterprise fund for public landfill operations.

Accretion of Original Issue Discount on Bonds:

The original issue discount on compound interest bonds is being accreted to maturity using the interest method.

Obligation for Bond Arbitrage Rebate:

Pursuant to Section 148(f) of the U. S. Internal Revenue Code, the County 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, 2011, the County had no outstanding arbitrage rebate liability.

Operating and Nonoperating Revenues and Expenses:

The proprietary fund financial statements distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses are those that result from providing services associated with the principal activities of the respective fund. Primary examples of operating revenues are charges for hall and room rentals of the Convention Center, landfill tipping fees of the Solid Waste System, and charges for water and

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

wastewater treatment services of the Water Utilities System. Operating expenses include the cost of sales and services, administrative costs, and depreciation expense. Nonoperating revenues and expenses are all those that do not meet the criteria described above, and include interest and tax revenues, and debt service expenses.

Compensated Absences:

It is the policy of the County to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the proprietary fund financial statements. For governmental funds, there is no legal requirement to accumulate expendable available financial resources to liquidate the obligation; thus expenditures are recognized in the governmental funds when payments are made to employees. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16. The liability is typically liquidated with resources of the same fund that has paid the applicable employee's regular salaries and fringe benefits. The current portion of the accrued compensated absences liability is based on the average annual amount of leave charged over the preceding three years.

Net Assets:

The government-wide statement of net assets reports a total of $354,148,788 of restricted net assets for governmental activities, of which $239,970,397 is restricted by enabling legislation.

Bond Amortization Costs:

In the government-wide and the proprietary fund financial statements, bond premium, discount, and issuance costs are amortized over the life of the bonds using the interest method. Some of these costs are capitalized as noted above. Also, in accordance with GASB Statement No. 23, the difference between the reacquisition price and the net carrying amount of refunded debt 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 issuance costs which are not capitalized are recorded as a nonoperating expense, and amortization of bond discount and the deferred amounts on refundings which are not capitalized are recorded as components of interest expense.

Indirect Expenses Allocation:

General administrative overhead costs are charged to all County functions, based on the proportionate benefit to each function, as determined through the County's annually-

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

prepared cost allocation plan. These indirect expenses are identified in a separate column on the government-wide statement of activities.

Property Tax Revenues:

Ad valorem property taxes levied in September 2011 are for the purpose of financing the budget of the 2012 fiscal year. Property tax revenues recognized for the 2011 fiscal year were levied in September 2010. Virtually all unpaid taxes are collected via the sale of tax certificates prior to fiscal year end; thus there is no receivable reported for property taxes in the financial statements.

Key dates in the property tax cycle are as follows:

	Revenues for fiscal year ended September 30, 2011
Lien date	January 1, 2010
Assessment roll certified	August 31, 2010
Property taxes levied	September 20, 2010
Beginning of fiscal year for which taxes have been levied	October 1, 2010
Tax bills rendered	November 1, 2010
Property taxes payable:	
Maximum discount (latest date)	November 30, 2010
Delinquent	April 1, 2011
Tax certificates sold on unpaid taxes	May 31, 2011

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

Continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

New Accounting Pronouncement:

Effective October 1, 2010, the County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The effect of this adoption is to establish new categories for fund balance reporting and revise the definitions of governmental fund types. Implementation of this statement changes the presentation in the CAFR of certain funds which no longer meet the definition of a Special Revenue Fund. Those changes are summarized as follows:

The Administration Center Benefits fund was a non-major Special Revenue Fund and is reported with the General Fund.

The Law Enforcement Impact Fees, Fire Impact Fees, Transportation Impact Fees, Parks and Recreation Impact Fees, and Miscellaneous Construction Funds were non-major Special Revenue Funds and are now reported as Capital Projects Funds.

The Arts and Cultural Tourism fund was a non-major Special Revenue Fund and is now reported with the Convention Center Enterprise Fund.

The Energy, Efficiency and Conservation Fund is now reported with the Conservation Trust Fund, and the Hurricane Housing Recover Program Fund is now reported with the Local Housing Assistance (SHIP) Fund. All are non-major Special Revenue Funds.

Due to these changes, following are the restated beginning fund balances/net assets:

	Fund Balance/ Net Assets as of 9-30-10	Restated Beginning Fund Balance/ Net Assets
Governmental Funds-Fund Balance:		
General Fund	$ 146,063,255	$ 146,093,193
Nonmajor Special Revenue	492,584,626	249,033,900
Nonmajor Capital Projects	6,452,086	246,980,945
Business-type Fund-Net Assets:		
Convention Center	497,866,514	500,858,443
Total	$ 1,142,966,481	$ 1,142,966,481

The effect of the change in accounting principle is shown on the Statement of Activities as ($2,991,929) for Governmental Activities and $2,991,929 for Business-type Activities.

Continued

B. DEPOSITS AND INVESTMENTS

Primary Government:

As of September 30, 2011, the carrying value of the County's deposits and investments, other than that of the Pension and OPEB Trust Funds, with their respective Standard & Poor's credit ratings, was as follows:

Investment Type	Fair Value	Credit Rating
Demand and time deposits	$ 236,690,665	NA
Florida SAFE	3,002,946	AAAm
Florida PRIME	20,445	AAAm
Money market mutual funds	208,372,390	AAAm
Money market mutual funds	2,808,366	AAA
Repurchase Agreements	1,649,753	Unrated
U.S. Treasury Bills	429,132,363	NA
U.S. Treasury Notes	626,667,600	NA
Total deposits and investments	$ 1,508,344,528	

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B. DEPOSITS AND INVESTMENTS, Continued

Credit Risk:

The Board's Investment Policy (Policy), as well as the separate investment policies of the constitutional officers, limits credit risk by restricting authorized investments to the following: direct obligations of the United States or its instrumentalities, direct obligations of states and municipalities, repurchase agreements comprised of direct obligations of the U.S. Government or its instrumentalities, the Florida PRIME Fund administered by Florida's State Board of Administration (a 2a7-like pool), Florida SAFE (Library District only), commercial paper, bankers' acceptances, and money market mutual funds (Money Markets). The Policy requires that investments in instrumentality debt be guaranteed by the full faith and credit of the U.S. Government sponsored agency, and that investments in Money Markets have a Standard & Poor's (S&P) rating of AAAm or AAAg, and limits eligible Money Markets to those comprised of direct obligations of the U.S. Government. For arbitrage compliance only, Money Markets may be comprised of state and local government taxable and tax-exempt debt.

Concentration of Credit Risk:

The Policy establishes limitations on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk. The Policy provides that a maximum of 15% of the portfolio may be invested in prime commercial paper, with a limit of 2.5% in any one issuer. As of September 30, 2011, there are no concentrations of credit risk beyond the stated policy.

Custodial Credit Risk:

The Policy requires that bank 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, 2011, all of the County's bank deposits were in qualified public depositories and were fully secured by the FDIC under the Dodd-Frank Deposit Insurance Provision, which provides unlimited FDIC insurance on non-interest bearing transaction accounts through December 31, 2012.

The Policy requires execution of a third-party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the County's name. As of September 30, 2011, all of the County's investments are held in a bank's trust department in the County's name.

Continued

B. DEPOSITS AND INVESTMENTS, Continued

Interest Rate Risk:

The Policy limits the investment of current operating funds to 13 months, and the investment of noncurrent operating funds to 60 months. Bond reserves, construction funds, and other nonoperating funds may be invested for up to 10 years, subject to bond covenants and liquidity needs.

As of September 30, 2011, the County's investments have the following weighted average maturities by investment type: U.S. Treasury Notes – 21.9 months; U.S. Treasury Bills – 4.6 months; Money Markets – not more than 60 days.

Orange County Library District Defined Benefit Pension Plan:

Investments in the Plan are managed in accordance with an Investment Policy Statement (Statement). This Statement sets the following allocations: 40% for domestic equity securities, 25% for foreign equity securities and 35% for fixed income and cash securities. The Statement authorizes investments in domestic equities, mutual funds, stable value accounts, Money Markets funds, corporate bonds, real estate investment trusts, exchange traded funds, commingled funds, and cash equivalent accounts.

The Statement states that the average credit quality of the fixed income portfolio shall be AA- or higher and the average rating of the mortgage portion of the portfolio must hold a credit rating of at least AA. As a means of limiting its exposure to interest rate risk, the Statement states that the average duration of the fixed income portfolio shall be less than 150% of the duration of the Barclays Capital aggregate Bond Index.

In addition to $19,065,323 in mutual funds investing in equity securities and real estate, Defined Benefit Pension Plan investments were as follows at September 30, 2011:

Fund/Investment	Type	Credit Rating	Weighted Average Maturity (years)	Fair Value
Fidelity Institutional Domestic	Money Market	AAAm	55 days	$ 249,329
Dreyfus Treasury & Agency Cash Management	Money Market	AAAm	37 days	1,883,514
Reams Individual Securities	Corporate Bonds	AAA	6.22	2,243,612
Reams Individual Securities	Government Bonds	AAA	2.95	9,088,846
Reams Individual Securities	Asset Backed Securities	AAA	3.56	1,773,575
				$ 15,238,876

Due to the nature of the District's investments, there is no exposure to custodial credit risk, concentration of credit risk or foreign currency risk.

Continued

B. DEPOSITS AND INVESTMENTS, Continued

Orange County Library District Defined Contribution Pension Plan:

Participants in the Defined Contribution Pension Plan, including all District employees, self-direct investments from a variety of mutual funds. Accordingly, the District has not adopted an investment policy for this Plan. Defined Contribution Pension Plan investments, other than $8,692,152 in mutual funds investing in equity securities, were as follows at September 30, 2011:

Fund/Investment	Type	Credit Rating	Weighted Average Maturity (years)	Fair Value
Cash Management Fund	Money Market	AAAm	24 days	$ 14,741
Plus Fund	Stable Value	AA	3.52	1,557,603
PIMCO High Yield Fund	Fixed Income	Not Rated	6.22	38,055
PIMCO Total Return Fund	Fixed Income	Not Rated	6.07	112,932
Core Bond Index Fund	Fixed Income	AA	6.83	1,781,781
Low Duration Bond Fund	Fixed Income	A	2.60	726,694
				$ 4,231,806

Orange County Library District Money Purchase Pension Plan:

Participants in this Plan self-direct investments from a variety of mutual funds offered through the ICMA Retirement Corporation. Accordingly, the District has not adopted an investment policy for this Plan. Money Purchase Pension Plan investments, other than $1,251,926 in mutual funds investing in equity securities, were as follows at September 30, 2011:

Fund/Investment	Type	Credit Rating	Weighted Average Maturity (years)	Fair Value
Cash Management Fund	Money Market	AAAm	24 days	$ 5,868
Plus Fund	Stable Value	AA	3.52	$ 164,479
PIMCO High Yield Fund	Fixed Income	Not Rated	6.22	286
PIMCO Total Return Fund	Fixed Income	Not Rated	6.07	3,094
Core Bond Index Fund	Fixed Income	AA	6.83	140,513
Low Duration Bond Fund	Fixed Income	A	2.60	12,928
Total Fixed Income				$ 156,821

Continued

B. DEPOSITS AND INVESTMENTS, Continued

Orange County Library District OPEB Retirement Health Benefit Plan:

Investments in the OPEB Retirement Health Benefit Plan are managed in accordance with an Investment Policy Statement which sets the following guidelines: 70% for domestic and foreign equity securities and 30% for fixed income and cash securities. The Plan is completely funded by the District. The OPEB Retirement Health Benefit Plan investments, other than $9,134 of uninvested cash deposits and $3,986,155 in mutual funds investing in equity securities, were as follows at September 30, 2011:

Fund/Investment	Type	Credit Rating	Weighted Average Maturity (years)	Fair Value
Core Bond Index Fund	Fixed Income	AA	6.83	$ 993,493
Low Duration Bond Fund	Fixed Income	A	2.60	611,072
Total Fixed Income				$ 1,604,565

Due to the nature of the District's investments, there is no exposure to custodial credit risk, concentration of credit risk or foreign currency risk.

Orange County OPEB Retirement Health Benefit Plan:

Investments in the Orange County OPEB Trust are managed in accordance with the Trustee's Retiree Health Care Benefit Trust Investment Policy. The OPEB Retirement Health Benefit Plan investments, other than $147,861 of uninvested cash deposits and $22,054,669 in index funds investing in equity securities, were as follows at September 30, 2011:

Fund/Investment	Type	Credit Rating	Weighted Average Maturity (years)	Fair Value
Prime Money Market Fund	Money Market	Not rated	<60 days	$ 584,570
Bond Market Index Fund	Fixed Income	Not rated	7.4	5,150,286
Total Fixed Income				$ 5,734,856

Clerk of the Circuit and County Courts OPEB Retirement Health Benefit Plan:

Cash and cash equivalents of the Clerk of the Circuit and County Courts OPEB Trust are managed in accordance with Florida Statutes. As of September 30, 2011, $269,139 was deposited in an interest bearing checking account.

Continued

B. DEPOSITS AND INVESTMENTS, Continued

Component Unit:

As of September 30, 2011, the Orange County Housing Finance Authority (Authority) had the following deposits and investments:

Investment Type	Credit Rating	Weighted Average Maturity (years)	Fair Value
Bank deposits	NA	NA	$ 10,512,758
U.S. Treasuries	NA	< 90 days	2,553,530
Government National Mortgage Association	NA	6-10	700,349
Government National Mortgage Association	NA	11-15	784,394
Government National Mortgage Association	NA	16-20	20,332,983
Government National Mortgage Association	NA	21-25	17,046,782
Government National Mortgage Association	NA	26-30	44,712,593
			83,577,101
Federal Home Loan Mortgage Corp.	AAA	26-30	5,101,811
Federal National Mortgage Association	AAA	16-20	14,534,088
Federal National Mortgage Association	AAA	21-25	2,858,255
Federal National Mortgage Association	AAA	26-30	10,200,982
			27,593,325
Guaranteed investment contracts	Aaa	16-20	411,645
Guaranteed investment contracts	Aaa	21-25	1,284,220
Guaranteed investment contracts	AA+	16-20	1,169,871
Guaranteed investment contracts	AA+	21-25	650,635
Guaranteed investment contracts	A1	21-25	1,665,766
Guaranteed investment contracts	A1	26-30	966,953
			6,149,090
Investment agreements	Aaa	31-35	549,436
Investment agreements	AA	21-25	61,942
Investment agreements	Unrated	< 1	51,896,765
			52,508,143
Mutual funds	AAAm	< 90 days	14,472,420
Mutual funds	BBB	<90 days	222,081
			14,694,501
Total deposits and investments			$ 202,690,259

Continued

B. DEPOSITS AND INVESTMENTS, Continued

Certain of the Authority's investments are subject to credit risk and interest rate risk considerations, as defined by GASB Statement No. 40. Credit risk quality, identified with Standard & Poor's or Moody's ratings, and interest rate risk, as identified by weighted average maturities, are provided in the table above. Deposits and investments not exposed to credit quality risk, as defined by GASB Statement No. 40, are designated as "NA" in the credit rating column. Deposits and investment line items to which weighted average maturity disclosure is not required by GASB Statement No. 40, are designated as "NA" in the weighted average maturity column.

At September 30, 2011, all of the Authority's bank deposits were in qualified public depositories, as provided by Chapter 280, Florida Statutes.

The Authority manages credit quality risk in its operating fund by limiting investments authorized to direct obligations of the United States of America or any agency thereof, federal instrumentalities, interest-bearing time or demand deposits with any qualified depository institution, and Money Markets registered under the Federal Investment Company Act of 1940 and with credit quality ratings equivalent to or better than Standard & Poor's ratings of AAAm or the equivalent by another rating agency.

The operating fund investment policy limits maturities of direct obligations of the United States of America, any agency thereof, and federal instrumentalities to two years from the date of purchase, limits investments in Money Markets to those with weighted average maturities of 90 days or less, and limits maturities of certificate of deposit to one year.

Credit quality ratings and weighted average maturities permitted for multi-family and single-family investments are based on policies provided in respective trust indentures, which vary among projects. Such investments are made at the direction of trustees based on the underlying trust indenture policies.

Continued

C. RESTRICTED ASSETS

The use of certain assets is restricted by specific provisions of bond resolutions and agreements with various outside parties. Restricted assets at September 30, 2011 consist of the following:

	Cash and Cash Equivalents	Investments	Totals
Convention Center			
Bond interest	$ 21,040,288	$ -	$ 21,040,288
Bond principal	29,985,000	-	29,985,000
Bond reserve	396,263	72,655,710	73,051,973
Sixth cent TDT	2,013,746	-	2,013,746
Hotel surcharge	16,037,853	-	16,037,853
Fund totals	69,473,150	72,655,710	142,128,860
Solid Waste System			
Customer deposits	205,314	-	205,314
Fund totals	205,314	-	205,314
Water Utilities System			
Operation and maintenance reserve	22,569,678	-	22,569,678
Net revenues	67,100	-	67,100
Bond interest	266,875	-	266,875
Renewal and replacement	7,466,884	-	7,466,884
Customer deposits	7,051,769	-	7,051,769
Rate stabilization	254,000	-	254,000
Loan debt service	134,502	-	134,502
Loan repayment reserve	760,140	-	760,140
Fund totals	38,570,948	-	38,570,948
Total restricted assets	108,249,412	72,655,710	180,905,122
Less: Current portion	(84,094,412)	-	(84,094,412)
Restricted assets, noncurrent portion	$ 24,155,000	$ 72,655,710	$ 96,810,710

Continued

D. NOTES AND LOANS RECEIVABLE

Notes and loans receivable of the primary government at September 30, 2011 were as follows:

SHIP-Assisted Loan Program notes due from Orange County Housing Finance Authority dated 1998 through 2002; collateralized by mortgage notes on property; noninterest bearing; repayment will be made over the life of the underlying mortgages	$	915,486
SHIP-Assisted grant loan due from Grand Avenue Economic Community Development Corporation dated 2010; to be reduced annually by 1/20th of the original amount		807,500
Multi-Family Affordable Housing Agreements with Florida Community Capital Corporation dated 1997 through 2001; secured by an equitable ownership of the underlying mortgages; noninterest bearing; repayment of principal is made quarterly over the life of the underlying mortgages, with final maturities ranging from 2014 to 2038		9,596,871
		11,319,857
Less allowance for uncollectible accounts		(807,500)
Total	$	10,512,357

Notes and loans receivable of the Orange County Housing Finance Authority discretely-presented component unit at September 30, 2011 were as follows:

Loans receivable, bond programs--multi-family mortgage loans; collateralized by first mortgage on the property and either mortgage insurance or irrevocable letter of credit	$	380,950,323
Loans receivable, bond programs - single family mortgage loans; collateralized by second mortgage on the property		975,859
Program fee receivable		316,901
$78,929 fifth mortgage loan, secured by property, $254 due monthly		71,864
Down payment assistance notes, secured by property, issued 1991 through 1997		421,317
Down payment assistance notes, secured by property, issued 2006 through 2011		4,408,271
Other notes receivable, secured by property, primarily due 2030		1,162,555
Accounts receivable		37,889
		388,344,979
Less allowance for losses on notes receivable		(1,193,169)
Total	$	387,151,810

Continued

E. CAPITAL ASSETS

During the year ended September 30, 2011, the following changes in capital assets occurred:

	Balance 10/1/2010	Additions	Reductions	Balance 9/30/2011
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,054,483,704	$ 8,977,630	$ (3,054,403)	$ 1,060,406,931
Construction in progress	216,326,665	65,883,126	(48,508,619)	233,701,172
Total capital assets, not being depreciated	1,270,810,369	74,860,756	(51,563,022)	1,294,108,103
Capital assets, being depreciated/amortized:				
Buildings and improvements	759,212,786	10,061,440	-	769,274,226
Infrastructure	2,128,372,321	45,150,425	(148,735)	2,173,374,011
Machinery and equipment	360,056,673	7,632,606	(17,909,179)	349,780,100
Intangibles	24,679,841	19,982,940	(146,929)	44,515,852
Total capital assets, being depreciated/amortized	3,272,321,621	82,827,411	(18,204,843)	3,336,944,189
Less accumulated depreciation/amortization for:				
Buildings and improvements	(211,178,754)	(17,946,342)	-	(229,125,096)
Infrastructure	(662,230,530)	(41,494,454)	63,149	(703,661,835)
Machinery and equipment	(251,737,557)	(27,050,868)	17,330,728	(261,457,697)
Intangibles	(20,108,457)	(2,499,982)	137,676	(22,470,763)
Total accumulated depreciation and amortization	(1,145,255,298)	(88,991,646)	17,531,553	(1,216,715,391)
Total capital assets, being depreciated/amortized, net	2,127,066,323	(6,164,235)	(673,290)	2,120,228,798
Governmental activities capital assets, net	$ 3,397,876,692	$ 68,696,521	$ (52,236,312)	$ 3,414,336,901
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 229,728,076	$ 1,143,411	$ (29,430)	$ 230,842,057
Construction in progress	256,627,487	74,122,618	(181,517,751)	149,232,354
Total capital assets, not being depreciated	486,355,563	75,266,029	(181,547,181)	380,074,411
Capital assets, being depreciated/amortized:				
Buildings	1,363,601,432	4,450,989	-	1,368,052,421
Improvements other than buildings	1,498,593,877	176,990,628	-	1,675,584,505
Machinery and equipment	122,660,418	7,471,067	(1,356,420)	128,775,065
Intangibles	29,465,716	2,740,890	-	32,206,606
Total capital assets, being depreciated/amortized	3,014,321,443	191,653,574	(1,356,420)	3,204,618,597
Less accumulated depreciation/amortization for:				
Buildings	(332,624,634)	(29,155,605)	-	(361,780,239)
Improvements other than buildings	(724,416,158)	(62,425,132)	25,307	(786,815,983)
Machinery and equipment	(81,582,207)	(10,439,572)	952,706	(91,069,073)
Intangibles	(11,148,175)	(847,744)	-	(11,995,919)
Total accumulated depreciation and amortization	(1,149,771,174)	(102,868,053)	978,013	(1,251,661,214)
Total capital assets, being depreciated/amortized, net	1,864,550,269	88,785,521	(378,407)	1,952,957,383
Business-type activities capital assets, net	$ 2,350,905,832	$ 164,051,550	$ (181,925,588)	$ 2,333,031,794

Continued

E. CAPITAL ASSETS, Continued

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	$	14,349,275
Public safety		25,705,828
Physical environment		2,037,711
Transportation		36,066,653
Economic environment		650,890
Human services		1,617,380
Culture and recreation		8,563,909
Total depreciation expense - governmental activities	$	88,991,646
Business-type activities:		
Convention Center	$	31,523,389
Solid Waste System		7,393,479
Water Utilities System		63,951,185
Total depreciation expense - business-type activities	$	102,868,053

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Continued

F. GOVERNMENTAL FUND BALANCES

At September 30, 2011, the County's governmental fund balances were classified as follows:

	Major Funds			
	General Fund	Fire Protection MSTU	Sales Tax Trust	Other Governmental Funds
Nonspendable:				
Inventories and prepaids	$ 467,616	$ -	$ -	$ 1,056,984
Interfund loan	3,200,000	-	-	-
Due from other governmental agencies	-	-	-	124,366
Trusts and memorials	-	-	-	157,517
Restricted for:				
General government	1,756,713	-	-	7,745,589
Public safety	-	-	-	29,234,676
Physical environment	808,763	-	-	10,426,521
Transportation	-	-	-	159,907,826
Economic environment	-	-	-	34,264,396
Human services	-	-	-	47,955
Culture and recreation	-	-	-	10,446,964
Debt service	-	-	50,030,877	18,972,934
Committed to:				
General government	9,856	-	-	46,620
Public safety	-	52,510,229	-	-
Physical environment	-	-	-	44,164,716
Transportation	-	-	-	104,111,989
Human services	-	-	-	14,656
Culture and recreation	-	-	-	33,627,675
Assigned to:				
General government	5,592,861	-	-	170,067
Public safety	1,374,860	-	62,785,223	1,419,620
Transportation	-	-	43,800,000	24,346,646
Human services	1,145,819	-	-	238,199
Culture and recreation	-	-	-	15,199,530
Debt service	-	-	27,325,988	49,521,959
Unassigned:				
General government	106,915,398	-	-	(1,930)
Total fund balances	$ 121,271,886	$ 52,510,229	$ 183,942,088	$ 545,245,475

Continued

G. RISK MANAGEMENT AND INSURANCE COVERAGE

Risk Management Program:

The County maintains the Risk Management internal service fund which reports the costs and benefits of a mutual risk management, loss prevention, and self-insurance program for property, liability, and workers' compensation losses. The self-insurance program covers the operations of the Board and the constitutional officers with the exception of the Sheriff's Office, which elects to assume responsibility for general liability, automobile, and workers' compensation losses related to its operations.

