

NEW ISSUE--BOOK-ENTRY ONLY

Moody's: "A3"

Fitch: "A+"

See "Ratings" herein

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, (i) interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes; and (ii) interest on the Series 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2026 Bonds is not excluded from the determination of adjusted financial statement income. See "TAX EXEMPTION" herein for a description of certain other federal tax consequences of ownership of the Series 2026 Bonds. Bond Counsel is further of the opinion that the Series 2026 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes, and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX EXEMPTION" herein.

**\$100,005,000***

**SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**

Dated: Date of Delivery**Due: July 1, as set forth on the inside cover page**

The School District of Putnam County, Florida General Obligation School Bonds, Series 2026 (the "Series 2026 Bonds") are general obligations of the School District of Putnam County, Florida (the "District") payable from unlimited ad valorem taxes on all real and tangible personal property within the District, excluding certain property exempted by law. The full faith, credit and taxing power of the District is irrevocably pledged to the prompt payment of both principal of and interest on the Series 2026 Bonds as the same become due and payable. See "SECURITY FOR THE SERIES 2026 BONDS" herein.

The Series 2026 Bonds will be issued in fully registered form, initially in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"). The Series 2026 Bonds will be initially deposited with DTC, which will be responsible for maintaining a book-entry only system for recording the interests of its participants, which, in turn, will be responsible for maintaining records with respect to beneficial ownership interests of individual purchasers of the Series 2026 Bonds. Purchases of the Series 2026 Bonds will be made in book-entry form, in denominations of \$5,000 and integral multiples thereof. Purchasers of the Series 2026 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the Series 2026 Bonds, references herein to the registered owners shall mean Cede & Co., including any successor nominee (collectively, "Cede & Co."), and shall not mean the Beneficial Owners of the Series 2026 Bonds. See "DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry Only System" herein.

Interest on the Series 2026 Bonds will be payable on July 1 and January 1 of each year (each an "Interest Payment Date"), commencing January 1, 2027, by check or draft of U.S. Bank Trust Company, National Association, Jacksonville, Florida, as Registrar and Paying Agent mailed on each Interest Payment Date to registered Holders appearing on the registration books maintained by the Registrar on the 15th day of the month next preceding each Interest Payment Date. At the written request of any registered Holder of \$1,000,000 or more in aggregate principal amount of the Series 2026 Bonds, interest may be payable by bank wire transfer to an account of such Holder designated in writing. Principal of the Series 2026 Bonds is payable to the registered Holder or his legal representative upon presentation when due at the designated corporate trust office of U.S. Bank Trust Company, National Association.

The Series 2026 Bonds are being issued pursuant to the Constitution and the laws of the State of Florida, including Sections 1010.40 through 1010.54, Florida Statutes, together with other relevant sections of Chapters 1001-1013, Florida Statutes and other applicable provisions of law and the General Obligation School Bond Master Resolution duly adopted by The School Board of Putnam County, Florida (the "School Board") on January 10, 2023 (the "Master Resolution"), as supplemented, particularly as supplemented by a Resolution adopted by the School Board on April 28, 2026 (the "Series 2026 Supplemental Resolution," and collectively with the Master Resolution, the "Resolution").

The Series 2026 Bonds are being issued for the principal purposes of constructing, renovating and replacing public school facilities throughout the District, including safety enhancements and instructional technology upgrades, as more particularly described in the Resolution and paying certain costs associated with the issuance of the Series 2026 Bonds. See "PLAN OF FINANCE; ADDITIONAL BONDS" herein.

The Series 2026 Bonds are subject to redemption prior to their stated maturities as more particularly described herein. See "DESCRIPTION OF THE SERIES 2026 BONDS - Redemption Provisions" herein.

PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE, ONLY ELECTRONIC BIDS FOR THE SERIES 2026 BONDS WILL BE RECEIVED ON BEHALF OF THE SCHOOL BOARD UP TO 11:00 A.M. (BUT NOT LATER THAN 11:00 A.M.), EASTERN TIME ON JUNE 9, 2026 PURSUANT TO THE S&P PARITY® COMPETITIVE BIDDING SYSTEM. THIS PRELIMINARY OFFICIAL STATEMENT SHALL BE "DEEMED FINAL" BY THE DISTRICT AS OF ITS DATE FOR PURPOSES OF AND EXCEPT FOR CERTAIN OMISSIONS PERMITTED BY SEC RULE 15C2-12(B)(1).

This cover page and the inside cover page contain certain information for quick reference only. They are not a summary of this issue. Investors must read the entire Official Statement, including the appendices, to obtain information essential to making an informed investment decision.

The Series 2026 Bonds are offered, in full book-entry form, when, as and if issued subject to the approval of their legality by Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel to the District. Certain legal matters will be passed upon for the District by Homes & Young, P.A., Palatka, Florida, as School Board Attorney. PFM Financial Advisors LLC, Orlando, Florida, is serving as Municipal Advisor to the District. It is expected that the Series 2026 Bonds will be available for delivery through DTC on or about June 25, 2026.

Dated: June __, 2026

* Preliminary, subject to change.

\$100,005,000*
SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

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

\$100,005,000⁽¹⁾ Serial Series 2026 Bonds

Maturity ⁽¹⁾ (July 1)	Principal Amount ⁽¹⁾	Interest Rate	Yield	Price	Initial CUSIP No. ⁽²⁾
2027	\$1,520,000				
2028	1,680,000				
2029	1,765,000				
2030	1,855,000				
2031	1,945,000				
2032	2,045,000				
2033	2,145,000				
2034	2,255,000				
2035	2,365,000				
2036	2,485,000				
2037	2,610,000				
2038	2,740,000				
2039	2,875,000				
2040	3,020,000				
2041	3,170,000				
2042	3,330,000				
2043	3,495,000				
2044	3,670,000				
2045	3,855,000				
2046	4,045,000				
2047	4,250,000				
2048	4,460,000				
2049	4,685,000				
2050	4,930,000				
2051	5,190,000				
2052	5,460,000				
2053	5,745,000				
2054	6,050,000				
2055	6,365,000				

⁽¹⁾ Preliminary, subject to change. See "BOND DETAILS - Term Bond Option" in the Official Notice of Sale. Principal amounts coming due in two or more consecutive years may be combined into one or more Term Series 2026 Bonds as described in the Official Notice of Sale under "BOND DETAILS - Term Bond Option."

⁽²⁾ CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP data herein is provided for convenience of reference only. The District, the Municipal Advisor and the Underwriter and their agents take no responsibility for the accuracy of such data.

THE SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA

Board Members

Phil Leary, Chair
Linda Wagner, Vice Chair
David M. Buckles
Sandra Gilyard
Holly Pickens

District Officials

Superintendent of Schools

Dr. Rick Surrency

Assistant Superintendent, Business Operations

Tonya Whitehurst

Chief Financial Officer

Jonathan L. Odom, MBA

Director of Finance

Kimberly Mann

School Board Attorney

Holmes & Young, P.A.
Palatka, Florida

Bond Counsel

Greenberg Traurig, P.A.
Miami, Florida

Disclosure Counsel

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

Municipal Advisor

PFM Financial Advisors LLC
Orlando, Florida

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

The information contained in this Official Statement has been obtained from the District, DTC and other sources that are considered to be reliable and, while not guaranteed as to accuracy or completeness, is believed to be correct. However, such information is not to be construed as a representation of the District with respect to the information provided by DTC. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the District expressly makes no representations that such estimates, assumptions and opinions will be realized or fulfilled. Neither the Auditor General of the State of Florida nor any other independent accountants have compiled, examined, or performed any procedures with respect to any projected, forecasted or estimated financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability and assume no responsibility for, and disclaim any association with, any projected or estimated financial information. Any information, estimates, assumptions and matters of opinion contained in this Official Statement 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 affairs of the District or the School Board since the date hereof or, with respect to information set forth herein as of a particular date, the date provided herein.

UPON ISSUANCE, THE SERIES 2026 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2026 BONDS FOR SALE.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE," "BUDGET" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2026 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT OR SCHOOL BOARD AND ANY ONE OR MORE HOLDERS OF THE SERIES 2026 BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT SHOULD BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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OFFICIAL STATEMENT

relating to

\$100,005,000*

SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

INTRODUCTION

This Official Statement, including the cover page, inside cover page and the appendices hereto, is furnished with respect to the sale of \$100,005,000* aggregate principal amount of School District of Putnam County, Florida General Obligation School Bonds, Series 2026 (the "Series 2026 Bonds") being issued by the School District of Putnam County, Florida (the "District"), acting through The School Board of Putnam County, Florida (the "School Board"), its governing body.

The Series 2026 Bonds are being issued pursuant to the Constitution and the laws of the State of Florida, including Sections 1010.40 through 1010.54, Florida Statutes, together with other relevant sections of Chapters 1001-1013, Florida Statutes and other applicable provisions of law (the "Act") and a General Obligation School Bond Master Resolution duly adopted by the School Board on January 10, 2023 (the "Master Resolution"), as supplemented, as particularly supplemented by a Resolution adopted by the School Board on April 28, 2026 (the "Series 2026 Supplemental Resolution," and collectively with the Master Resolution, the "Resolution"). Capitalized terms used, but not otherwise defined herein, shall have the meaning assigned thereto in the Resolution included as "APPENDIX C – COPY OF RESOLUTION" hereto.

Pursuant to a referendum election held on November 8, 2022, the qualified electors of the District approved the issuance of multiple series of new money general obligation bonds pursuant to the Master Resolution in the total principal amount of not exceeding \$300,000,000 for the purposes of constructing, renovating and replacing public schools facilities throughout the District, including implementation of safety enhancements and instructional technology upgrades, as more particularly described in the District's revitalization of facilities plan (the "Revitalization Plan") and in the Master Resolution. The Series 2026 Bonds are the third and final series of new money general obligations bonds issued under the Master Resolution. In addition to the Series 2026 Bonds, the District previously issued its \$99,995,000 aggregate principal amount of General Obligation School Bonds, Series 2023 (the "Series 2023 Bonds") on June 29, 2023, \$96,660,000 of which is currently outstanding, and \$100,000,000 aggregate principal amount of General Obligation School Bonds, Series 2025 (the "Series 2025 Bonds") on June 20, 2025, all of which is currently outstanding. Upon issuance of the Series 2026 Bonds, the District will have issued the full \$300,000,000 of new money general obligation bonds authorized by voters in the District in the November 8, 2022 referendum. However, the District may still issue refunding general obligation bonds from time to time in order to refund previously issued new money general obligation bonds. The Series 2026 Bonds, together with the Series 2023 Bonds and the Series 2025 Bonds and any Additional Bonds issued from time to time pursuant to the Master Resolution, are referred to herein as the "Bonds." See "AUTHORITY FOR AND PURPOSE OF ISSUANCE; VALIDATION," "PLAN OF FINANCE; ADDITIONAL BONDS" and "REVITALIZATION OF FACILITIES PLAN" herein.

The Series 2026 Bonds are being issued for the purposes of (i) constructing, renovating and replacing public school facilities, including implementation of safety enhancements and instructional technology upgrades, as more particularly described in the Revitalization Plan and the Master Resolution

* Preliminary, subject to change.

and (ii) paying the costs of issuance with respect to the Series 2026 Bonds. See "PLAN OF FINANCE; ADDITIONAL BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2026 Bonds are general obligations of the District, the prompt payment of the principal of, premium, if any, and interest on which is secured by the full faith and credit and ad valorem taxing power of the District. The Series 2026 Bonds are payable solely from and secured by a prior lien upon and a pledge of the proceeds of the levy and collection of a direct annual tax, without limitation as to rate or amount, upon all taxable property within the District sufficient to pay the principal of, premium, if any, and interest on the Series 2026 Bonds as the same shall become due and payable and to provide for probable failures of collection of such tax in such year, which tax will be levied and collected at the same time and in the same manner as other ad valorem taxes are assessed, levied and collected for operating expenses of the District and will be in addition to all other taxes authorized to be levied by the District. See "SECURITY FOR THE SERIES 2026 BONDS" and "AD VALOREM TAX PROCEDURES" herein.

The District has agreed and undertaken for the benefit of the holders of the Series 2026 Bonds, to provide certain financial information and operating data relating to the District and the Series 2026 Bonds on a continuing basis pursuant to Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2026 Bonds is made only by means of this Official Statement and is subject in all respects to the information contained herein. For a complete description of the terms and conditions of the Series 2026 Bonds, reference is made to the copy of the Resolution in APPENDIX C of this Official Statement.

AUTHORITY FOR AND PURPOSE OF ISSUANCE; VALIDATION

The Series 2026 Bonds are being issued pursuant to the Act and the Resolution for the purposes of (i) constructing, renovating and replacing public school facilities, including implementation of safety enhancements and instructional technology upgrades, as more particularly described in the Revitalization Plan and the Master Resolution and (ii) paying the costs of issuance with respect to the Series 2026 Bonds. The issuance of Bonds pursuant to the Resolution was validated by the Circuit Court of the Seventh Judicial Circuit, in and for Putnam County, pursuant to a Final Judgment entered on April 13, 2023. The appeal period for such Final Judgment expired on May 15, 2023, without an appeal having been filed. See "PLAN OF FINANCE; ADDITIONAL BONDS," "ESTIMATED SOURCES AND USES OF FUNDS" and "REVITALIZATION OF FACILITIES PLAN" herein.

PLAN OF FINANCE; ADDITIONAL BONDS

The Series 2026 Bonds are the third and final series of new money general obligation bonds to be issued by the District pursuant to the Master Resolution in the total principal amount of not exceeding \$300,000,000 for the purpose of constructing, renovating and replacing public school facilities throughout the District, including implementation of safety enhancements and instructional technology upgrades, as more particularly described in the District's Revitalization Plan. The issuance of such general obligation bonds (including the Series 2026 Bonds) was approved by the qualified electors of the District at a

referendum election held on November 8, 2022. See "REVITALIZATION OF FACILITIES PLAN" herein.

In addition to the Series 2026 Bonds, the District previously issued \$99,995,000 aggregate principal amount of the Series 2023 Bonds on June 29, 2023 and \$100,000,000 aggregate principal amount of the Series 2025 Bonds on June 20, 2025. Upon issuance of the Series 2026 Bonds, the District will have issued the full \$300,000,000 of new money general obligation bonds authorized by voters in the District in the November 8, 2022 referendum. However, the District may still issue refunding general obligation bonds from time to time in order to refund previously issued new money general obligation bonds. The Series 2026 Bonds, together with the Series 2023 Bonds and the Series 2025 Bonds and any Additional Bonds issued from time to time pursuant to the Master Resolution are referred to herein as the "Bonds."

DESCRIPTION OF THE SERIES 2026 BONDS

General

The Series 2026 Bonds will be dated the date of delivery, will mature in the years and principal amounts and accrue interest at the interest rates set forth on the inside cover page of this Official Statement. Interest on the Series 2026 Bonds is payable semi-annually on each July 1 and January 1 (each an "Interest Payment Date"), commencing January 1, 2027 until maturity or earlier redemption. The Series 2026 Bonds will initially be issued exclusively in "book-entry" form and ownership of one fully registered bond certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as nominee of DTC. The principal of and interest on the Series 2026 Bonds are payable in the manner set forth under " - Book-Entry Only System" herein. Individual purchases of the Series 2026 Bonds will be made in increments of \$5,000 or integral multiples thereof.

Redemption Provisions

Optional Redemption. The Series 2026 Bonds maturing on or before July 1, 2036 are not subject to optional redemption prior to maturity. The Series 2026 Bonds maturing on or after July 1, 2037 are subject to optional redemption prior to maturity by the District, in whole or in part on any date on or after July 1, 2036, and if in part, in such order of maturities and in such principal amounts as the District shall select and by lot within a maturity, at a redemption price equal to the principal amount of the Series 2026 Bonds to be redeemed plus accrued interest to the date of redemption.

Mandatory Redemption. The Series 2026 Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, by lot, on July 1, 20__ and on July 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the Amortization Installments as follows:

<u>Year</u>	<u>Amortization Installment</u>
-------------	---------------------------------

*Maturity

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Notice of Redemption

Notice of redemption will be given by deposit in the U.S. mails, of a copy of a redemption notice, first class and postage prepaid, at least 30 and not more than 60 days before the redemption date to all registered owners of the Series 2026 Bonds or portions of the Series 2026 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions of the Resolution on the fifth (5th) day prior to such mailing. Failure to mail any such notice to a registered owner of a Series 2026 Bond, or any defect in such notice, will not affect the validity of the proceedings for redemption of any Series 2026 Bond or portion of any Series 2026 Bond with respect to which no failure or defect occurred. Any notice mailed as provided in the Resolution will be conclusively presumed to have been duly given, whether or not the owner of such Series 2026 Bond receives such notice.

Each redemption notice will set forth the date fixed for redemption, the rate of interest borne by each Series 2026 Bond being redeemed, the name and address of the Registrar and Paying Agent, the redemption price to be paid, if less than all of the Series 2026 Bonds then Outstanding will be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Series 2026 Bonds to be redeemed and, in the case of Series 2026 Bonds to be redeemed in part only, the portion of the principal amount to be redeemed. If any Series 2026 Bond is to be redeemed in part only, the notice of redemption which relates to such Series 2026 Bond will also state that on or after the redemption date, upon surrender of such Series 2026 Bond, a new Series 2026 Bond or Series 2026 Bonds in a principal amount equal to the unredeemed portion of such Series 2026 Bond will be issued. Notwithstanding any other provision of the Resolution, notice of optional redemption pursuant to the Resolution may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice. Such notice will be entitled "CONDITIONAL NOTICE OF REDEMPTION," and will expressly state that the redemption is conditional and is subject to the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and such notice will be of no effect unless such moneys are so deposited.

Selection of Series 2026 Bonds to be Redeemed

The Series 2026 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. For purposes of any redemption of less than all of the Series 2026 Bonds then Outstanding of a single maturity, the particular Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed shall be selected not more than thirty-five (35) days prior to the redemption date by the Registrar, from the Outstanding Series 2026 Bonds of the maturity or maturities designated by the District by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of the Series 2026 Bonds or portions of the Series 2026 Bonds in principal amounts of \$5,000 and integral multiples thereof.

Effect of Calling Series 2026 Bonds for Redemption

The Series 2026 Bonds or portions of Series 2026 Bonds called for redemption shall, on the redemption date designated in the redemption notice, be due and payable at the redemption price provided for in such notice. On the redemption date, provided moneys are on deposit with the Paying Agent, interest on the Series 2026 Bonds or portions of the Series 2026 Bonds called for redemption shall cease to accrue, such Series 2026 Bonds or portions of Series 2026 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution and shall be deemed paid and the registered owners of such Series 2026 Bonds or portions of Series 2026 Bonds shall have no further rights except to receive payment of the redemption price and to receive Series 2026 Bonds for any unredeemed portions of the Series 2026 Bonds as provided in the Resolution.