The Risk Management fund covers claims on losses up to the following limits:

Amount Per Occurrence	Type of Coverage
$2,000,000	Workers' Compensation
1,000,000	Public Liability
500,000	Property, including Terrorism
2% of unit value	Named Windstorm
250,000	Environmental Liability
50,000	Money and Securities Theft
50,000	Employee Fidelity
50,000	Boiler and Machinery Breakdown
50,000	Storage Tank Liability

The County has excess insurance coverage in place for instances where losses exceed the above-stated limits. For occurrences during the period October 1985 through September 1999, no excess coverage for public liability insurance was obtained due to poor conditions in the insurance market. Any public liability loss for that period which exceeds the self-insurance coverage limit will remain the responsibility of the respective participant.

With regard to insurance coverages for the Sheriff's Office, all general liability and automobile claims incurred subsequent to September 30, 1996, except for fiscal year 2000 claims covered by a commercial insurance carrier, are covered by the Florida Sheriff's Self-Insurance Fund, a risk management pool to which risk is transferred in exchange for annual premium payments. These payments are accounted for as General Fund expenditures. Sheriff's Office workers' compensation claims since October 1, 1999, are covered by commercial insurance carriers, subject to a $250,000 per claim deductible.

Continued

G. RISK MANAGEMENT AND INSURANCE COVERAGE, Continued

Effective October 1, 2004, the Sheriff became self-insured for workers' compensation, subject to a $400,000 deductible. The Sheriff has been self-insured for health claims since October 1, 2003. The worker's compensation and health insurance liabilities described here are accounted for through internal service funds. In addition to certain bank deposits administered by the Sheriff's third party administrators, the Sheriff has an unused $1,257,283 letter of credit outstanding to secure payment for workers' compensation claims incurred since October 1, 1999. There have been no claims made against the letter of credit.

There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2011. Coverage limits for flood and earthquake damages, damages from named windstorms, and damages from other wind or hail events, are set at $50 million, $100 million, and $500 million, respectively.

The claims liability reported in the Risk Management, Sheriff's Health Insurance and Sheriff's Workers' Compensation Internal Service funds at September 30, 2011 and 2010 in accordance with the requirements of GASB Statement No. 10 is based on an actuarial review of claims pending and past experience. The liability is recorded on a present value basis, excluding nonincremental claims adjustment expenses and using a discount factor of 3.5%. The undiscounted liability as of September 30, 2011 is $58,833,651. Changes in the fund's claims liability amount during fiscal years 2011 and 2010 were:

	Year ended September 30	
	2011	2010
Liability beginning balance	$ 48,574,843	$ 50,957,201
Claims and changes in estimates	31,643,505	32,001,366
Claim payments	(30,619,464)	(34,383,724)
Liability ending balance	$ 49,598,884	$ 48,574,843

Self-Insurance – Employee Medical Benefits:

Effective January 1, 2007, the County converted from a fully-insured to a self-insured plan for employee medical benefits. The plan covers all regular employees and certain retirees and former employees of the County and their eligible dependents. Pursuant to interlocal agreements, all of the constitutional officers except for the Sheriff, as well as five other

Continued

G. RISK MANAGEMENT AND INSURANCE COVERAGE, Continued

small local governmental agencies, are participating in the County's plan. In accordance with GASB Statement No. 10, the plan is accounted for through the County's Employee Benefits internal service fund.

The self-insurance plan covers claims up to $450,000 per individual per year. The County has purchased an insurance policy to cover claims in excess of this amount, up to a maximum of $1 million during the lifetime of a covered individual.

The claims liability of $4,794,010 reported in the Employee Benefits internal service fund is the actuarially determined undiscounted amount. The change in the fund's claims liability amount during fiscal years 2011 and 2010 was:

	Year ended September 30	
	2011	2010
Liability beginning balance	$ 6,678,789	$ 6,292,612
Claims incurred	63,601,043	81,511,624
Claim payments	(65,485,822)	(81,125,447)
Liability ending balance	$ 4,794,010	$ 6,678,789

Orange County Library District Self-Insurance for Employee Medical Benefits:

Effective January 1, 2007, the District converted from a fully-insured to a self-insured plan for employee medical benefits. In accordance with GASB Statement No. 10, the plan is accounted in a District internal service fund.

For the calendar year ended December 31, 2011, the self-insured plan covered claims up to $150,000 per individual. The District purchased excess stop loss coverage on an individual basis where losses exceed the $150,000 limit.

The claims liability of $94,288 reported in the District internal service fund is the actuarially determined undiscounted amount. The change in the fund's claims liability amount during fiscal years 2011 and 2010 was:

Continued

G. RISK MANAGEMENT AND INSURANCE COVERAGE, Continued

	Year ended September 30	
	2011	2010
Liability beginning balance	$ 105,836	$ 98,172
Claims incurred	1,553,680	1,738,211
Claim payments	(1,565,228)	(1,730,547)
Liability ending balance	$ 94,288	$ 105,836

H. RETIREMENT SYSTEMS

Florida Retirement System:

Plan Description - Except for employees of the Library District, all of the employees of the primary government participate in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. Employees elect participation in either the defined benefit plan ("Pension Plan"), a multiple-employer cost-sharing defined benefit retirement plan, or the defined contribution plan ("Investment Plan") under the FRS. 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 Legislature.

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

Continued

H. RETIREMENT SYSTEMS, Continued

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.

Substantial changes were made to the Pension Plan during fiscal year 2011 affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement 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. A post-employment health insurance subsidy is also provided to eligible retired employees through the FRS in accordance with Florida Statutes.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (DROP). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

For those employees who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration.

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, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site dms.myflorida.com/human_resource_support/retirement.

Funding Policy – 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

Continued

H. RETIREMENT SYSTEMS, Continued

member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods October 1, 2010 through June 30, 2011 and July 1, 2011 through September 30, 2011, respectively, were as follows: Regular--10.77% and 4.91%; Special Risk--23.25% and 14.10%; Special Risk Administrative Support--13.24% and 6.04%; Senior Management Service--14.57% and 6.27%; Elected Officers'--18.64% and 11.14%; and DROP participants--12.25% and 4.42%.

The County contributed to the plan an amount equal to 13.77% of covered payroll during the fiscal year ended September 30, 2011. County contributions to the FRS for the fiscal years ending September 30, 2009 through 2011 were $70,816,221, $70,716,627 and $67,051,700, respectively, which were equal to the required contributions for each fiscal year. The County has historically contributed amounts equal to required contributions and, therefore, does not have a pension asset or liability as determined in accordance with GASB Statement No. 27.

Orange County Library District Defined Benefit Pension Plan:

Plan Description - The Orange County Library District (District) administers a single-employer defined benefit pension plan (Defined Benefit Pension Plan for Employees of the Orange County Library District) covering full-time employees who have completed one year of service.

The retirement plan provides retirement benefits as well as death benefits. Plan provisions and contribution requirements are established and outlined in the Plan document and may be amended by the Orange County Library Board of Trustees. Separate, stand-alone financial statements for the defined benefit pension plan are not prepared.

At January 1, 2011, the date of the latest actuarial valuation, plan participation consisted of:

Retirees and beneficiaries receiving benefits	108
Terminated employees entitled to benefits but not yet receiving them	52
Current active employees	145
Total	305

Funding Policy - The District is obligated by the Plan document to make periodic contributions to the plan, which are recognized in the period that the contributions are due and the employer has made a final commitment to provide the contributions.

Continued

H. RETIREMENT SYSTEMS, Continued

The required contributions are actuarially determined and include normal costs. Employer contribution rates are determined using the frozen entry age actuarial cost method. The annual required contribution (ARC) is calculated as the normal cost plus the amount necessary to fully amortize the unfunded frozen actuarial liability by January 1, 2020, amounting to $891,426 or 15% of covered payroll for the year ended September 30, 2011. Employees do not make contributions to the plan. The Schedule of Employer Contributions, presented as required supplementary information following the notes to the financial statements, presents multi-year information about the contributions made by the District for the last six years.

Benefits and refunds paid to participants are recorded when due and payable in accordance with the terms of the plan document. Administrative expenses are financed through investment earnings.

The following table shows the components of the Plan's annual cost, the amount actually contributed, and the changes in the Net Pension Obligation as of September 30, 2011:

Annual Required Contribution (ARC)	$ 891,426
Interest on net pension obligation	16,500
Adjustment to ARC	(20,679)
Annual Pension Cost (APC)	887,247
Contributions made	1,056,751
Decrease in net pension obligation (contribution in excess of APC)	(169,504)
Net pension obligation - beginning of year	235,716
Net pension obligation - end of year	$ 66,212

<u>Three Year Trend Information</u>:

Year Ended September 30	Annual Pension Cost (APC)	APC Contributed	Net Pension Obligation
2009	$ 1,847,611	65%	$ 447,997
2010	$ 1,220,118	117%	$ 235,716
2011	$ 887,247	119%	$ 66,212

In accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers,* the $66,212 cumulative net pension obligation is combined with the Clerk of the Circuit and County Courts' Other Postemployment Benefits obligation and is presented as a liability on the government-wide statement of net assets.

Continued

H. RETIREMENT SYSTEMS, Continued

Funded Status and Funding Progress:

The most recent actuarial report for the Plan was prepared as of January 1, 2011. As of that point in time, the actuarial accrued liability for benefits was $34,284,782 and the actuarial value of investments was $33,695,627 resulting in an unfunded actuarial accrued liability of $589,155 and a funded ratio of 98%. The annual covered payroll was $6,104,311 and the ratio of the unfunded actuarial accrued liability to covered payroll was 10%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Following is a summary of the actuarial methods and significant actuarial assumptions used in the latest actuarial valuation, dated January 1, 2011. Plan changes, reflected in the current year's actuarial methods and assumptions, include the application of a cost of living adjustment.

Actuarial methods:	
Actuarial cost method	Frozen Entry Age
Asset valuation method	Market Value
Amortization method	Level Percent
Amortization period (open)	10 years
Actuarial assumptions:	
Investment return, including inflation	7.0%
Projected salary increases	5.0%
Inflation rate	0.0%
Cost-of-living adjustment	2.0% per annum
Mortality table	1994 Group Annuity Mortality Table

Continued

H. RETIREMENT SYSTEMS, Continued

Orange County Library District Defined Contribution Pension Plan:

The District administers a single-employer defined contribution pension plan (Defined Contribution Plan and Trust for Employees of Orange County Library District) in lieu of participation in Social Security. Plan provisions and contribution requirements are established and may be amended by the Orange County Library Board of Trustees. Separate, stand-alone financial statements for the defined contribution plan are not prepared.

All employees are eligible to participate in the plan at date of hire. At September 30, 2011, there were 346 plan participants, the fair value of the plan investments was $12,923,958. The District is obligated by the plan document to make contributions equal to at least 7.5% of the annual compensation of each member of the plan. There is no requirement for employees to contribute. For the year ended September 30, 2011, the District contributed $916,574 to the plan. Contributions from the District are recognized as revenue to the plan when due and the employer has made a final commitment to provide the contribution. The amount credited to the contribution account of an employee shall be 100% vested at all times. Benefits paid to participants are recorded when due and payable in accordance with the terms of the plan document. Administrative costs are financed through investment earnings.

Orange County Library District Money Purchase Pension Plan:

The District administers a single employer defined contribution plan (Money Purchase Plan and Trust for Employees of the Orange County Library District) (the Money Purchase Plan) for full time employees hired on or after January 1, 2007. In addition to new hires, existing participants in the District's Defined Benefit Pension Plan were given a one time opportunity to freeze their benefits in that plan and begin participating in the Money Purchase Plan. Sixty-six participants in the Defined Benefit Pension Plan made this election in May 2007.

Plan provisions and contribution requirements are established and outlined in the Money Purchase Plan document, which may be amended by the District's Board of Trustees. Separate, stand-alone financial statements for the Money Purchase Plan are not prepared.

Employees are eligible to participate in the Money Purchase Plan from date of hire. At September 30, 2011, there were 90 participants and the fair value of the Money Purchase Plan investments was $1,579,094.

Continued

H. RETIREMENT SYSTEMS, Continued

The District is obligated by the Money Purchase Plan document to make contributions equal to nine percent (9%) of Annual Compensation of each member. For the year ended September 30, 2011, the District contributed $351,358 to the Money Purchase Plan. Such contributions from the District are recognized as revenue by the Money Purchase Plan when due and when the employer has made a final commitment to provide contributions. Participants become fully vested in the District's contributions after one year from date of hire. Benefits paid to participants are recorded when due and payable in accordance with the terms of the Money Purchase Plan document. Administrative costs are financed through investment earnings.

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Orange County Other Postemployment Benefit Plan:

Plan Description - The Board and all constitutional officers, except for the Clerk of the Circuit and County Courts, administer a single-employer defined other postemployment benefit plan (OPEB Plan) and can amend the benefit provisions. In accordance with its Personnel Policies and Collective Bargaining Agreements, the Board offers an OPEB Plan that subsidizes the cost of health care for its retirees and eligible dependents. Board employees with at least 10 years of combined service under the Board and/or the 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 health care subsidy payment of three dollars per year of service up to a maximum of $90 per month. If combined service is at least 20 years and receipt of FRS benefits is deferred to a later date, this monthly benefit may be vested for commencement at such deferral date. Additionally, in accordance with State statute, Board employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan at the same group rate as for active employees. Benefit provisions for the County Comptroller and Supervisor of Elections are essentially the same as the Board. Benefit provisions for the Sheriff, Property Appraiser (if employed prior to October 1, 2005) and Tax Collector differ in that the monthly health care subsidy payment is five dollars per year of service up to a maximum of $150 per month. Also, there are differences in the service reciprocity and vesting features of their respective plans.

In September 2007, the County established the Orange County Health Care Benefit Trust (Trust), a qualifying trust, and began funding its OPEB Plan obligation. The Clerk of the Circuit and County Courts was excluded from participation in the Trust, and benefit provisions of constitutional officers that exceed those of the Board are excluded from the Trust. Separate stand-alone financial statements for the Trust are not prepared.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

At September 30, 2011, the date of the latest actuarial valuation, plan participation consisted of:

OPEB plan participants	9,489
Retirees receiving benefits	2,258

Funding Policy - The County has the authority to establish and amend funding policy. For the year ended September 30, 2011, the County contributed $3,892,762 to the OPEB Plan, including a contribution of $1,844,671 to the Trust. It is the County's intent to base future Trust contributions on the annual OPEB cost (AOC) in subsequent annual actuarial reports; however, no Trust contributions are legally or contractually required. In the 2011 fiscal year, the remaining AOC amount of $4,419,848 was paid directly to the Employee Benefits internal service fund instead of the Trust in order to compensate for unreimbursed retiree implicit rate subsidies of prior fiscal years.

Annual OPEB Cost and Net OPEB Asset - The annual cost of the County's OPEB Plan is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB Plan cost for the year, the amount actually contributed, and the changes in the net OPEB Plan obligation.

Annual Required Contribution (ARC)	$	6,466,491
Interest on net OPEB Asset		(748,692)
Adjustment to ARC		546,720
Annual OPEB cost (AOC)		6,264,519
Contributions made		(3,892,762)
Decrease in net OPEB asset (contribution less than AOC)		2,371,757
Net OPEB asset (cumulative net contribution in excess of AOC) - beginning of year		(9,982,559)
Net OPEB asset (cumulative net contribution in excess of AOC) - end of year	$	(7,610,802)

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

Three Year Trend Information:

Year Ended September 30	Annual OPEB Cost (AOC)	AOC Contributed	Net OPEB Asset
2009	$8,271,979	151%	($7,875,859)
2010	$8,536,557	125%	($9,982,559)
2011	$6,264,519	62%	($7,610,802)

The County's net OPEB asset is reported as an asset in the government-wide statement of net assets.

Funded Status and Funding Progress - As of the September 30, 2011 actuarial valuation date, the OPEB Plan was 33.5% funded, the actuarial accrued liability for benefits was $77.0 million, and the actuarial value of assets was $25.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of $51.2 million. The annual covered payroll was $471.8 million, and the ratio of the UAAL to the covered payroll was 10.9%. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

The actuarial methods are:

Actuarial cost method	Entry Age cost method
Amortization method	Level percent of payroll projected to grow 3.5% per year
Amortization period (closed)	30 years
Asset valuation method	Fair value

The actuarial assumptions are:

Investment rate of return	7.5%
Projected annual salaries increase	4.5%
Inflation rate	Included in healthcare cost trend
Healthcare cost trend rate	Increase of 10.5% pre Medicare and 7.5% post Medicare for the 2011 fiscal year grading to an ultimate rate of 5.5% for the 2019 fiscal year

<u>Clerk of the Circuit and County Courts Other Postemployment Benefit Plan</u>

<u>Plan Description</u> - The Clerk of the Circuit and County Courts (Clerk) administers a single-employer defined other postemployment benefit plan (OPEB Plan) that subsidizes the cost of health care for its retirees and eligible dependents. Retirees with at least 10 years of service under the Clerk who are receiving benefits from the FRS are eligible to receive a monthly benefit of five dollars per year of service up to a maximum of $150 per month. Additionally, in accordance with State Statute, Clerk employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan at the same group rate as for active employees.

In June 2009, the Clerk established the Orange County Clerk of the Circuit and County Courts Retiree Health Insurance Subsidy Trust ("Trust"), a qualifying trust, and began funding its OPEB Plan obligation. Separate stand-alone financial statements for the Trust are not prepared.

At September 30, 2011, the date of the latest actuarial valuation, plan participation consisted of:

OPEB plan participants	490
Retirees receiving benefits	100

<u>Funding Policy</u> – The Clerk funds its OPEB obligations on a pay-as-you-go basis, and has the authority to establish and amend its funding policy. However, during fiscal year 2009, the Clerk contributed $300,000 as a one-time contribution to the Trust to be used to fund current subsidy payments to participants for upcoming fiscal years.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

Annual OPEB Cost and Net OPEB Obligation – The Clerk engaged an actuarial firm to determine the estimated obligation associated with OPEB as of September 30, 2011, as well as the actuarially required contribution (ARC) for funding this obligation. Based on this report, including assumptions that the ARC is not fully funded and has an average return on investment of 3.5%, the ARC for the Clerk's office in fiscal year 2011 was $496,444. The annual cost (expense) of the OPEB Plan is calculated based on the ARC. The Clerk's annual OPEB cost, contributions made, and net OPEB obligation for 2011 are as follows:

Annual Required Contribution (ARC)	$ 496,444
Interest on net OPEB Obligation	45,731
Adjustment to ARC	(43,553)
Annual OPEB cost (AOC)	498,622
Contributions made	(352,055)
Increase in net OPEB obligation	146,567
Net OPEB obligation - beginning of year	1,306,601
Net OPEB obligation - end of year	$ 1,453,168

Three Year Trend Information:

Year Ended September 30	Annual OPEB Cost (AOC)	AOC Contributed	Net OPEB Obligation
2009	$655,371	78%	$ 1,024,630
2010	$650,150	42%	$ 1,306,601
2011	$498,622	71%	$ 1,453,168

The Clerk's Net OPEB Obligation is combined with other net pension obligations and is presented as a liability on the government-wide statement of net assets.

The Clerk recognizes OPEB expenditures as amounts are funded.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

Funded Status and Funding Progress – As of the September 30, 2011 actuarial valuation date, the Clerk's OPEB Plan was 4.2% funded, the actuarial accrued liability for benefits was \$6,257,734 and the actuarial value of assets was \$263,139, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,994,595. The annual covered payroll was \$19,993,723, and the ratio of the UAAL to the covered payroll was 30.0%. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

The actuarial methods are:

Actuarial cost method	Entry Age cost method
Amortization method	Level percent of payroll projected to grow 3.5% per year
Amortization period (closed)	30 years
Asset valuation method	Fair value

The actuarial assumptions are:

Investment rate of return	3.5%
Projected annual salaries increase	4.5%
Inflation rate	Included in healthcare cost trend
Healthcare cost trend rate	Increase of 10.5% pre Medicare and 7.5% post Medicare for the 2011 fiscal year grading to an ultimate rate of 5.5% for the 2019 fiscal year

Orange County Library District Other Postemployment Benefit Plan:

Plan Description - The Orange County Library District (District) administers a single-employer defined other postemployment benefit plan (OPEB Plan) and can amend the benefit provisions. In accordance with its Employee Handbook and Collective Bargaining Agreement (CBA), the District provides health care insurance coverage and a limited life insurance benefit to those employees who retire under the terms of the District's Defined Benefit Pension Plan on or after attaining age 55 with at least 10 years of service.

In accordance with State statute, all retiring employees must be provided access to the District's group health insurance coverage. For Non-CBA retirees hired prior to January 1, 2007, the District pays the entire cost of this coverage. Non-CBA retirees hired after this date pay the full cost of the coverage should they elect this benefit. For CBA retirees hired prior to December 10, 2004, the District pays a fixed reimbursement with the balance of the cost of the District's group coverage being paid by the retiree. CBA retirees who retired before October 10, 2008 also have the option of obtaining independent health coverage and receiving the fixed reimbursement. Dependents of retirees may be covered at the retirees' option the same as dependents of active employees (retirees pay the full cost).

Non-CBA retirees are eligible to participate in the District's dental plan just like current employees. There is no additional subsidy towards the dental insurance for retirees of the CBA and they are required to pay the entire premium should they elect this benefit. Life insurance in the amount of $1,000 is provided to all retirees.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

In March 2007, the District established a qualifying trust and began funding its OPEB Plan obligation. Separate, stand-alone financial statements for the trust are not prepared.

At January 1, 2011, the date of the latest actuarial valuation, plan participation consisted of:

OPEB plan participants	216
Retirees receiving benefits	101

Funding Policy - The District has the authority to establish and amend the funding policy for its OPEB Plan. For the year ended September 30, 2011, the District contributed $1,469,302, which was the annual required contribution per the January 1, 2011 actuarial report for the Plan. It is the District's intent to base future contributions on the ARC in subsequent actuarial reports.

OPEB Plan member contributions are recognized in the period that they are due. Employer contributions to the OPEB Plan are recognized as revenue when due and the employer has made a final commitment to provide the contributions. The Schedule of Employer Contributions presented as required supplementary information following the notes to the financial statements, presents multiyear information about the contributions made by the District for the last two years. If CBA plan members elect to participate in the District's group health insurance coverage, they are responsible for paying the difference between the cost of this coverage ($637 per month) and the fixed reimbursement, which varies depending on the retirement date. All retirees are responsible for contributing the entire cost of any dependent coverage.

Annual OPEB Cost and Net OPEB Obligation. The cost of the District's OPEB Plan is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB Plan cost for the year, the amount actually contributed, and the changes in the District's net OPEB Plan obligation as of September 30, 2011.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

Annual Required Contribution (ARC)	$ 1,469,302
Interest on net OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense)	1,469,302
Contributions made	(1,469,302)
Change in net OPEB obligation	-
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	$ -

Three Year Trend Information:

Year Ended September 30	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
2009	$1,124,658	100%	$ -
2010	$1,392,656	100%	$ -
2011	$1,469,302	100%	$ -

Benefits and refunds paid to participants are recorded when due and payable in accordance with the terms of the OPEB Plan.

Funded Status and Funding Progress. The most recent actuarial report for the District's OPEB Plan was prepared as of January 1, 2011. At that point in time, the actuarial accrued liability for benefits was $13,104,739 and the actuarial value of investments was $5,310,458, resulting in an unfunded actuarial accrued liability of $7,794,281. The annual covered payroll was $9,257,137 and the ratio of the unfunded actuarial liability to covered payroll was 84%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Continued

I. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation date:	January 1, 2011
Actuarial methods:	
Actuarial cost method	Individual Entry Age Normal Cost Method
Asset valuation method	Market value
Amortization method	Level Percent of payroll, closed period
Amortization period (closed)	15 years
Actuarial assumptions:	
Investment return, including inflation	7.0%
Projected salary increases	4.0%
Inflation rate	Included in healthcare cost trend
Healthcare cost trend rate	Monthly medical and prescription benefits are assumed to increase 9% for the 2012 fiscal year grading to an ultimate rate of 5% for the 2020 fiscal year

Continued

J. ORANGE COUNTY, CLERK OF CIRCUIT AND COUNTY COURTS AND ORANGE COUNTY LIBRARY DISTRICT PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUND FINANCIAL STATEMENTS

Statement of Net Assets: at September 30, 2011	District Defined Benefit	District Defined Contribution	District Money Purchase	District OPEB	County OPEB	Clerk OPEB	Totals
Assets							
Cash and cash equivalents	$ 249,329	$ -	$ -	$ 9,134	$ 147,861	$ 269,139	$ 675,463
Investments:							
Domestic equity securities/mutual funds	12,292,822	7,190,584	1,015,190	3,040,780	15,370,083	-	38,909,459
International equity securities/mutual funds	5,863,054	1,501,568	236,736	945,375	6,684,586	-	15,231,319
Real estate/mutual funds	909,447	-	-	-	-	-	909,447
Money market accounts and mutual funds	1,883,514	14,741	5,868	-	584,570	-	2,488,693
Stable value account and mutual funds	-	1,557,603	164,479	-	-	-	1,722,082
Fixed income mutual funds	-	2,659,462	156,821	1,604,565	5,150,286	-	9,571,134
Corporate bonds	2,243,612	-	-	-	-	-	2,243,612
Government bonds	9,088,846	-	-	-	-	-	9,088,846
Asset backed securities	1,773,575	-	-	-	-	-	1,773,575
Total investments	34,054,870	12,923,958	1,579,094	5,590,720	27,789,525	-	81,938,167
Accounts receivable	4,805,793	-	-	-	-	-	4,805,793
Accrued income	54,623	-	-	-	-	-	54,623
Prepaid items	-	-	-	19,262	-	-	19,262
Total assets	39,164,615	12,923,958	1,579,094	5,619,116	27,937,386	269,139	87,493,308
Liabilities							
Accounts payable	8,436,762	-	-	62,388	2,072,997	-	10,572,147
Total liabilities	8,436,762	-	-	62,388	2,072,997	-	10,572,147
Net assets							
Held in trust for pension and OPEB benefits	$ 30,727,853	$ 12,923,958	$ 1,579,094	$ 5,556,728	$ 25,864,389	$ 269,139	$ 76,921,161

Statement of Changes in Net Assets: year ended September 30, 2011	District Defined Benefit	District Defined Contribution	District Money Purchase	District OPEB	County OPEB	Clerk OPEB	Totals
Additions:							
Employer contributions	$ 1,056,751	$ 916,574	$ 351,358	$ 1,469,302	$ 1,844,755	$ -	$ 5,638,740
Employee contributions	-	-	5,176	-	-	-	5,176
Investment loss	(404,188)	(126,088)	(50,409)	(131,963)	(984,446)	(383)	(1,697,477)
Total additions	652,563	790,486	306,125	1,337,339	860,309	(383)	3,946,439
Deductions:							
Benefits paid to participants	1,351,257	686,742	69,931	485,241	3,177,662	-	5,770,833
Administrative expenses	14,467	432	78	-	-	-	14,977
Total deductions	1,365,724	687,174	70,009	485,241	3,177,662	-	5,785,810
Increase (decrease) in net assets	(713,161)	103,312	236,116	852,098	(2,317,353)	(383)	(1,839,371)
Net assets - beginning of year	31,441,014	12,820,646	1,342,978	4,704,630	28,181,742	269,522	78,760,532
Net assets - end of year	$ 30,727,853	$ 12,923,958	$ 1,579,094	$ 5,556,728	$ 25,864,389	$ 269,139	$ 76,921,161

Continued

K. CHANGES IN LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities (current and noncurrent portions) of the County for the year ended September 30, 2011 is as follows:

	Balance 10/1/10	Additions	Reductions	Balance 9/30/11	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 421,901,071	$ -	$ (19,449,939)	$ 402,451,132	$ 18,390,373
Less unamortized costs:					
Bond premium (discount)	3,840,407	-	(656,611)	3,183,796	-
Bond issuance costs	(3,338,080)	-	328,661	(3,009,419)	-
Deferred amount on refunding	(7,090,908)	-	705,942	(6,384,966)	-
Total revenue bonds payable, net of unamortized costs	415,312,490	-	(19,071,947)	396,240,543	18,390,373
Accreted interest payable	26,963,617	-	(1,815,829)	25,147,788	-
Notes payable	2,113,520	15,395,000	(2,113,520)	15,395,000	1,185,000
Compensated absences payable	76,118,415	46,569,868	(51,911,573)	70,776,710	60,989,366
Landfill closure costs payable	5,743,226	57,432	-	5,800,658	193,355
Liability, health and workers' compensation claims payable	55,359,468	96,798,228	(97,670,514)	54,487,182	17,362,389
Capital leases	288,638	1,258,387	(1,342,565)	204,460	124,973
Governmental activity long-term liabilities	$ 581,899,374	$ 160,078,915	$ (173,925,948)	$ 568,052,341	$ 98,245,456
Business-type activities:					
Revenue bonds payable	$ 903,815,000	$ -	$ (29,285,000)	$ 874,530,000	$ 29,985,000
Less unamortized costs:					
Bond premium (discount)	43,190,298	-	(5,385,549)	37,804,749	-
Bond issuance costs	(6,625,680)	-	515,737	(6,109,943)	-
Deferred amount on refunding	(62,450,292)	-	4,452,438	(57,997,854)	-
Total revenue bonds payable, net of unamortized costs	877,929,326	-	(29,702,374)	848,226,952	29,985,000
Compensated absences payable	8,437,464	4,801,336	(5,330,886)	7,907,914	5,306,520
Landfill closure costs payable	49,190,287	13,336,670	(27,412,876)	35,114,081	374,277
Loans payable	10,896,603	-	(562,591)	10,334,012	507,477
Business-type activities long-term liabilities	$ 946,453,680	$ 18,138,006	$ (63,008,727)	$ 901,582,959	$ 36,173,274

Continued

L. BONDS PAYABLE

Summary of Bonded Indebtedness:

The following is a summary of bonded indebtedness of the primary government as of September 30, 2011:

	Amount Outstanding
Governmental Activities:	
Sales Tax Revenue Refunding Bonds, Series 1999	$ 28,960,000
Sales Tax Revenue Refunding Bonds, Series 2002A	125,460,000
Sales Tax Revenue Bonds, Series 2002B	105,685,000
Sales Tax Revenue Refunding Bonds, Series 2006	38,940,000
Capital Improvement and Refunding Revenue Bonds, Series 1992 (excludes $4,713,231 accreted interest on capital appreciation bonds)	1,953,488
Capital Improvement Refunding Revenue Bonds, Series 2009	23,900,000
Public Facilities Revenue Bonds, Series 1994A (excludes $20,434,557 accreted interest on capital appreciation bonds)	10,367,644
Public Service Tax Refunding and Improvement Revenue Bonds, Series 2003	67,185,000
Total Governmental Activities Revenue Bonds	$ 402,451,132

Continued

L. BONDS PAYABLE, Continued

	Amount Outstanding
Business-type Activities:	
Tourist Development Tax Revenue Bonds, Series 2002	$ 2,460,000
Tourist Development Tax Refunding Revenue Bonds, Series 2002A	18,515,000
Tourist Development Tax Refunding Revenue Bonds, Series 2003A	16,535,000
Tourist Development Tax Refunding Revenue Bonds, Series 2005	227,100,000
Tourist Development Tax Refunding Revenue Bonds, Series 2006	73,115,000
Tourist Development Tax Refunding Revenue Bonds, Series 2007	139,015,000
Tourist Development Tax Refunding Revenue Bonds, Series 2007A	159,125,000
Tourist Development Tax Refunding Revenue Bonds, Series 2009	83,405,000
Tourist Development Tax Refunding Revenue Bonds, Series 2010	144,395,000
Water Utilities System Refunding Revenue Bonds, Series 1998	10,865,000
Total Business-type Activities Revenue Bonds	$ 874,530,000

Continued

L. BONDS PAYABLE, Continued

Principal and Interest Requirements to Maturity:

The following represents the debt service requirements to maturity for primary government bonded indebtedness as of September 30, 2011 (in thousands):

	General Government			Business-type Activities		
Year Ending September 30	Principal	Interest	Total	Principal	Interest	Total
2011*	$ 8,915	$ 6,117	$ 15,032	$ 29,985	$ 21,307	$ 51,292
2012	18,165	22,505	40,670	34,935	41,105	76,040
2013	18,579	22,040	40,619	36,710	39,339	76,049
2014	20,115	19,481	39,596	39,215	37,489	76,704
2015	20,010	18,788	38,798	37,125	35,595	72,720
2016-2020	111,582	77,214	188,796	210,640	149,232	359,872
2021-2025	104,180	36,906	141,086	235,460	92,911	328,371
2026-2030	68,165	17,091	85,256	168,900	44,690	213,590
2031-2032	32,740	1,699	34,439	81,560	5,982	87,542
Totals	$ 402,451	$ 221,841	$ 624,292	$ 874,530	$ 467,650	$ 1,342,180

*Requirements shown for year ending September 30, 2011 relate to payments due on October 1, 2011.

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Continued

L. BONDS PAYABLE, Continued

Summary of Defeased Debt Outstanding:

The amount of primary government defeased debt still outstanding and not reported on the balance sheet as of September 30, 2011 is as follows:

	Year(s) Defeased	Original Amount Defeased	Defeased Amount Outstanding
Water and Sewer Revenue Bonds, Series 1982	1985	$ 27,915,000	$ 11,275,000
Tourist Development Tax Revenue Bonds, Series 1980	1985	34,260,000	10,880,000
Tourist Development Tax Revenue Bonds, Series 1985	1985	12,370,000	3,935,000
Sales Tax Revenue Bonds, Series 1989	1993/1999	56,090,000	14,170,000
Tourist Development Tax Revenue Bonds, Series 1990	1994/1997/2000	54,975,000	17,045,000
Tourist Development Tax Refunding Revenue Bonds, Series 1992A	2000/2002	71,745,000	3,970,000
Tourist Development Tax Revenue Bonds, Series 2002	2006/2007	206,855,000	206,855,000
Solid Waste Facility Refunding Revenue Bonds, Series 2003	2007	31,760,000	19,635,000
Totals		$ 495,970,000	$ 287,765,000

Continued

L. BONDS PAYABLE, Continued

Summary of Bond Resolutions:

The following is a summary of primary government bond resolutions pertaining to debt reflected in the September 30, 2011 financial statements. Bond covenants of enterprise fund issues require supplemental disclosures in addition to those mentioned below. The supplemental disclosures are found in the separate annual financial reports of each enterprise fund. Also, other required secondary market disclosures for all bonds outstanding are found in the separate Orange County, Florida Bond Disclosure Supplement for the year ended September 30, 2011.

$37,160,000 Sales Tax Revenue Refunding Bonds, Series 1999

Type: Governmental Activities Revenue Bonds
Dated: January 1999
Final maturity: Year 2018
Principal payment date: January 1
Interest payment dates: January 1 and July 1
Interest rates: 4.50% to 4.875%
Reserve requirement: The maximum annual debt service requirement for the outstanding Series 1999 bonds, $8,734,126.
Revenue pledged: All of the Half-cent State Sales Tax accruing to Orange County. The total principal and interest remaining to be paid on this series is $34,954,030. For the fiscal year, principal and interest paid on this series was $2,591,606 and total pledged revenue was $124,823,259.
Purpose: Advance refunding of all outstanding Sales Tax Revenue Bonds, Series 1989.
Call provisions: Bonds maturing on or after January 1, 2010 are subject to redemption prior to their maturity, at the option of the County in whole or in part by lot on any date with no premium.

$164,960,000 Sales Tax Revenue Refunding Bonds, Series 2002A, and
$113,105,000 Sales Tax Revenue Bonds, Series 2002B

Type: Governmental Activities Revenue Bonds
Dated: October 2002
Final maturity: Series 2002A - Year 2024; Series 2002B - Year 2032
Principal payment date: January 1
Interest payment date: January 1 and July 1
Interest rates: 3.50% to 5.125%

Continued

L. BONDS PAYABLE, Continued

Reserve requirement: None, so long as annual pledged revenues exceed three times the maximum annual debt service for all outstanding Sales Tax bonds.
Revenue pledged: All of the Half-cent State Sales Tax accruing to Orange County. The total principal and interest remaining to be paid on these series is $372,641,109. For the fiscal year, principal and interest paid on this series was $17,961,688 and total pledged revenue was $124,823,259.
Purpose: Series 2002A-current refunding of $36,495,000 Sales Tax Refunding Revenue Bonds, Series 1993A, $121,060,000 Sales Tax Revenue Bonds, Series 1993B, and $14,025,000 Capital Improvement and Refunding Revenue Bonds, Series 1992; Series 2002B - to finance design and construction of correctional complex and other facilities, and to retire $64,536,000 commercial paper notes.
Call provisions: Bonds maturing on or after January 1, 2014 are subject to redemption prior to their maturity, at the option of the County in whole or in part by lot on any date on or after January 1, 2013, with no premium.

Series 2002B term bonds maturing January 1, 2027, 2029, and 2032 are subject to mandatory redemption prior to maturity in part by lot at no premium in the following principal amounts on the dates specified:

Term bonds maturing January 1, 2027

Date	Amount
January 1, 2026	$ 9,375,000
January 1, 2027 (final maturity)	9,845,000

Term bonds maturing January 1, 2029

Date	Amount
January 1, 2028	$ 10,335,000
January 1, 2029 (final maturity)	14,495,000

Term bonds maturing January 1, 2032

Date	Amount
January 1, 2030	$ 15,185,000
January 1, 2031	15,960,000
January 1, 2032 (final maturity)	16,780,000

Continued

L. BONDS PAYABLE, Continued

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

Type: Governmental Activities Revenue Bonds
Dated: January 2006
Final maturity: Year 2028
Principal payment date: January 1
Interest payment dates: January 1 and July 1
Interest rates: 3.50% to 4.375%
Reserve requirement: None, so long as annual pledged revenues exceed three times the maximum annual debt service for all outstanding Sales Tax bonds.
Revenue pledged: All of the Half-cent State Sales Tax accruing to Orange County. The total principal and interest remaining to be paid on this series is $54,231,777. For the fiscal year, principal and interest paid on this series was $3,206,465 and total pledged revenue was $124,823,259.
Purpose: Together with certain funds provided by the County, current refunding of all outstanding Sales Tax Revenue Bonds, Series 1998.
Call provisions: Bonds maturing on or after January 1, 2017 are subject to redemption prior to their maturity, at the option of the County in whole or in part by lot on any date on or after January 1, 2016, with no premium.

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

Type: Governmental Activities Revenue Bonds
Dated: December 1992
Final maturity: Year 2013
Principal payment date: October 1
Interest payment date: October 1 - only capital appreciation bonds remain outstanding.
Interest rates: 6.60% to 6.65% yield
Reserve requirement: None
Revenue pledged: County receipts from the State Revenue Sharing Trust Fund provided by Chapter 218, Florida Statutes in an amount equal to fifty percent (50%) of the revenue received from this source in the immediately preceding fiscal year. The total principal and interest remaining to be paid on this series is $7,145,000. For the fiscal year, principal and interest paid on this series was $2,000,000 and total pledged revenue was $13,343,941.
Purpose: Advance refunding of $1,150,000 original principal of Capital Improvement Revenue Refunding Bonds, Series 1988A, $14,482,815 original principal of Capital Improvement Revenue Bonds, Series 1988B, $15,000,000 principal of outstanding Commercial Paper Notes, and to finance the cost of stormwater management projects, public safety facilities, criminal justice structures, and other capital improvement projects of the County.

Continued

L. BONDS PAYABLE, Continued

Call provisions: Series 1992 bonds that remain outstanding are not subject to redemption prior to their stated dates of maturity.

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

Type: Governmental Activities Revenue Bonds
Dated: May 2009
Final maturity: Year 2022
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 2.50% to 5.25%
Reserve requirement: None
Revenue pledged: County receipts from the State Revenue Sharing Trust Fund provided by Chapter 218, Florida Statutes in an amount equal to fifty percent (50%) of the revenue received from this source in the immediately preceding fiscal year. The total principal and interest remaining to be paid on this series is $31,223,344. For the fiscal year, principal and interest paid on this series was $2,091,037 and total pledged revenue was $13,343,941.
Purpose: Current refunding of outstanding Capital Improvement Refunding Revenue Bonds, Series 1998.
Call provisions: Series 2009 bonds are not subject to optional or mandatory redemption prior to their stated dates of maturity.

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

Type: Governmental Activities Revenue Bonds
Dated: June 1994
Final maturity: Year 2019
Principal payment date: October 1
Interest payment dates: October 1 – only capital appreciation bonds remain outstanding.
Interest rates: 6.30% to 6.50% yield
Reserve requirement: The lesser of (1) 125% of the average annual debt service, (2) the maximum annual debt service, or (3) 10% of the initial total principal of the bonds, $4,355,000.
Revenue pledged: All of certain non-ad valorem revenues of the County. Among these are state sources of license revenues, local license and permit fees, local charges for service, and miscellaneous local revenue. The total principal and interest remaining to be paid on this series is $39,195,000. For the fiscal year, principal and interest paid on this series was $4,355,000 and total pledged revenue was $30,542,469.

Continued

L. BONDS PAYABLE, Continued

Purpose: To finance costs of construction and improvements to various County facilities and to redeem $20,818,000 of commercial paper used for correctional facilities and telecommunication systems.
Call provisions: Series 1994A bonds that remain outstanding are not subject to redemption prior to their stated dates of maturity.

<u>$117,035,000 Public Service Tax Refunding and Improvement Revenue Bonds, Series 2003</u>

Type: Governmental Activities Revenue Bonds
Dated: September 2003
Final maturity: Year 2025
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 3.375% to 5.00%
Reserve requirement: The lesser of (1) 125% of average annual debt service, (2) the maximum annual debt service, or (3) the maximum allowed without subjecting same to yield restriction or causing interest on the bonds to become taxable, $7,189,149.
Revenue pledged: All of the Public Service Tax levied by the County. The total principal and interest remaining to be paid on this series is $84,901,853. For the fiscal year, principal and interest paid on this series was $9,876,394 and total pledged revenue was $67,046,930.
Purpose: To advance refund $27,795,000 outstanding Public Service Tax Revenue Bonds, Series 1995; to advance refund $18,485,000 outstanding Public Facilities Revenue Bonds, Series 1994A; to currently refund $17,240,000 outstanding Sales Tax Revenue Bonds, Series 1996; to prepay the remaining $18,049,794 obligation under the Reedy Creek Improvement District Interchange Cost-Sharing Agreement; and to provide funds for acquiring additional environmentally sensitive lands and acquiring and improving parks and recreational facilities.
Call provisions: Bonds maturing on or after October 1, 2014 are subject to redemption prior to their maturity, at the option of the County in whole or in part (in such manner as determined by the County and by lot within a maturity) on any date on or after October 1, 2013 without premium.

<u>$216,460,000 Tourist Development Tax Revenue Bonds, Series 2002</u>

Type: Business-type Activities Revenue Bonds
Dated: March 2002
Final maturity: Year 2012
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 4.375% to 4.50%

Continued

L. BONDS PAYABLE, Continued

Reserve requirement: The maximum annual debt service requirement, for all outstanding series of Tourist Development Tax Revenue bonds, taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development Tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $2,571,300. For the fiscal year, principal and interest paid on this series was $1,283,638 and total pledged revenue was $144,832,023.
Purpose: To pay a portion of the costs of the Phase V expansion of the Convention Center.
Call provisions: Series 2002 bonds that remain outstanding are not subject to redemption prior to their stated dated of maturity.

<u>$57,340,000 Tourist Development Tax Refunding Revenue Bonds, Series 2002A</u>

Type: Business-type Activities Revenue Bonds
Dated: May 2002
Final maturity: Year 2013
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 5.375% to 5.50%
Reserve requirement: The maximum annual debt service requirement for all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development Tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $20,075,134. For the fiscal year, principal and interest paid on this series was $6,710,176 and total pledged revenue was $144,832,023.
Purpose: Current refunding of the outstanding $58,165,000 Tourist Development Tax Refunding Revenue Bonds, Series 1992A.
Call provisions: Series 2002A bonds are not subject to optional or mandatory redemption prior to maturity.

Continued

L. BONDS PAYABLE, Continued

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

Type: Business-type Activities Revenue Bonds
Dated: September 2003
Final maturity: Year 2019
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 3.50% to 4.25%
Reserve requirement: The maximum annual debt service requirement for all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development Tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $20,873,593. For the fiscal year, principal and interest paid on this series was $790,365 and total pledged revenue was $144,832,023.
Purpose: Refunding $15,780,000 of the outstanding Tourist Development Tax Revenue Bonds, Series 1994B.
Call provisions: Series 2003A bonds maturing on or after October 1, 2014 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot on any date on or after October 1, 2013, with no premium.

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

Type: Business-type Activities Revenue Bonds
Dated: May 2005
Final maturity: Year 2031
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 4.25% to 5.00%
Reserve requirement: The maximum annual debt service requirement for all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development Tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $353,210,645. For the fiscal year, principal and interest paid on this series was $21,556,563 and total pledged revenue was $144,832,023.
Purpose: Refunding $239,050,000 of the outstanding Tourist Development Tax Revenue Bonds, Series 2000.
Call provisions: Series 2005 bonds maturing on or after October 1, 2016 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot on any date on or after October 1, 2015, with no premium.