DTC Procedures Relating to Partial Redemptions

Investors should note that while DTC is the registered owner of the Series 2026 Bonds, partial redemptions of the Series 2026 Bonds will be determined in accordance with DTC's procedures. The District intends that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the District and the Beneficial Owners of the Series 2026 Bonds be made in accordance with the method of selection of Series 2026 Bonds for a partial redemption described above. However, the selection of the Series 2026 Bonds for redemption in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial redemption. The District can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners in accordance with the method of selection of Series 2026 Bonds for a partial redemption described above.

Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE DISTRICT BELIEVES TO BE RELIABLE, BUT THE DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2026 Bonds and will be deposited with DTC.

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

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 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 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 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 2026 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 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2026 Bonds, as the case may be, to be redeemed. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as defaults, and proposed amendments to the documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 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 shall be sent to DTC. If less than all of the Series 2026 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 2026 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 District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2026 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 District or the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the District, subject to any statutory and 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 District and/or the

Paying Agent for the Series 2026 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

Payment of Series 2026 Bonds Upon Discontinuance of Book-Entry Only System

Upon discontinuance of the book-entry only system for the Series 2026 Bonds, the principal or redemption price of the Series 2026 Bonds will be payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, Jacksonville, Florida (the "Paying Agent"). Upon such discontinuance, interest on the Series 2026 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owner at the address shown on the Series 2026 Bond register maintained by the Paying Agent as of the 15th day of the month preceding the applicable Interest Payment Date (the "Record Date"). Such interest may be paid by wire transfer within the United States to registered owners of \$1,000,000 or more in aggregate principal amount of Series 2026 Bonds, upon their written request received no later than the Record Date prior to an Interest Payment Date.

SECURITY FOR THE SERIES 2026 BONDS

General

The Series 2026 Bonds constitute general obligations of the District, the prompt payment of the principal of, premium, if any, and interest on which is secured by the full faith and credit and ad valorem taxing power of the District. Pursuant to the Act, there will be levied and collected upon all property within the District subject to taxation for such purpose, in each year while any of the Bonds remain outstanding, a direct tax sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same, respectively, become due and payable, and to provide for probable failures of collection of such tax in such year. Such tax will be levied and collected at the same time and in the same manner as ad valorem taxes levied for operating expenses of the District and will be in addition to all other taxes authorized to be levied by the District.

The proceeds of the tax to be levied to pay the principal of, premium, if any, and interest on the Bonds, when collected, shall be deposited in the Debt Service Fund. If the tax levy of the District, together with monies on deposit in the Debt Service Fund to make payments on the Bonds, shall ever be insufficient to make such payments when due, current funds of the District will be used to overcome such deficiency and reimbursement of such current funds shall be made out of subsequent taxes levied and collected by the District.

Whenever the School Board shall, in any year, have irrevocably deposited in the Debt Service Fund from which principal of and interest on the Bonds are payable any monies derived from sources other than the aforementioned property tax, said property tax may be correspondingly diminished, but any such diminution must leave available an amount of such taxes, after allowance for anticipated delinquencies in collection, which shall be fully sufficient, with such monies so deposited from other sources, to assure the

prompt payment of principal of, premium, if any, and interest on the Bonds becoming due prior to the time that the proceeds of the next annual property tax levy will be available.

Debt Service Fund

Pursuant to the Master Resolution, there was created and established by the District a trust fund known as the "Debt Service Fund" and within such Fund a separate Account for each Series of Bonds issued pursuant to the Master Resolution, including an Account for the Series 2026 Bonds established pursuant to the Series 2026 Supplemental Resolution, which will be held and administered by the School Board solely for the purpose of paying the principal of, premium, if any, and interest on the Series 2026 Bonds as they become due, whether at maturity, or upon redemption or purchase for cancellation pursuant to the Resolution, or to reimburse the District for paying such amounts. In accordance with Sections 1011.04 and 1011.21, Florida Statutes and the Resolution, in each year while any Bonds are Outstanding, there shall be levied and collected a tax without limitation as to rate or amount on all taxable property within the District, sufficient in amount to pay the principal of, premium, if any, and interest on all such Bonds, together with Administration Expenses after deducting therefrom any other funds which may be available for such payments and which shall actually be so applied. The proceeds of such tax, other than amounts payable to the District as reimbursement for prior payments or amounts to be deposited in the Project Fund as reimbursement for amounts transferred in accordance with the Resolution (as described in the following paragraph) shall be deposited into the Debt Service Fund and used solely for the payment of such principal, premium, if any, and interest on the Bonds and Administration Expenses.

At the option of the School Board, an amount of Bond proceeds and/or investment earnings thereon not exceeding the amount of interest on the Bonds which will become due prior to the estimated receipt of sufficient proceeds of the first ad valorem tax to be levied after issuance of a Series of Bonds may be withdrawn from the related Series Account in the Project Fund and deposited in the related Series Account of the Debt Service Fund.

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ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds to be derived from the sale of the Series 2026 Bonds.

SOURCES:

Principal Amount of Series 2026 Bonds.....	\$
Plus/Less: Net Bond Premium/Original Issue Discount.....	
TOTAL SOURCES	\$

USES:

Deposit to Series 2026 Project Account ⁽¹⁾	\$
Costs of Issuance ⁽²⁾	
TOTAL USES.....	\$

⁽¹⁾ Shall be utilized to pay a portion of the Costs of the District's Revitalization Plan. See "REVITALIZATION OF FACILITIES PLAN" herein.

⁽²⁾ Includes Underwriter's discount, legal, municipal advisory and other miscellaneous costs of issuance.

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DEBT SERVICE SCHEDULE

The annual payment requirements for the Series 2023 Bonds, the Series 2025 Bonds and the Series 2026 Bonds are shown on the following table:

July 1	Series 2023 Bonds	Series 2025 Bonds	Series 2026 Bonds			Aggregate Annual Debt Service
			Principal	Interest	Annual Debt Service	
2026	\$6,224,650	\$6,670,623				
2027	6,229,400	6,668,538				
2028	6,229,400	6,670,288				
2029	6,224,650	6,667,788				
2030	6,225,150	6,666,038				
2031	6,225,400	6,669,788				
2032	6,225,150	6,668,538				
2033	6,229,150	6,667,288				
2034	6,226,900	6,670,788				
2035	6,228,400	6,668,538				
2036	6,228,150	6,670,538				
2037	6,225,900	6,666,288				
2038	6,226,400	6,669,013				
2039	6,224,150	6,669,125				
2040	6,228,900	6,666,363				
2041	6,224,900	6,670,463				
2042	6,227,150	6,670,638				
2043	6,224,900	6,666,625				
2044	6,224,300	6,668,163				
2045	6,227,100	6,669,463				
2046	6,227,300	6,670,000				
2047	6,224,869	6,670,000				
2048	6,224,600	6,669,250				
2049	6,224,763	6,667,250				
2050	6,225,788	6,668,500				
2051	6,227,250	6,667,250				
2052	6,223,725	6,668,000				
2053	-	6,670,000				
2054	-	6,667,500				
2055	-	-				
	<u>\$168,108,394</u>	<u>\$193,392,636</u>				

⁽¹⁾ Totals may not add due to rounding.

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AD VALOREM TAX PROCEDURES

The following information is provided in view of the fact that the security for the Bonds is derived exclusively from ad valorem taxation.

Property Assessment and County Property Appraiser

General. Ad valorem taxes may be levied only by counties, school districts, municipalities, and certain special districts (railroad properties are centrally assessed at the State level). No State ad valorem taxes shall be levied upon real estate or tangible personal property. State law requires that all ad valorem taxation be assessed at a uniform rate within each taxing unit and, with certain exceptions, that real and personal property subject to ad valorem taxation be assessed at 100% of its just value. See "Limitation on Increase in Assessed Value of Property" below. The following property is generally subject to taxation in the manner provided by law: (a) all real and personal property in the State and all personal property belonging to persons residing in the State; and (b) all leasehold interests in property of the United States, of the State, or any political subdivision, municipality, agency, authority, or other public body corporate of the State. Pursuant to the Constitution of the State of Florida and State law, certain of such property may be exempt from ad valorem taxation. See "Exemptions from Ad Valorem Taxation" below.

Determination of Property Valuation. The Property Appraiser of the County (the "Property Appraiser") determines property valuation on real and tangible personal property subject to ad valorem taxation as of January 1 of each year. By July 1 of each year, the Property Appraiser notifies the County, the School Board, each municipality within the County, and each other legally constituted special taxing district within the County as to its just valuation, the legal adjustments and exemptions, and the taxable valuation. The taxable valuation is then used by each taxing body to calculate its ad valorem millage for the budget year. See "Limitation on Increase in Assessed Value of Property" and "Millage Set by Local Governing Body" below for limitations on increases in assessed value of property.

Limitation on Increase in Assessed Value of Property. The Constitution of the State of Florida limits the increases in assessed value of homestead property to the lower of (a) 3% of the assessment for the prior year or (b) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just (market) value is known as the "Save Our Homes Benefit." Further, upon any change of ownership of homestead property or termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to \$500,000 of their Save Our Homes Benefit to a new homestead property purchased within three years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, assessment increases for specified non-homestead real property may not exceed 10% of the assessment for the prior year. See also "Legislation Relating to Ad Valorem Taxation – Recent Amendments Relating to Ad Valorem Taxation" below.

Preparation of Tax Roll. The Property Appraiser applies the final certified millage of each taxing body to the assessed valuation on each item of real and tangible personal property, and prepares the final tax roll which is certified to the Tax Collector of the County (the "Tax Collector") by October 1. This permits the printing of tax bills for delivery on November 1 of each year. The tax bills contain all of the overlapping and underlying millages set by the various taxing bodies. All ad valorem taxes are collected by the Tax Collector and distributed to the various taxing bodies. See "– Tax Collection and Distribution by County Tax Collector" below.

Appealing Property Valuation. Concurrently with notification to the various taxing bodies, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on his or her property. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (a) request an informal conference with the Property Appraiser to resolve the issue, (b) file a petition with the clerk of the County value adjustment board (the "Adjustment Board"), or (c) appeal to the Circuit Court within 60 days of the certification for collection of the tax roll or within 60 days of the issuance of a final decision by the Adjustment Board. A petition to the Adjustment Board must be signed by the taxpayer or be accompanied at the time of filing by the taxpayer's written authorization for representation by a qualified person. Property owners appealing the assessed value or assigned classification of their property must make a required partial payment of taxes (generally equal to 75% of the ad valorem taxes due, less the applicable statutory discount, if any) with respect to the properties that will have a petition pending on or after the delinquency date (normally April 1). A property owner's failure to make the required partial payment before the delinquency date will result in the denial of the property owner's petition. A taxpayer receives notice of the hearing and is required to provide the Property Appraiser with a list of evidence, copies of documentation, and summaries of testimony prior to the hearing before the Adjustment Board. The Adjustment Board holds public hearings on such petitions and may make adjustments to the valuations made by the Property Appraiser if such valuations are found not to be fair and at market value. The Adjustment Board must complete all required hearings and certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

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Assessed Value of Taxable Property

The following table sets forth the assessed value of taxable property in the District for the last nine fiscal years and the current fiscal year:

School District of Putnam County, Florida
Assessed Value of Taxable Property
Ten Fiscal Years Ending June 30, 2026
(in Thousands)

Fiscal Year Ended June 30	Just/Market Value ⁽¹⁾	Exemptions ⁽²⁾	Net Assessed Value
2017	\$6,477,853	\$2,817,967	\$3,659,886
2018	6,756,659	2,935,195	3,821,464
2019	7,068,182	3,001,736	4,066,446
2020	7,368,605	3,099,543	4,269,062
2021	8,319,224	3,351,379	4,967,845
2022	8,872,951	3,582,153	5,290,798
2023	10,795,118	4,567,201	6,227,916
2024	12,602,007	5,035,152	7,566,855
2025	13,639,105	5,110,803	8,528,302
2026	13,651,656	5,086,442	8,565,214

⁽¹⁾ The basis of assessed value is approximately 100% of actual value.

⁽²⁾ Exemptions allowed by Chapter 196, Florida Statutes.

Source: Putnam County, Florida Property Appraiser.

Millage Set by Local Governing Body

General. The Constitution of the State of Florida provides that ad valorem taxes shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; and for all other special districts a millage authorized by law approved by voters. With respect to schools, the millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies.

As described above, the Property Appraiser is required to certify to each taxing authority the aggregate taxable value of all non-exempt property within the jurisdiction of the taxing authority, as well as the prior year's tax revenues, for use in connection with the determination of the forthcoming budget and millage levy. The form on which such certification is made by the Property Appraiser is required to include instructions to each taxing authority describing the proper method of computing a millage rate, which, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes, will provide the same ad valorem tax revenues for each taxing authority as was levied during the prior fiscal year. See "Millage Rollback Legislation" below.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the Board to adopt

and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of the preliminary certification of taxable value. The Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. Generally, the final budget is substantially the same as the tentative budget since the School Board's hiring plans and materials purchases have been determined before the final Budget is adopted. The School Board adopted the final budget for Fiscal Year 2025-26 on September 11, 2025.

Millage Rollback Legislation. In 2007, the Florida Legislature adopted a property tax plan that significantly impacted ad valorem tax collections for local governments in the State (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities, and special districts to rollback their millage rates for the Fiscal Year 2007-08 to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-07; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-07 ad valorem tax revenues by 0% to 9%. In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body. School districts are not required to comply with the particular provisions of the Millage Rollback Legislation relating to limitations on increases in future years.

District Millage Rates. The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis for school purposes to 10 mills (\$10 per \$1,000 of taxable real and personal property value). The millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies. Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property values within the taxing authority's respective jurisdiction. Revenues derived from ad valorem property taxes are budgeted, as required by Florida law, on the application of millage levies to 96% of the non-exempt assessed valuation of property in the County. Ad valorem taxes are not levied in excess of actual budget requirements.

Chapter 1011, Florida Statutes further limits the non-voted millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State of Florida Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of Florida Education Finance Program ("FEFP") funds for current operations must levy a non-voted millage rate that is determined annually by the State Legislature and certified by the Commissioner of the State Department of Education and is referred to herein as the "Required Local Effort." For the Fiscal Year ending June 30, 2026, the District's Required Local Effort millage is 3.041 mills, inclusive of a Prior Period Funding Adjustment Millage of 0.018 mills as required by Section 1011.62(4)(e), Florida Statutes. Such Prior Period millage is levied when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage.

In addition to the "Required Local Effort," school districts are entitled to levy an additional non-voted current operating "discretionary millage" not to exceed an amount established annually by the

Legislature and up to 1.5 mills for capital outlay and maintenance of school facilities. However, the District may levy up to 0.25 mills for capital outlay and maintenance of school facilities in lieu of operating discretionary millage. For Fiscal Year ending June 30, 2026, the District's discretionary operating millage is 0.748 mills. See "AD VALOREM TAX PROCEDURES - Millage Set by Local Governing Body" herein. In addition, the District is levying 1.576 mills for debt service on the Series 2023 Bonds and the Series 2025 Bonds for Fiscal Year ended June 30, 2026.

In addition to the millage levies for operating purposes, pursuant to Section 1011.71, Florida Statutes, school boards may levy an additional non-voted millage known as the "Capital Improvement Tax" for capital outlay and maintenance purposes of up to 1.50 mills. See also, "RECENT GOVERNMENTAL ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES - Distribution of Capital Outlay Funds to Charter Schools" for information regarding recent legislation requiring school districts to share Capital Improvement Tax revenues with charter schools in such school districts. The Capital Improvement Tax is not pledged as security for the Series 2026 Bonds. The total millage for the 2025-2026 Fiscal Year is 6.865 mills, including 1.576 mills for debt service. In each future Fiscal Year in which Bonds (including the Series 2026 Bonds) are Outstanding, the millage levy will include a debt service millage in an amount sufficient to pay the debt service on the Bonds (including the Series 2026 Bonds) in such Fiscal Year. See "SECURITY FOR THE SERIES 2026 BONDS" herein.

The following table contains the tax millage rates of the District for the Fiscal Years shown below:

School District of Putnam County, Florida					
Tax Millage Rates					
	2021-22	2022-23	2023-24	2024-25	2025-26
General Fund:					
Required Local Effort ⁽¹⁾	3.532	3.215	3.115	3.033	3.041
Discretionary Operating	0.748	0.748	0.748	0.748	0.748
Sub Total	4.280	3.963	3.863	3.781	3.789
Debt Service	-	-	0.867	0.849	1.576
Capital Improvement	1.500	1.500	1.500	1.500	1.500
Total	5.780	5.463	6.230	6.130	6.865

Source: The District.

⁽¹⁾ Inclusive of Prior Period Funding Adjustment Millage, if any. Such Prior Period millage is levied when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage.

Tax Collection and Distribution by Tax Collector

General. All real and tangible personal property taxes are based on assessed values as certified and delivered to the Tax Collector by the Property Appraiser as described above. The Tax Collector mails to each property owner on the tax roll a tax bill for the taxes levied by the various taxing authorities in the County. Taxes may be paid upon receipt of such bill with discounts at the rate of 4% if paid in the month of November, 3% if paid in the month of December, 2% if paid in the month of January, and 1% if paid in the month of February. Taxes paid during the month of March are without discount. Because of the discount in ad valorem taxes for payments made prior to March 1, taxes collected will likely never be 100% of the tax levy.

The Tax Collector is required to distribute the taxes collected to each governmental unit levying the tax. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Delinquent Taxes. All unpaid taxes on real and tangible property become delinquent on April 1 of the year following the year in which the taxes were levied. Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until paid, or until payment is no longer required or until a tax certificate is sold at auction (from which time the interest rate shall be as bid by the buyer of the tax certificate). Delinquent tangible personal property taxes also bear interest at the rate of 18% per year from April 1 until paid. Delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1, the property is subject to warrant, levy, seizure and sale.

Tax Certificates and Tax Deeds. On or before June 1 or the 60th day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property that is the subject of delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the County. State law provides that real property tax liens are superior to all other liens, except prior Internal Revenue Service liens.

To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the penalty interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate shown on the tax certificate (or interest at the rate of 5%, whichever is higher) from the date of the sale of the tax certificate to the date of redemption. If such tax certificates or liens are not redeemed by the property owner within two years, the holder of the tax certificates can cause the property to be sold to pay off the outstanding certificates and the interest thereon.