Continued

L. BONDS PAYABLE, Continued

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

Type: Business-type Activities Revenue Bonds
Dated: June 2006
Final maturity: Year 2032
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 3.75% to 5.00%
Reserve requirement: The maximum annual debt service requirement for all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development Tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $144,658,539. For the fiscal year, principal and interest paid on this series was $3,598,984 and total pledged revenue was $144,832,023.
Purpose: Refunding $70,475,000 of the outstanding Tourist Development Tax Revenue Bonds, Series 2002.
Call provisions: Series 2006 bonds maturing on or after October 1, 2017 are subject to redemption prior to their maturity, at the option of the County in whole or in part by lot on any date on or after October 1, 2016, with no premium.

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

Term Bonds maturing October 1, 2024

Date	Amount
October 1, 2023	$ 2,290,000
October 1, 2024 (final maturity)	2,395,000

Continued

L. BONDS PAYABLE, Continued

Term bonds maturing October 1, 2030

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

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

Type: Business-type Activities Revenue Bonds
Dated: June 2007
Final maturity: Year 2030
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 4.00% to 4.75%
Reserve requirement: The maximum annual debt service requirement all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development Tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $239,843,789. For the fiscal year, principal and interest paid on this series was $6,543,043 and total pledged revenue was $144,832,023.
Purpose: Refunding $136,380,000 of the outstanding Tourist Development Tax Revenue Bonds, Series 2002.
Call provisions: Series 2007 bonds maturing on or after October 1, 2018 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot on any date on or after October 1, 2017, with no premium.

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

Type: Business-type Activities Revenue Bonds
Dated: July 2007
Final maturity: Year 2021
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 4.50% to 5.00%

L. BONDS PAYABLE, Continued

Reserve requirement: The maximum annual debt service requirement all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development Tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $217,080,575. For the fiscal year, principal and interest paid on this series was $10,983,550 and total pledged revenue was $144,832,023.
Purpose: Refunding $176,345,000 of the outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1997.
Call provisions: Series 2007A bonds maturing on or after October 1, 2018 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot on any date on or after October 1, 2017, with no premium.

<u>$83,405,000 Tourist Development Tax Refunding Revenue Bonds, Series 2009</u>

Type: Business-type Activities Revenue Bonds
Dated: September 2009
Final maturity: Year 2018
Principal payment date: October 1
Interest payment dates: April 1 and October 1
Interest rates: 4.00% to 5.00%
Reserve requirement: The maximum annual debt service requirement for all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $99,908,375. For the fiscal year principal and interest paid on this series was $4,107,750 and total pledged revenue was $144,832,023.
Purpose: Current refunding of $43,630,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A and $45,300,000 of outstanding Tourist Development Tax Revenue Bonds, Series 1998B.
Call provisions: Series 2009 bonds are not subject to optional or mandatory redemption prior to their stated dates of maturity.

<u>$144,395,000 Tourist Development Tax Refunding Revenue Bonds, Series 2010</u>

Type: Business-type Activities Revenue Bonds
Dated: September 2010
Final maturity: Year 2024
Principal payment date: October 1
Interest payment dates: April 1 and October 1

Continued

L. BONDS PAYABLE, Continued

Interest rate: 5.00%
Reserve requirement: The maximum annual debt service requirement for all outstanding series of Tourist Development Tax Revenue Bonds taken as a whole, $72,724,074.
Revenue pledged: All of the first five cents of the Tourist Development tax levied by the County, Convention Center net operating revenues, and investment earnings. The total principal and interest remaining to be paid on this series is $231,750,375. For the fiscal year, principal and interest paid on this series was $3,670,040 and total pledged revenue was $144,832,023.
Purpose: Current refunding of $115,590,000 of outstanding Tourist Development Tax Refunding Revenue Bonds, Series 1998A and $46,775,000 of outstanding Tourist Development Tax Revenue Bonds, Series 1998B.
Call provisions: Series 2010 bonds are not subject to optional or mandatory redemption prior to their stated dates of maturity.

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

Type: Business-type Activities Revenue Bonds
Dated: February 1998
Final maturity: Year 2014
Principal payment dates: October 1
Interest payment dates: April 1 and October 1
Interest rates: 4.75% to 5.00%
Reserve requirement: The maximum annual debt service requirement for the outstanding Series 1998 bonds, $3,981,500.
Revenue pledged: All of the Water Utilities System operating revenues and investment earnings. The total principal and interest remaining to be paid on this series is $12,207,625. For the fiscal year, interest paid on this series was $533,750 and total pledged revenue was $50,982,197.
Purpose: To advance refund $47,725,000 of outstanding Water Utilities System Revenue Bonds, Series 1992.
Call provisions: Series 1998 bonds maturing on or after October 1, 2009 are subject to redemption prior to their maturity, at the option of the County, in whole or in part by lot on any date on and after October 1, 2009 with no premium.

Continued

L. BONDS PAYABLE, Continued

Bonded Indebtedness - Discretely-Presented Component Units:

Orange County Housing Finance Authority:

Bonds and other obligations issued by the Authority are payable, both as to principal and interest, solely from the assets of the various housing programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of the County, the State of Florida or of any local government therein. Neither the faith, credit and revenues nor the taxing power of the County, the State of Florida or any local government therein shall be pledged to the payment of the principal or interest on the obligations.

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Continued

L. BONDS PAYABLE, Continued

The following is a summary of bonded indebtedness of the Authority as of September 30, 2011:

		Amount Outstanding
Multi-Family 1998 Series J and 2000 Series H, Variable Rate Demand Revenue Bonds	$	15,115,000
Multi-Family Housing Revenue Bonds, 1995 Series A, 1997 Series A,D, 1998 Series A,C,D, 1999 Series A,G,L, 2000 Series F, 2001 Series A,C,F,G, 2002 Series A,C,E,G 2004 Series A, 2005 Series A,B,C,D, 2006 Series B, 2007 Series A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P, 2008 Series A, 2009 Series A,A-1 and 2011 A-1,A-2		325,703,000
Multi-Family Housing Revenue Refunding Bonds 1995 Series, 1997 Series C,E,F, and 2001 Series E		81,600,000
Taxable Multi-Family Revenue Bonds, 2000 Series G, 2001 Series D,H, 2002 Series B,D,F and 2009 Series A, A-1		30,320,000
Single-Family Mortgage Revenue Bonds, 2002 Series B, 2003 Series A,B, 2004 Series A, 2006 Series A, 2007 Series A,B, 2009 Series A,B, 2010 Series A and 2011 Series A		83,440,000
Total bonded indebtedness		536,178,000
Add unamortized bond premium		3,454,881
Less unamortized bond issuance costs		(7,639,347)
Total bonded indebtedness net of unamortized discount/premium and issuance costs (includes current portion of $910,000)	$	531,993,534

Continued

L. BONDS PAYABLE, Continued

The following represents the debt service requirements to maturity for Authority bonded indebtedness as of September 30, 2011 (in thousands):

Year Ending September 30	Principal	Interest	Total
2012	$ 910	$ 10,342	$ 11,252
2013	900	10,315	11,215
2014	6,030	10,221	16,251
2015	1,945	10,101	12,046
2016	1,945	9,975	11,920
2017-2021	11,985	48,158	60,143
2022-2026	77,520	44,052	121,572
2027-2031	57,271	34,585	91,856
2032-2036	130,885	21,505	152,390
2037-2041	87,312	12,617	99,929
2042-2046	119,545	1,092	120,637
2047-2051	39,930	-	39,930
Totals	$ 536,178	$ 212,963	$ 749,141

The following is summarized bond information relative to the bonded indebtedness of the Authority. Detailed disclosures are reported in the separate financial statements of the Authority.

Multi-Family Programs - The Authority uses bond proceeds to finance the construction or acquisition of multi-family housing developments which are intended for occupancy in part by persons of low, moderate, and middle income. Bonds are issued in the form of serial, term and capital appreciation bonds with fixed or variable interest rates. Bonds with fixed interest rates range from 1.00% to 9.00%. The interest rate on the variable rate bonds is computed weekly by a remarketing agent at a rate that will price the bonds at a market value of approximately 100% of the principal balance outstanding, plus accrued interest. Final maturity dates for fixed and variable rate bonds range from 2013 to 2051. Assets of the programs are pledged for payment of principal and interest on the applicable bonds. Each issue is collateralized by a separate collateral package. In addition, certain assets are further restricted for payment of principal and interest in the event that the related debt service and other available funds are insufficient.

Continued

L. BONDS PAYABLE, Continued

Provisions of the bond resolutions provide for various methods of redemption. Bonds are to be redeemed at par primarily from prepayments of mortgage loans securing the issues, from unexpended bond proceeds, and excess program revenues. Bonds are generally redeemable at the option of the Authority at premiums ranging up to 6.00%. Certain term bonds require mandatory sinking fund payments for their redemption.

Single-Family Programs - The Authority uses bond proceeds primarily to purchase mortgage loans from certain qualified lending institutions and to purchase GNMA certificates to the extent mortgage loans are originated by participating lenders on single family residences for persons of low to moderate income. Bonds are issued in the form of serial, term, draw-down, or capital appreciation bonds with fixed or variable interest rates. Bonds with fixed interest rates range from 0.50% to 6.00%. Final maturity dates for fixed and variable rate bonds range from 2011 to 2041. Assets of the programs are pledged for payment of principal and interest on the applicable bonds. Each issue is collateralized by a separate collateral package. In addition, certain assets are further restricted for payment of principal and interest in the event that the related debt service and other available funds are insufficient.

Provisions of the bond resolutions provide for various methods of redemption. Bonds are to be redeemed at par primarily from prepayments of mortgage loans securing the issues, from unexpended bond proceeds, and excess program revenues. Bonds are generally redeemable at the option of the Authority at premiums ranging up to 6.00%. Certain term bonds require mandatory sinking fund payments for their redemption.

Orange County Industrial Development Authority, Orange County Health Facilities Authority, and Orange County Educational Facilities Authority:

These Authorities serve to assist in the financing and refinancing of certain types of capital projects for third parties. Revenue bonds issued are payable solely from moneys and other assets pledged under the indentures of trust with the bond trustees and do not constitute debt of the Authorities. The Authorities serve only as "conduit" agents for their respective bond issues. The County also has no financial obligation for bonds issued by the Authorities. Therefore, the bonds outstanding are not reported in the accompanying financial statements since neither the Authorities nor the County has any commitment for their repayment.

Continued

L. BONDS PAYABLE, Continued

The Industrial Development Authority assists with capital projects which will foster economic development. From inception through the end of the 2011 fiscal year, approximately $689.3 million in revenue bonds have been issued by the Authority. During the year ended September 30, 2011, the Authority issued $63,960,000 in industrial development revenue bonds. The aggregate principal amount outstanding for the bonds issued after October 1, 1996, is approximately $226,577,000 at September 30, 2011.

The Health Facilities Authority assists with capital projects which serve to improve health-related facilities. At September 30, 2011, the total outstanding principal of revenue bonds issued by the Authority was approximately $1.4 billion.

The Educational Facilities Authority assists with capital projects which serve to improve higher educational facilities. At September 30, 2011, the total outstanding principal of revenue bonds issued by the Authority was approximately $42 million.

M. NOTES AND LOANS PAYABLE

Commercial Paper Notes:

The County has established a commercial paper program whereby Commercial Paper Notes issued are secured by a pledge of the County's non-ad valorem tax revenues. Proceeds from note issuances may be used on various capital projects according to the specific authorizing resolutions.

Total active notes authorized as of September 30, 2011 was $332,000,000. Of that, notes in the total amount of $125,536,000 had been issued. A total of $125,536,000 had been redeemed, leaving no outstanding principal balance at September 30, 2011. There were no transactions during fiscal year 2011. The status of the authorized notes is as follows:

$32,000,000 Commercial Paper Notes Authorized February 1996

Issuances - prior fiscal years: $29,000,000
Redemptions - prior fiscal years: $29,000,000
Redemption source: sales tax revenues, internal service user charges, and Sales Tax Revenue Bonds, Series 1998
Purpose: Courthouse construction project; various other capital projects of the County
Outstanding at September 30, 2011: none

Continued

M. NOTES AND LOANS PAYABLE, Continued

$30,000,000 Commercial Paper Notes Authorized June 1998

Issuances - none
Redemption source: operating revenues of the Water Utilities System
Purpose: Water Utilities System capital improvements
Outstanding at September 30, 2011: none

$30,000,000 Commercial Paper Notes Authorized December 1999

Issuances – prior fiscal years: $28,936,000
Redemptions – prior fiscal years: $28,936,000
Redemption source: Sales Tax Revenue Bonds, Series 2002B
Purpose: Land acquisition for jail expansion; administrative and Sheriff's Office buildings acquisition
Outstanding at September 30, 2011: none

$90,000,000 Commercial Paper Notes Authorized September 2001

Issuances – prior fiscal years: $47,600,000
Redemptions – prior fiscal years: $47,600,000
Redemption source: Sales Tax Revenue Bonds, Series 2002B, and sales tax revenues
Purpose: Jail facilities expansion
Outstanding at September 30, 2011: none

$150,000,000 Commercial Paper Notes Authorized September 2006

Issuances – prior fiscal years: $20,000,000
Redemptions – prior fiscal years: $20,000,000
Redemption source: Sales Tax revenue bonds, Public Service Tax revenue bonds, or bonds payable from other non-ad valorem revenues of the Board
Purpose: The various projects identified as the "Invest in Orange County, Our Children's Legacy Initiative," including roadways, streetscaping, trails, pedestrian sidewalks and bridges, gymnasiums, regional commuter rail system, environmental lands, intersection improvements, and bus shelters
Outstanding at September 30, 2011: none

The County's commercial paper debt program is administered as follows: The notes mature within 270 days of issuance, with interest payable at maturity based on market rates not to exceed 10%. The notes are not subject to redemption prior to maturity. As each block of notes matures, new notes are issued to refinance the principal amount, and

Continued

M. NOTES AND LOANS PAYABLE, Continued

current eligible revenues of the County are used to pay the interest amount due. The County deactivated use of this program during fiscal year 2009 upon the expiration of its broker/dealer and backup line of credit agreements and the termination of its issuance and paying agent agreement.

Orange County Promissory Note, Series 2010:

On December 15, 2010, the County entered into a loan agreement with Branch Banking and Trust Company for issuance of the Orange County Promissory Note, Series 2010 (Note), for the purpose of funding upgrades and improvements to the County's public safety radio system. The total amount of the Note, which matures on October 1, 2022 was $15,395,000 and the primary pledged revenue is the locally adopted traffic surcharge revenue authorized by Florida Statutes. Interest payments at the rate of 2.57% are due semi-annually on April 1 and October 1 of each year beginning April 1, 2011. Annual principal payments begin on October 1, 2011. Proceeds and use of proceeds related to the Note are accounted for in the County's 2010 Promissory Note Fund. The total principal and interest remaining to be paid on the Note is $17,875,885. For the fiscal year, interest paid was $116,497 and total pledged revenue was $1,233,432. Future principal and interest payments (in thousands) required on the Note are as follows as of September 30, 2011:

Year Ending September 30	Principal	Interest	Total
2011*	$ 1,185	$ 198	$ 1,383
2012	1,135	365	1,500
2013	1,165	336	1,501
2014	1,195	306	1,501
2015	1,225	275	1,500
2016-2020	6,605	889	7,494
2021-2022	2,885	112	2,997
Totals	$ 15,395	$ 2,481	$ 17,876

*Requirement shown for year ending September 30, 2011 relates to payment due on October 1, 2011.

Continued

M. NOTES AND LOANS PAYABLE, Continued

State Revolving Fund Loan--Water Utilities System:

In June 2002, the County entered into a Clean Water State Revolving Fund Construction Loan Agreement with the State of Florida Department of Environmental Protection. Funds are being utilized by the Water Utilities System to finance Phases 2 and 3 of the construction of a central wastewater collection system in an area of the county formerly served by septic tanks. The initial loan approved in 2002 was for a total available amount of $8,457,900. This was reduced in fiscal year 2008 to the actual amount drawn of $6,241,215 to reflect the final cost of Phase 2 of the construction project. In August of 2006, a second loan was approved for Phase 3 of the project, in the additional amount of $8,339,312. This was reduced in fiscal year 2011 to the actual amount drawn of $6,540,920 to reflect the final cost of Phase 3 of the construction project. In February 2011, a new loan was approved for the Lake Lawne Gravity Sewer Rehabilitation Project in the amount of $1,722,240.

For the 2002 loan, the principal balance outstanding was $4,501,757 as of September 30, 2011. Semiannual payments of $193,774, including interest at 3.09%, are due on March 15 and September 15 of each year, through March 15, 2026.

For the 2006 loan, the principal balance outstanding was $5,832,255 as of September 30, 2011. Semiannual payments of $274,628, including interest at 2.63%, are due on January 15 and July 15 of each year, through January 15, 2011. Semiannual payments for the period July 15, 2011 through July 15, 2029 have been reduced to $204,412, including interest, to reflect the reduction in the loan amount.

For the 2011 loan, no loan draw activity had been initiated as of September 30, 2011, and thus the principal balance was zero. For this loan, semiannual payments of $56,219, including interest at 2.53%, will be due on February 15 and August 15 of each year, for a 20-year period beginning August 2012. Future principal and interest payments related to this loan are not included in the schedule below.

Continued

M. NOTES AND LOANS PAYABLE, Continued

The total principal and interest remaining to be paid on these loans was $12,978,270 as of September 30, 2011. For the fiscal year, principal and interest paid was $866,587. Total available pledged revenue, which consists of all of the Water Utilities System operating revenues and investment earnings less bond debt service requirements, was $50,448,447 for the fiscal year ended September 30, 2011. Future principal and interest payments (in thousands) required on the State Revolving Loans are as follows as of September 30, 2011:

Year Ending September 30	Principal	Interest	Total
2012	$ 507	$ 289	$ 796
2013	522	274	796
2014	537	259	796
2015	553	244	797
2016	568	228	796
2017-2021	3,098	884	3,982
2022-2026	3,377	411	3,788
2027-2029	1,172	55	1,227
Totals	$ 10,334	$ 2,644	$ 12,978

N. LEASE COMMITMENTS

Capital Leases:

The County has entered into various leasing agreements for vehicles, machinery and equipment. The terms of these leases are such that the County capitalized the leases as required by the lease topic of the FASB Accounting Standards Codification.

The following is a schedule of future minimum lease payments applicable to governmental activities for $554,106 of assets (all equipment assets) capitalized under lease agreements, and the net present value of future minimum lease payments as of September 30, 2011:

Continued

N. LEASE COMMITMENTS, Continued

Year Ending September 30	Amount
2012	$ 131,531
2013	63,695
2014	18,092
2015	6,015
Total minimum lease payments	219,333
Less amount representing interest	(14,873)
Present value of future minimum lease payments	$ 204,460

There are no capital lease obligations outstanding at September 30, 2011 for business-type activities.

Operating Leases:

The primary government leases office facilities, branch library facilities, and equipment under various operating lease agreements which have noncancelable lease terms in excess of one year. The following is a schedule by years of future minimum rentals on such leases as of September 30, 2011:

Year Ending September 30	Amount
2012	$ 10,058,715
2013	9,459,905
2014	8,361,202
2015	5,012,595
2016	2,835,391
2017-2021	1,579,687
Total future minimum rentals	$ 37,307,495

Rental expenditures on operating leases amounted to approximately $11.8 million for the year ended September 30, 2011. The primary government also leases other office facilities and equipment on a monthly basis.

Continued

O. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund receivable and payable balances as of September 30, 2011, are detailed below:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 5,611,835
Fire Protection MSTU	General fund	1,156,332
Fire Protection MSTU	Nonmajor governmental funds	11,046
Nonmajor governmental funds	General fund	1,131,392
Nonmajor governmental funds	Nonmajor governmental funds	950,916
Enterprise Fund	Nonmajor governmental funds	70,000
Internal Service Funds	General fund	306,224
Total due to/from other funds		$ 9,237,745

Advances to/from other funds:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 3,200,000

The primary purpose of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with reimbursable grant programs.

P. TRANSFERS TO/FROM OTHER FUNDS

Significant transfers between funds of the County included excess amounts from debt service funds. Pledged revenues are placed in debt service funds when initially received. After debt service requirements are fulfilled, the excess amounts are then transferred to other funds for operating expenditure purposes. Additionally, the Special Tax Equalization District special revenue fund collects the revenues necessary for certain programs or functions, and then transfers them out for expenditure purposes. The Convention Center fund records the transfer of available Tourist Development tax monies to the General Fund for cultural tourism functions. The Water Utilities System enterprise fund transfers certain available funds annually to the General Fund pursuant to Board resolution.

Continued

P. TRANSFERS TO/FROM OTHER FUNDS, Continued

Interfund transfers for the 2011 fiscal year were as follows:

	Transfers to:			
	General Fund	Fire Protection MSTU	Nonmajor Governmental Funds	Totals
Transfers from:				
General Fund	$ -	$ 1,155,405	$ 16,746,548	$ 17,901,953
Sales Tax Trust	49,595,731	-	28,158,948	77,754,679
Nonmajor governmental funds	151,497,677	-	58,214,787	209,712,464
Convention Center	2,236,568	-	-	2,236,568
Water Utilities System	6,300,000	-	-	6,300,000
Totals	$ 209,629,976	$ 1,155,405	$ 103,120,283	$ 313,905,664

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Continued

Q. COMMUNITY REDEVELOPMENT AGENCIES

As explained in Note A, the International Drive Community Redevelopment Agency and the Orange Blossom Trail Community Redevelopment Agency (CRA) are blended component units of the County and each is presented as a special revenue fund. As required by State statute, additional description of CRA financial information during fiscal year 2011 is as follows:

	International Drive CRA	Orange Blossom Trail CRA
Source of Deposits		
County tax increment	$ 7,542,865	$ 165,157
City of Orlando tax increment	476,050	119,722
Interest income	323,777	4,804
Total deposits	$ 8,342,692	$ 289,683
Purpose of Withdrawals		
CRA administration	$ 227	$ 268,948
Residential and commercial development	-	30,974
Roadway improvements	6,449,959	59,202
Neighborhood enhancements	-	8,563
Total withdrawals	$ 6,450,186	$ 367,687

CRA Indebtedness

Neither CRA has pledged incremental revenues or incurred any debt to carry out their activities.

Continued

R. COMMITMENTS AND CONTINGENCIES

Encumbrances:

As of September 30, 2011, the County had significant encumbrance commitments in the Governmental Funds as follows:

Encumbrances: (in thousands)		
Major Funds		
General Fund	$	8,114
Fire Protection MSTU		2,313
Total Major Funds		10,427
Non-Major Funds		
Court Facilities Fee		91
Court Technology		56
Building Safety		264
Crime Prevention		27
Law Enforcement Education		109
Radio Communication Program		27
911 Fee		87
Inmate Commissary		47
Air Pollution Control		19
Water and Navigation Control Districts		251
Aquatic Weed Taxing Districts		98
Conservation Trust		450
Municipal Service Districts		95
Local Option Gas Tax		4,898
Constitutional Gas Tax		2,367
Transportation Trust		6,850
International Drive Community Redevelopment Agency		1,415
Local Housing Assistance (SHIP)		1,050
Drug Abuse Trust		40
Parks		307
Grants		6,967
Transportation Impact Fees		6,830
Miscellaneous Construction Projects		12,561
Total Non-Major Funds		44,906
Total Encumbrances	$	55,333

Continued

R. COMMITMENTS AND CONTINGENCIES, Continued

Commitments Under Construction Contracts:

At September 30, 2011, the County had outstanding construction and operating contracts for various projects totaling approximately $414 million.

Grants:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would reduce receivables and/or become a liability of the County. In the opinion of management, any such adjustments would not be material to the County's operating results or fund balances.

Litigation:

The County is a party in various lawsuits and other claims incidental to the ordinary course of its operation, some of which are covered by the County's risk management program (see Note G). While the results of litigation and claims cannot be predicted with certainty, management believes the final outcome will not have a material adverse impact on the County's financial position.

Secondary Pledge of Constitutional Gas Tax:

The County's share of the 80% portion of the two-cent Constitutional Gas Tax has been pledged to repayment of the bonded debt of the Orlando-Orange County Expressway Authority (Authority). Florida law provides that any funds borrowed by the Authority from the County will be repaid with interest at such time as the Authority deems practical. There were no borrowed funds outstanding at September 30, 2011.

Advances to Other Governmental Agencies:

Under the provisions of a tri-party agreement with the City of Orlando and the Civic Facilities Authority (CFA), the County has advanced sums totaling $7,529,000 to the CFA, with the final advance made in fiscal year 2009, to enable the CFA to meet debt service and operating requirements. The advances do not bear interest. There is no repayment schedule or due date and repayment is subordinate to certain other debt obligations of the CFA. Neither the receivable nor the equivalent uncollectible allowance are shown in the financial statements.

Continued

R. COMMITMENTS AND CONTINGENCIES, Continued

Community Redevelopment Agencies:

Pursuant to State statute, various local jurisdictions have created 13 Community Redevelopment Agencies (CRAs) within the County, including two formed by the County and reported as blended component units. Funding for these agencies is derived from incremental ad valorem tax proceeds generated by improvements made within the CRA. The County is obligated to pay to each CRA from its current year's ad valorem tax proceeds the increment related to taxable property improvements made since the designated "base year." Other jurisdictions which have created CRAs are the Cities of Orlando, Winter Park, Ocoee, Maitland, Eatonville, Apopka, and Winter Garden. The total amount paid to CRAs by the County amounted to $21,667,272 for the 2011 fiscal year.

Orange Blossom Trail Improvements:

In 1987, the County created two municipal service taxing units (MSTUs) for properties situated on and in the immediate environs of South Orange Blossom Trail (US 441), from Interstate 4 to the Beach Line Expressway. These MSTUs are reported as a part of the Municipal Service Districts special revenue fund. The purpose of the MSTUs was to fund capital costs and ongoing maintenance for enhanced improvements to a US 441 road widening project by the State of Florida, and thereby stimulate economic revitalization. The enhanced improvements consisted of streetscape/landscape features and undergrounding of utilities for the segment of US 441 noted above. When the State initiated the widening project in 1993, the MSTUs had not raised sufficient funds to pay for all of the planned enhancements. At that time, the County elected to use Local Option Gas Taxes and Public Service Taxes in the combined amount of $8.8 million to cover the difference, with an understanding that the MSTUs would be able to reimburse this amount in subsequent fiscal years.

Due to the ongoing maintenance costs of the completed project, less than expected growth in MSTU revenues and property tax reform, actual project reimbursements from the MSTUs have totaled only $630 thousand. Reimbursements from unspent project funds totaled an additional $759 thousand, leaving an unreimbursed total of approximately $7.4 million as of the end of fiscal year 2011. Reimbursements from the MSTUs in subsequent fiscal years will be made as funds are available; however, management's current expectation is that most of the amount outstanding will remain unreimbursed at the time the MSTUs are scheduled to sunset in fiscal year 2018. There is no repayment schedule, and the unreimbursed amounts are not shown in the financial statements.

Continued

R. COMMITMENTS AND CONTINGENCIES, Continued

Transportation Impact Fee Credits:

The County has entered into a number of agreements with developers under which the developer donates transportation infrastructure improvements or rights of way to the County and receives credit for future transportation impact fee payments. As of September 30, 2011, credit balances for future impact fees total approximately $44.3 million.

Hilton Loan Commitment:

Under a 2001 agreement, the County committed to provide a no-interest loan of $2.2 million to Hilton-OCCC Hotel, LLC (Hilton) toward Hilton's costs of construction of an above-ground pedestrian walkway which would connect the County's Convention Center (Center) and a hotel constructed adjacent to the Center. The loan was disbursed to Hilton using funds from the Center's enterprise fund, in two increments: one-half when construction commenced in fiscal year 2007, and the remainder at completion of the walkway in fiscal year 2009. Repayment of the loan to the County began when the hotel opened for business in fiscal year 2009. Payments are due quarterly through fiscal year 2015, and are comprised of no less than 0.5% of the hotel's gross room rental revenue for the prior quarter. The outstanding balance on the loan at September 30, 2011, was $1,674,667.

S. BUDGETARY LEGAL COMPLIANCE AND FUND DEFICITS

For the fiscal year ended September 30, 2011, no excess of expenditures over appropriations at the legal level of budgetary control occurred.

The Sheriff's Workers' Compensation Fund had a deficit fund balance of $6,923,914 at September 30, 2011. The Sheriff intends to eliminate the deficit balance in the Sheriff Workers' Compensation internal service fund through effective claims management, charges to the General Fund and, to the extent necessary, funding from future excess fees.

T. PROVISION FOR CLOSURE COSTS

As explained in Note A, current regulations of the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) require municipal solid waste landfills to place a final cover on closed landfill areas, and to maintain those areas for up to 30 years after closure. The County periodically obtains updated and

Continued

T. PROVISION FOR CLOSURE COSTS, Continued

revised estimates of total future closure and postclosure costs from its consulting engineers. All amounts recognized are based on what it would cost to perform closure and postclosure functions in current dollars. Actual costs may be different due to inflation, changes in technology, or changes in laws and regulations.

The internal landfills have ceased operation. Required closure work is complete and the entire estimated future cost for postclosure maintenance is reported as a long-term liability of the Governmental Activities on the government-wide statement of net assets. These costs are recognized as governmental fund expenditures as they become obligations to be liquidated with available financial resources, using resources in the Transportation Trust and the Miscellaneous Construction Projects funds.

For the public landfill, accounted for in the Solid Waste System (System) enterprise fund, expenses associated with final closure and postclosure maintenance of landfill areas are recognized over the active life of those areas. These costs are recognized in each operating period based on the amount of waste received during that period, regardless of when cash disbursements are made for these costs. The cumulative effect of updated and revised estimates of closure-related costs is recognized in the period of the change to the extent it relates to current and past operations.

The total unrecognized closure and postclosure costs attributable to the currently active areas of the public landfill are approximately $166 million. These costs will be recognized in future periods as the remaining capacity of approximately 49 million tons is filled. As of September 30, 2011, the active landfill areas were filled to approximately 3% and 19% of capacity for subbasins 2A-cell 2, and 9-12, respectively. The current landfill facilities are expected to provide the needed capacity through 2115.

The County is required by FDEP annually to show proof of ability to finance closure and postclosure costs, and has done so for the internal landfills by providing a standby letter of credit and trust account. For the public landfill, the System has fulfilled the requirements of the financial test provision of the regulation. In addition, the County is making deposits to a closure costs account in the System enterprise fund to provide for the financing of future closure activities of the public landfill. The balance in this account as of September 30, 2011 was approximately $35.8 million. The liability for closure and post-closure activities, calculated in accordance with GASB Statement No. 18 and reported on the System's balance sheet, was approximately $35.1 million as of September 30, 2011.

Continued

U. PRIOR PERIOD ADJUSTMENTS

The October 1, 2010 net assets of the Water Utilities System have been adjusted upward by $36,881,640. During fiscal year 2011, it was determined that certain donated assets were not recognized as contributed revenue and capital assets in the years of donation for the periods beginning fiscal year 1995 through fiscal year 2010. Additionally, one System construction project was not closed out when completed in fiscal year 2010, thus delaying the start of depreciation expense on that project. Accordingly, the October 1, 2010 net assets increase is the result of additional capital contributions, net of accumulated depreciation. The effect of the adjustment on fiscal year 2011 was to decrease the change in net assets by $2,969,960 for depreciation expense associated with prior capital asset additions.

The October 1, 2010 net assets of the Orange County Housing Finance Authority have been adjusted downward by $48,558 to reflect the accrual of trustee fees.

V. SUBSEQUENT EVENTS

Orange County Housing Finance Authority:

On November 15, 2011, the Orange County Housing Finance Authority issued $8,000,000 of Multifamily Mortgage Revenue Bonds, NIBP Series 2009A-3.

On December 16, 2011, the Orange County Housing Finance Authority issued Multifamily Mortgage Revenue Bonds, NIBP Series 2009A-4, 2011-B, 2009A-5 and 2011-C in the amounts of $10,500,000; $1,500,000; $7,000,000 and $3,500,000, respectively.

Orange County Industrial Development Authority:

On December 13, 2011, the Orange County Industrial Development Authority issued $3,400,000 of Industrial Development Revenue Bonds, Series 2011.

Orange County Health Facilities Authority:

On January 10 2012, the Orange County Health Facilities Authority donated $760,526 to the County for disbursement to a non-profit human health service agency. The monies were considered to be surplus funds resulting from a judgment award in the amount of $1,178,167 received by the Authority during fiscal year 2011.

Orange County Water Utilities System:

On January 20, 2012, the County executed four additional Clean Water State Revolving Fund Loan Agreements with the State of Florida Department of Environmental Protection. The total estimated principal amount of these loans is $15,753,661 at an interest rate of 2.38%. Each loan is to be repaid over a 20-year period.

Continued

V. SUBSEQUENT EVENTS, Continued

Orange County Educational Facilities Authority:

In February 2012, the outstanding Orange County Educational Facilities Authority Rollins College Series 2002 bond issue was refunded in the amount of $17,485,000. The refunding bonds that redeemed this bond issue were not issued through the Authority.

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Orange County Library District
Defined Benefit Pension Plan

Schedule of Funding Progress

	Actuarial Valuation Dates					
	01/01/11	01/01/10	01/01/09	01/01/08	01/01/07	01/01/06
Actuarial Value of Assets [a]	$ 33,695,627	$ 29,887,954	$ 23,147,672	$ 31,448,331	$ 28,683,187	$ 26,021,380
Actuarial Accrued Liability (AAL) - Frozen Entry Age [b]	$ 34,284,782	$ 33,275,233	$ 31,872,193	$ 29,877,851	$ 28,326,919	$ 22,689,949
Overfunded/(unfunded) AAL (UAAL) [a-b]	$ (589,155)	$ (3,387,279)	$ (8,724,521)	$ 1,570,480	$ 356,268	$ 3,331,431
Funded Ratio [a/b]	98.28%	89.82%	72.63%	105.26%	101.26%	114.68%
Covered Payroll [c]	$ 6,104,311	$ 6,445,574	$ 7,612,281	$ 7,595,557	$ 9,331,114	$ 8,736,262
AAL (UAAL) as a Percentage of Covered Payroll [(a-b)/c]	(9.65)%	(52.55)%	(114.61)%	20.68%	3.82%	38.13%

Schedule of Employer Contributions

	Employer Contributions	
Year Ended September 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed*
2006	$ 514,803	117%
2007	$ 1,217,763	87%
2008	$ 931,296	108%
2009	$ 1,844,299	65%
2010	$ 1,226,649	117%
2011	$ 891,426	119%

*Plan is on a calendar year. The District made its required contributions based on the calendar year.

Continued

Orange County
Other Postemployment Benefit Plan

Schedule of Funding Progress

	Actuarial Valuation Dates		
	09/30/11	09/30/10	09/30/09
Actuarial Value of Assets [a]	$ 25,784,694	$ 28,032,880	$ 21,252,791
Actuarial Accrued Liability (AAL) - Entry Age [b]	$ 77,011,918	$ 81,898,983	$ 98,457,536
Unfunded AAL (UAAL) [b-a]	$ 51,227,224	$ 53,866,103	$ 77,204,745
Funded Ratio [a/b]	33.48%	34.23%	21.59%
Covered Payroll [c]	$ 471,825,868	$ 473,154,356	$ 486,465,249
UAAL as a Percentage of Covered Payroll [(b-a)/c]	10.86%	11.38%	15.87%

Schedule of Employer Contributions

	Employer Contributions	
Year Ended September 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	$ 6,466,491	60%
2010	$ 8,695,906	122%
2009	$ 8,346,141	150%

Continued

Clerk of the Circuit and County Courts
Other Postemployment Benefit Plan

Schedule of Funding Progress

	Actuarial Valuation Dates		
	09/30/11	09/30/10	09/30/08
Actuarial Value of Assets [a]	$ 263,139	$ 269,522	$ -
Actuarial Accrued Liability (AAL) - Entry Age [b]	$ 6,257,734	$ 8,028,931	$ 7,236,488
Unfunded AAL (UAAL) [b-a]	$ 5,994,595	$ 7,759,409	$ 7,236,488
Funded Ratio [a/b]	4.2%	3.4%	-
Covered Payroll [c]	$ 19,993,723	$ 20,680,120	$ 23,483,981
UAAL as a Percentage of Covered Payroll [(b-a)/c]	30.0%	37.5%	30.81%

No actuarial valuation was performed on 09/30/09.

Schedule of Employer Contributions

	Employer Contributions	
Year Ended September 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	$ 496,444	71%
2010	$ 648,104	57%
2008	$ 654,066	63%

Continued

Orange County Library District
Other Postemployment Benefit Plan

Schedule of Funding Progress

	Actuarial Valuation Dates		
	01/01/11	01/01/10	01/01/09
Actuarial Value of Assets [a]	$ 5,310,458	$ 3,752,368	$ 2,279,171
Actuarial Accrued Liability (AAL) - Entry Age [b]	$ 13,104,739	$ 12,718,657	$ 10,828,223
Unfunded AAL (UAAL) [b-a]	$ 7,794,281	$ 8,966,289	$ 8,549,052
Funded Ratio [a/b]	40.52%	29.50%	21.05%
Covered Payroll [c]	$ 9,257,137	$ 10,073,519	$ 11,267,371
UAAL as a Percentage of Covered Payroll [(b-a)/c]	84.20%	89.01%	75.87%

Schedule of Employer Contributions

	Employer Contributions	
Year Ended September 30	**Annual Required Contribution (ARC)**	**Percentage of ARC Contributed**
2009	$ 1,124,658	100%
2010	$ 1,392,656	100%
2011	$ 1,469,302	100%

*Plan is on a calendar year. The District made its required contributions based on the calendar year.

ORANGE COUNTY
GOVERNMENT
FLORIDA

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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Following is a summary of certain provisions of the Master Resolution, as supplemented and amended, and Resolution No. 2012-B-02 (collectively, the "Resolution") and does not purport to be a complete statement thereof. Reference is made to the Master Resolution and Resolution No. 2012-B-02 for a complete statement of the terms thereof.

Definitions. As used herein, the following terms shall have the meanings indicated below unless the context clearly requires otherwise:

"Accreted Value" means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond, compounded periodically, to the date of calculation, determined by reference to the accretion tables contained in such Capital Appreciation Bond or contained or referred to in the resolution providing for the issuance of such Capital Appreciation Bonds, such interest to accrue at a rate not exceeding the legal rate as set forth in the resolution of the Board providing for the issuance of such Capital Appreciation Bonds. The Accreted Value of such Capital Appreciation Bonds as of any date not stated in such tables shall be calculated by adding to the Accreted Value for such Capital Appreciation Bonds as of the last date stated in such tables immediately preceding the date of calculation, a portion of the difference between the Accreted Value as of such preceding date and the Accreted Value as of the date shown on the tables immediately succeeding the date of computation, calculated based on the assumption that Accreted Value accrues in equal daily amounts on the basis of a year of twelve 30 day months.

"Act" means Article III, Section 1 of the Constitution of the State of Florida, Chapter 125. Florida Statutes, Part VI of Chapter 218, Florida Statutes, the Ordinance and other applicable provisions of law.

"Appreciated Value" means (i) as of any date of computation with respect to any Capital Appreciation and Income Bond up to the Interest Commencement Date set forth in the resolution of the Board providing for the issuance of such Bond, an amount equal to the principal amount of such Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation and Income Bond, compounded periodically, to the date of calculation, determined by reference to the accretion tables contained in such Capital Appreciation Income Bonds or contained or referred to in the resolution providing for the issuance of such Capital Appreciation and Income Bonds, such interest to accrue at a rate not exceeding the legal rate as set forth in the resolution of the Board providing for the issuance of such Capital Appreciation and Income Bonds. The Appreciated Value of such Capital Appreciation and Income Bonds as of any date not stated in such tables shall be calculated by adding to the Appreciated Value for such Capital Appreciation and Income Bonds as of the last date stated in such tables immediately preceding the date of calculation, a portion of the difference between the Appreciated Value as of such immediately preceding date and the Appreciated Value as of the date shown on the tables immediately succeeding the date of calculation, calculated based upon an assumption that Appreciated Value accrues in equal daily amounts on the basis of a year of twelve 30 day months and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

"Bonds" and "Sales Tax Revenue Bonds" mean the Sales Tax Revenue Bonds secured by the Resolution, which title may include additional descriptive terms including reference to "Refunding Bonds." "Bonds" also includes Parity Bonds.

"Bondholder" means the bearer of any Bond which is not registered as to principal and means the registered owner of any Bond which is registered as to principal or as to principal and interest.

"Bond Service Requirement" means a monthly payment, due on or before the 15th day of each month, in the amount of one sixth of the interest falling due on the interest payment date next succeeding the date that such Bond Service Requirement is due (less any amount on deposit in the Interest Account designated by the County for use as capitalized interest for such period) plus one twelfth of the Principal Requirement falling due during the then current Sinking Fund Year and shall further include, in the case of the issuance of Variable Rate Bonds, the interest falling due in such month calculated in accordance with the assumptions provided by the resolution authorizing the issuance of such Variable Rate Bonds.

For all purposes of the Resolution, if, with respect to any series or portion of a series of Bonds, the County enters into a Qualified Swap Agreement providing for payments to the County which are pledged to the payment of interest on such Bonds in an amount equal to interest on a notional amount equal to the principal amount of such Bonds Outstanding, based upon a fixed rate or a variable index or formula different from that used to calculate interest on such Bonds and provided that the conditions of the Resolution shall have been satisfied, then the effective rate of interest to the County with respect to such Bonds taking into account (i) the actual interest rate borne by such Bonds, (ii) payments to be received by the County pursuant to such agreement and (iii) payment obligations of the County to the counterparty under the Qualified Swap Agreement, all based upon interest on such notional amount as determined by reference to a fixed rate or variable index or formula, shall be used for purposes of this definition as the actual rate of interest with respect to such Bonds. If, however, the applicable agreement ceases to constitute a "Qualified Swap Agreement" providing for "Qualified Swap Payments" in accordance with the terms of the Resolution, the assumptions provided by this paragraph shall not be used with respect to any calculations made after the time the agreement ceased to comply with such requirements.

If two series of Variable Rate Bonds, or two maturities within a series, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Bonds taken as a whole and such series or maturities are required to be outstanding in equal principal amounts, such composite fixed rate shall be used in determining the Bond Service Requirement with respect to such Bonds.

"Capital Appreciation Bonds" means any Bonds issued under the Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date therefor, all as so designated by subsequent proceedings of the Board relating to the issuance thereof, and which may be either Serial Bonds or Term Bonds.

"Capital Appreciation and Income Bonds" means any Bonds issued under the Resolution as to which accruing interest is not paid prior to the Interest Commencement Date specified in the resolution authorizing such Bonds and the Appreciated Value for such Bonds is compounded periodically on certain designated dates prior to the Interest Commencement Date for such series of Capital Appreciation and Income Bonds, all as so designated by subsequent proceedings of the Board relating to the issuance thereof and which may be either Serial Bonds or Term Bonds.

"County" means Orange County, Florida, as it now exists and may from time to time exist.

"County Comptroller" means the person holding the office of County Comptroller of Orange County, Florida or, in case such office is abolished, such successor officer of Orange County as shall have primary responsibility for the duties performed by the County Comptroller under Florida law existing upon the date of the Resolution.

"Credit Facility" means an irrevocable letter of credit, policy of municipal bond insurance, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on any series or portion of a series of Bonds.

"Designated Series Bond Reserve Account" means the separate bond reserve account established pursuant to the Resolution with respect to the Bonds and any subsequent series of Bonds hereafter issued and designated by resolution of the County adopted prior to the issuance thereof to be secured by the Designated Series Bond Reserve Account.

"Designated Series Bond Reserve Account Requirement" means an amount equal to the least of (i) the Maximum Annual Debt Service calculated with respect to all series of Bonds Outstanding that are secured by the Designated Series Bond Reserve Account, (ii) 125% of the average aggregate annual Principal Requirement and Interest Requirement calculated with respect to all series of Bonds Outstanding that are secured by the Designated Series Bond Reserve Account, or (iii) 10% of the aggregate stated original principal amount of all series of Bonds Outstanding that are secured by the Designated Series Bond Reserve Account, provided, however, that in determining the aggregate stated original principal amount of Bonds Outstanding for purposes of this clause (iii), the issue price of Bonds (net of pre issuance accrued interest) shall be substituted for the original stated principal amount of those Bonds if such Bonds were sold at either an original issue discount or premium exceeding two percent (2%) of the stated redemption price at maturity.

"Event of Default" means one of those events defined as such in the section of the Resolution governing Events of Default and remedies.

"Fiscal Year" means the 12 month period used by the County for its general accounting purposes as the same may be changed from time to time, said fiscal year currently extending from October 1 to September 30.

"Independent Certified Public Accountant" means a firm of certified public accountants none of whom is in the regular employ of the County on a salary basis.

"Insurer" means a firm in the business of insuring the risk of payment of principal of and interest on any series or portion of a series of Bonds when due or of providing a Reserve Account Insurance Policy. Such insurer shall further be a firm rated, at the time of issuance of any such bond insurance policy or Reserve Account Insurance Policy, in any of the three highest rating categories of both Moody's Investors Service, or any successors thereof, and Standard & Poor's Corporation, or any successors thereof.

"Interest Commencement Date" means, with respect to any particular Capital Appreciation and Income Bonds, the date specified in the resolution providing for the issuance of such Bonds, (which date must be prior to the maturity date for such Bonds) after which interest accruing on such Bonds shall be payable semi annually or otherwise on a periodic basis prior to maturity, with the first such payment date being the applicable interest payment date immediately succeeding such Interest Commencement Date.

"Interest Requirement" means the amount of interest falling due on Bonds during any given Sinking Fund Year less any amounts on deposit in the Interest Account designated by the County to be used for capitalized interest for such Fiscal Year. In calculating the Interest Requirement, the assumptions provided in the definition of "Bond Service Requirement" with respect to Qualified Swap Payments and inverse floating rate bonds shall be applied.

"Investment Earnings" means all interest received on and profits derived from investments made with Pledged Revenues or any money in the accounts specified in the Sales Tax Trust Fund.

"Liquidity Facility" means a letter of credit, line of credit, policy of municipal bond insurance, guaranty, purchase agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of Put Bonds upon their tender by the holders of Put Bonds.

"Maximum Annual Debt Service" means an amount of money equal to the highest current or future aggregate annual Principal Requirement and Interest Requirement of all Outstanding Bonds to fall due in any Sinking Fund Year, including and subsequent to the Sinking Fund Year in which falls the date of computation. In making this computation if any Bonds are subject to mandatory redemption prior to maturity, the amount of Bonds to fall due on any date shall be deemed to be that amount to be mandatorily redeemed on that date and the amount of Bonds maturing on any date shall not include that amount of said Bonds which are required to have previously been redeemed prior to maturity, except in case of uncured default in such mandatory redemption.