At any time after two years have elapsed since April 1 of the year of the issuance of a tax certificate and before the expiration of seven years, the holder of the tax certificate may apply for a tax deed with respect to any tax certificate it holds. Two years after such April 1, the County may make application for a tax deed with respect to any tax certificate it holds. Upon receipt of such applications, a public sale is advertised and held (unless the property is redeemed), and the highest bidder at such sale receives a tax deed for the property. Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner, which includes the possible seizure of the tangible personal property.

Exemptions from Ad Valorem Taxation

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the Constitution of the State of Florida and Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Certain recent amendments to existing provisions relating to ad valorem tax exemptions are described under "Legislation Relating to Ad Valorem Taxation – Recent Amendments Relating to Ad Valorem Taxation."

Constitutional Exemptions. The Constitution of the State of Florida provides for the following exemptions from ad valorem taxation:

Exempt Entities/Exempt Purposes. The Constitution of the State of Florida provides that all property owned by a municipality and used exclusively by it for municipal or public purposes shall be exempt from taxation. A municipality, owning property outside the municipality, may be required by general law to make payment to the taxing unit in which the property is located. Such portions of property as are used predominantly for educational, literary, scientific, religious or charitable purposes (exempt purposes) may be exempted by general law from taxation. State law provides that all property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation and all property owned by an exempt entity, including educational institutions, and used predominantly for exempt purposes (at least 50%) shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

Household Goods and Personal Effects. The Constitution of the State of Florida provides that there shall be exempt from taxation, cumulatively, to every head of a family residing in the State, household goods and personal effects to the value fixed by general law, not less than \$1,000 and to every widow or widower or person who is blind or totally and permanently disabled, property to the value fixed by general law not less than \$500. State law exempts from taxation to every person residing and making his or her permanent home in the State, all household goods and personal effects and exempt property up to the value of \$500 of every widow, widower, blind person, or totally and permanently disabled person who is a resident of the State.

Tangible Personal Property and Renewable Energy Devices. The Constitution of the State of Florida provides that by general law and subject to conditions specified therein, \$25,000 of the assessed value of property subject to tangible personal property tax shall be exempt from ad valorem taxation. Effective January 1, 2018 through December 31, 2037, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law.

Property Dedicated in Perpetuity for Conservation. The Constitution of the State of Florida provides that there shall be granted an ad valorem tax exemption for certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Homestead Exemption. The Constitution of the State of Florida provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption.

In addition to the general homestead exemption described above, the following additional homestead exemptions are authorized by State law.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of injury or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. Under certain circumstances, a veteran's surviving spouse may be entitled to carry over these exemptions.

Permanently and Totally Disabled Veterans. A military veteran who is a resident of the State and was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on property they own and use as their homesteads. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Discounts for Disabled Veterans. Each veteran who is age 65 or older and is partially or totally permanently disabled may receive a discount on the assessed value of the property that the veteran owns and uses as a homestead. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veteran's Affairs.

Deployed Military Personnel. Each person who receives a homestead exemption; who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the Florida Legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the Legislature divided by the number of days in that year.

Exemption for Disabled First Responders. First responders who are totally and permanently disabled as a result of injuries sustained in the line of duty receive ad valorem tax relief on their homestead property. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. Florida defines first responders as law enforcement officers, correctional officers, firefighters, emergency medical technicians and paramedics.

Surviving Spouses of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Certain Totally and Permanently Disabled Persons. Any real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Other Exemptions. Other exemptions include, but are not limited to, nonprofit homes for the aged (subject to income limits for residents), proprietary continuing care facilities, not for profit sewer water/waste water systems, certain hospital facilities and nursing homes for special services, charter schools, certain historic property used for commercial purposes, and certain tangible personal property.

Legislation Relating to Ad Valorem Taxation

Recent Amendments Relating to Ad Valorem Taxation. In recent legislative sessions, several legislative proposals and proposed constitutional amendments were passed (and approved by voters in the case of constitutional amendments) affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing an additional homestead exemption and/or an exemption equal to the just

value of real property for income restricted persons age 65 or older who have maintained such property as their permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the Florida Legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the District, the District's finances in general or the District's ad valorem taxing power. See "RECENT GOVERNMENTAL ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES – Constitutional Amendments and Other Legislative Changes" herein.

Property Tax Reform. On April 29, 2025, the Speaker of the Florida House of Representatives announced the creation of the Select Committee on Property Taxes (the "Select Committee") to consider various property tax reforms in the State. On May 2, 2025, the Select Committee convened for its first meeting to discuss several proposals regarding providing property tax relief. The Select Committee has held subsequent meetings since May 2025. Certain recommendations from the Select Committee were filed for consideration during the 2026 regular Florida legislative session and, if enacted, would be placed on the November 2026 general election ballot.

The Florida Legislature convened its 2026 regular session on January 13, 2026. The regular session ended on March 13, 2026 without the passage of significant legislation to address property tax reform. As such, the Governor of the State proposed a constitutional amendment to address property tax reform and called a special session of the legislature from June 1, 2026 to June 3, 2026. The Governor's proposal would initially raise the homestead exemption to \$250,000 and create a schedule to eventually eliminate homestead property taxes altogether. It is uncertain at this time whether the Governor's proposal, if adopted by the legislature, would apply to school district property tax levies. Several proposed bills relating to property tax reform were filed in both the House and the Senate for consideration during the 2026 regular session. These bills varied greatly in their approach in addressing property tax reform, but all aimed to reduce the property tax burden for Florida property owners, particularly residential homestead property owners. Some sought to exempt homestead property from all property tax levies other than school district levies. Some provided this relief to certain of the senior population. Others increased homestead property tax exemptions or added additional homestead exemptions for certain properties and would have applied to all property tax levies, including school district levies. Some increased or otherwise modified the homestead exemption portability benefit. Certain proposals revised the property assessment process, limiting the allowable increases in property assessments and/or how frequently property can be assessed. Bills were also filed that would affect the ability of local governments to increase ad valorem tax millages. Additional bills may be filed in anticipation of the special session and some of the previously filed bills may be amended or refiled for the special session.

If any property tax reform bill is passed by the State Legislature and approved by the Governor, it would then be subject to a state-wide referendum requiring at least 60% of the voters approving such measure to become law. There can be no assurance that any of the bills previously filed in their previously filed form or as amended, or bills that are subsequently filed, will be approved by the House and Senate, or will be approved by the Governor or will be approved by 60 percent of voters of the State.

The District cannot predict what legislation may be introduced and possibly enacted into law during the scheduled special session or in any future legislative session that could have a materially adverse effect on the ad valorem tax revenues of the District. However, the District does not expect any such proposals to impair its ability to pay the Series 2026 Bonds, which are secured by the full faith, credit and taxing power of the District. See "SECURITY FOR THE SERIES 2026 BONDS" herein.

Ad Valorem Tax Levies and Collections

The following table sets forth the amounts billed and the percent collected for ad valorem property taxes levied by the District:

School District of Putnam County, Florida Property Tax Levies and Collections						
Fiscal Year Ended June 30	Total Tax Levy	Less Adjustments		Net Tax Levy	Total Tax Collections Through June 30	Percent of Total Tax Collections to Property Taxes Levied
		Deductions ⁽¹⁾	Discounts ⁽²⁾			
2017	\$24,887,442	\$17,780	\$1,278,075	\$23,591,587	\$23,831,610	95.76%
2018	24,281,812	68,021	1,071,253	23,142,538	23,980,884	98.77
2019	25,029,182	33,320	852,726	24,143,137	24,274,694	100.54
2020	25,059,497	51,558	817,114	24,190,825	24,282,876	100.38
2021	29,260,687	25,762	1,012,959	28,221,967	28,376,041	100.55
2022	30,598,661	32,343	1,037,325	29,528,993	29,684,761	100.53
2023	34,041,022	39,400	1,141,057	32,860,565	32,960,456	100.30
2024	47,351,691	229,061	1,563,275	45,559,355	46,222,570	101.46
2025	52,277,773	94,975	1,730,747	50,452,051	51,171,306	101.43
2026	58,800,373 ⁽³⁾	68,211 ⁽³⁾	1,953,006 ⁽³⁾	56,779,156 ⁽³⁾	53,127,446 ⁽⁴⁾	93.57 ⁽⁴⁾

⁽¹⁾ Deductions reflecting adjustments by Adjustment Board. See "Property Assessment and County Property Appraiser – Appealing Property Valuation" above.

⁽²⁾ Reflects discounts for early payment. See "Tax Collection and Distribution by Tax Collector - General" above.

⁽³⁾ Data as of May 26, 2026.

⁽⁴⁾ Collections through April 17, 2026.

Source: Audited Financial Statements of The School Board of Putnam County, Florida for the Fiscal Years Ended June 30, 2016-2025; Putnam County Property Appraiser.

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Principal Taxpayers

The following table sets forth the Principal Taxpayers in the County in 2025 and 2016:

Putnam County, Florida Principal Taxpayers

Taxpayer	2025			2016		
	Taxable Assessed Value ⁽¹⁾	Rank	% of Total County Assessed Value ⁽²⁾	Taxable Assessed Value ⁽¹⁾	Rank	% of Total County Assessed Value ⁽²⁾
Georgia-Pacific Corporation	\$1,030,052,399	1	13.70%	\$283,388,521	2	8.43%
Seminole Electric Cooperative	881,614,973	2	11.80	317,256,888	1	9.44
Florida Power & Light Co.	823,148,814	3	11.00	164,198,820	3	4.88
Continental Palatka, LLC (f/k/a/ LaFarge Gypsum Corp.) ⁽³⁾	106,878,840	4	1.40	108,753,642	4	3.24
TECO Pipeline Holding Co LLC	80,255,660	5	1.10	-	-	-
Clay Electric Cooperative, Inc.	66,832,370	5	0.90	47,643,200	5	1.42
Green Dragon Florida LLC/Best Prop 100 LLC	27,228,830	6	0.40	-	-	-
NF Putnam Community Medical Center (f/k/a PCMC) ⁽⁴⁾	23,362,170	9	0.30	14,901,504	8	0.44
Comcast	19,105,660	8	0.30	-	-	-
Wal-Mart	18,434,510	10	0.20	16,433,142	6	0.49
CSX Transportation, Inc	-	-	-	16,380,350	7	0.49
9520 Bonita Beach Road LLC	-	-	-	12,670,269	9	0.38
BellSouth Telecommunications	-	-	-	12,642,639	10	0.38
Principal Taxpayers – Totals	\$3,076,914,226		41.10%	\$994,268,975		29.59%
All Other Taxpayers - Totals	\$4,419,445,126		58.90%	\$2,367,112,554		70.41%
Grand Totals⁽⁵⁾	\$7,496,359,352		100.00%	\$3,361,381,529		100.00%

(1) Significant changes in assessed values over the ten year period may be the results of property additions, deletions, as well as just normal business attrition.

(2) Percentages are a function of Taxable Assessed Value / Total Taxable Assessed Value for the specific year.

(3) Continental Palatka, LLC is a subsidiary of the newly formed company Continental Building Products, LLC, which took over the assets and operations of LaFarge North America. The sale was completed August 30, 2013 and operations commenced under the new ownership on September 3rd of the same year.

(4) Putnam Community Medical Center ("PCMC") was purchased by Hospital Corporation of America from Lifepoint Hospitals in March 2015 and completed its administrative changeover by May 1, 2015. Rebranding of PCMC to NF Putnam Community Medical Center occurred February 6, 2016.

(5) Taxable Assessed Value includes real, tangible personal and centrally assessed properties.

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

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RECENT GOVERNMENTAL ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES

General

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation and District revenues have been introduced in the State Legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. Other proposals have sought to restrict the ability of local governments to use certain revenues for payment of debt service, to provide for additional procedures and notices to issue tax-supported debt or to require certain local revenues be shared with charter schools in the school district. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

Reference is also made to "AD VALOREM TAX PROCEDURES – Exemptions from Ad Valorem Taxation" and "AD VALOREM TAX PROCEDURES – Recent Amendments Relating to Ad Valorem Taxation" herein for a discussion of amendments to the Florida Constitution and other legislation affecting ad valorem tax revenues.

Constitutional Amendments Relating to Class Size Reduction

Article IX of the State Constitution required that the State Legislature provide funding for sufficient classrooms so that class sizes were reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9, and Sections 1003.03, Florida Statutes, and 1013.735, Florida Statutes, relating to the implementation of Amendment 9, collectively are referred to herein as the "Class Size Legislation."

The Class Size Legislation established constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through third grade, 22 for grades four through eight and 25 for grades nine through 12. Compliance is determined on a period-by-period basis. School districts not in compliance are required to submit to the Commissioner of Education a corrective action plan that describes specific actions the district will take in order to fully comply with the requirements by October of the following year.

The Class Size Legislation also created an "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program," the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding for capital outlays and operating expenditures necessary to satisfy the mandated class size reductions.

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars.

As of the October 2025 survey, the week during which the Department of Education determines compliance with class size maximums, 100% of the District's classrooms were in compliance with the requirements of the Class Size Legislation.

Legislative Changes Relating to School Choice

During the State Legislature's 2016 Regular Session, the Florida Legislature enacted House Bill 7029 ("HB 7029"). Among other things, a parent whose child is not subject to a current expulsion or suspension order may seek enrollment in and transport his or her child to any public school in the State, including a charter school, which has not reached capacity. The school district or charter school shall accept and report the student for purposes of funding through the FEFP. The school district or charter school may provide student transportation at their discretion. HB 7029 requires the capacity determinations of each school district and charter school to be current and identified on their respective school websites. Each school must provide preferential treatment in its controlled open enrollment process to: (1) dependent children of active duty military personnel who moved as a result of military orders, (2) children relocated due to foster care placement in a different school zone, (3) children relocated due to a court ordered change in custody as a result of separation or divorce, or the serious illness or death of a parent, and (4) students residing in the school district. Students residing in the school district may not be displaced by a student from another school district. A student who transfers may remain at the school until the student completes the highest grade level offered. This amendment took effect with the 2017-2018 school year. At present, the impact of the school choice provisions of HB 7029 on the District's finances has been minimal.

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

HB 1, which significantly expanded the eligibility criteria of the State's school voucher programs, was signed into law by Florida Governor Ron DeSantis on March 27, 2023. HB 1, among other things, expanded eligibility for the Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to any student that is a resident of Florida and is eligible to enroll in kindergarten through grade 12 in a public school. The Family Empowerment Scholarship Program is divided into three programs, the Family Empowerment Scholarship for students attending private schools (the "FES-EO"), the Family Empowerment Scholarship for students with disabilities (the "FES-UA") and the Hope Scholarship Program. HB 1 significantly increased the number of Florida Tax Credit Scholarships that may be awarded each year, and then removes the limits beginning in 2027-28. HB 1, in combination with House Bill 3C which was signed into law and became effective on November 3, 2023, removed the existing limits on the number of FES-EO scholarships that may be given each year. HB 1 also provided that the amount of the Family Empowerment Scholarship is equal to 100% of the school district's FEFP funding per student, including most categorical grants. HB 1 authorized uses of scholarship funds include, among other authorized expenses, tuition and fees for a student to attend eligible private schools. HB 1 took effect on July 1, 2023. House Bill 1403 ("HB 1403") was passed during the 2024 regular Florida legislative session and, among other things, expands eligibility for the Florida Tax Credit Scholarship Program and the Family Empowerment Scholarship Program to include the dependent children of active duty members of the United States Armed Forces who meet certain residency requirements, increases the FES-UA cap from three percent to five percent and repeals the scholarship funding portion of the Hope Scholarship Program. HB 1403 took effect on July 1, 2024. The expansion of the school choice programs in the State could potentially lead to a substantial increase in the number of Florida Tax Credit Scholarships and/or Family Empowerment Scholarship recipients. For the current year, the District has seen a significant increase in the number of eligible students in the District transitioning to private schools or other scholarship eligible programs, which has adversely impacted the District's finances. However, the District does not currently anticipate the need to cut positions or services to offset such decrease in revenues. The Florida Education Association, the State's largest teachers union, and other plaintiffs recently filed a lawsuit against the Florida Department of

Education, among others, challenging the constitutionality of the expansion of the State's scholarship programs and charter school statutory scheme. At this time, the outcome of such lawsuit cannot be determined. See "THE SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA – State Budget" herein.

Construction Cost Maximums

Section 1013.64(6)(b), Florida Statutes, prohibits a district school board from using funds from any sources (including voter approved ad valorem taxes, if legally available for such purpose) for new construction of educational plant space with a total cost per student station, including change orders, greater than the amounts set forth in Section 1013.64(6)(b)1., Florida Statutes, as adjusted. As of July 1, 2019, if the new construction of educational plant space is subject to a lease-purchase agreement entered into pursuant to Section 1011.71(2)(e), Florida Statutes, a district school board (i) may use certain local funding sources (including voter approved ad valorem taxes, if legally available for such purpose) to pay for the new construction of educational plant space, and (ii) may, but is not required to, use Capital Improvement Tax revenues and certain state funding sources to pay for the portion of the cost for new construction of educational plant space which does not exceed the total cost per student station requirements or for certain other costs that are not included in cost per student station calculation (such as legal and administrative costs, site improvement costs and school security hardening/capital costs).

HB 1 provides, among other things, that an unfinished construction project for new construction of educational plant space that was started on or before July 1, 2026, is exempt from the cost per student station limits of Section 1013.64(6)(b)1., Florida Statutes. In 2024, the Florida Legislature enacted SB 7002, which extended the exemption from the cost per student station limits until July 1, 2028. The District will use proceeds of the Series 2026 Bonds for new construction of educational plant space that will commence prior to July 1, 2028 and remodeling schools. As such, the maximum cost per student station limits of Section 1013.64(6)(b)1., Florida Statutes, do not apply to the facilities to be financed with proceeds of the Series 2026 Bonds and such facilities are exempt from the cost per student station limits of Section 1013.64(b)(6)1., Florida Statutes.

Distribution of Capital Outlay Funds to Charter Schools

On May 11, 2023, CS/CS/HB 1259 ("HB 1259") was signed by Florida Governor Ron DeSantis. HB 1259 modifies the provisions of Section 1013.62, Florida Statutes, relating to Capital Improvement Tax revenues that are required to be shared with eligible charter schools in each school district in the State. HB 1259 removes a previously existing State funding threshold for purposes of determining whether Capital Improvement Tax revenues must be shared with eligible charter schools in a school district and establishes a five-year glide path of local sharing of Capital Improvement Tax revenues between each school district in the State and eligible charter schools therein. The calculation methodology set forth in HB 1259 first reduces a school district's available Capital Improvement Tax revenues by the school district's annual debt service for obligations incurred as of March 1, 2017, which are being satisfied by Capital Improvement Tax revenues and which have not been subsequently retired. The remaining Capital Improvement Tax revenues are then divided by the sum of (a) the school district's capital outlay FTE students and (b) the total number of FTE students at eligible charter school in the school district to determine a capital outlay allocation per FTE student. Next, such capital outlay allocation per FTE student is multiplied by the total number of FTE students at each eligible charter school in the school district to determine a capital outlay allocation for each charter school in the school district. Next, if applicable, the capital outlay allocation to each charter school is reduced by the total amount of State funds allocated to each charter school in the school district thereby reducing the amount of Capital Improvement Tax revenues required to be shared by the school district. The remaining amount, if any, is the amount the school district must share with eligible charter schools in the school district in such year. However, the legislation provides for a five-year phase in for such amounts so that the amount to be paid by the school district for each year pursuant to the above-described methodology

was multiplied by 20% for Fiscal 2023-24, and increase by 20% each year until Fiscal Year 2027-28 at which time it would equal 100% of the amount described in the preceding sentence. HB 1259 took effect on July 1, 2023. For Fiscal Year 2025-26, the District shared \$176,690 in Capital Improvement Tax revenues with eligible charter schools in the District. However, the amount of Capital Improvement Tax revenues the District will be required to share with charter schools in the District is projected to be approximately \$1.5 million by Fiscal Year 2030-31. However, the Capital Improvement Tax is not pledged to the repayment of the Series 2026 Bonds and the District does not expect any reduction in Capital Improvement Tax revenues to adversely impact its ability to pay debt service on the Series 2026 Bonds.

Schools of Hope

In addition to requiring school districts to share the Capital Improvement Tax revenue with charter schools, House Bill 7069 ("HB 7069"), as amended by HB 7070 in 2019, also establishes the Schools of Hope Program to encourage traditional public schools within the State and charter operators throughout the country to replicate their model and service students from persistently low-performing schools and students who reside in a Florida Opportunity Zone (as defined therein). These provisions of HB 7069, now codified in Section 1002.333, Florida Statutes, provide for the establishment of Schools of Hope, which are charter schools operated by a Hope Operator to service students from one or more persistently low-performing schools; are located within a Florida Opportunity Zone or in the attendance zone of the persistently low-performing school or within a five mile radius of such school, whichever is greater; and is a Title I eligible school. Section 1002.333, Florida Statutes, defines "persistently low-performing schools" as schools that have earned three consecutive school grades below a "C" pursuant to Section 1008.34, Florida Statutes, in at least three of the previous five years and has not earned a school grade of "B" or higher in the most recent two school years, and a school that was closed pursuant to Section 1008.33(4), Florida Statutes, within two years of a notice of intent, and defines "Hope Operators" as nonprofit organizations that operate three or more charter schools with a record of serving students from low-income families and receives such designation from the Florida Department of Education. Pursuant to Section 1002.333, Florida Statutes, the statutory requirements for the application, approval, and contract that apply to charter schools do not apply to Schools of Hope; instead, a Hope Operator submits a notice of intent to a school district in order to open a School of Hope and the school district is required to enter into a performance based agreement with a Hope Operator within 60 days of receiving a notice of intent.

Section 1002.333, Florida Statutes, also (a) provides Schools of Hope with certain statutory authority, including, but not limited to, allowing a School of Hope to be designated as a local educational agency for the purposes of receiving federal funds; (b) provides that Schools of Hope are exempt from Chapters 1000-1013, Florida Statutes, and all school board policies, except any laws related to (i) the student assessment program and school grading system, (ii) student progression and graduation, (iii) provisions of services to students with disabilities, (iv) civil rights, (v) student health, safety, and welfare, (vi) public meetings, (vii) public records, and (viii) the code of ethics for public officers and employees.; (c) provides provisions for facilities for Schools of Hope; (d) provides provisions for funding Schools of Hope, including that they be funded in accordance with the statutory provisions relating to funding for charter schools and be considered a charter schools for purposes of charter school capital outlay; (e) establishes the School of Hope Program to cover specified operational expenses for Schools of Hope; and (f) establishes the Schools of Hope Revolving Loan Program to help Schools of Hope cover school building construction and startup costs.

On June 30, 2025, Senate Bill 2510 ("SB 2510") was signed into law by the Governor. SB 2510, among other things, modifies the provisions of Section 1002.333, Florida Statutes, relating to the requirements for the establishment of Schools of Hope including adding provisions allowing a school of hope to be located outside of a Florida Opportunity Zone or the attendance zone of the persistently low-performing school under certain circumstances, allowing a Hope Operator seeking to open a school of hope

to submit an application to a state university or a Florida College System institution and enter an agreement with such state university of Florida College System institution, and allowing a school of hope to co-locate with another school in a public school facility. The school district must permit any school of hope to use all or part of underused, vacant, or surplus school district facilities, and receive facility-related services at no cost. Students enrolled in the school of hope shall be included in the district's total capital outlay full-time equivalent membership for the purpose of Section 1013.62, Florida Statutes, and for calculating the Public Education Capital Outlay Maintenance finds or any other maintenance funds for the facility. Notwithstanding the foregoing, on February 20, 2026, the Florida Department of Education approved amendments to its rules relating to a Hope Operator seeking to use all or a part of underused, vacant or surplus school district facilities. The amended rule provides, among other things, that a facility is eligible for use by a Hope Operator if its facility utilization rate is no more than 75% or there is a surplus of at least 400 student stations at the facility, and prohibits Hope Operators from using facilities that were opened within the prior four years. The amended rule also provides that a Hope Operator may not submit more than five notices for use of underused, vacant or surplus facilities within a 12-month period, and provides that a Mutual Management Plan between the school district and the Hope Operator will set forth any incremental costs to be paid by the Hope Operator in connection with the use of such facility.

To date, the District has not received any notices from Schools of Hope operators approved in the State seeking to use a portion of any underused, vacant or surplus District facilities. The District currently has one school that is considered a "persistently low-performing school" under HB 7069.

Public Safety Mandate

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district; and (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. During the 2019 Legislative session, the State Legislature passed CS/CS/SB 7030 ("SB 7030") which among other things, removes the prohibition on individuals who perform exclusively classroom duties as a teacher from participating in the Guardian Program. However, the decision to allow teachers to be armed guardians remains with each individual school board. In 2018, the School Board approved arming teachers in the District. The School Board intends to comply with SB 7026 and SB 7030 through school resource officers and/or the Guardian Program. For Fiscal Year 2024-25, the School Board budgeted approximately \$1.2 million towards the cost of implementing SB 7026. For Fiscal Year 2025-26, the District budgeted approximately \$1.2 million towards the cost of SB 7026.

Coronavirus (COVID-19)

The Novel Coronavirus 2019 ("COVID-19") pandemic, along with various governmental measures taken to protect public health in light of the pandemic, adversely affected the School Board's financial results and resulted in a federally declared "national emergency." The School Board received various disaster relief funds since March 2020, including pursuant to the Coronavirus Aid, Relief and Economic

Security Act, which contained the Education Stabilization Fund; the Coronavirus Response and Relief Supplemental Appropriations Act, which included a second Education Stabilization Fund; and The American Rescue Plan Act of 2021. The District received approximately \$65.2 million in federal funds under such federal programs, collectively, however many of such funds were required to be shared with charter schools and private schools in the County.

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

Climate Change

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Areas like the District may be at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the District could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced. However, the District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether, they will have a material adverse effect on the business operations or financial condition of the District. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and State levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the District.

Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, tornadoes and hurricanes, which could result in negative economic impacts on communities including the District. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change as described in the preceding paragraph), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the District. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

Cybersecurity

Computer networks and systems used for information transmission and collection are vital to the efficient operations of the District. District systems provide support to departmental operations and District services by collecting and storing sensitive information, including intellectual property, security information, proprietary business process information, information regarding suppliers and business partners, and personally identifiable information of students and employees (collectively, "Computer Information"). The secure processing, maintenance and transmission of Computer Information is critical to effective departmental operations and the appropriate provision of services. Increasingly, governmental entities are being targeted by cyber-attacks seeking to obtain Computer Information or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers and

hackers can exploit in their efforts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to a loss of Computer Information or other system disruptions. The District has a multilayered information security program with several established protocols and procedures which include Acceptable Usage Policies and Information Security Guidelines. The District has next generation firewalls with unified threat management features enabled which include firewall, application control, web filter, and intrusion detection and prevention. Cyber security operations are handled internally. The District periodically faces cyber threats as is to be expected with all network-connected governments and businesses. To date, the District has not experienced a significant cyber attack. There is a mandatory Security and Privacy Awareness training that all District employees must take annually to educate users regarding cyber security threats and ways to avoid becoming a victim as well as learn about protections in the District and ways to minimize vulnerabilities both at work and at home. The District also maintains cyber risk insurance to help mitigate its exposure to security attacks that are known to cripple an organization's technology system and/or fraudulently confiscate funds.

While District cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will ensure against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the District's computer network and the confidentiality, integrity, or availability of the District's computer system or the Computer Information. The potential disruption, access, modification, disclosure or destruction of Computer Information could result in the interruption of District services, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and could cause a material disruption in the District's operations or the appropriate provision of District services. The costs of remedying any such damage or protecting against future attacks could be substantial and in excess of the maximum amount of the District's cyber risk insurance policy. Further, the litigation to which the District could be exposed following a cybersecurity breach could be significant, which could cause the District to incur material costs related to such legal claims or proceedings.

REVITALIZATION OF FACILITIES PLAN

In February 2021, the School Board approved the Revitalization Plan to consolidate and replace its aging facilities with safer and more energy-efficient new schools. Prior to the implementation of the Revitalization Plan, the average age of the District's schools was 54 years, which was the second highest in the State. Additionally, prior to Phase 1 of the Revitalization Plan in 2020-21, the District had more schools than any other school district in the State with a similar student enrollment. The Revitalization Plan consists of three phases. Phase 1 of the Revitalization Plan occurred in 2021-22 with the closing of five schools. Phase 2 of the Revitalization Plan will take place from 2023 to 2031 and consists of the construction of three new grade 7-12 schools and the closing of three existing grade 7-12 schools. Phase 3 of the Revitalization Plan will take place from 2023 to 2033 and consists of the construction of three new elementary schools, renovation of three existing elementary schools and the closing of eight existing elementary schools.

THE SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA

The District

The District is organized under Section 4, Article IX of the Constitution of the State of Florida and Chapter 1001, Florida Statutes. The District covers the same geographic area as the County and provides elementary, secondary and vocational educational services to the unincorporated areas of the County, the three incorporated municipalities within the County, the largest of which is the City of Palatka, and the two

towns within the County. For Fiscal Year 2025-26, the District includes 10,607 students (including charter school and Family Empowerment Scholarship students) in 13 schools and education centers (consisting of eight elementary schools, four grade 7-12 schools and one Learning Center that houses Pre-K and exceptional education students). There are also currently two charter schools in the District. The District is the County's largest single employer. For Fiscal Year 2025-26, the District includes approximately 1,526 permanent employees, including over 500 classroom instructors and over 100 non-classroom instructors.

Management of the District is independent of the County government and local governments within the County. The District is part of the State system of public education operated under the general direction and control of the State Board of Education. The District is governed by the School Board, which consists of five elected members. The Superintendent of Schools is elected and serves as the executive officer of the District. The District has taxing authority, as more fully described herein under "AD VALOREM TAX PROCEDURES" herein. The County Tax Collector collects ad valorem taxes for the District, but the County exercises no control over expenditures by the District. Additional information concerning the County is contained in "APPENDIX A – GENERAL INFORMATION REGARDING PUTNAM COUNTY, FLORIDA" hereto.

Accreditation

All non-charter public schools in the District are fully accredited by AdvancEd, formerly Cognia, formerly the Southern Association of Colleges and Schools.

The County

As discussed above, management of the District is separate from the County, but the District covers the same geographic area. Information regarding the County herein is provided for the purpose of providing general information about the geographic area in which the District is located.

For a more detailed description of the County, including certain statistical and demographic data concerning the County, see "APPENDIX A – GENERAL INFORMATION CONCERNING PUTNAM COUNTY, FLORIDA." The information about the County contained herein and in APPENDIX A has been obtained from the County and is believed to be reliable. No representation is made by the School Board or the Underwriter as to the accuracy or completeness of such information.

The School Board

The School Board is a public body corporate existing under the laws of the State, particularly Section 1001.40, Florida Statutes, and is the governing body of the District. The School Board consists of five members, each elected on a District-wide basis, for overlapping four-year terms. Under existing statutes, the School Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools and programs for gifted students, handicapped students, including students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

The School Board also has broad financial responsibilities, including the approval of the annual budget, the adoption of the school tax millage levy, and the establishment of a system of accounting and budgetary controls. Accounting reports and the annual budget must be filed with the State Department of Education.

The Chair of the School Board is elected by the members of the School Board annually. The Superintendent of Schools (the "Superintendent") is the ex-officio Secretary of the School Board. The present members of the School Board, any applicable offices and the expiration of their terms are as follows:

Name/Office	Initial Term Commencing November	Current Term Expires November
Phil Leary, Chair	2022	2026
Linda Wagner, Vice Chair	2022	2026
David Buckles	2024	2028
Sandra Gilyard	2024	2028
Holly Pickens	2022	2026

Administration

The Chief Executive Officer of the District is the Superintendent, who is elected by the electorate of the County for a four-year term. The Superintendent's powers and duties include keeping the records of the School Board, acting as custodian for District property, preparing long-term and annual school programs, directing the work of District personnel, making policy recommendations to the School Board in the areas of child welfare, pupil transportation, school plant and District finance, and performing the additional duties assigned to him by law and the regulations of the State Department of Education.

Set forth below are biographical descriptions of the Superintendent and certain other administrative personnel of the District:

Dr. Rick Surrency serves as the Superintendent of the District. Prior to initially being elected Superintendent in 2016 and re-elected in 2020 and 2024, Dr. Surrency served as a principal, assistant principal, and teacher. He has over 45 years of experience in education. Dr. Surrency has made significant improvements in the District by improving the graduation rate from 54.9% in 2015 to 92.5% in 2021, the largest increase in the State during the same time period. Other successes of his leadership include a 5-year Strategic Plan which includes the goal of creating safe and modern schools for all students in the District. In December 2022, Dr. Surrency was named the 2023 Superintendent of the Year for Florida.

Jonathan L. Odom, Chief Financial Officer, joined the District in 2014 in the Information Technology department. After a year and a half, Mr. Odom left the District to move into the accounting field. In January 2020, he returned to the District in the role of Staff Accountant. In January 2021, Mr. Odom was promoted to Senior Accountant and took over grants management and in August 2023, he became the Chief Financial Officer for the District. Mr. Odom received his Bachelor of Arts in Accounting in December 2012. In October 2022, he received his Master of Business Administration with a specialization in Accounting from Saint Leo University. Mr. Odom is eligible to sit for the CPA exam. Mr. Odom is a board member of the Florida School Finance Officers Association ("FSFOA") and will be FSFOA President in the 2027 calendar year. Mr. Odom is also an officer for the Florida Association of School Business Officials.

Kimberly Mann, Director of Finance, joined the District in November 2012. Prior to working with the District, she worked in the private sector in a tax accounting office, and a not-for-profit medical center. Mrs. Mann graduated from Daytona State College with a Bachelor of Applied Science in Supervision and Management in 2012, and Saint Leo University with a Master of Accounting degree in 2017. Mrs. Mann received her CPA license in February 2025.

Historical and Projected Growth

The following tables present summaries of general statistical data regarding the District.

Summary of Statistical Data Five-Year History

School Year	Number of Schools ⁽¹⁾	Number of Classroom Instructors	Average F.T.E. ⁽²⁾	Expenditures per F.T.E. Student
2025-26	13	505	10,607	\$19,955 ⁽³⁾
2024-25	13	526	10,382	18,838
2023-24	13	514	10,216	17,257
2022-23	13	527	10,317	14,664
2021-22 ⁽⁴⁾	13	521	10,243	12,369

⁽¹⁾ Excludes charter schools. There are two charter schools in the District for Fiscal Year 2025-26.

⁽²⁾ Kindergarten through 12th grade. Includes charter school students and Family Empowerment Scholarship/voucher students. See "RECENT GOVERNMENTAL ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein.

⁽³⁾ Estimated figure.

⁽⁴⁾ The District closed five schools in the 2021-22 school year as part of Phase 1 of the Revitalization Plan. See "REVITALIZATION OF FACILITIES PLAN" herein.

Source: School District of Putnam County, Florida.

Projected Growth for Full Time Equivalent (F.T.E.) Enrollment

School Year	F.T.E. Enrollment ⁽¹⁾
2026-27	10,591
2027-28	10,521
2028-29	10,441
2029-30	10,398
2030-31	10,369

⁽¹⁾ Kindergarten through 12th grade. Includes charter school students and Family Empowerment Scholarship/voucher students.

Source: State of Florida Office of Economic & Demographic Research, Conference Report for Pre-K-12 Enrollment Education Estimating Conference, Florida School District Programs Unweighted Full-Time Equivalent (FTE) Student Enrollment, March 6, 2026.

Employee Relations

The District has approximately 1,526 full and part-time employees for Fiscal Year 2025-26. Classified (i.e., support) personnel and instructional personnel are represented by the Putnam Federation of Teachers ("PFT"). The PFT contract is continuous and has been in place for at least 15 years. Included in the number of employees are Supervisory, Technical, Confidential and Administrative employees that are not part of any bargaining unit.

Florida Retirement System

Essentially all regular employees of the District are eligible to enroll as members of the Florida Retirement System (the "FRS"). The FRS is a single retirement system administered by the Florida Department of Management Services ("DMS"), and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (the "FRS

Pension Plan"), a Deferred Retirement Option Program (the "DROP"), a Retirement Health Insurance Subsidy Plan (the "HIS Plan"), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (the "Investment Plan"). A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, information about the FRS's fiduciary net position, and other relevant information, is available from the DMS at: www.dms.myflorida.com.

FRS Pension Plan. The Florida Legislature establishes contribution rates for employers and employees participating in the FRS Pension Plan. The District's contributions (not including employee contributions) to the FRS Pension Plan for Fiscal Year 2024-25 totaled \$7,869,128, which was equal to the required contributions for such fiscal year. At June 30, 2025, the District reported a liability of \$51,560,852 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2023-24 contributions relative to the total fiscal year 2023-24 contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.133284860%, which was a decrease of 0.008905775% from its proportionate share measured as of June 30, 2023. For Fiscal Year 2024-25, the District recognized the FRS Pension Plan pension expense of \$7,171,452. In addition, the District reported deferred outflows of resources of \$20,859,714 and deferred inflows of resources of \$6,833,192 related to the FRS Pension Plan.