The following rules shall apply in determining the amount of the Maximum Annual Debt Service for any period:

(i) The interest rate on Variable Rate Bonds shall be assumed to be the maximum interest rate such Variable Rate Bonds are permitted to bear as provided in the resolution authorizing the issuance of such Variable Rate Bonds.

(ii) In the case of Put Bonds, the "put" date or dates shall be ignored if the source for payment of said "put" is a Credit Facility or a Liquidity Facility and the stated dates for amortization requirements of Term Bonds and principal payments shall be used unless the provider of such Credit Facility or Liquidity Facility is not, at the time of the applicable calculation, rated in one of the two highest rating categories by Moody's Investors Service and Standard & Poor's Corporation or repayment of amounts drawn for the payment of the principal portion of the purchase price is required, under the terms of the applicable Credit Facility or Liquidity Facility, to be made within one year of the drawing, in which case the maximum purchase price shall at all times be treated as debt service on such Put Bonds. In the case of Bonds secured by a Credit Facility or a Liquidity Facility, the terms of the reimbursement obligation to the issuers thereof shall be ignored and the stated dates for amortization requirements for Term Bonds and principal payments shall be used; provided, however, that during any period of time after the issuer of a Credit Facility or a Liquidity Facility has advanced funds thereunder, the reimbursement obligation of which is payable from and secured on a parity with the Bonds and before such amount is repaid, Maximum Annual Debt Service shall include the principal amount so advanced and interest thereon, in accordance with the principal repayment schedule and interest rate or rates specified in the Credit Facility or Liquidity Facility, in lieu of the stated principal of and amortization requirements of Term Bonds and interest on such Bonds;

(iii) In the case of Capital Appreciation Bonds, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds becoming due at maturity or by virtue of any amortization requirement shall be included in the calculations of accrued and unpaid Maximum Annual Debt Service in the year in which said principal and interest portions are due and payable;

(iv) In the case of Capital Appreciation and Income Bonds, the principal and interest portion of the Appreciated Value of Capital Appreciation and Income Bonds shall be included in the calculations of accrued and unpaid Maximum Annual Debt Service in the year in which said principal and interest portions are due and payable;

(v) If all or a portion of the principal of or interest on a series of Bonds is payable from funds irrevocably set aside or deposited for such purpose, together with projected earnings thereon to the extent such earnings are projected to be from Qualified Permitted Investments, such principal or interest shall not be included in determining Maximum Annual Debt Service; and

(vi) The assumptions provided in the definition of "Bond Service Requirement" with respect to Qualified Swap Payments and inverse floating rate bonds shall be applied.

"Outstanding" refers to all obligations of the class concerned which shall have been issued and delivered with the exception of (a) obligations in lieu of which other obligations have been issued under agreement to replace lost, mutilated or destroyed obligations, and (b) which have been paid or for the payment of which provision has been made under the Resolution.

"Parity Bonds" mean obligations ranking on a parity with the Sales Tax Revenue Bonds under the Resolution.

"Permitted Investments" means, to the extent from time to time permitted by law and to the extent consistent with the County's investment policies as in effect from time to time:

(A) the following investments are further defined as "Qualified Permitted Investments": (i) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America; (ii) stripped interest obligations on bonds, notes, debentures and similar obligations issued by Resolution Funding Corporation; (iii) obligations of any state of the United States of America or any political subdivision, public instrumentality or public authority of any such state which are not subject to redemption prior to the date on which the proceeds attributable to the principal of the obligations are to be used and which are fully secured by and payable solely from obligations described in clauses (i) or (ii) above, and are rated in the highest rating categories of both Moody's Investors Service, or any successor thereof, and Standard & Poor's Corporation, or any successor thereof; and (iv) evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in (i) above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described above, and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; provided that the Permitted Investments described in clauses (ii), (iii) and (iv) above shall constitute Qualified Permitted Investments only with respect to those series of Bonds initially issued on or after September 1, 1993;

(B) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States agencies, provided such obligations are backed by the full faith and credit of the United States Government; guaranteed mortgage backed bonds, collateralized mortgage obligations and guaranteed pass through obligations of the Government National Mortgage Corporation; mortgage backed securities, collateralized mortgage obligations and senior debt obligations of the Federal National Mortgage Association; and participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; bonds, debentures, notes or other evidence of indebtedness issued by the Federal Farm Credit Bank and the Student Loan Marketing Association. ("Agency Obligations");

(C) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service, or any successors thereof, and "A-" better by Standard & Poor's Corporation, or any successors thereof, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service, or any successors thereof, and "A-" or better by Standard & Poor's Corporation, or any successors thereof;

(D) commercial paper rated "Prime l" by Moody's Investors Service, or any successors thereof, and "A-1" or better by Standard & Poor's Corporation, or any successors thereof;

(E) deposits, Federal funds or bankers acceptance of any domestic bank, including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch or such bank, which:

1. has an unsecured, uninsured and unguaranteed obligation rated "Prime l," or "A3" or better by Moody's Investors Service, or any successors thereof, and "A-1" or "A-" or better by Standard & Poor's Corporation, or any successors thereof, or

2. is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in (1) above;

(F) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are fully insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or are secured pursuant to the Florida Security for Public Deposits Act;

(G) investments in a money market fund rated "Am" or "Am G" or better by Standard & Poor's Corporation, or any successors thereof and "Aaa" or better by Moody's Investors Service, or any successors thereof;

(H) repurchase agreements with a term of one year or less with any institution with debt rated "AA" or commercial paper rated "A-" or better (in each case by Standard & Poor's Corporation, or any successors thereof) and with debt rated Aa or commercial paper rated Prime 1 or better (in each case by Moody's Investors Service, or any successors thereof);

(I) repurchase agreements collateralized by Qualified Permitted Investments or Agency Obligations with any registered broker/dealer subject to the jurisdiction of the Securities Investors' Protection Corporation or any commercial bank, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "Prime l" or "A3" or better by Moody's Investors Service, or any successors thereof, and "A-l" or "A-" or better by Standard & Poor's Corporation, or any successors thereof, provided:

1. a master repurchase agreement or specific written, repurchase agreement governs the transaction, and

2. the securities shall be held free and clear of any lien by the County or an independent third party acting solely as agent for the County and such

third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $25 million, or (iii) a bank approved in writing for such purpose by each municipal bond insurance company insuring the Bonds and the County shall have received written confirmation from such third party that it holds such securities free and clear of any lien, as agent for the County, and

3. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et. seq. or 31 C.F.R. 350.0 et. seq. in such securities is created for the benefit of the County, and

4. the repurchase agreement has a term of thirty days or less, or the County will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation, and

5. the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%;

(J) investment agreements with a bank or insurance company which has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated "A3" or better by Moody's Investors Service, or any successor thereof, and "A-" or better by Standard & Poor's Corporation, or any successors thereof, or is the lead bank or a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, provided:

1. interest is paid at least semi annually at a fixed rate during the entire term of the agreement, consistent with bond payment dates, and

2. moneys invested thereunder may be withdrawn without any penalty, premium, or charge upon not more than one day's notice (provided such notice may be amended or canceled at any time prior to the withdrawal date), and

3. the agreement is not subordinated to any other obligations of such insurance company or bank, and

4. the same guaranteed interest rate will be paid on any future deposits made to restore the reserve to its required amount, and

5. the County receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company or bank;

(K) investments in the Florida Local Government Surplus Funds Trust Fund; and

(L) investments in the Florida Counties Investment Trust Fund.

"Pledged Revenues" means "Sales Tax Proceeds" and "Investment Earnings."

"Principal Paying Agent" means a bank to be named as such with respect to a series of Bonds by a subsequent resolution to be adopted by the Board prior to the delivery of each series of Bonds. Said bank shall also act as Registrar for such series of Bonds. The Bank of New York Mellon Trust Company, N.A. is the initial Principal Paying Agent with respect to the Bonds.

"Principal Requirement" means the sum of the following (excluding all amounts of principal for the payment of which provision has been made): (a) the principal amount of Serial Bonds (including Parity Bonds) maturing in a given Sinking Fund Year and (b) the amount of principal of Term Bonds (including Parity Bonds) required to be redeemed at or prior to maturity pursuant to a mandatory redemption feature in that Sinking Fund Year.

"Qualified Swap Agreement" means an agreement between the County and a counterparty rated at all times at least "A " by Standard & Poor's Corporation and "A3" by Moody's Investors Service, creating Qualified Swap Payments, the term of which will not under any circumstances exceed ten (10) years unless a longer term is approved by Financial Guaranty Insurance Company, as the issue of a Credit Facility with respect to a portion of Bonds.

"Qualified Swap Payment" shall mean a payment obligation created by a Qualified Swap Agreement, such as an interest rate swap, collar, cap or other functionally similar agreement, such payment being equal to interest on a notional amount, based upon a fixed or a variable rate index or formula; provided that the payments by such counterparty under such agreement are used in the calculation of Bond Service Requirement. Qualified Swap Payments include only payments under a Qualified Swap Agreement determined by reference to interest on a notional amount and exclude all other payments under such agreement (for example any termination fee, indemnification obligations or other fees payable to the counterparty).

"Reserve Account Insurance Policy" means the insurance policy, surety bond or other acceptable evidence of insurance, if any, held for the credit of the Bond Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein. The insurer providing such insurance policy, surety bond or other acceptable evidence of insurance shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues result in such issues being rated in any of the three highest rating categories of both Moody's Investors Service, or any successors thereof, and Standard & Poor's Corporation, or any successors thereof.

"Reserve Account Letter of Credit" means the irrevocable, transferable letter of credit, if any, held for the credit of the Bond Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein. The issuer providing such letter of credit shall be a banking association, bank or trust company or branch thereof rated, at the time of crediting such letter of credit to the Bond Reserve Account, in any of the three highest rating categories of both Moody's Investors Service, or any successors thereof, and Standard & Poor's Corporation, or any successors thereof.

"Sales Tax" means the local government half cent sales tax imposed by Chapter 82-154 Laws of Florida, as amended, and to be distributed to the County under Part VI of Chapter 218, Florida Statutes.

"Sales Tax Proceeds" means that portion of the local government half cent sales tax distributed monthly to the County from the Local Government Half Cent Sales Tax Clearing Trust Fund of the State Treasury created under Section 218.61(3), Florida Statutes. Said term shall not include sales tax revenues distributed to the County from the Discretionary Sales Tax Clearing Trust Fund pursuant to Sections 212.054 and 212.055, Florida Statutes, however said term shall include any larger portion distributed to the County under Section 218.61(3), Florida Statutes or similar statute if and to the extent that (i) legislation is hereafter adopted permitting the pledging of such money in the manner herein provided, and (ii) a resolution is adopted by the Board of County Commissioners determining that such increased amount shall be included within the definition of "Sales Tax Proceeds."

"Serial Bonds" means Bonds which mature serially and are to be paid at maturity from current income rather than from an accumulated sum to be held in a sub account within the Principal Account or pursuant to mandatory call for redemption.

"Sinking Fund Year" means a 12 month period beginning January 2 of a calendar year and ending on the next succeeding January 1.

"Term Bonds" means Bonds which mature on one date yet the major part of which shall be subject to retirement by mandatory redemption or purchase prior to maturity or through payment from a sub account established for such purpose in the Principal Account.

"Variable Rate Bonds" means Bonds issued with a variable, adjustable, convertible or similar interest rate which is not fixed at the date of issue for the term thereof, but which may or may not be convertible to a fixed interest rate for the remainder of their term.

Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Resolution to Constitute Contract.

Upon and in consideration of the acceptance of the Bonds by the registered owners thereof, the Resolution, shall be deemed to be and shall constitute a contract between the County and the Bondholders. The covenants and agreements set forth and in the Resolution to be performed by the County shall be for the equal and proportionate benefit, protection and security of the Bondholders and the Bondholders of all other Bonds Outstanding or to be Outstanding under the Resolution and the Bonds and such other Bonds issued and Outstanding or to be Outstanding pursuant to the Resolution shall be of equal rank, without preference, priority or distinction over any other thereof, except as expressly provided in the Resolution. All of the covenants in the Resolution will apply to the Bonds.

Lost and Mutilated Bonds.

In case any Bond shall become mutilated or be destroyed or lost, the County will, if not then prohibited by law, cause to be executed, authenticated and delivered a new Bond of like date, number, maturity and tenor, in exchange and substitution for and upon cancellation of such mutilated Bond and its interest coupons, or in lieu of and in substitution for such Bond and its coupons destroyed or lost, upon the holder or owner paying the reasonable expenses and charges in connection therewith, and in the case of a Bond destroyed or lost, filing with the Registrar evidence satisfactory to said Registrar and the County that such Bond and coupons were destroyed or lost and of the ownership thereof, and furnishing indemnity satisfactory to the Registrar and the County.

Payment Provisions.

Principal of and premium, if any, on the Bonds shall be payable when due upon presentation and surrender of the Bonds at the designated corporate trust office of the Bond Registrar for the Bonds. Interest on the Bonds shall be paid when due by check or draft drawn upon the Paying Agent for the Bonds and mailed to the registered owners of the Bonds at the addresses as they appear on the registration books maintained by the Bond Registrar for the Bonds at the close of business on the fifteenth day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such interest payment date, unless the County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names such Bonds are registered at the close of business on a special record date for the payment of such defaulted interest as established by notice deposited in the U.S. Mails, postage prepaid, by the County to the registered owners of Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a business day) preceding the date of mailing.

Notwithstanding the foregoing, or anything provided in the Resolution to the contrary, a registered owner of $1,000,000 or more in principal amount of a series of the Bonds may provide for payment of principal, redemption price and interest with respect to the Bonds of such series by wire transfer in immediately available funds on the applicable payment date by written request submitted (i) in the case of principal or redemption price, to the Bond Registrar and Paying Agent with the presentation and surrender of the Bonds to be paid, and (ii) in the case of interest, to the Bond Registrar and Paying Agent, at least fifteen (15) business days prior to the applicable Record Date, specifying the account number, address and other relevant information as may be reasonably required by the Bond Registrar and Paying Agent. In the case of interest, the notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice. Each payment of interest, principal and premium, whether by check or by wire transfer shall include or be accompanied by a statement of the CUSIP number and amount of the payment pertaining to each CUSIP number (if more than one CUSIP number).

Transfer Provisions.

The registration of the Bonds may be transferred upon the registration books upon delivery to the principal office of the Bond Registrar for the Bonds, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the owner of such Bond or by his attorney in fact or legal representative, containing written instructions as to the details of transfer of such Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Bond Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same series and maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same sources of funds. Neither the County nor the Bond Registrar for the Bonds shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month next preceding an interest payment date on the Bonds and ending on such interest payment date or, in the case of any proposed redemption of a Bond, after such Bond or any portion thereof has been selected for redemption. The County and the Bond Registrar for the Bonds may charge the owner of such Bond for the registration of every such transfer of a Bond sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the County) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered. The County, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner of such Bond for purposes of receiving payment of the principal thereof and interest and premiums, if any, thereon.

Flow of Funds.

Sales Tax Trust Fund and Accounts Therein. Pursuant to the Resolution, there is created a special fund of the County to be known as the "Sales Tax Trust Fund" (for which the County Comptroller shall act as trustee) which shall comprise the following accounts and such additional accounts as the County may from time to time determine:

(a) The Interest Account which shall be applied by the County to the payment of currently maturing interest on the Bonds and Qualified Swap Payments when due.

(b) The Principal Account which shall be applied by the County to the payment of principal of the Bonds when due. Said Principal Account shall contain the following sub accounts and such other sub accounts as may be authorized by supplemental resolution providing for the issuance of Bonds:

(i) The Serial Bonds Subaccount, the money in which shall be applied to the payment of Serial Bonds (Sales Tax Revenue Bonds and Parity Bonds) as and when the same become due.

(ii) The Term Bonds Subaccount, the money in which shall be used to redeem Term Bonds (Sales Tax Revenue Bonds and Parity Bonds) prior to maturity or at maturity pursuant to any sinking fund requirements appearing in the supplemental resolution providing for the issuance of such Bonds.

(c) The Bond Reserve Account which shall be applied by the County to remedy any deficiency, first in the Interest Account and then in the Principal Account, and which may otherwise be used only to provide for the payment of principal, interest and redemption premiums, if any, on the Bonds and Qualified Swap Payments upon provision for the payment of all of the Bonds at the time Outstanding.

All of the Sales Tax Proceeds shall be, and any other money derived by Orange County under Chapter 82 154, Laws of Florida, as amended, (Part VI of Chapter 218, Florida Statutes) or successor legislation may, upon designation as Sales Tax Proceeds as provided in the definition of such term, be deposited in the Sales Tax Trust Fund, as received.

All Qualified Swap Payments received by the County shall be deposited into the Interest Account as received.

Flow of Funds. All money in the Sales Tax Trust Fund shall from time to time as collected be applied as hereinafter described:

(a) Sales Tax Trust Fund. Money in the Sales Tax Trust Fund shall be applied by the County monthly as received as follows: First, to satisfaction of the monthly Bond Service Requirement by transfer into the Interest Account and the Principal Account. Second, to payments into the Bond Reserve Account and to any separate bond reserve accounts established pursuant to paragraph (c) below in the amounts hereinafter more specifically required. Third, to the payment of obligations described in paragraph (d) below accruing in such month. Fourth, to the payment of amounts required to be paid with respect to obligations of the County secured by a lien on the Sales Tax Proceeds junior and subordinate to the lien thereon in favor of the Bonds. Fifth, to the transfer of all remaining money in the Sales Tax Trust Fund, after the aforementioned requirements have been satisfied, to the County for application by the County as provided in paragraph (f) below.

(b) Bond Service Accounts. The Bond Service Accounts shall comprise the Interest Account and the Principal Account. Money in the Interest Account shall be used to pay interest on all Outstanding Bonds (including Sales Tax Revenue Bonds and Parity Bonds) by the County and Qualified Swap Payments, when due, without preference or distinction. Separate subaccounts may, but need not, be established within the Interest Account for particular groups of Bonds (whether Sales Tax Revenue Bonds or Parity Bonds). Money in the Principal Account shall be used by the County to pay principal of the Bonds when due at maturity or pursuant to mandatory call for redemption prior to maturity as provided in the Resolution. Separate subaccounts may, but need not, be established within the Principal Account for particular groups of Bonds (whether Sales Tax Revenue Bonds or Parity Bonds). Money in the Principal Account shall be applied by the County on a parity basis pro rata when received in said account to the satisfaction of the Principal Requirements of all Bonds then Outstanding. A deposit in a subaccount for a particular group of Bonds maturing in a future Sinking Fund Year shall be the equivalent of a deposit elsewhere in the Principal Account for Bonds maturing or subject to mandatory redemption in the then current Sinking Fund Year for purposes of the preceding sentence. Money in a subaccount established for any particular group of Bonds shall not be used for the payment of any other Bonds unless provision shall have been made for the payment of all of the Bonds for which such subaccount is established. The County shall transfer, first from Investment Earnings and then from the Sales Tax Trust Fund into the Bond Service Accounts in each Sinking Fund Year at least such amount as will be fully sufficient to assure the prompt payment of the annual Interest Requirement and the Principal Requirement of the Bonds and Qualified Swap Payments. The amounts to be paid into such accounts in each Sinking Fund Year shall, as nearly as may be practicable, be paid in monthly installments on or before the fifteenth day of each month beginning on the fifteenth day in the first full month following the delivery of any of the Bonds. Each such monthly installment must be sufficient to satisfy the Bond Service Requirement for that month and shall be at least equal to the sum of the following:

(i) One sixth (1/6) of the interest falling due on the Bonds on the next succeeding interest payment date and any Qualified Swap Payments accruing in such month, to be paid into the Interest Account;

(ii) One twelfth (1/12) of any annual installment of principal of Bonds not payable from a special subaccount falling due (whether at maturity or upon mandatory call for redemption) during the current Sinking Fund Year, to be paid into the Principal Account; and

(iii) One twelfth (1/12) of the amount of all contributions required to be made during the current Sinking Fund Year into every subaccount in the Principal Account established for a particular group or groups of Bonds payable from such subaccount, to be paid into each such subaccount.

Provided, however, that in the event the County has issued Variable Rate Bonds or other Bonds with respect to which interest is payable on other than a semiannual basis, moneys from the Sales Tax Trust Fund shall be deposited at such other or additional times and in such amounts as necessary to pay the interest falling due on the Variable Rate Bonds or such other Bonds, in the manner provided in the resolution authorizing such Variable Rate Bonds or such other Bonds.

Nevertheless, during each Sinking Fund Year, such greater proportions as may be required shall be paid into said accounts when and if needed to make up the amount of interest due on any Bonds on the next succeeding interest payment date, the amount of any Qualified Swap Payment due and payable and the Principal Requirement next falling due. If for any reason there shall be a failure in any month to make all or any part of this prescribed transfer and payment, the amount of the deficiency shall be added to the prescribed transfer and payment in the succeeding month or months. No further payments need be made into said Bond Service Account whenever and so long thereafter as the amount then held therein, when added to the amount in the Bond Reserve Account, is sufficient to retire all Bonds then Outstanding and pay all unpaid interest to accrue on and prior to such retirement and all Qualified Swap Payments. Only such amounts on deposit in the Bond Service Accounts allocable to the Bonds to be redeemed may be used or applied to the optional redemption of Bonds prior to maturity.

Notwithstanding the foregoing or any other provisions herein to the contrary, if any amount applied to the payment of principal of, premium, if any, or interest on the Bonds that would have been paid from the Bond Service Account, is paid instead under a Credit Facility or a Liquidity Facility, amounts deposited in the Bond Service Account may be paid, to the extent required, to the issuer of the Credit Facility or Liquidity Facility having theretofore made said corresponding payment; provided, however, that there shall only be drawn from the Bond Service Account for reimbursement to the issuer of any such Credit Facility or Liquidity Facility the actual amount drawn under the Credit Facility or Liquidity Facility.

(c) Bond Reserve Account. For the purpose of assuring adequacy of funds for the payment of interest on and principal of the Bonds and Qualified Swap Payments as and when the same become due, the Bond Reserve Account is established and shall be maintained pursuant to the Resolution. Upon the delivery of each series of Bonds, a sum, which together with amounts then on deposit therein, shall equal the Maximum Annual Debt Service with respect to all series of Bonds Outstanding with respect to which a separate bond reserve account has not been established as provided below, shall be deposited in the Bond Reserve Account; or, as provided below, the County may establish a separate bond reserve account with respect to such series of Bonds and designate the funding requirements with respect thereto by subsequent resolution providing for the issuance of such series of Bonds. The amount required to be maintained on deposit in the Bond Reserve Account shall be recalculated in the event that Qualified Swap Payments taken into account in the calculation of such amount do not, at any time, meet the requirements of the definition of that term provided in the Resolution in accordance with the definition of Maximum Annual Debt Service. To the extent necessary to remedy any deficiency in the Bond Reserve Account or in any separate bond reserve account established as provided below, commencing with the first full month following delivery of any of the Bonds, on the fifteenth day of each month, subject only to making the required monthly payments into the Interest Account and the Principal Account, there shall be paid into the Bond Reserve Account and any such separate bond reserve accounts, by the County either from any available moneys in the Sales Tax Trust Fund not required for the Interest Account or the Principal Account or from any other legally available moneys whatever amount in the aggregate may be required to accumulate and maintain in said Bond Reserve Account an amount equal to the Maximum Annual Debt Service as provided above, and with respect to any such separate bond reserve account, the amount required to be maintained therein, whether any deficiency in the Bond Reserve Account or any such separate Bond Reserve Account is caused by expenditures therefrom or decreases in the value of investments therein or for any other reason. The amount of the deposit to each of the Bond Reserve Account and the separate bond reserve accounts to cure deficiencies therein shall be equal the Proportionate Deficit Payment with respect to each such account. "Proportionate Deficit Payment" shall be calculated by multiplying the deficit in the Bond Reserve Account or a given separate bond reserve account, as the case may be, by a fraction, the numerator of which is the amount available to remedy deficits in the Bond Reserve Account and all separate bond reserve accounts and the denominator of which is the aggregate deficit or deficits in the Bond Reserve Account and all separate bond reserve accounts. Whenever for any reason the amount in the Interest Account or the Principal Account is insufficient to meet the total Interest Requirement and Principal Requirement falling due on the Bonds within the next succeeding two business days, the County shall transfer money in the amount of such deficiency from the Bond Reserve Account into the Interest Account or the Principal Account as the case may be, with priority to transfers to the Interest Account.