HIS Plan. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. The District's contributions to the HIS Pension Plan totaled \$1,496,780 for Fiscal Year 2024-25. At June 30, 2025, the District reported a net pension liability of \$25,736,172 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of the benefit payments expected to be paid within one year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2023-24 contributions relative to the total fiscal year 2023-24 contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.171563300%, which was a decrease of 0.008684644% from its proportionate share measured as of June 30, 2023. For the Fiscal Year 2024-25, the District recognized pension expense of \$467,105 related to the HIS Plan. In addition, the District reported deferred outflows of resources of \$2,235,477 and deferred inflows of resources of \$5,173,896 related to the HIS Plan.

Investment Plan. The District contributes to the Investment Plan for its eligible employees electing to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The District's total contribution to the plan totaled \$2,690,765 in Fiscal Year 2024-25.

ALL POTENTIAL PURCHASERS OF THE SERIES 2026 BONDS SHOULD REVIEW NOTE IV.D. OF THE NOTES TO THE BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION SET FORTH IN "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" ATTACHED HERETO. SUCH NOTE IV.D. AND REQUIRED SUPPLEMENTARY INFORMATION CONTAIN DESCRIPTIONS OF THE PENSION PLANS AND MATERIAL FINANCIAL INFORMATION CONCERNING THE PLANS, INCLUDING BUT NOT LIMITED TO, INFORMATION REGARDING CONTRIBUTIONS, COSTS, FUNDED STATUS AND FUNDING PROGRESS.

Other Post-Employment Benefits

In addition to its contributions under the State's retirement plan described above, the District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes. In addition, retirees are eligible to continue the District-sponsored term life insurance policy provided by the District.

In June 2015, the Governmental Accounting Standards Board issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB No. 75"), which was adopted by the District for the year ended June 30, 2018. GASB No. 75 addresses accounting and financial reporting for OPEB provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability. The beginning net position of the District was decreased due to the implementation of GASB Statement No. 75.

The District has historically accounted for its OPEB contributions on a pay-as-you-go basis and the District currently plans to continue such pay-as-you-go funding of its OPEB contributions. As of the valuation date, June 30, 2025, there were approximately 1,261 active participants and 521 inactive participants (retirees and beneficiaries) of the District receiving post-employment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of \$387,139 comprised of benefit payments made on behalf of retirees for claims expense and retention costs. The pay-as-you-go method of funding OPEB allows the District to continue to pay only the current OPEB costs each Fiscal Year, but will produce a growing unfunded actuarial liability for the future. The District's total OPEB obligation was \$3,755,973 based on the measurement date of June 30, 2025 and was determined using the actuarial valuation as of July 1, 2023 and updated procedures were used to determine the total OPEB liability as of June 30, 2025.

Below are the details regarding the total OPEB liability from June 30, 2024 to June 30, 2025:

	<u>Total OPEB Liability</u>
Balance at June 30, 2024	\$4,385,636
Changes for the Fiscal Year:	
Service Cost	60,234
Interest	167,189
Changes in Assumptions and Other Inputs	(469,947)
Benefit Payments	(387,139)
Net Changes in Total OPEB Liability	<u>(629,663)</u>
Balance at June 30, 2025	<u><u>\$3,755,973</u></u>

Changes of assumptions and other inputs include, among other things, the change in the discount rate from 3.93 percent as of the beginning of the measurement period to 5.20 percent as of June 30, 2025.

Source: Audited Financial Statements of The School Board of Putnam County, Florida for the Fiscal Year Ended June 30, 2025.

For additional information, see Note IV.E. and Required Supplemental Information of "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

Indebtedness

Set forth below is selected information regarding outstanding debt of the District. For more detailed financial information concerning the District, see "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2025" hereto.

School District of Putnam County, Florida - Outstanding Long-Term Debt As of June 30, 2025 (Unaudited)

Description	Principal Amount Outstanding
State Board of Education Capital Outlay Bonds, Series 2017-A ⁽¹⁾	\$162,000
General Obligation School Bonds, Series 2023	96,660,000
General Obligation School Bonds, Series 2025	100,000,000
TOTAL LONG-TERM DEBT OUTSTANDING	\$196,822,000

⁽¹⁾ Bonds are issued by the State Board of Education on behalf of the District and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax, as well as a pledge of the State's full faith and credit.

Source: Audited Financial Statements of The School Board of Putnam County, Florida for the Fiscal Year Ended June 30, 2025.

Budgetary Process

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

The Superintendent is responsible for recommending the tentative budget to the School Board. Florida law further requires the School Board to advertise its intent to adopt the tentative budget, including a proposed tax millage, within 29 days after certification of taxable property by the Property Appraiser, which is required by law to occur by July 1, unless extended.

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

A public hearing and adoption of the final budget and tax millage are required within 80 days, but not earlier than 65 days, after the taxable property certification by the County Property Appraiser. This public hearing usually occurs early in September. The final public hearing for adoption of the Fiscal Year 2025-26 budget was held on September 11, 2025.

In no event may the millage rate adopted at the final budget hearing exceed the millage rate adopted at the tentative budget hearing unless each taxpayer within the District is sent notice by mail of the taxes under the tentative adopted millage rate and the taxes under the higher rate to be adopted at the final budget hearing. The final budget is submitted to the Department of Education of the State of Florida. After the

final budget hearing, the School Board must certify the final millage rate to the County Tax Collector, the County Property Appraiser and the State Department of Revenue. See "AD VALOREM TAX PROCEDURES" herein.

State Budget

A large portion of the District's funding is derived from State sources. A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized.

On June 30, 2025, Governor DeSantis approved the State education budget for State Fiscal Year 2025-26, which commenced July 1, 2025, providing for an approximately \$945 million or 3.31% increase in State and local FEFP funding for K-12 public schools over State Fiscal Year 2024-25, reflecting a per-pupil increase of approximately \$143 per student or 1.59% over Fiscal Year 2024-25. The adopted education budget allocates approximately \$3.8 billion for funding of the State's expanded voucher/scholarship programs pursuant to HB 1 as part of State FEFP funding (See "RECENT GOVERNMENTAL ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES - Legislative Changes Relating to School Choice" herein). However, such funds will be withheld from each school district's FEFP distributions based on the forecasted scholarship students for each school district. For the District, the estimated amount to be withheld is approximately \$9.4 million. Based upon the approved budget and the District's full-time equivalent enrollment (3rd calculation) for Fiscal Year 2025-26, the estimated increase for the District is approximately \$3.6 million (inclusive of charter school students and voucher/scholarship students) in State and local FEFP funds over Fiscal Year 2024-25. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget.

On May 26, 2026, the Florida Legislature released its Conference Report for the State education budget for State Fiscal Year 2025-26, which commences July 1, 2026, providing for an approximately \$735 million or 2.51% increase in State and local FEFP funding for K-12 public schools over State Fiscal Year 2025-2026, reflecting a per-pupil increase of approximately \$150 per student or 1.64% over Fiscal Year 2025-2026. The agreed upon education budget allocates approximately \$4.5 billion for funding of the State's expanded voucher/scholarship programs as part of State FEFP funding. See "RECENT GOVERNMENT ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein. However, such funds will be withheld from each school district's FEFP distributions based on the forecasted scholarship students for each school district. For the District, the estimated amount to be withheld is approximately \$8.5 million. The budget is expected to be approved by the legislature on May 29, 2026. Upon approval by the legislature, the budget will be sent to the Governor for approval. The Governor has line-item veto power over specific items in the budget, so there can be no assurance that the final budget signed into law by the Governor will be identical to that passed by the legislature. The Governor has until June 30, 2026 to revise the budget based on his line item veto authority, or sign it into law. Based upon the adopted budget, the estimated increase for the District is approximately \$1.3 million (inclusive of charter school students and voucher/scholarship students) in State and local FEFP funds over Fiscal Year 2025-2026. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the adopted budget.

SELECTED FINANCIAL INFORMATION

Following is selected financial information regarding the District. For more detailed financial information concerning the District, see "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF

THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA FOR FISCAL YEAR ENDED
JUNE 30, 2025."

General

The financial and accounting procedures of the District are designed to conform to generally accepted accounting principles applied to governmental units. The District's accounting system is organized on the basis of funds. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The accounts for the governmental fund types are maintained on a modified accrual basis of accounting, whereby revenues are recognized when they become available and measurable and expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except unmatured interest on general long-term debt, which is recognized when the interest is due. The internal service funds are maintained on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Agency funds, accounted on an accrual basis, are purely custodial in nature (assets equal liabilities) and as such, do not have a measurement focus.

The District's governmental funds are used to account for the programs and activities of the governmental functions of the District. The General Fund serves as the primary operating fund of the District. Local ad valorem taxes, Florida Education Finance Program ("FEFP") funds and selected State categorical programs constitute the primary resources of the General Fund. The Special Revenue Funds of the District are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specific purposes. Major sources of revenue for these funds are federal grants and food sales. The Capital Project Fund of the District is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. The primary source of revenue for this fund is the Capital Improvement Tax levied for capital outlay and maintenance purposes.

The District is the fiscal agent for the North East Florida Educational Consortium ("NEFEC"), which provides various programs and services to 15 members, including the school districts of Baker, Bradford, Columbia, Dixie, Flagler, Gilchrist, Hamilton, Lafayette, Levy, Nassau, Putnam, Suwannee and Union counties as well as the P.K. Yonge Development Research School and the Florida School for the Deaf and the Blind. The NEFEC charges fees to cover the cost of certain services it provides. The District uses the enterprise funds to account for NEFEC programs, including Risk Management (Property/Casualty) as well as other programs and services.

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Revenues and Expenditures

The following table shows revenues, expenditures and changes in fund balances for all governmental fund types, on a combined and condensed basis, for the Fiscal Years shown below.

School District of Putnam County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance – All Government Fund Types⁽¹⁾
For the Fiscal Years Ended June 30

	Audited				Budgeted
	2022	2023	2024	2025	2026
Revenues					
Intergovernmental:					
Federal Direct	\$1,850,218.87	\$319,131.33	\$226,467.33	\$619,716.64	\$795,000.00
Federal Through State and Local	38,658,501.64	51,856,501.09	50,538,058.06	28,960,369.69	-
State	56,500,090.55	59,492,552.54	64,569,409.36	82,266,307.53	143,219,818.06
Local:					
Property Taxes	29,711,919.60	32,988,233.82	46,222,570.44	51,171,305.93	56,181,016.00
Charges for Services - Food Service	301,511.70	298,260.05	303,529.22	303,403.06	300,000.00
Miscellaneous	4,068,653.79	5,629,949.27	13,062,413.11	10,544,617.40	2,730,008.00
Total Local Revenues	34,082,085.09	38,916,443.14	59,588,512.77	62,019,326.39	59,211,024.00
Total Revenues	131,090,896.15	150,584,628.10	174,922,447.52	173,865,720.25	203,225,842.06
Expenditures					
Current - Education:					
Instruction	63,106,161.12	70,676,610.11	75,442,731.64	68,434,538.49	67,231,878.36
Student Support Services	4,821,723.69	5,096,691.68	7,059,690.62	6,158,292.23	6,363,255.06
Instructional Media Services	366,794.63	215,062.13	253,902.47	339,588.73	568,293.13
Instruction and Curriculum Development Services	4,750,989.51	4,764,799.53	5,571,242.20	5,304,375.37	2,697,568.14
Instructional Staff Training Services	3,066,225.20	3,867,910.20	3,327,040.14	2,702,941.29	1,329,255.04
Instruction-Related Technology	626,372.84	552,119.37	701,996.08	806,699.66	815,838.05
Board	537,852.30	576,315.01	652,215.11	655,790.89	656,239.62
General Administration	1,254,791.41	1,917,433.61	2,218,835.84	1,846,468.83	1,091,050.29
School Administration	8,020,742.59	9,299,519.19	10,280,507.74	9,513,923.37	10,026,492.90
Facilities Acquisition and Construction	1,906,758.44	157,220.87	575,223.68	2,148.39	-
Fiscal Services	978,014.85	1,468,262.91	1,628,591.43	1,718,484.94	1,239,944.00
Food Services	8,819,090.61	10,337,787.94	11,050,348.27	11,094,948.14	12,807,692.29
Central Services	1,394,890.19	1,712,911.23	1,869,950.06	1,624,430.33	1,698,577.69
Student Transportation Services	5,163,049.28	5,744,664.17	6,656,855.95	6,380,789.14	7,255,688.40
Operation of Plant	7,170,010.20	8,736,452.01	8,683,241.70	8,255,049.32	10,728,111.65
Maintenance of Plant	3,041,343.88	2,710,937.65	2,611,427.95	2,583,338.18	3,684,595.78
Administrative Technology Services	2,027,535.90	2,816,546.04	2,467,885.72	2,659,520.38	2,404,334.88
Community Services	2,112,600.00	2,049,331.77	2,312,951.85	2,347,593.71	1,240.41
Fixed Capital Outlay:					
Facilities Acquisition and Construction	1,943,327.05	4,878,826.72	16,782,692.42	114,465,118.46	223,768,849.72
Other Capital Outlay	1,620,541.58	6,602,122.44	3,241,776.16	2,425,736.00	-
Debt Service:					
Principal	1,005,639.95	1,037,310.09	2,150,264.64	1,772,000.00	2,958,629.53
Interest and Fiscal Charges	87,288.12	2,624,336.57	4,758,873.05	5,444,576.72	9,995,583.52
Total Expenditures	123,821,743.34	147,843,171.24	170,298,244.72	256,536,352.57	367,323,118.46
Excess (Deficiency) of Revenues Over Expenditures	7,269,152.81	2,741,456.86	4,624,202.80	(82,670,632.32)	(164,097,276.40)
Other Financing Sources (Uses)					
Transfers In	2,971,087.13	2,923,857.00	4,042,560.00	4,190,913.00	9,870,468.96
Issuance of Bonds	-	99,995,000.00	-	100,000,000.00	-
Premium on Sale of Bonds	-	6,245,621.90	-	4,112,537.00	-
Sale of Capital Assets	424,158.66	-	30,110.00	-	-
Loss Recoveries	3,295.00	73,838.29	29,607.10	19,510.04	-
Transfers Out	(2,971,087.13)	(2,923,857.00)	(4,042,560.00)	(4,190,913.00)	(9,870,468.96)
Total Other Financing Sources (Uses)	427,453.66	106,314,460.19	59,717.10	104,132,047.04	-
Net Change in Fund Balances	7,696,606.47	109,055,917.05	4,683,919.90	21,461,414.72	(164,097,276.40)
Fund Balances, Beginning	28,891,187.79	36,587,794.26	145,643,711.31	150,327,631.21	188,695,541.44
Adjustment to Beginning Fund Balance	-	-	-	-	-
Fund Balances, Beginning, as Restated	28,891,187.79	36,587,794.26	145,643,711.31	150,327,631.21	188,695,541.44
Fund Balances, Ending⁽²⁾	\$36,587,794.26	\$145,643,711.31	\$150,327,631.21	\$171,789,045.93	\$24,598,265.04

⁽¹⁾ Includes General, Special Revenue, Capital Projects and other Governmental Funds. Does not include Enterprise Funds or the Internal Service Fund. Totals may not add due to rounding.

⁽²⁾ The Ending Fund Balance in prior years represents the funds remaining at the end of that fiscal year after all expenses have occurred. For budgetary purposes, Florida law generally requires school districts to formulate a budget where Revenues plus Beginning Fund Balance equals Expenditures. Accordingly, the budgeted Ending Fund Balance in Fiscal Year 2025-26 represents only those funds set aside in reserve accounts, such as contingency, etc. All other funds have spread through school and budget departments. **Based on actual Fiscal Year 2025-26 Revenues and Expenditures to date and assuming the issuance of the Series 2026 Bonds prior to Fiscal Year end, the District estimates its Fiscal Year 2025-26 Ending Fund Balance will be approximately \$124.6 million at June 30, 2026.**

Source: Audited Financial Statements of The School Board of Putnam County, Florida for the Fiscal Years Ended June 30, 2022-2025; Budget figures provided by the District Budget Office.

The following table shows revenues, expenditures and changes in fund balances for the General Fund for the Fiscal Years shown below (in thousands).