Notwithstanding the foregoing, the County may establish a separate bond reserve account for any series of Bonds or Parity Bonds issued subsequent to the adoption of the Resolution. To the extent any series of Bonds Outstanding shall be secured by a separate bond reserve account, each such bond reserve account shall contain an amount which is not less than (A) the lesser of (1) ten percent (10%) of the proceeds of such series of Bonds, (2) 125% of the average annual debt service requirements with respect to such series of Bonds and (3) the Maximum Annual Debt Service with respect to such series of Bonds, or (B) such lesser amount authorized by subsequent resolution of the County authorizing the issuance of such Bonds, provided that prior to designating such lesser amount the County shall receive confirmation from Moody's Investors Service and Standard & Poor's Corporation that designation of such lesser amount will not result in the reduction or withdrawal of the existing ratings with respect to any Bonds then Outstanding. Any such separate bond reserve account may contain either invested cash or an insurance policy or any other form of security deemed advisable by the County and the purchasers of such subsequent series of Bonds or Parity Bonds. If such a separate bond reserve account is created with respect to one or more series of Bonds, such separate bond reserve account shall secure only the series of Bonds with respect to which it is created and shall not be available to cure deficiencies in the Bond Service Accounts with respect to any other series of Bonds; and such series of Bonds shall have no claim on or right to payment from the Bond Reserve Account or any other separate bond reserve account created with respect to other series of Bonds.

Notwithstanding the foregoing provisions, in lieu of or in substitution for the required deposits into the Bond Reserve Account, or separate bond reserve accounts, the County may cause to be held for the credit of the Bond Reserve Account or such separate bond reserve accounts, a Reserve Account Insurance Policy or a Reserve Account Letter of Credit for the benefit of the holders of the Bonds Outstanding in an amount equal to the difference between the Maximum Annual Debt Service or reserve requirement provided therefor, and the sums then on deposit in the Bond Reserve Account or such separate bond reserve account, if any, which Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be payable or available to be drawn upon as the case may be (upon the giving of notice as required thereunder) on any interest payment date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to the Resolution and available for such purpose. If a disbursement is made under the Reserve Account Insurance Policy or the Reserve Account Letter of Credit, the County shall be obligated to either reinstate the maximum limits of such Reserve Account Insurance Policy or Reserve Account Letter of Credit immediately following such disbursement or to deposit into the Bond Reserve Account or such separate bond reserve account, from the Sales Tax Trust Fund, as herein provided, funds in the amount of the disbursements made under such Reserve Account Insurance Policy or Reserve Account Letter of Credit, or a combination of such alternatives.

Designated Series Bond Reserve Account.

Pursuant to the Resolution, there is established within the Sales Tax Trust Fund a separate bond reserve account to be known as the "Designated Series Bond Reserve Account." The Designated Series Bond Reserve Account shall secure only the Bonds and any series of Bonds hereafter issued that the County shall designate by resolution adopted prior to the issuance thereof to be secured by the Designated Series Bond Reserve Account and, if designated by the County, any Qualified Swap Payments with respect to such Bonds.

So long as the Pledged Revenues for each Fiscal Year equal or exceed 300% of the Maximum Annual Debt Service for all Bonds Outstanding as of the end of such Fiscal Year, the County shall not be required to fund the Designated Series Bond Reserve Account. If for any Fiscal Year the Pledged Revenues are less than 300% of the Maximum Annual Debt Service, the County shall be obligated to fund and maintain in the Designated Series Bond Reserve Account an amount equal to the Designated Series Bond Reserve Account Requirement. The Designated Series Bond Reserve Requirement may be funded with cash, Permitted Investments maturing as required by the Resolution, or one or more Reserve Account Insurance Policies or Reserve Account Letters of Credit, or any combination thereof.

Except as provided below with respect to the issuance of additional Parity Bonds resulting in the Pledged Revenues for a Fiscal Year being less than 300% of Maximum Annual Debt Service, if at any time the County is required to fund the Designated Series Bond Reserve Account pursuant to the preceding paragraph, the Designated Series Bond Reserve Account Requirement may be funded in up to thirty six (36) equal consecutive monthly deposits, commencing not later than the month following the receipt by the County of audited financial statements for the Fiscal Year with respect to which the Pledged Revenues were less than 300% of the Maximum Annual Debt Service, requiring the funding of the Designated Series Bond Reserve Account. Amounts required to be deposited in the Designated Series Bond Reserve Account pursuant to this paragraph shall be deposited therein from amounts available in the Sales Tax Trust Fund pursuant to the Bond Resolution, after applying such amounts to cure deficiencies in the Bond Reserve Account and any separate bond reserve account created pursuant to the Resolution, including, without limitation, the Designated Series Bond Reserve Account, due to withdrawals there from or decreases in the value of Permitted Investments held therein or for any other reason other than the funding of such accounts in installments.

Notwithstanding the foregoing, if the County shall issue an additional series of Parity Bonds and as a result of such issuance, the Pledged Revenues for the Fiscal Year ended immediately prior to the issuance of such Parity Bonds for which audited financial statements of the County are available are less than 300% of the Maximum Annual Debt Service on all Bonds Outstanding following the issuance of such additional Parity Bonds, the County shall fully fund the Designated Series Bond Reserve Account at the time of issuance of such Parity Bonds.

If after being required to commence funding the Designated Series Bond Reserve Account, for two Fiscal Years the Pledged Revenues equal or exceed 300% of the Maximum Annual Debt Service for all Bonds Outstanding at the end of each such Fiscal Year, the obligation to fund the Designated Series Bond Reserve Account shall terminate (unless and until the Pledged Revenues again fall below 300% of the Maximum Annual Debt Service as contemplated above) and amounts then on deposit in the Designated Series Bond Reserve Account shall be released from the Designated Series Bond Reserve Account and may be used for any lawful purpose that will not cause interest on any of the Bonds then outstanding to become includable in the gross income of the owners thereof for federal income tax purposes.

(d) Other Payments. After the payments provided in paragraph (c) above shall have been made, the County may pay to the issuer of any Liquidity Facility or Credit Facility or an interest rate swap, cap, collar or similar financial agreement with respect to Bonds issued under the Resolution or any remarketing agent, auction agent, or other agent with respect to any Variable Rate Bonds, an amount equal to the fees and other amounts owing to such persons accruing in such month which are not otherwise treated as principal or interest payments with respect to Bonds pursuant to the terms of the Resolution.

(e) Subordinated Indebtedness. After the payments provided in paragraph (d) above shall have been made, the County shall transfer moneys in the Sale Tax Trust Fund to such other funds or accounts as shall be specified by subsequent resolution of the County, such amounts as shall be necessary to pay debt service and other requirements with respect to debt obligations of the County secured by a lien on the Sales Tax Proceeds junior and subordinate to the lien thereon in favor of the Bonds, as provided in such resolution.

(f) Surplus Revenues. After all monthly payments above required have been made, any deficiency in any of the aforementioned accounts shall be remedied with any available Pledged Revenues. Thereafter, all remaining Pledged Revenues shall be deemed surplus revenues and may be used by the County for any lawful purpose, and shall be released from the pledge herein made.

Deposits and Security of Accounts. All money in the Sales Tax Trust Fund, the Interest Account, the Principal Account and the Bond Reserve Account shall be held in trust by the County, which shall make such credit arrangements with the Paying Agents as will assure prompt payment of Bonds and interest coupons presented when due at any place of payment to the extent of the money available. Uninvested money in the Sales Tax Trust Fund shall, at least to the extent not guaranteed by the Federal Deposit Insurance Corporation, be secured to the fullest extent required by the laws of the State of Florida for the security of public funds.

Investment of Accounts. Money in the Interest Account and the Principal Account (exclusive of money in any special subaccount of said Principal Account hereafter created) shall be invested by the County in any Permitted Investments maturing or redeemable at the option of the holder prior to the next succeeding interest payment date, but whenever prior to any interest payment date the aggregate of the money in said accounts exceeds the amount necessary to pay principal and interest falling due on such interest payment date, such excess, if any, may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following interest payment date. Money in any special subaccount of the Principal Account hereafter created established for the benefit of any particular group of Bonds may be invested in Permitted Investments maturing at such times as may be permitted by the proceedings relating the particular group of Bonds involved. Money in the Bond Reserve Account, or any separate bond reserve account created pursuant to Paragraph (c) above, shall be invested by the County in any Permitted Investments which mature or are redeemable at the option of the holder on or before the final maturity of the Bonds. Whenever any money held by the County and invested as above provided is needed for the payment of currently maturing principal of or interest on the Bonds or Qualified Swap Payments, the County shall cause such investments to be liquidated at current market prices, to the amount required, without further instructions and shall cause the proceeds of such liquidation to be applied to the payment of such principal, interest or Qualified Swap Payments. Interest on and profits derived from investments of money held by the County under the Resolution in the Sales Tax Trust Fund, including the Interest Account, the Principal Account and the Bond Reserve Account and any separate bond reserve accounts established as provided in paragraph (c) above, shall be deposited by the County as collected in the Interest Account. Money in the accounts held by the County under the Resolution may be commingled for investment purposes and may be pooled with other County money in a common investment program, but only so long as monthly reports showing the amount of money in such pool allocable to each such account and the maturity thereof and the return thereon shall be filed not later than the fifteenth day of the succeeding month with the County Comptroller and available for public inspection. The right to pool investments under the Resolution shall not operate to permit the investment of any money in any account held by the County under the Resolution in any but Permitted Investments. Each monthly report shall affirm that there are sufficient Permitted Investments in such pool which mature or are redeemable at the option of the holder (and which are not expected to be required to be used for other purposes) to satisfy the limitations on the duration of investments in the various funds and accounts prescribed in this paragraph. The County shall retain such monthly reports for at least two years and shall, upon request, send copies thereof to any holder of more than $100,000 aggregate principal amount of Bonds and shall make the same available for inspection by the holder of any of the Bonds.

Pledge of Revenues. Pursuant to the Resolution, all Sales Tax Proceeds and all moneys in the Sales Tax Trust Fund and the accounts therein are pledged to, and there is created a lien on said moneys for, the prompt payment of the interest on principal of and premium, if any, on the Bonds in accordance with the Resolution; provided, however, that the County reserves the right to pay said interest, principal and premium from any legally available funds of the County.

Application of Excess in Accounts. Whenever the Interest Account, the Principal Account or the Bond Reserve Account contains more money than is currently required to be therein and all contain their full required amounts, the County may apply any excess in such account for any lawful purpose.

Valuation of Investments. In computing the amount of any fund or account created pursuant to the provisions of the Resolution, obligations purchased as an investment of moneys therein shall be valued at the lower of: (i) par if purchased at par or at amortized value if purchased at other than par, or (ii) market value plus, in each case, accrued interest. "Amortized value," when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (1) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price. Valuation on any particular date shall include the amount of interest then earned or accrued to such date on any moneys or investments in such fund or account. The computation of the amount on deposit in or credited to the funds or accounts created under the Resolution and the valuation of the investments of such amount shall be performed by the County no less frequently than on the last day of each Fiscal Year, and such computation and valuation shall not be required, but is permitted to be performed at other times. The foregoing notwithstanding such computation and valuation shall not be required to be made with respect to investments maturing within 180 days of the valuation date and such investments shall be valued at the par amount thereof. For arbitrage rebate purposes, the valuation of amounts in the Bond Reserve Account may be done as required from time to time by the Code and rules and regulations promulgated thereunder.

Parity Bonds.

No Prior Lien Bonds nor Parity Bonds Except as Permitted by the Resolution. The Bonds shall enjoy complete parity of lien on the Pledged Revenues despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The County shall issue no other obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues or any part thereof having priority over the Bonds or (except as permitted by the Resolution) parity with the Bonds.

Refunding Bonds. Any or all of the Bonds may be refunded in a manner which will cause such Bonds to be discharged at maturity, upon redemption in accordance with their terms or with the consent of the holders thereof, and the refunding Bonds so issued shall not be required to satisfy the requirements for the issuance of Parity Bonds generally under the Resolution and shall continue to enjoy the priority of lien over subsequent issues enjoyed by the Bonds refunded as long as either of the following conditions have been met:

(a) There shall have been filed with the County Comptroller, available for public inspection, a certificate of an Independent Certificated Public Accountant (i) setting forth the aggregate amount of Interest Requirements and Principal Requirements falling due during the then current and each future Sinking Fund Year to and including the Sinking Fund Year of the last maturity of any Bonds then Outstanding (A) with respect to the Bonds of all series Outstanding immediately prior to the date of delivery of such refunding Bonds, and (B) with respect to the Bonds of all series to be Outstanding immediately thereafter, and (ii) demonstrating that the amount set forth for each Sinking Fund Year pursuant to (B) above is no greater than the amount set forth for such Sinking Fund Year pursuant to (A) above; or

(b) All Outstanding Bonds are being refunded under arrangements which immediately result in making provision for the payment of the refunded Bonds under the Resolution.

Subsequent Series and Parity Bonds Generally. Additional series of Bonds ("Parity Bonds") may be issued on a parity with the Sales Tax Revenue Bonds then Outstanding under the Resolution if all of the following conditions are satisfied:

(a) There shall have been filed with the County Comptroller, available for public inspection, a statement by an Independent Certified Public Accountant reciting the opinions based upon necessary investigation that either (i) the aggregate amount of Sales Tax Proceeds received by the County in a consecutive 12 month period which ends later than 13 months prior to the issuance of such Parity Bonds, or (ii) the average annual amount of Sales Tax Proceeds received by the County in the consecutive 24 month period which ends later than 13 months prior to the issuance of such Parity Bonds equal or exceed 135% of the Maximum Annual Debt Service computed on a basis which includes all Bonds to be Outstanding immediately after the issuance of such Parity Bonds.

(b) Said statement shall further express the opinion that the payments required to be made into the Interest Account, the Principal Account and the Bond Reserve Account are current.

(c) Except as otherwise permitted pursuant to the Resolution, at or before delivery of any such Parity Bonds the amount in the Bond Reserve Account shall be increased to an amount not less than the Maximum Annual Debt Service computed on a basis which includes all Bonds Outstanding immediately after the issuance of said Parity Bonds.

Accession of Junior Lien Obligations to Parity Status. By proceedings authorizing obligations junior in lien on the Pledged Revenues to the Bonds and the reserve accumulation requirements of paragraph (c) above, the County may provide for the accession of such junior lien obligations to the status of complete parity with the Bonds when there shall have been filed with the County Comptroller and available for public inspection a certificate of an Independent Certified Public Accountant meeting the principal and interest coverage requirements of paragraph (a) above, and further reciting the opinion:

(a) that all payments into the Interest Account, Principal Account and Bond Reserve Account are current as of the date of accession; and

(b) that said accounts contain the respective amounts which would have been required to be accumulated therein on the date of accession if said junior lien obligations had originally been issued as Parity Bonds; such amounts shall be set forth in said certificate.

Other Obligations Payable out of Pledged Revenues.

Except upon the conditions and in the manner provided in the Resolution, the County will not issue any other obligations payable from the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien on the Pledged Revenues.

The County may enter into one or more Qualified Swap Agreements with respect to one or more series of Bonds (or portions thereof); provided, however, that if such Qualified Swap Agreement is not entered into at the time of initial issuance of the series of Bonds to which it relates, the requirements for issuance of Parity Bonds above must be met, applying such requirements as of the effective date of such Qualified Swap Agreement, using the Outstanding principal amount of Bonds and the Qualified Swap Payments provided by such Qualified Swap Agreement in calculating the Maximum Annual Debt Service in the manner provided in the definitions of the terms "Interest Requirement" and "Bond Service Requirement" above. Qualified Swap Payments payable by the County under any such agreement may be payable from the Interest Account on a parity with interest payments with respect to Bonds issued and Outstanding under the Resolution. The County may grant to the counterparties to such Qualified Swap Agreements a lien on the Pledged Revenues to secure payment of such Qualified Swap Payments and to provide the priority of payment thereof in accordance with the terms of the Resolution; provided, however, that such lien and priority of payment shall be effective only so long as payments under the applicable swap agreement meet all requirements provided in the definition of "Qualified Swap Payments", except that for purposes of this provision only, the maximum term of the Qualified Swap Agreement shall be changed to a limitation that the maximum term of the swap agreement shall not exceed the term of the Bonds to which it pertains.

General Covenants. In the Resolution, the County makes the following covenants, in addition to all other covenants in the Resolution, with each and every successive holder of any of the Bonds (including Parity Bonds) and the coupons representing interest thereon so long as any of said Bonds remain outstanding.

Books, Records and Accounts. The County shall keep proper books, records and accounts separate and apart from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Sales Tax Trust Fund and the Bonds in accordance with standard principles of municipal accounting consistently applied, and the County shall cause said books and accounts to be audited annually as of the close of each Fiscal Year by an Independent Certified Public Accountant. The audit may be performed in conjunction with the audit of other County funds and the County shall mail a copy of each such audit promptly after receipt thereof to the Principal Paying Agent, and the holder of any Bonds who shall have requested the same in writing. Such annual audit shall show, among other things:

(a) the amount of Sales Tax Proceeds received by the County, the amount of such proceeds deposited in the Sales Tax Trust Fund and the aggregate amount of transfers from the Sales Tax Trust Fund during the Fiscal Year;

(b) balance sheets as of the end of the most recently ended Fiscal Year and the preceding Fiscal Year showing the amount in each account created by the Resolution; and

(c) an analysis by the accountant performing such audit regarding the inadequacy, if any, of the acts of the County, its officers and agents, in carrying out the requirements of the Resolution and stating the recommendations of the accountant for any suggested changes or improvements.

The Insurer of Bonds or any holder of $100,000 or more in aggregate principal amount of Bonds which have not been insured, shall have the right at any reasonable time to consult with the accountant preparing such reports with respect to any and all matters in said report or which should be in said report.

Monthly Reports. Monthly reports taken from the official records of the County and showing the amount of Sales Tax Proceeds received during the month reported on and account balances shall be furnished to the holders of any Bonds who shall request the same in writing.

Bondholder's Right of Inspection. The Insurer of Bonds or the holder or holders of $100,000 or more in aggregate principal amount of the Bonds at any time Outstanding which have not been insured shall have the right at all reasonable times to inspect all records, accounts and data of the County relating thereto, and with respect to the Sales Tax Trust Fund and the respective accounts therein; upon request the County will furnish to the Insurer or such holder or holders such financial statements and other information relating to said funds, the County and the Sales Tax as the Insurer or such holder or holders may from time to time reasonably require.

No Diminution of Rights. The County will not enter into any contract or contracts, nor take any action, the results of which might materially impair or diminish the rights of the holders of the Bonds.

Fidelity Bonds. Every officer, agent or employee of the County having custody or control of any of the Pledged Revenues or Bond proceeds shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time.

When the Outstanding Bonds subsequently issued by the City together with the Series 2012B Bonds equals 51% of the total amount of Bonds Outstanding, the above provision will be amended and restated as follows:

> "Every officer, agent or employee of the County having custody or control of any of the Pledged Revenues or Bond Proceeds shall be bonded by a responsible corporate surety or under a self-insurance plan in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the County as an expense of operation."

Existence of County. The County shall maintain its identity and shall make no attempt to cause its existence to be abolished; provided that this covenant shall not prohibit consolidation with other political subdivisions.

No Loss of Lien on Revenues. The County shall not do, or omit to do, or suffer to be done, or omitted to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues, or any part thereof, or the priority thereof, might or could be lost or materially impaired.

Sales Tax to Remain in Effect. The County shall not knowingly acquiesce in any attempt to eliminate or reduce the rate of the Sales Tax or the base upon which it is imposed, if such reduction will result in diminishing the Sales Tax Proceeds to be received in each future Fiscal Year below an amount equal to 1.35 times the principal of and interest on the Bonds falling due in that year, and will vigorously resist all such attempts by others to eliminate or reduce the same. The County shall comply at all times with the eligibility requirements for participation in the Sales Tax enumerated in Section 218.63, Florida Statutes.

No Ad Valorem Taxes. The County shall not be obligated to levy any ad valorem taxes or to take or divert moneys from any general funds of the County for the payment of the principal of or interest on the Bonds nor shall the faith, credit or general taxing power of said County be deemed pledged to such payment.

Concerning the Reserve Account Insurance Policy, the Reserve Account Letter of Credit, Credit Facility and/or Liquidity Facility. As long as the County shall have a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit held for the credit of the Bond Reserve Account, or separate bond reserve accounts, the County covenants that it will comply with the provisions of the Reserve Account Insurance Policy and/or the reimbursement or similar agreement with respect to the Reserve Account Letter of Credit, to the extent permitted by the Resolution.

As long as any series of Bonds, or a portion of a series of Bonds, of the County are secured by a Credit Facility or Liquidity Facility, the County covenants to comply with the requirements and conditions imposed on the County by the issuer of the Credit Facility or Liquidity Facility pursuant to the terms thereof, to the extent permitted by the Resolution.

For purposes of acquiring the consent of Bondholders for any action required or authorized to be taken in the Resolution by any percentage of Bondholders, so long as the provider of such Credit Facility is not in default thereunder and such Credit Facility remains in full force and effect, the provider of any Credit Facility shall be deemed to be the owner of the Bonds covered by such Credit Facility for purposes of acquiring such consent of Bondholders.

Notwithstanding anything in the Resolution to the contrary, the rights of any issuer of a Credit Facility or Liquidity Facility created under the Resolution shall remain in full force and effect only so long as the applicable Credit Facility or Liquidity Facility shall remain in effect and the issuer of such Credit Facility or Liquidity Facility shall not be in default in its payment obligations to the holders of Bonds secured by such facility.

Derivative Products. Prior to entering into any interest rate swap, collar, cap or similar derivative financial product with respect to any Bonds issued and Outstanding, the County shall notify Moody's Investors Service and Standard & Poor's Corporation, to the extent they then maintain a rating on Outstanding Bonds, of the County's intent to enter into such agreement.

Events of Default and Remedies.