School District of Putnam County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund
For the Fiscal Years Ended June 30

	Audited				Budgeted
	2022	2023	2024	2025	2026
Revenues					
Intergovernmental:					
Federal Direct	\$167,070.24	\$161,863.98	\$167,667.33	\$599,916.64	\$550,000.00
Federal Through State and Local State	548,822.21	484,323.77	202,401.46	301,771.34	275,000.00
	55,514,785.53	58,061,750.31	59,262,891.72	57,124,358.46	65,166,894.00
Local:					
Property Taxes	22,006,416.98	23,945,899.60	28,756,197.42	31,604,487.77	30,858,450.00
Charges for Services - Food Service	-	-	-	-	-
Miscellaneous	1,849,067.75	2,520,501.43	3,724,046.59	2,835,409.11	2,593,000.00
Total Local Revenues	23,855,484.73	26,466,401.03	32,480,244.01	34,439,896.88	33,451,450.00
Total Revenues	80,086,162.71	85,174,339.09	92,113,204.52	92,465,943.32	99,443,344.00
Expenditures					
Current - Education:					
Instruction	46,570,187.49	49,083,169.91	51,357,517.39	56,369,194.79	63,583,143.75
Student Support Services	3,152,903.89	3,544,113.05	4,937,084.13	5,356,222.57	6,213,870.32
Instructional Media Services	360,154.38	206,932.41	230,589.03	339,588.73	568,293.13
Instruction and Curriculum Development Services	2,000,333.97	1,979,158.79	2,450,553.89	2,524,539.02	2,588,741.50
Instructional Staff Training Services	292,440.21	385,066.06	511,941.81	1,172,122.49	1,272,864.76
Instruction-Related Technology	615,881.72	527,464.23	655,368.91	806,699.66	815,838.05
Board	532,023.90	559,412.71	607,919.51	655,790.89	656,239.62
General Administration	715,344.10	856,949.89	839,026.97	1,211,665.71	1,012,658.43
School Administration	7,918,051.25	8,824,971.51	9,162,626.44	9,513,923.37	10,026,492.90
Facilities Acquisition and Construction	11,688.98	11,059.50	45,218.06	2,148.39	70,166.29
Fiscal Services	965,192.37	1,429,212.77	1,457,089.05	1,718,484.94	1,239,944.00
Food Services	32,228.56	85,791.97	70,820.76	16,328.24	-
Central Services	1,347,687.32	1,533,408.96	1,702,632.65	1,619,093.50	1,698,577.69
Student Transportation Services	4,986,388.08	5,404,095.19	5,823,242.20	6,365,405.99	7,255,618.50
Operation of Plant	6,248,022.50	7,533,327.18	7,563,267.88	8,252,031.82	10,728,111.65
Maintenance of Plant	2,181,151.73	1,816,887.76	2,402,585.36	2,583,338.18	3,684,595.78
Administrative Technology Services	1,709,066.39	2,242,066.93	2,281,588.56	2,647,520.38	2,404,334.88
Community Services	-	-	-	4,181.59	740.41
Fixed Capital Outlay:					
Facilities Acquisition and Construction	137,590.93	142,657.76	261,179.99	750,208.00	-
Other Capital Outlay	184,223.32	233,697.42	394,065.35	293,556.80	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	79,960,561.09	86,399,444.00	92,754,317.94	102,202,045.06	113,820,231.66
Excess (Deficiency) of Revenues Over Expenditures	125,601.62	(1,225,104.91)	(641,113.42)	(9,736,101.74)	(14,376,887.66)
Other Financing Sources (Uses)					
Transfers In	2,971,087.13	2,923,857.00	4,042,560.00	4,190,913.00	9,870,468.96
Loss Recoveries	3,295.00	73,838.29	29,607.10	19,510.04	20,000.00
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	\$2,974,382.13	2,997,695.29	4,072,167.10	4,210,423.04	9,890,468.96
Net Change in Fund Balances	3,099,983.75	1,772,590.38	3,431,053.68	(5,525,678.70)	(4,486,418.70)
Fund Balances, Beginning	14,277,188.46	17,377,172.21	19,149,762.59	22,580,816.27	17,055,137.57
Adjustment to Beginning Fund Balance	-	-	-	-	-
Fund Balances, Beginning, as Restated	14,277,188.46	17,377,172.21	19,149,762.59	22,580,816.27	17,055,137.57
Fund Balances, Ending⁽¹⁾	\$17,377,172.21	\$19,149,762.59	\$22,580,816.27	\$17,055,137.57	\$12,568,718.87

⁽¹⁾ The Ending Fund Balance in prior years represents the funds remaining at the end of that fiscal year after all expenses have occurred. For budgetary purposes, Florida law generally requires school districts to formulate a budget where Revenues plus Beginning Fund Balance equals Expenditures. Accordingly, the budgeted Ending Fund Balance in Fiscal Year 2025-26 represents only those funds set aside in reserve accounts, such as contingency, etc. All other funds have spread through school and budget departments.

Source: Audited Financial Statements of The School Board of Putnam County, Florida for the Fiscal Years Ended June 30, 2022-2025; Budget figures provided by the District Budget Office.

General Fund Ending Balance Legislation

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school district's General Fund ending balance not classified as restricted, committed or nonspendable in the approved operating budget is projected to fall below three percent (3%) of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education. The section further requires that if the General Fund ending balance not classified as restricted, committed or nonspendable is projected to fall below two percent (2%) of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education. Within 14 days after receiving such notification of an ending balance below two percent (2%), if the Commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to Florida Statutes pertaining thereto, the Commissioner shall appoint a financial emergency board that may take certain delineated steps to assist a district school board in complying with the General Fund requirements. In Fiscal Year 2023-24, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 21.9% of General Fund Revenues. In Fiscal Year 2024-25, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 15.7% of General Fund Revenues and for Fiscal Year 2025-2026 is budgeted to be 12.6% of General Fund Revenues.

LITIGATION

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance of the Series 2026 Bonds; (ii) questioning or affecting the validity of the Series 2026 Bonds, the Resolution or the pledge by the District under the Resolution; or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2026 Bonds.

From time to time, the District is involved in certain litigation and disputes incidental to its operations. Counsel to the School Board is not aware of any litigation or disputes in which the District is involved or which is presently threatened which may involve ultimate liability in excess of applicable insurance coverage or which might materially adversely affect the financial position or operations of the District.

FINANCIAL STATEMENTS

The Basic Financial Statements of the School Board as of and for the year ended June 30, 2025 included in this Official Statement have been audited by the office of the Auditor General of the State of Florida, as stated in their report appearing in "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2025" herein. Such financial statements are the most recently audited financial statements of the District.

Such financial statements, including the report of the Auditor General of the State, have been included in this Official Statement as public documents and the consent from the auditors was not requested. The Auditor General of the State has not performed any services in connection with the issuance of the Series 2026 Bonds and has not reviewed any of the information contained in this Official Statement.

Budgeted figures for Fiscal Year 2025-26 set forth in this Official Statement reflect the final budget adopted by the School Board on September 11, 2025. The School Board may amend its budget from time to time in accordance with applicable law.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") require that the District make full and fair disclosures of any bonds or other debt obligations that it has issued or guaranteed and that 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 only as a conduit remarketing such as industrial development or private activity bonds issued on behalf of private businesses). The District is not, and since December 31, 1975 has not been, in default as to principal of and interest on any of its bonds or other debt obligations.

LEGAL MATTERS

Certain legal matters in connection with the authorization, execution, delivery and sale of the Series 2026 Bonds are subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. The proposed form of such opinion is included as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL" herein. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Certain legal matters relating to disclosure will be passed upon for the School Board by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. Certain legal matters will be passed upon by Holmes & Young, P.A., Palatka, Florida, School Board Attorney.

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Series 2026 Bonds in order that the interest on the Series 2026 Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026 Bonds. The District has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2026 Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, (i) the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes; (ii) interest on the Series 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (iii) in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2026 Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2026 Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income, or profits on debt

obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the status of interest on the Series 2026 Bonds under the tax laws of any state other than Florida.

The above opinion on federal tax matters with respect to the Series 2026 Bonds will be based on and will assume the accuracy of certain representations and certifications of the District, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2026 Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2026 Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2026 Bonds, or the ownership or disposition of the Series 2026 Bonds. Prospective purchasers of Series 2026 Bonds should be aware that the ownership of Series 2026 Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2026 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2026 Bonds, (iii) the inclusion of the interest on the Series 2026 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2026 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Series 2026 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Series 2026 Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Series 2026 Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Premium

Certain of the Series 2026 Bonds as indicated on the inside cover of this Official Statement ("Discount Bonds") were offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of

underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2026 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2026 Bonds as indicated on the inside cover of this Official Statement ("Premium Bonds") were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Possibility of Future Changes in Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above, including, without limitation, the excludability from gross income of interest on the Series 2026 Bonds, adversely affect the market price or marketability of the Series 2026 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Series 2026 Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2026 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2026 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2026 Bonds and proceeds from the sale of Series 2026 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2026 Bonds. This withholding generally applies if the owner of Series 2026 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2026 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the Series 2026 Bonds upon a monetary or covenant default under the Resolution are in many respects based upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Federal bankruptcy code, the Resolution and the Series 2026 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments, by limitations imposed by general principles of equity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

RATINGS

Moody's Ratings ("Moody's") and Fitch Ratings, Inc. ("Fitch") have assigned ratings of "A3" (stable outlook) and "A+" (stable outlook), respectively, to the Series 2026 Bonds. An explanation of the rating and outlook given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, (212) 553-0300. An explanation of the rating and outlook given by Fitch may be obtained from Fitch at One State Street Plaza, New York, New York, 10004, (212) 908-0500. Certain information and materials concerning the Series 2026 Bonds, the School Board and the District were furnished to Moody's and Fitch by the School Board. Any of the rating services may raise, lower or withdraw its rating or outlook at any time. If a downward change or withdrawal should occur, it could have an adverse effect on the resale price of the Series 2026 Bonds.

MUNICIPAL ADVISOR

The School Board has retained PFM Financial Advisors LLC, Orlando, Florida as Municipal Advisor with respect to the planning, structuring, execution and issuance of the Series 2026 Bonds (the "Municipal Advisor"). The Municipal Advisor will receive fees for services provided in connection with the issuance of the Series 2026 Bonds, which fees are contingent upon the issuance of the Series 2026

Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

PFM Financial Advisors LLC is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The Series 2026 Bonds are being purchased by _____ (the "Underwriter") at an aggregate purchase price of \$_____ (which represents the \$_____ principal amount of the Series 2026 Bonds, plus/less a net bond premium/original issue discount of \$_____, less an Underwriter's discount of \$_____). The offer of the Underwriter to purchase the Series 2026 Bonds provides for the purchase of all of the Series 2026 Bonds if any are purchased. The Series 2026 Bonds may be reoffered and sold by the Underwriter to bond houses, brokers or similar persons or organizations acting in the capacity of Underwriter or wholesalers at prices that are lower than, or yields that are greater than, the stated public offering price or yield shown on the inside cover page hereof. After the initial public offering, the offering price or yield may be changed from time to time by the Underwriter.

CONTINGENT FEES

The School Board has retained Bond Counsel, Municipal Advisor and Disclosure Counsel with respect to the issuance and delivery of the Series 2026 Bonds. Payment of the fees of such professionals are each completely contingent upon the issuance of the Series 2026 Bonds.

FORWARD LOOKING STATEMENTS

This official statement contains certain "forward-looking statements" concerning the School Board's or the District's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the School Board or District. The words "may," "would," "could," "budget," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

CONTINUING DISCLOSURE

The School Board has covenanted and undertaken for the benefit of the holders of the Series 2026 Bonds to provide certain financial information and operating data relating to the District and the Series 2026 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such covenant shall only apply so long as the Series 2026 Bonds remain outstanding. The undertaking shall also terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the School Board with the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access ("EMMA") system described in the Form of Disclosure Dissemination Agent Agreement attached hereto as APPENDIX E. The notices of material events will be filed by the School

Board with EMMA. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX E – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT." These undertakings have been made in order to assist the Underwriter in complying with the Rule.

Due to an administrative oversight, the School Board failed to timely file a notice related to the incurrence of a financial obligation on August 22, 2023, as required by one of the existing Disclosure Dissemination Agent Agreements to which the School Board is a party. The School Board corrected such failure on October 26, 2023 by filing a notice summarizing the financial obligation for which it previously failed to file timely notice. Additionally, while the District timely filed its audited financial statements and annual operating data for Fiscal Year 2025 as required by its existing Disclosure Dissemination Agent Agreements, the information required as part of the annual operating data consisting of the table entitled "Putnam County, Florida Principal Taxpayers" was omitted from the timely filed annual operating data as it had not been made available by Putnam County. The District filed such information on May 15, 2026 and intends to fully comply with all current and future continuing disclosure undertakings.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the School Board. At the time of delivery of the Series 2026 Bonds, the Chair or Vice Chair of the School Board will furnish a certificate to the effect that he or she has no knowledge or reason to believe that the information in this Official Statement (other than information provided by DTC), as of its date and as of the date of delivery of the Series 2026 Bonds, makes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for the payment of the Series 2026 Bonds and the rights and obligations of the holders of the Series 2026 Bonds.

The information contained in this Official Statement has been compiled from sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

Further information regarding the District is available upon request from Jonathan Odom, Chief Financial Officer, The School Board of Putnam County, Florida, 200 Reid Street, Palatka, Florida 32177 Phone: (386) 329-0513; Fax: (386) 329-0520 or during the offering period for the Series 2026 Bonds, from the Municipal Advisor: PFM Financial Advisors LLC, 200 South Orange Avenue, Suite 760, Orlando, Florida 32801 (email: howel@pfm.com).

**SCHOOL DISTRICT OF PUTNAM COUNTY,
FLORIDA**

By: _____
Chair, The School Board of Putnam County,
Florida

By: _____
Superintendent of Schools and Secretary to The
School Board of Putnam County, Florida

APPENDIX A

**GENERAL INFORMATION CONCERNING
PUTNAM COUNTY, FLORIDA**

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APPENDIX A

GENERAL INFORMATION CONCERNING PUTNAM COUNTY, FLORIDA

Putnam County (the "County") was founded in January 1849. The County encompasses approximately 827 square miles and is located in the northeast region of the State between Gainesville to the west and Jacksonville to the northeast. The county seat, Palatka, was established in January 1853 and is located on the St. Johns River. The river is primarily used for recreational boating and fishing, as are the numerous large and small lakes located throughout the County. The County is located within two hours driving distance to all major attractions in central Florida, international airports and beaches. In 2025, the County had an estimated population of 76,600. Principal industries include retail, education, public administration and health care and social services.

Governmental Structure

The County is governed by a Board of County Commissioners (the "Board") which operates under a non-charter form of government under the authority provided in Article III of the Constitution of the State. Under the Constitution of the State, the offices of Clerk of Circuit Court, Property Appraiser, Sheriff, Tax Collector and Supervisor of Elections are specifically authorized and empowered to provide their functional services independently of the Board. The Clerk of Circuit Court serves as Clerk to the Board and the County Auditor and is the Chief Financial Officer of the County.

The Board is composed of five members elected for four-year terms, one from each district within the County; however, each Commissioner is elected Countywide. The Commissioners appoint a County Administrator whose duties include the administration of directives and policies of the Board and who has the responsibility for the operation of all business centers and the provision of services under the purview of the Board.

The County Commissioners and expiration of their terms are as follows:

Leota Wilkinson, Chair	November 2026
Walton Pellicer II, Vice Chair	November 2028
Larry Harvey	November 2026
Josh Alexander	November 2028
J.R. Newbold	November 2028

Budget Process

Annual budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. On or before June 1, elected constitutional officers, with the exception of the Tax Collector, submit tentative budget requests for the operation of their offices to the Board.

Prior to formal presentation to the Board in July, the County Administrator/Budget Officer and the other members of the Budget Review Committee review these requests and those of the

County's various departments for expenditures for the next fiscal year. All previous expenditures, accomplishments and objectives are reviewed. In particular, additional personnel, vehicles, computer equipment and software, and capital outlay appropriation requests are scrutinized. In late July, the proposed budget is submitted to the Board. The final adoption of the budget by resolution occurs in September after two advertised public hearings are held to obtain taxpayer input. All budget appropriations lapse at year end and are not rolled forward into the next fiscal year unless they are included as expenditures in the next year's budget.

Economic Condition and Outlook

County management has worked hard to manage the increasing demands on services and infrastructure. Critical review and prioritization of proposed projects has allowed the County to support a reasonable amount of growth and begin to develop the means to expand commercial development. Since January 2003, a one-cent voter approved surtax has funded over \$100 million in infrastructure improvements. Another \$18 million of improvements was budgeted for fiscal year 2025. This surtax was extended by voter approval to December 2032 and continues to fund improvements which promote economic development and improvements in quality of life for the citizens of the County.

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**County Demographic Statistics
Fiscal Years 2016-2025**

Fiscal Year	Population	Annual Personal Income (in Thousands)	Per Capita Personal Income	Labor Force	Persons Employed	Persons Unemployed	Unemployment Rate
2025	76,600	\$3,571,991	\$46,632	29,685	28,322	1,363	4.6%
2024	76,138	3,398,765	44,640	28,950	27,741	1,209	4.2
2023	75,906	3,223,538	42,440	27,912	26,825	1,086	3.9
2022	74,249	3,008,115	40,514	27,583	26,358	1,225	4.4
2021	73,673	2,955,461	40,116	26,917	25,116	1,801	6.7
2020	73,321	2,731,980	37,261	26,112	24,377	1,735	6.6
2019	73,268	2,475,689	33,789	27,473	26,271	1,201	4.4
2018	72,981	2,393,762	32,800	26,908	25,576	1,332	5.0
2017	73,176	2,295,716	31,373	27,333	25,797	1,536	5.6
2016	72,957	2,177,675	29,849	28,918	27,176	1,743	6.0

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

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**Principal Employers
Fiscal Year 2025**

Employer	Rank	Employees	Employment %
Putnam County School District (K-12)	1	1,527	5.14%
Georgia-Pacific, Palatka Operations	2	982	3.31
Putnam County Government	3	756	2.55
St. Johns River State College	4	489	1.65
Wal-Mart	5	408	1.37
Putnam Community Medical Center	6	378	1.27
Eaze Florida LLC	7	360	1.21
St. Johns River Water Management District	8	321	1.08
Continental Building Products LLC (CerretainTeed)	9	221	0.74
City of Palatka	10	191	0.64
Total of Top Ten Employers		5,633	18.96%
Total Countywide Employment		29,685	100.00%

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

Building Permits

The yearly data for building permits is presented in the following table:

**Building Permits Issued in Putnam County
(\$ in Thousands)**

Calendar Year	Single Family Units	Multi-Family Units	Total Residential Units	Total Residential Valuation	Permit Valuation
2016	80	0	80	\$10,909,553	\$10,909,553
2017	74	0	74	11,344,033	11,344,033
2018	84	0	84	14,939,966	14,939,966
2019	83	0	83	15,082,383	15,082,383
2020	126	0	126	21,091,728	21,091,728
2021	107	0	107	20,321,022	20,321,022
2022	1,912	0	1,912	126,274,078	126,274,078
2023	198	0	198	64,475,410	64,475,410
2024	110	0	110	25,508,355	25,508,355
2025	77	36	113	31,059,466	31,059,466

Source: United States Census Bureau.

**Taxable and Estimated Actual Value of Taxable Property
Fiscal Years 2016-2025**

Fiscal Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Real Property										
Residential	\$6,912,673	\$6,327,468	\$5,260,702	\$4,029,675	\$3,668,960	\$3,383,452	\$3,203,604	\$2,980,374	\$2,775,791	\$2,760,441
Agricultural	667,701	677,254	825,737	532,588	511,357	512,680	524,934	536,052	530,165	531,813
Commercial & Industrial	1,273,768	1,193,707	1,032,852	930,980	899,255	576,983	542,240	562,948	534,808	529,369
Other	1,225,622	1,168,385	1,020,006	910,565	894,667	889,659	854,858	845,901	841,894	850,143
Net Adjustments	(3,329,273)	(3,207,225)	(2,601,156)	(1,349,719)	(1,154,407)	(1,035,129)	(971,753)	(887,990)	(775,219)	(770,213)
Less: Exemptions	(1,843,123)	(1,737,721)	(1,631,047)	(1,570,809)	(1,536,061)	(1,505,927)	(1,473,061)	(1,447,577)	(1,429,903)	(1,433,456)
Personal Property	2,588,992	2,138,415	1,605,314	1,407,306	1,322,621	1,099,244	1,059,494	920,956	905,321	893,285
Total Taxable Assessed Value	<u>\$7,496,360</u>	<u>\$6,560,283</u>	<u>\$5,512,408</u>	<u>\$4,890,586</u>	<u>\$4,606,392</u>	<u>\$3,920,962</u>	<u>\$3,740,316</u>	<u>\$3,510,664</u>	<u>\$3,382,857</u>	<u>\$3,361,382</u>
Estimated Actual Value	<u>\$13,639,105</u>	<u>\$12,602,007</u>	<u>\$10,795,118</u>	<u>\$8,872,951</u>	<u>\$8,319,224</u>	<u>\$7,368,605</u>	<u>\$7,068,182</u>	<u>\$6,756,659</u>	<u>\$6,477,853</u>	<u>\$6,487,257</u>
Total Taxable Assessed Value/ Estimated Actual Value (%)	54.96%	52.06%	51.06%	55.12%	55.37%	53.21%	52.92%	51.96%	52.22%	51.82%
Taxable Assessed Value per Capita	\$98	\$86	\$73	\$66	\$63	\$53	\$51	\$48	\$46	\$46
Total Direct Tax Rate	8.8441	8.8441	9.3099	9.3099	9.4404	9.5946	9.5946	9.8892	9.0914	9.0730

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

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Direct and Overlapping Property Tax Rates
(Per \$1,000 of Taxable Value)
Fiscal Years 2016-2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County Direct Rate(s):										
Board of County Commissioners	<u>8.8441</u>	<u>8.8441</u>	<u>9.3099</u>	<u>9.3099</u>	<u>9.4404</u>	<u>9.5946</u>	<u>9.5946</u>	<u>9.8892</u>	<u>9.0914</u>	<u>9.0730</u>
Total Direct Rate:	<u>8.8441</u>	<u>8.8441</u>	<u>9.3099</u>	<u>9.3099</u>	<u>9.4404</u>	<u>9.5946</u>	<u>9.5946</u>	<u>9.8892</u>	<u>9.0914</u>	<u>9.0730</u>
Overlapping Rates:										
Putnam County School District	6.1300	6.2300	5.4630	5.7800	5.8970	5.8690	6.1550	6.3540	6.8000	7.2040
Fire District										
Fire Municipal Service Taxing Unit	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000
Municipalities										
City of Crescent City	8.4340	8.5914	8.5914	8.5914	8.5914	8.5914	8.5914	8.5914	8.5914	8.5914
Town of Interlachen	6.9513	7.2553	7.2553	7.9282	8.1760	8.5602	8.6831	8.8354	8.8821	8.8821
City of Palatka	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	9.1749
Town of Pomona Park	5.5000	5.0493	5.0493	5.0493	5.2974	5.7124	5.7874	5.7874	5.7874	5.7874
Town of Welaka	5.1160	5.5050	5.5050	5.5050	5.5050	5.5050	5.5050	5.5050	5.5050	5.5559
Special Districts										
St. Johns River Water Management District	0.1793	0.1793	0.1974	0.2189	0.2287	0.2414	0.2562	0.2724	0.2885	0.3023
Suwannee River Water Management District	0.2936	0.3113	0.3368	0.3615	0.3696	0.3840	0.3948	0.4027	0.4093	0.4104

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

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Banking

The total deposits of banking institutions in the County as of June 30 of each of the years indicated below were as follows:

Fiscal Year	Total Bank Deposits (in thousands)
2016	\$526,852
2017	524,053
2018	533,668
2019	556,961
2020	647,606
2021	715,567
2022	667,767
2023	782,795
2024	745,995
2025	938,218

Source: Federal Deposit Insurance Corporation internet address <https://banks.data.fdic.gov/bankfind-suite/SOD/summaryTables>.

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS
OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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STATE OF FLORIDA AUDITOR GENERAL

Financial and Federal Single Audit

Report No. 2026-136
March 2026

PUTNAM COUNTY DISTRICT SCHOOL BOARD

For the Fiscal Year Ended
June 30, 2025



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2024-25 fiscal year, Dr. Richard M. Surrency Sr. served as Superintendent of the Putnam County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Holly H. Pickens	1
David M. Buckles	2
Sandra Gilyard, Chair through 11-18-24	3
Linda Wagner, Vice Chair from 11-19-24	4
Philip Leary, Chair from 11-19-24, Vice Chair through 11-18-24	5

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Nick Druash, CPA, and the audit was supervised by Ivo N. Njabe, CPA.

Please address inquiries regarding this report to Edward A. Waller, CPA, Audit Manager, by e-mail at tedwaller@aud.state.fl.us or by telephone at (850) 412-2887.

This report and other reports prepared by the Auditor General are available at:

FLAuditor.gov

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State of Florida Auditor General

Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722

PUTNAM COUNTY DISTRICT SCHOOL BOARD

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PUTNAM COUNTY DISTRICT SCHOOL BOARD

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SUMMARY

SUMMARY OF REPORT ON FINANCIAL STATEMENTS

Our audit disclosed that the basic financial statements of the Putnam County District School Board (District) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

SUMMARY OF REPORT ON INTERNAL CONTROL AND COMPLIANCE

Our audit did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

SUMMARY OF REPORT ON FEDERAL AWARDS

We audited the District's compliance with applicable Federal awards requirements. The Title I Program, Twenty-First Century Community Learning Centers, Supporting Effective Instruction State Grants, Student Support and Academic Enrichment Program, and Education Stabilization Fund were audited as major Federal programs. The results of our audit indicated that the District materially complied with the requirements that could have a direct and material effect on each of its major Federal programs.

AUDIT OBJECTIVES AND SCOPE

Our audit objectives were to obtain reasonable assurance about whether the financial statements as a whole were free from material misstatements, whether due to fraud or error, and to issue an auditor's report that included our opinions. Our audit objectives were also to obtain reasonable assurance about whether material noncompliance with applicable Federal awards requirements occurred, whether due to fraud or error, and to express an opinion on the District's compliance based on our audit. In doing so, we:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements and material noncompliance with Federal awards requirements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements and accompanying Schedule of Expenditures of Federal Awards.
- Concluded whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

- Examined various transactions to determine whether they were executed, in both manner and substance, in accordance with governing provisions of laws, rules, regulations, contracts, and grant agreements.
- Determined whether corrective actions were taken for findings included in our report No. 2025-156.
- Assessed the reasonableness of the Summary Schedule of Prior Audit Findings prepared by the District.

AUDIT METHODOLOGY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 the Putnam County District School Board, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Putnam County District School Board, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the school internal funds, which represent 6 percent, 0 percent, 7 percent, 5 percent, and 5 percent, respectively, of the assets, liabilities, net position and fund balance, revenues, and expenses and expenditures of the aggregate remaining fund information as of June 30, 2025. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns as of June 30, 2025. The financial statements of the school internal funds and the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the financial statements of the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Budgetary Comparison Schedule – General and Major Special Revenue Funds**, **Schedule of Changes in the District's Total OPEB Liability and Related Ratios**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan**, **Schedule of District Contributions – Florida Retirement System Pension Plan**, **Schedule of the District's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan**, **Schedule of District Contributions – Health Insurance Subsidy Pension Plan**, **Ten-Year Claims Development Information – North East Florida Educational Consortium – Risk Management Property/Casualty Program**, and **Notes to Required Supplementary Information** be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Putnam County District School Board has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2025. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found immediately following the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-25 fiscal year are as follows:

- As of June 30, 2025, the assets and deferred outflows of resources exceed the liabilities and deferred inflows of resources by \$99,968,231.08.
- In total, net position increased \$20,172,954.29, which represents a 25 percent increase over the 2023-24 fiscal year.
- General revenues total \$152,605,227.27, or 79 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$40,822,502.07, or 21 percent of all revenues.
- Expenses total \$173,254,775.05. Only \$40,822,502.07 of these expenses was offset by program specific revenues, with the remainder paid from general revenues.
- At the end of the current fiscal year, the fund balance of the General Fund totals \$17,055,137.57, which is \$5,525,678.70 less than the prior fiscal year balance. The General Fund assigned and unassigned fund balances total \$14,531,319.16, or 16 percent of total General Fund revenues.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental and business-type activities of the District presented on the accrual basis of accounting. The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in the following categories:

- Governmental activities – This represents most of the District’s services, including its educational programs such as basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State’s education finance program provide most of the resources that support these activities.
- Business-type activities – The District is the fiscal agent for the North East Florida Educational Consortium (NEFEC), which provides various programs and services to 15 members including the school districts of Baker, Bradford, Columbia, Dixie, Flagler, Gilchrist, Hamilton, Lafayette, Levy, Nassau, Putnam, Suwannee, and Union counties as well as the P.K. Yonge Development Research School and the Florida School for the Deaf and the Blind. The NEFEC charges fees to cover the cost of certain services it provides.
- Component units – The District presents two separate legal entities in this report. The Children’s Reading Center, Inc., which owns and operates the Children’s Reading Center Charter School; and the Putnam Academy of Arts and Sciences, Inc., which owns and operates the Putnam Academy of Arts and Sciences, are legally separate organizations and component units that are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

Fund Financial Statements

Fund financial statements are one of the components of the basic 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. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District’s financial activities, focusing on its most significant or “major” funds rather than fund types. This is in contrast to the entitywide perspective contained in the government-wide statements. All of the District’s funds may be classified within one of the two categories discussed below.

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 assessing 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.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District’s most significant funds. The District’s major funds are the General Fund, Special Revenue – Federal Education Stabilization Fund, Capital Projects

– Public Education Capital Outlay Fund, Capital Projects – District Bonds Fund, and Capital Projects – Local Capital Improvement Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General and major Special Revenue Funds to demonstrate compliance with the budget.

Proprietary Funds: Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise funds to account for the NEFEC programs, including the Risk Management (Property/Casualty) as well as other programs and services.
- Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses an internal service fund to account for the Putnam County District School Board Health Insurance Program. Since these services predominantly benefit governmental rather than business-type functions, the internal service fund has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, for those enterprise funds determined to be major. The District's major enterprise funds are the NEFEC Risk Management (Property/Casualty) Program Fund and the NEFEC Other Programs Fund.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's total other postemployment benefits liability, net pension liability, and trend data on revenues and claims development for the NEFEC Risk Management (Property/Casualty) Program.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. The following is a summary of the District's net position as of June 30, 2025, compared to net position as of June 30, 2024:

Net Position, End of Year

	Governmental Activities		Business-Type Activities		Total	
	6-30-25	6-30-24	6-30-25	6-30-24	6-30-25	6-30-24
Current and Other Assets	\$ 274,907,777.05	\$ 194,477,670.40	\$ 44,248,401.97	\$ 37,368,562.89	\$ 319,156,179.02	\$ 231,846,233.29
Capital Assets	173,415,068.16	62,758,019.83	821,888.43	591,158.35	174,236,956.59	63,349,178.18
Total Assets	448,322,845.21	257,235,690.23	45,070,290.40	37,959,721.24	493,393,135.61	295,195,411.47
Deferred Outflows of Resources	23,479,435.58	24,426,837.66	1,907,668.22	1,473,380.34	25,387,103.80	25,900,218.00
Long-Term Liabilities	292,335,967.04	199,157,512.37	21,560,422.68	23,732,940.77	313,896,389.72	222,890,453.14
Other Liabilities	86,572,594.62	5,764,247.61	568,811.99	269,463.92	87,141,406.61	6,033,711.53
Total Liabilities	378,908,561.66	204,921,759.98	22,129,234.67	24,002,404.69	401,037,796.33	228,924,164.67
Deferred Inflows of Resources	16,614,750.19	11,758,466.93	1,159,461.81	617,721.08	17,774,212.00	12,376,188.01
Net Position:						
Net Investment in Capital Assets	66,959,932.25	52,989,291.09	821,888.43	591,158.35	67,781,820.68	53,580,449.44
Restricted	75,536,250.20	66,859,982.30	-	-	75,536,250.20	66,859,982.30
Unrestricted (Deficit)	(66,217,213.51)	(54,866,972.41)	22,867,373.71	14,221,817.46	(43,349,839.80)	(40,645,154.95)
Total Net Position	\$ 76,278,968.94	\$ 64,982,300.98	\$ 23,689,262.14	\$ 14,812,975.81	\$ 99,968,231.08	\$ 79,795,276.79

The largest portion of the District's net position (\$67,781,820.68) is investment in capital assets (e.g., land; buildings; furniture, fixtures, and equipment), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources used to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of the District's net position \$75,536,250.20 represents resources that are subject to external restrictions on how they may be used. The unrestricted net position is a deficit of \$43,349,839.80 due primarily to the District's proportionate share of the collective net pension liability required to be reported by GASB Statement No. 68.

Current and other assets and long-term liabilities increased due to the issuance of general obligation school bonds near fiscal year end. In addition, current and other assets as well as other liabilities increased due to recognizing the unencumbered 2024-25 fiscal year State allocation of Public Education Capital Outlay (PECO) Special Facilities funding to be used for the construction of the new Crescent City Junior-Senior High School. The increase in capital assets was mainly due to construction, renovation and replacement of public school facilities throughout the District, as well as the implementation of safety enhancement and instruction technology upgrades.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2025, and June 30, 2024, are as follows:

Operating Results for the Fiscal Year Ended

	Governmental Activities		Business-Type Activities		Total	
	6-30-25	6-30-24	6-30-25	6-30-24	6-30-25	6-30-24
Program Revenues:						
Charges for Services	\$ 395,274.00	\$ 408,399.96	\$ 28,360,829.75	\$ 27,647,349.60	\$ 28,756,103.75	\$ 28,055,749.56
Operating Grants and Contributions	11,480,217.85	11,350,602.17	-	-	11,480,217.85	11,350,602.17
Capital Grants and Contributions	586,180.47	35,806,605.23	-	-	586,180.47	35,806,605.23
General Revenues:						
Property Taxes, Levied for Operational Purposes	31,604,487.77	28,756,197.42	-	-	31,604,487.77	28,756,197.42
Property Taxes, Levied for Debt Service	7,049,771.12	6,329,096.20	-	-	7,049,771.12	6,329,096.20
Property Taxes, Levied for Capital Projects	12,517,047.04	11,137,276.82	-	-	12,517,047.04	11,137,276.82
Grants and Contributions Not Restricted to Specific Programs	77,793,784.19	100,224,691.73	11,807,360.89	6,416,367.94	89,601,145.08	106,641,059.67
Unrestricted Investment Earnings	6,723,933.60	8,604,910.95	1,789,835.64	1,750,579.92	8,513,769.24	10,355,490.87
Miscellaneous	3,319,007.02	5,140,952.30	-	-	3,319,007.02	5,140,952.30
Total Revenues	151,469,703.06	207,758,732.78	41,958,026.28	35,814,297.46	193,427,729.34	243,573,030.24
Functions/Program Expenses:						
Instruction	66,075,002.74	83,429,954.04	-	-	66,075,002.74	83,429,954.04
Student Support Services	6,001,676.84	7,784,309.40	-	-	6,001,676.84	7,784,309.40
Instructional Media Services	330,150.06	279,836.04	-	-	330,150.06	279,836.04
Instruction and Curriculum Development Services	5,086,184.28	6,448,165.10	-	-	5,086,184.28	6,448,165.10
Instructional Staff Training Services	2,578,745.22	3,773,402.79	-	-	2,578,745.22	3,773,402.79
Instruction-Related Technology	791,716.65	758,095.00	-	-	791,716.65	758,095.00
Board	647,158.25	691,643.12	-	-	647,158.25	691,643.12
General Administration	1,803,845.99	2,343,969.02	-	-	1,803,845.99	2,343,969.02
School Administration	9,202,264.15	11,616,474.13	-	-	9,202,264.15	11,616,474.13
Facilities Acquisition and Construction	2,148.39	575,223.68	-	-	2,148.39	575,223.68
Fiscal Services	1,670,433.07	1,817,595.14	-	-	1,670,433.07	1,817,595.14
Food Services	10,963,911.39	11,647,571.25	-	-	10,963,911.39	11,647,571.25
Central Services	1,580,680.56	2,077,340.90	-	-	1,580,680.56	2,077,340.90
Student Transportation Services	6,836,134.82	7,872,094.52	-	-	6,836,134.82	7,872,094.52
Operation of Plant	8,115,072.01	9,319,897.65	-	-	8,115,072.01	9,319,897.65
Maintenance of Plant	2,524,591.70	2,857,155.05	-	-	2,524,591.70	2,857,155.05
Administrative Technology Services	2,607,587.55	2,691,057.75	-	-	2,607,587.55	2,691,057.75
Community Services	2,347,593.71	2,312,951.85	-	-	2,347,593.71	2,312,951.85
Unallocated Interest on Long-Term Debt	5,381,521.52	4,730,336.00	-	-	5,381,521.52	4,730,336.00
Unallocated Depreciation Expense	5,626,616.20	5,435,523.07	-	-	5,626,616.20	5,435,523.07
NEFEC Risk Management Program	-	-	15,516,825.95	22,714,997.27	15,516,825.95	22,714,997.27
NEFEC Other Programs	-	-	17,564,914.00	14,639,055.61	17,564,914.00	14,639,055.61
Total Functions/Program Expenses	140,173,035.10	168,462,595.50	33,081,739.95	37,354,052.88	173,254,775.05	205,816,648.38
Change in Net Position	11,296,667.96	39,296,137.28	8,876,286.33	(1,539,755.42)	20,172,954.29	37,756,381.86
Net Position - Beginning	64,982,300.98	25,686,163.70	14,812,975.81	16,352,731.23	79,795,276.79	42,038,894.93
Net Position - Ending	\$ 76,278,968.94	\$ 64,982,300.98	\$ 23,689,262.14	\$ 14,812,975.81	\$ 99,968,231.08	\$ 79,795,276.79

For the governmental activities, the largest revenue source is the State of Florida (40 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP funding formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Capital grants and contributions revenue decreased by \$35,220,424.76, or 98 percent, primarily because the 2024-25 fiscal year allocation of PECO Special Facilities funding remained unencumbered at fiscal year end, and therefore, revenues were unable to be accrued.

Property tax revenues increased by \$4,948,735.49, or 10.7 percent, as a result of an increase in taxable assessed values. Grants and contributions not restricted to specific programs revenues decreased by \$17,039,914.59, or 16 percent, primarily due to a decrease in FEFP funding and a decrease in the Federal Education Stabilization Fund due to the program ending during the current fiscal year.

Instruction expenses represent 47 percent of total governmental expenses in the 2024-25 fiscal year. Instruction expenses decreased by \$17,354,951.30, or 21 percent, from the previous fiscal year due

mainly to the end of the Federal Educational Stabilization Funding during the current fiscal year and a decrease in pension expense.

For the business-type activities, net position increased \$8,876,286.33, or 60 percent, primarily due to the decrease in claim expenses and excess premium payments.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance that has not been limited to a particular purpose by an external party, the District, or a group or individual delegated authority by the Board to assign resources for particular purposes.