Definition of Events of Default; Remedies. If one or more of the following events, herein called "Events of Default," shall happen, shall is to say, in case:

(a) default shall be made in the payment of the principal or redemption price of any Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) default shall be made in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable or in the payment of any Qualified Swap Payment following any applicable grace period with respect thereto; or

(c) default shall be made by the County in the performance of any obligation in respect of the Bond Reserve Account or any separate bond reserve account and such default shall continue for 30 days thereafter; or

(d) the County shall (1) admit in writing its inability to pay its debts generally as they become due, (2) file a petition in bankruptcy or take advantage of any insolvency act, (3) make an assignment for the benefit of its creditors, (4) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (5) be adjudicated a bankrupt; or

(e) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Sales Tax Trust Fund, or of the whole of any substantial part of the County's property, or approving a petition seeking reorganization of the County under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Florida, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Sales Tax Trust Fund or of the County or of the whole or any substantial part of the County's property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or custody or control; or

(g) the County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolution on the part of the County to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the County by the holders of not less than 25% in principal amount of the Bonds then outstanding;

then in each and every such case any holder of the Bonds affected by the Event of Default and then Outstanding or an agent or trustee therefor may proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in the Resolution or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy (including the appointment of a receiver) as said Bondholder or Bondholders shall deem most effectual to protect and enforce the rights aforesaid.

Remedies Cumulative. No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given in the Resolution or now or hereafter existing at law or in equity or by statute.

Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied, the County or a receiver appointed for the purpose shall apply all Pledged Revenues as follows and in the following order:

(a) Expenses of Receiver, Bond Registrar and Paying Agents - to the payment of the reasonable and proper charges, expenses and liabilities of the receiver, Bond Registrar and paying agents under the Resolution;

(b) Principal or Redemption Price and Interest - to the payment of the interest and principal or redemption price then due on the Bonds and Qualified Swap Payments then due, as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest and Qualified Swap Payments then due, in the order of the maturity of such installments (with interest on defaulted installments of interest at the rate or rates borne by the Bonds with respect to which such interest is due to the extent permitted by law) and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference. If some of the Bonds bear interest payable at different intervals or upon different dates, and if at any time money from the Bond Reserve Account must be used to pay any such interest, the money in the Bond Reserve Account shall be applied (to the extent necessary) to the payment of all interest falling due on the dates upon which such interest is payable to and including the next succeeding interest payment date for each series of Bonds. After such interest payment date, money in the Bond Reserve Account plus any other money available on the Interest Account shall be set aside for the payment of interest on Bonds of each class (a class consisting of all Bonds payable as to interest on the same dates) pro rata among Bonds of the various classes on a daily basis so that there shall accrue to each Bondholder throughout each Sinking Fund Year the same proportion of the total interest payable to such Bondholder as shall so accrue to every other Bondholder during that year. As to any Capital Appreciation Bond or Capital Appreciation and Income Bond, such interest shall accrue on the Accreted Value or Appreciated Value, as applicable, of such Bond and be set aside on a daily basis until the next compounding date for such Bonds, when it shall be paid to the owner of such Bond as interest on a defaulted obligation and only the unpaid portion of such interest (if any) shall be treated as principal of said Bond.

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference. If some of the Bonds mature (including mandatory redemption prior to maturity as a maturity) upon a different date or dates than January 1 of each year, and if at any time money from the Bond Reserve Account must be used to pay any such principal falling due, the money in the Bond Reserve Account not required to pay interest under paragraph first above shall be applied, to the extent necessary, to the payment of all principal falling due on the dates upon which such principal is payable to and including the next January 1. After such January 1, money in the Bond Reserve Account not required to pay interest plus any other money available in the Principal Account shall be set aside for the payment of principal of Bonds of each class (a class consisting of all Bonds payable as to principal on the same date) pro rata among Bonds of the various classes which mature or must be redeemed pursuant to mandatory redemption prior to maturity throughout each Bond year in such proportion of the total principal payable on each such Bond as shall be equal among all classes of Bonds maturing or subject to mandatory redemption within that Bond year. The Accreted Value of any Capital Appreciation Bond and the Appreciated Value of any Capital Appreciation and Income Bond (except for the interest portion thereof which shall have been paid under paragraph first above) shall be treated as principal for purposes of this paragraph second.

third: to the payment of the redemption premium on and the principal of any Bonds called for optional redemption pursuant to the provisions of the Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest and Qualified Swap Payments then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bonds, or of payments with respect to Bonds over Qualified Swap Payments, ratably, according to the amounts due respectively for principal and interest and Qualified Swap Payments, to the persons entitled thereto without any discrimination or preference.

Manner of Evidencing Ownership of Bonds. Any request, direction or other instrument required by the Resolution to be signed or executed by Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument, or of the writing appointing such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of the Resolution.

The fact and date of the execution by any person of any such writing may be provided by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within said jurisdiction, to the effect that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of a witness to such execution;

The fact of the holding of Bonds which are at the time registered as to principal by any Bondholder and the amount and issue numbers of such Bonds, and the date of his holding the same shall be proved by the Bond Registrar. As to Bonds which are not registered, the same may be proved by the affidavit of the person claiming to be such holder, if such affidavit shall be deemed by the County to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depositary, wherever situated, if such certificate shall be deemed by the County to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depositary, the Bonds described in such certificate. Nothing contained in the Resolution shall be construed as limiting the County to the proof hereinbefore specified as to Bonds which are not registered as to principal, it being intended that the County may accept any other reliable evidence of such ownership.

Provision for Payment. Bonds of any series, or any maturity or portion of a maturity within a series and coupons for the payment or redemption of which sufficient moneys or sufficient Qualified Permitted Investments shall have been deposited with a paying agent for the Bonds (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid and no longer Outstanding under the Resolution; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in the Resolution or firm arrangements shall have been made for the giving thereof. Qualified Permitted Investments shall be considered sufficient for purposes of this paragraph only if said investments are not redeemable prior to maturity at the option of the issuer thereof and mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and redemption premiums if any when due on the Bonds without rendering the interest on any Bonds taxable under the Internal Revenue Code of the United States. As to Variable Rate Bonds, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Qualified Permitted Investments on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds pursuant to the provisions of this paragraph, the County may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under the Resolution.

Notwithstanding any of the provisions of the Resolution to the contrary, Put Bonds may only be fully discharged and satisfied either pursuant to the paragraph above or by depositing in the Bond Service Account or in such other accounts which are irrevocably pledged to the payment of the Put Bonds as the County may hereafter create and establish by resolution, moneys which together with moneys lawfully available therefor, if any, shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption premium, if any, and interest on such Put Bonds which could become payable to the holders of such Bonds upon the exercise of any options provided to the holders of such Bonds; provided, however, that if, at the time a deposit is made pursuant to this paragraph, the options originally exercisable by the holder of a Put Bond are no longer exercisable, such Bond shall not be considered a Put Bond for purposes of this paragraph.

Supplemental Resolutions.

Supplemental Resolutions Not Requiring Consent of Bondholders. The Board from time to time and at any time, subject to the conditions and restrictions contained in the Resolution, may adopt a resolution or resolutions supplemental to the Resolution, which resolution or resolutions thereafter shall form a part of the Resolution, for any one or more or all of the following purposes:

(a) To add to the covenants and agreements of the County in the Resolution, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the County (including but not limited to the right to issue Parity Bonds);

(b) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Resolution, or in regard to matters or questions arising under the Resolution, as the County may deem necessary or desirable and not inconsistent with the Resolution and which shall not have a material, adverse effect the interests of the holders of the Bonds then Outstanding;

(c) To designate one or more paying agents; and

(d) To make such other amendments, changes and modifications as shall not have a material adverse effect on the interests of the holders of the Bonds then Outstanding.

Any such supplemental resolution authorized by the Resolution may be adopted by the County without the consent of or notice to the holders of any of the Bonds at the time Outstanding.

Supplemental Resolutions Requiring Consent of Bondholders. With the consent of the holders of not less than 51% in aggregate principal amount of the Bonds at the time Outstanding, the County may from time to time and at any time adopt a resolution or resolutions supplemental to the Resolution for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall (1) extend the fixed maturity of any Bond or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce or extend the time for payment of any premium payable on the redemption thereof, without the consent of the holder of each Bond so affected, or (2) reduce the aforesaid percentage of holders of Bonds required to approve any such supplemental resolution, or (3) deprive the holders of the Bonds (except as aforesaid) of the right to payment of the Bonds or from the Pledged Revenues without the consent of the holders of all the Bonds then outstanding. For purposes of the foregoing, the providers of a Credit Facility, including, without limitation, Insurers, shall be deemed to be the holders of the Bonds secured by such Credit Facility so long as the issuer of such Credit Facility is not in default under its Credit Facility securing Bonds and such Credit Facility is then in full force and effect; provided, however, that prior to making any amendment in reliance upon the consent of a Credit Facility, the County shall provide advance written notice of its intent to make such amendment to Standard & Poor's Corporation and to Moody's Investors Service, to the extent they then maintain a rating on any Bonds Outstanding.

It shall not be necessary for the consent of the Bondholders to approve the particular form of any such proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof.

APPENDIX D

FORM OF CO-BOND COUNSEL OPINION

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APPENDIX D

**FORM OF OPINIONS OF NABORS, GIBLIN & NICKERSON, P.A.
AND RUYE H. HAWKINS, P.A.
WITH RESPECT TO THE SERIES 2012B BONDS**

Upon delivery of the Series 2012B Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida and Ruye H. Hawkins, P.A., Orlando, Florida, Co-Bond Counsel, propose to render their opinions with respect to such Series 2012B Bonds in substantially the following form:

[Date of Closing]

Mayor and Board of County Commissioners
of Orange County, Florida
Orlando, Florida

Mayor and Commissioners:

In our capacity as Co-Bond Counsel, we have examined a record of proceedings relating to the issuance by Orange County, Florida (the "County") of its $97,295,000 aggregate principal amount of Orange County, Florida Sales Tax Revenue Refunding Bonds, Series 2012B (the "Series 2012B Bonds").

The Series 2012B Bonds are issued under and pursuant to the Constitution and laws of the State of Florida, Chapter 125, Florida Statues, the Charter of the County, Ordinance No. 83-10 enacted by the Board of County Commissioners (the "Board") on April 5, 1983 and other applicable provisions of law and Resolution No. 93-B-08 adopted by the Board on September 1, 1993, as supplemented and amended, including as particularly supplemented and amended by Resolution No. 2012-B-02 adopted on March 6, 2012 (the "Resolution"). Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

The Series 2012B Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Resolution. The Series 2012B Bonds will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, as provided in the Resolution. Interest shall be payable on each July 1 and January 1, commencing July 1, 2012. The Series 2012B Bonds are subject to redemption prior to their maturity as set forth therein. The Series 2012B Bonds are being issued in the form of fully registered Series 2012B Bonds in the denomination of $5,000 and integral multiples thereof.

The Series 2012B Bonds are issued for the principal purposes of providing funds to (a) advance refund all of the County's outstanding Sales Tax Revenue Refunding Bonds, Series 2002B (the "Refunded Bonds"), and (b) pay the costs incurred for the issuance of the Series 2012B Bonds. Certain proceeds of the Series 2012B Bonds, together with other legally available moneys of the County, shall be deposited into an escrow deposit trust fund (the "Escrow Fund") established pursuant to the Escrow Deposit Agreement, dated as of the date of delivery of the Series 2012B Bonds, between the County and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"), and, except for a cash deposit, invested in Qualified Permitted Investments as defined and in accordance with the Resolution (the "Escrow Securities"), such that the principal of and interest on such Escrow Securities, together with any cash on deposit in the Escrow Fund, shall be sufficient to pay the principal of and interest on the Refunded Bonds, as the same become due or are redeemed prior to maturity.

The Series 2012B Bonds and the interest thereon are limited obligations of the County, payable solely from and secured by a pledge of and lien upon that portion of the Local Government Half-Cent Sales Tax distributed to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to Part VI of Chapter 218, Florida Statutes, as amended, and certain investment earnings (collectively referred to as the "Pledged Revenues"), all in the manner and to the extent provided in the Resolution.

The Series 2012B Bonds are secured by a lien on and pledge of the Pledged Revenues on a parity with the County's outstanding Sales Tax Revenue Refunding Bonds, Series 2002A, Sales Tax Revenue Refunding Bonds, Series 2006 and Taxable Sales Tax Revenue Refunding Bonds, Series 2012A. Pursuant to the terms, conditions and limitations contained in the Resolution, the County has reserved the right to issue obligations in the future which shall have a lien on the Pledged Revenues on a parity with that of the Series 2012B Bonds.

The Series 2012B Bonds do not constitute a general obligation or indebtedness of the County within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the County or taxation in any form of any real or personal property for the payment of the principal of or interest on the Series 2012B Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the County contained in the Resolution and in the certified proceedings related thereto and to the issuance of the Series 2012B Bonds and other certifications of public officials furnished to us in connection therewith without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The County is a duly created and validly existing political subdivision of the State of Florida.

2. The County has the right and power under the Constitution and Laws of the State of Florida to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the County and constitutes a valid and legally binding obligation of the County enforceable in accordance with its terms.

3. The County is duly authorized and entitled to issue the Series 2012B Bonds, and the Series 2012B Bonds have been duly authorized and issued by the County in accordance with the Resolution. The Series 2012B Bonds constitute valid and legally binding obligations of the County as provided in the Resolution, and are enforceable in accordance with their terms and terms of the Resolution. The Series 2012B Bonds are payable solely from and secured by a pledge of the Pledged Revenues, all in the manner and to the extent provided in the Resolution.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2012B Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item for tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2012B Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2012B Bonds to be so included in gross income retroactive to the date of issuance of the Series 2012B Bonds. The County has covenanted to comply with all such requirements. Ownership of the Series 2012B Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2012B Bonds.

It should be noted that (1) except as may expressly be set forth in an opinion delivered by us to the underwriters for the Series 2012B Bonds, we have not been engaged or undertaken to review the accuracy, sufficiency or completeness of the Official Statement or other offering material relating to the Series 2012B Bonds and we express no opinion relating thereto, and (2) we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Series 2012B Bonds and we express no opinion relating thereto.

In rendering the opinions set forth above, we are relying upon (a) the arithmetical accuracy of certain computations included in schedules provided by Public Financial Management, Inc. relating to the computations of projected receipts of the Escrow Securities and any other amounts deposited in the Escrow Fund, of the adequacy of such projected receipts and other sums to pay the principal of and interest on the Refunded Bonds and of the yield on the Series 2012B Bonds and on the Escrow Securities, and (b) the verifications of the arithmetical accuracy of such computations by Robert Thomas CPA, LLC.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Resolution and the Series 2012B Bonds and the rights of the holders of the Series 2012B Bonds may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2012B Bonds and, in our opinion, the form of the Series 2012B Bonds is regular and proper.

Very truly yours,

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** (this "Disclosure Undertaking") is executed and delivered as of April 1, 2012, by **ORANGE COUNTY, FLORIDA** (the "County"), in connection with the sale of the County's $97,295,000 Sales Tax Revenue Refunding Bonds, Series 2012B (the "Series 2012B Bonds") to be issued pursuant to Ordinance No. 83-10 enacted by the Board of County Commissioners of the County (the "Board") on April 5, 1983, Master Resolution 93-B-08 adopted by the Board on September 1, 1993, as supplemented and amended by resolutions adopted by the Board on September 17, 1996, March 31, 1998, December 15, 1998, October 8, 2002 and November 29, 2005 (the "Master Resolution"), which amends and restates Resolution No. 83-B-28 adopted by the Board on April 5, 1983, as previously supplemented and amended, (the "Prior Resolution") and as further supplemented and amended by Resolution No. 2012-B-02 adopted by the Board on March 6, 2012 (all such resolutions are collectively, the "Resolution").

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the County for the benefit of owners and Beneficial Owners of the Series 2012B Bonds. The financial information and operating data forming the basis of the annual reporting requirements of Sections 3 and 4 of this Disclosure Undertaking are derived from the Official Statement (as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined herein, the following capitalized terms used in this Disclosure Undertaking have the following meanings:

"Annual Financial Information" shall mean the information with respect to the County described in Section 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any individual beneficial owner of the Series 2012B Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Dissemination Agent" shall mean the County or any Dissemination Agent designated by the County pursuant to Section 7 hereof.

"Fiscal Year" shall mean the fiscal year of the County, which currently is the twelve month period beginning October 1 and ending on September 30 of the following year.

"GAAP" shall mean generally accepted accounting principles promulgated by the Governmental Accounting Standards Board as in effect from time to time in the United States.

"Listed Events" shall mean any of the events listed in Section 5(a) hereof.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b) (1) of the Securities Exchange Act of 1934, as amended. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

"Obligated Person" shall mean the County and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2012B Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The County confirms that currently it is the only Obligated Person.

"Official Statement" shall mean the Official Statement of the County, dated April 3, 2012, delivered in connection with the offering of the Series 2012B Bonds and any amendment or supplement thereto.

"Rule" shall mean Rule 15c2-12(b)(5) promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as such rule may be amended from time to time and any successor provisions thereto.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Florida.

Section 3. Provision of Annual Financial Information. Except as otherwise provided herein, the County shall, or shall cause the Dissemination Agent to, provide the Annual Financial Information for each Fiscal Year ending on or after September 30, 2012, not later than the following June 1, to the MSRB. The Annual Financial Information may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 hereof; provided, however, that if the financial statements of the County are audited, then such audited financial statements must be submitted, but they may be submitted separately from the balance of the Annual Financial Information and later than the date required above for the filing of the Annual Financial Information if they are not available by such date. If the Fiscal Year changes, the County shall give written notice of such change in the same manner as for a Listed Event in Section 5(c) hereof. If the financial statements of the County specified in the manner described hereof are not available by the time the Annual Financial Information must be provided, unaudited Financial Statements of the County shall be provided by the County as part of the Annual Financial Information and such audited financial statements of the County, when and if available, will be provided by the County to the MSRB immediately upon such audited financial statements becoming available.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues with respect to which the County is an "obligated person", which have been filed with MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so included by reference.

The requirements of this Section do not necessitate the preparation of any separate annual report addressing only the Series 2012B Bonds. These requirements may be met by the filing of a combined bond report or the County's Comprehensive Annual Financial Report; provided, such report includes all of the information required by this Disclosure Undertaking to be provided and is available by June 1.

Section 4. Content of Annual Financial Information. The Annual Financial Information of the County shall consist of or cross reference the following:

(a) Basic financial statements for the County prepared in accordance with GAAP.

(b) Annual, updated historical financial information, operating data and sales tax distribution data for the County of the type included in those sections of the Official Statement captioned "THE SALES TAX–Distribution Formula," and the information provided in tables titled "ORANGE COUNTY, FLORIDA ACTUAL AND PROJECTED HALF-CENT SALES TAX DISTRIBUTIONS," and "ORANGE COUNTY, FLORIDA HISTORICAL AND PROJECTED DEBT SERVICE COVERAGES."

If the County has not filed the Annual Financial Information when due, then the County or the Dissemination Agent, on behalf of the County, shall file a notice with the MSRB in a timely manner as required by the Rule.

Section 5. Reporting of Significant Events.

(a) The County shall give, or cause to be given, on behalf of the County and in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Series 2012B Bonds to the MSRB:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(v) Substitutions of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012B Bonds, or other material events affecting the tax status of the Series 2012B Bonds;

(vii) Modifications to rights of holders of the Series 2012B Bonds, if material;

(viii) Bond Calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Series 2012B Bonds, if material;

(xi) Rating changes (including those relating to the Series 2012B Bonds, the County, reserve fund surety bonds, providers of guaranteed investment contracts, and other entities directly or indirectly securing payment of the Series 2012B Bonds);

(xii) bankruptcy, insolvency, receivership, or similar proceeding of the County. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;

(xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material.

(b) Each notice given pursuant to this Section 5 shall prominently state the date, title and CUSIP numbers of the affected Series 2012B Bonds.

Section 6. Termination of Reporting Obligation.

(a) The obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2012B Bonds.

(b) If in the opinion of nationally recognized bond counsel satisfactory to the County, the Rule shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and if and to the extent in the opinion of nationally recognized bond counsel satisfactory to the County, the Rule, or any provisions thereof, shall be declared by a federal court of competent and final, non-appealable jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Series 2012B Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder.

(c) If a termination or cessation described in either Section 6(a) or (b) hereof occurs prior to the final maturity of the Series 2012B Bonds, the County shall give or cause to be given notice of such event in the same manner as for a Listed Event under Section 5(c) hereof.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the County may unilaterally amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3, 4, 5 or 10 hereof, it may only be made in connection with a change in circumstances that arises from a change in applicable legal requirements, change in law, any subsequent change in or applicable and binding interpretation of the Rule, or change in the identity, nature or status of the County or any other Obligated Person or the type of business conducted;

(b) this Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012B Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not materially impair the interests of the owners or Beneficial Owners of the Series 2012B Bonds, as determined either by parties unaffiliated with the County or any other Obligated Persons (i.e., nationally recognized bond counsel satisfactory to the County).

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the County shall describe such amendment in the next Annual Financial Information relating to the County, and shall include a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by or in respect of the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) hereof, and (ii) the Annual Financial Information relating to the County for the year in which the change is made shall present a comparison (in narrative form and also, if feasible in quantitative form) between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the County to meet its obligations. To the extent reasonably feasible, the comparison also shall be quantitative.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth herein or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the County chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Undertaking, the County shall have no obligation hereunder to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the County to comply with any provision of this Disclosure Undertaking, the sole remedy available to any holder, owner or Beneficial Owner of Series 2012B Bonds shall be to seek specific performance by court order to cause the County to comply with its obligations under this Disclosure Undertaking, it being the County's position that money damages would be inadequate recompense and/or difficult to ascertain. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution.

Section 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the County, the Dissemination Agent, if any, all holders, owners and Beneficial Owners from time to time of the Series 2012B Bonds for the benefit of such holders, owners and Beneficial Owners, and shall create no rights in any other person or entity.

Section 12. Sources of Payment. The County shall be required to use only Pledged Revenues to pay any costs and expenses to be incurred in the performance of its obligations under this Disclosure Undertaking and the performance of its obligations hereunder shall be subject to the availability of Pledged Revenues for that purpose. None of the members or employees of the County shall be charged personally with any liability, or held liable under any term or provision of this Disclosure Undertaking because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

THE OBLIGATIONS UNDER THIS DISCLOSURE UNDERTAKING ARE NOT OBLIGATIONS OF THE STATE OF FLORIDA OR GENERAL OBLIGATIONS OF THE COUNTY, OR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE OBLIGATIONS, OR THE INTEREST OR PREMIUM, IF ANY, THEREON.

Section 13. Obligated Persons. Any change in Obligated Persons shall be reported by the County in connection with the Annual Financial Information. If any person, other than the County, becomes an Obligated Person relating to the Series 2012B Bonds, the County shall use its reasonable best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person; provided, however, the County takes no responsibility for the accuracy or completeness of any financial information or operating data or other filings by any future Obligated Person.

Section 14. Governing Law. This Disclosure Undertaking shall be governed by and construed in accordance with the internal laws of the State of Florida (without regard to conflict of law principles thereof), provided that, to the extent this Disclosure Undertaking addresses matters of federal securities laws, including the Rule, this Disclosure Undertaking shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 15. Severability. In case any part of this Disclosure Undertaking is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Undertaking. This Disclosure Undertaking shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Undertaking affect any legal and valid application.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE FOR
CONTINUING DISCLOSURE UNDERTAKING

IN WITNESS WHEREOF, the County has executed this Disclosure Undertaking to be executed on its behalf by its authorized representative as of the date first above written.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

By:______________________________________
Teresa Jacobs, County Mayor

ORANGE COUNTY, FLORIDA • SALES TAX REVENUE REFUNDING BONDS, SERIES 2012B

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