The total fund balances of governmental funds increased by \$21,461,414.72 during the fiscal year to \$171,789,045.93 at June 30, 2025. Of the total fund balance, \$263,949.91, or 0.2 percent, is unassigned fund balance, which is available for spending at the District's discretion; \$713,450.37 is nonspendable; \$165,750,090.52 is restricted; and \$5,061,555.13 is assigned.

Major Governmental Funds

The General Fund is the District's chief operating fund. At the end of the current fiscal year, unassigned fund balance is \$9,469,764.03, while the total fund balance is \$17,055,137.57. As a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. The total assigned and unassigned fund balance is 16 percent of the total General Fund revenues, while total fund balance represents 18 percent of total General Fund revenues. Total fund balance decreased by \$5,525,678.70 during the fiscal year, primarily due to an increase in instruction expenses.

The Special Revenue – Federal Education Stabilization Fund has total revenues and expenditures of \$3,618,756.31 each and the funding was mainly used for salaries and related benefits in response to the COVID-19 pandemic. Because grant revenues are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Capital Project – Public Education Capital Outlay Fund has a deficit fund balance of \$9,205,814.12, which represents construction costs for the new Crescent City Junior-Senior High School project paid in advance of drawing funds from the PECO Special Facilities funding. Encumbrances exceed the total fund balance by \$60,937,300.51 and are expected to be honored using the PECO Special Facilities allocation expected to be received in the subsequent year.

The Capital Projects – District Bonds Fund has a total fund balance of \$123,396,023.42. Total fund balance increased \$26,346,557.14 primarily due to the issuance of new bonds for constructing, renovating and replacing public school facilities throughout the District.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of 23,146,650.48. The total fund balance increased by \$7,396,576.75 due to increases in local tax revenue.

Proprietary Funds

The Enterprise Funds have combined net position of \$23,689,262.14, representing an increase of \$8,876,286.33 in net position for 2024-25 fiscal year.

- The NEFEC Risk Management (Property/Casualty) Programs Fund net position increased by \$4,685,483.48 or 23 percent, over the prior fiscal year because premium revenues exceeded operating expenses. Operating revenues, based on premium revenues held steady. Operating expenses decreased by \$7,198,171.32, due mainly to decreases in insurance claims and policyholder dividends.
- The NEFEC Other Programs Fund net position increased \$4,190,802.85, or 38 percent, over the prior fiscal year due mainly to increases in Federal and State grants.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2024-25 fiscal year, the District amended its General Fund budget several times, which resulted in a decrease in total budgeted revenues of \$4,895,355.82, or 5%, a direct result of the decreases in State and local property taxes revenues. Final budgeted expenditures were in line with original budget amounts. Actual revenues are in line with the final budgeted amounts while actual expenditures are \$13,749,258.41, or 12 percent, less than final budgeted amounts. The decrease in expenditures was primarily due to continued cost containment measures implemented by the District. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$15,725,843.61.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities and business-type activities as of June 30, 2025, is \$174,236,956.59 (net of accumulated depreciation). The \$110,887,778.41, or 175 percent, increase from the prior fiscal year is due mainly to the constructing, renovating, and replacing public facilities throughout the District.

Additional information on the District's capital assets can be found in Notes I.F.4. and IV.C. to the financial statements.

Long-Term Debt

At June 30, 2025, the District had outstanding bonds payable of \$207,088,566.65. During the current fiscal year, the District issued general obligation school bonds of \$100,000,000 with a premium of \$4,112,537 and made debt service payments totaling \$1,772,000.

Additional information on the District's long-term debt can be found in Notes IV.I.1. through IV.I.2. to the financial statements.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional

financial information should be addressed to Jonathan Odom, Chief Financial Officer, Putnam County District School Board, 200 Reid Street, Palatka, Florida 32177.

BASIC FINANCIAL STATEMENTS

Putnam County District School Board Statement of Net Position June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 196,417,080.41	\$ 38,080,119.73	\$ 234,497,200.14	\$ 662,922.00
Cash with Fiscal Agent	-	1,375,000.00	1,375,000.00	-
Investments	3,697.40	-	3,697.40	1,420,056.00
Accounts Receivable	449,160.45	93,476.53	542,636.98	66,041.00
Due from Other Agencies	77,456,075.25	3,193,006.32	80,649,081.57	17,775.00
Due from Excess Insurer	-	1,506,799.39	1,506,799.39	-
Prepaid Items	-	-	-	34,291.00
Inventories	581,763.54	-	581,763.54	-
Capital Assets:				
Nondepreciable Capital Assets	128,945,100.26	45,000.00	128,990,100.26	192,000.00
Depreciable Capital Assets, Net	44,469,967.90	776,888.43	45,246,856.33	3,118,194.00
TOTAL ASSETS	448,322,845.21	45,070,290.40	493,393,135.61	5,511,279.00
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	21,333,911.17	1,761,279.63	23,095,190.80	376,352.00
OPEB	2,145,524.41	146,388.59	2,291,913.00	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,479,435.58	1,907,668.22	25,387,103.80	376,352.00
LIABILITIES				
Accrued Salaries and Benefits	1,386,773.07	53,915.53	1,440,688.60	103,371.00
Accounts Payable	2,193,741.87	514,896.46	2,708,638.33	97,035.00
Construction Contracts Payable	17,574,142.65	-	17,574,142.65	-
Construction Contracts Payable - Retained Percentage	5,188,450.03	-	5,188,450.03	-
Unearned Revenue	59,785,687.00	-	59,785,687.00	-
Estimated Insurance Claims Payable	443,800.00	-	443,800.00	-
Long-Term Liabilities:				
Portion Due Within 1 Year	5,656,989.40	6,407,984.97	12,064,974.37	30,347.00
Portion Due After 1 Year	286,678,977.64	15,152,437.71	301,831,415.35	3,072,427.00
TOTAL LIABILITIES	378,908,561.66	22,129,234.67	401,037,796.33	3,303,180.00
DEFERRED INFLOWS OF RESOURCES				
Pensions	11,120,322.28	886,765.72	12,007,088.00	301,084.00
OPEB	5,494,427.91	272,696.09	5,767,124.00	-
TOTAL DEFERRED INFLOWS OF RESOURCES	16,614,750.19	1,159,461.81	17,774,212.00	301,084.00
NET POSITION				
Net Investment in Capital Assets	66,959,932.25	821,888.43	67,781,820.68	1,307,627.00
Restricted for:				
State Required Carryover Programs	2,168,205.45	-	2,168,205.45	-
Debt Service	952,539.16	-	952,539.16	-
Capital Projects	58,405,865.70	-	58,405,865.70	62,106.00
Food Service	11,848,648.42	-	11,848,648.42	-
Permanent Funds - Nonexpendable	131,686.83	-	131,686.83	-
Permanent Funds - Expendable	20,148.89	-	20,148.89	-
Student Groups	1,712,902.00	-	1,712,902.00	-
Other Purposes	296,253.75	-	296,253.75	1,650,767.00
Unrestricted (Deficit)	(66,217,213.51)	22,867,373.71	(43,349,839.80)	(737,133.00)
TOTAL NET POSITION	\$ 76,278,968.94	\$ 23,689,262.14	\$ 99,968,231.08	\$ 2,283,367.00

The accompanying notes to financial statements are an integral part of this statement.

**Putnam County District School Board
Statement of Activities
For the Fiscal Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 66,075,002.74	\$ 91,870.94	\$ -
Student Support Services	6,001,676.84	-	-
Instructional Media Services	330,150.06	-	-
Instruction and Curriculum Development Services	5,086,184.28	-	-
Instructional Staff Training Services	2,578,745.22	-	-
Instruction-Related Technology	791,716.65	-	-
Board	647,158.25	-	-
General Administration	1,803,845.99	-	-
School Administration	9,202,264.15	-	-
Facilities Acquisition and Construction	2,148.39	-	526,277.60
Fiscal Services	1,670,433.07	-	-
Food Services	10,963,911.39	303,403.06	11,480,217.85
Central Services	1,580,680.56	-	-
Student Transportation Services	6,836,134.82	-	-
Operation of Plant	8,115,072.01	-	-
Maintenance of Plant	2,524,591.70	-	-
Administrative Technology Services	2,607,587.55	-	-
Community Services	2,347,593.71	-	-
Unallocated Interest on Long-Term Debt	5,381,521.52	-	59,902.87
Unallocated Depreciation Expense*	5,626,616.20	-	-
Total Governmental Activities	140,173,035.10	395,274.00	11,480,217.85
Business-Type Activities:			
NEFEC Risk Management (Property/Casualty) Program	15,516,825.95	19,071,390.98	-
NEFEC Other Programs	17,564,914.00	9,289,438.77	-
Total Business-Type Activities	33,081,739.95	28,360,829.75	-
Total Primary Government	\$ 173,254,775.05	\$ 28,756,103.75	\$ 11,480,217.85
Component Units			
Charter Schools	\$ 4,787,236.00	\$ 16,001.00	\$ 0.00

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Debt Service

Property Taxes, Levied for Capital Projects

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

The accompanying notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (65,983,131.80)	\$ -	\$ (65,983,131.80)	\$ -
(6,001,676.84)	-	(6,001,676.84)	-
(330,150.06)	-	(330,150.06)	-
(5,086,184.28)	-	(5,086,184.28)	-
(2,578,745.22)	-	(2,578,745.22)	-
(791,716.65)	-	(791,716.65)	-
(647,158.25)	-	(647,158.25)	-
(1,803,845.99)	-	(1,803,845.99)	-
(9,202,264.15)	-	(9,202,264.15)	-
524,129.21	-	524,129.21	-
(1,670,433.07)	-	(1,670,433.07)	-
819,709.52	-	819,709.52	-
(1,580,680.56)	-	(1,580,680.56)	-
(6,836,134.82)	-	(6,836,134.82)	-
(8,115,072.01)	-	(8,115,072.01)	-
(2,524,591.70)	-	(2,524,591.70)	-
(2,607,587.55)	-	(2,607,587.55)	-
(2,347,593.71)	-	(2,347,593.71)	-
(5,321,618.65)	-	(5,321,618.65)	-
(5,626,616.20)	-	(5,626,616.20)	-
(127,711,362.78)	-	(127,711,362.78)	-
-	3,554,565.03	3,554,565.03	-
-	(8,275,475.23)	(8,275,475.23)	-
-	(4,720,910.20)	(4,720,910.20)	-
(127,711,362.78)	(4,720,910.20)	(132,432,272.98)	-
-	-	-	(4,410,324.00)
31,604,487.77	-	31,604,487.77	-
7,049,771.12	-	7,049,771.12	-
12,517,047.04	-	12,517,047.04	-
77,793,784.19	11,807,360.89	89,601,145.08	4,272,855.00
6,723,933.60	1,789,835.64	8,513,769.24	52,536.00
3,319,007.02	-	3,319,007.02	87,928.00
139,008,030.74	13,597,196.53	152,605,227.27	4,413,319.00
11,296,667.96	8,876,286.33	20,172,954.29	2,995.00
64,982,300.98	14,812,975.81	79,795,276.79	2,280,372.00
\$ 76,278,968.94	\$ 23,689,262.14	\$ 99,968,231.08	\$ 2,283,367.00

**Putnam County District School Board
Balance Sheet – Governmental Funds
June 30, 2025**

	General Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Public Education Capital Outlay Fund
ASSETS			
Cash and Cash Equivalents	\$ 7,743,745.84	\$ 88,309.06	\$ -
Investments	-	-	-
Accounts Receivable	206,424.05	-	-
Due from Other Funds	6,843,433.04	-	-
Due from Other Agencies	3,694,557.31	-	69,890,466.53
Inventories	355,612.96	-	-
TOTAL ASSETS	\$ 18,843,773.20	\$ 88,309.06	\$ 69,890,466.53
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Salaries and Benefits	\$ 895,405.71	\$ -	\$ -
Accounts Payable	893,229.92	88,309.06	-
Construction Contracts Payable	-	-	5,114,317.53
Construction Contracts Payable - Retained Percentage	-	-	753,121.05
Due to Other Funds	-	-	3,381,402.06
Unearned Revenue	-	-	59,785,687.00
Total Liabilities	1,788,635.63	88,309.06	69,034,527.64
Deferred Inflows of Resources:			
Unavailable Revenue - State Capital Outlay	-	-	10,061,753.01
Fund Balances:			
Nonspendable:			
Inventories	355,612.96	-	-
Permanent Fund Principal	-	-	-
Total Nonspendable Fund Balance	355,612.96	-	-
Restricted for:			
State Required Carryover Programs	2,168,205.45	-	-
Other State and Local Projects	-	-	-
Student Groups	-	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Food Service	-	-	-
Permanent Funds	-	-	-
Total Restricted Fund Balance	2,168,205.45	-	-
Assigned for:			
Lowest 300 Performing Schools	643,266.20	-	-
Purchase Obligations	663,827.23	-	-
Wellness Initiatives	280,449.52	-	-
Other Purposes	3,474,012.18	-	-
Total Assigned Fund Balance	5,061,555.13	-	-
Unassigned Fund Balance	9,469,764.03	-	(9,205,814.12)
Total Fund Balances	17,055,137.57	-	(9,205,814.12)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 18,843,773.20	\$ 88,309.06	\$ 69,890,466.53

The accompanying notes to financial statements are an integral part of this statement.

Capital Projects - District Bonds Fund	Capital Projects - Local Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 136,853,094.23	\$ 26,952,737.68	\$ 17,261,734.42	\$ 188,899,621.23
-	-	3,697.40	3,697.40
144.00	147,279.91	71,687.43	425,535.39
3,381,402.06	-	-	10,224,835.10
-	65,947.12	3,763,638.72	77,414,609.68
-	-	226,150.58	581,763.54
<u>\$ 140,234,640.29</u>	<u>\$ 27,165,964.71</u>	<u>\$ 21,326,908.55</u>	<u>\$ 277,550,062.34</u>
\$ -	\$ 60,449.00	\$ 430,284.65	\$ 1,386,139.36
-	56,537.23	501,933.05	1,540,009.26
12,403,287.89	-	56,537.23	17,574,142.65
4,435,328.98	-	-	5,188,450.03
-	3,902,328.00	2,941,105.04	10,224,835.10
-	-	-	59,785,687.00
<u>16,838,616.87</u>	<u>4,019,314.23</u>	<u>3,929,859.97</u>	<u>95,699,263.40</u>
-	-	-	10,061,753.01
-	-	226,150.58	581,763.54
-	-	131,686.83	131,686.83
<u>-</u>	<u>-</u>	<u>357,837.41</u>	<u>713,450.37</u>
-	-	-	2,168,205.45
-	-	296,253.75	296,253.75
-	-	1,712,902.00	1,712,902.00
-	-	952,539.16	952,539.16
123,396,023.42	23,146,650.48	2,434,869.53	148,977,543.43
-	-	11,622,497.84	11,622,497.84
-	-	20,148.89	20,148.89
<u>123,396,023.42</u>	<u>23,146,650.48</u>	<u>17,039,211.17</u>	<u>165,750,090.52</u>
-	-	-	643,266.20
-	-	-	663,827.23
-	-	-	280,449.52
-	-	-	3,474,012.18
-	-	-	5,061,555.13
-	-	-	263,949.91
<u>123,396,023.42</u>	<u>23,146,650.48</u>	<u>17,397,048.58</u>	<u>171,789,045.93</u>
<u>\$ 140,234,640.29</u>	<u>\$ 27,165,964.71</u>	<u>\$ 21,326,908.55</u>	<u>\$ 277,550,062.34</u>

**Putnam County District School Board
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025**

Total Fund Balances - Governmental Funds \$ 171,789,045.93

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 173,415,068.16

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 6,484,383.49

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

Deferred Outflows Related to Pensions	\$ 21,333,911.17	
Deferred Outflows Related to OPEB	2,145,524.41	
Deferred Inflows Related to Pensions	(11,120,322.28)	
Deferred Inflows Related to OPEB	<u>(5,494,427.91)</u>	6,864,685.39

The deferred inflows of resources related to certain funding are applicable to future periods and therefore, are not reported in the governmental funds. 10,061,753.01

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

Bonds Payable	\$ (207,088,566.65)	
Compensated Absences Payable	(9,157,409.66)	
Net Pension Liability	(72,610,608.71)	
Total OPEB Liability	<u>(3,479,382.02)</u>	<u>(292,335,967.04)</u>

Net Position - Governmental Activities \$ 76,278,968.94

The accompanying notes to financial statements are an integral part of this statement.

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**Putnam County District School Board
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2025**

	General Fund	Special Revenue - Federal Education Stabilization Fund	Capital Projects - Public Education Capital Outlay Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 599,916.64	\$ -	\$ -
Federal Through State and Local	301,771.34	3,618,756.31	-
State	57,124,358.46	-	21,986,211.37
Local:			
Property Taxes	31,604,487.77	-	-
Charges for Services - Food Service	-	-	-
Miscellaneous	2,835,409.11	-	-
Total Local Revenues	34,439,896.88	-	-
Total Revenues	92,465,943.32	3,618,756.31	21,986,211.37
Expenditures			
Current - Education:			
Instruction	56,369,194.79	2,301,012.13	-
Student Support Services	5,356,222.57	51,788.69	-
Instructional Media Services	339,588.73	-	-
Instruction and Curriculum Development Services	2,524,539.02	18,985.00	-
Instructional Staff Training Services	1,172,122.49	898,441.21	-
Instruction-Related Technology	806,699.66	-	-
Board	655,790.89	-	-
General Administration	1,211,665.71	289,095.83	-
School Administration	9,513,923.37	-	-
Facilities Acquisition and Construction	2,148.39	-	-
Fiscal Services	1,718,484.94	-	-
Food Services	16,328.24	-	-
Central Services	1,619,093.50	5,336.83	-
Student Transportation Services	6,365,405.99	3,430.00	-
Operation of Plant	8,252,031.82	3,017.50	-
Maintenance of Plant	2,583,338.18	-	-
Administrative Technology Services	2,647,520.38	-	-
Community Services	4,181.59	5,269.12	-
Fixed Capital Outlay:			
Facilities Acquisition and Construction	750,208.00	-	31,200,377.35
Other Capital Outlay	293,556.80	42,380.00	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	102,202,045.06	3,618,756.31	31,200,377.35
Excess (Deficiency) of Revenues Over Expenditures	(9,736,101.74)	-	(9,214,165.98)
Other Financing Sources (Uses)			
Transfers In	4,190,913.00	-	-
Issuance of Bonds	-	-	-
Bond Premium	-	-	-
Loss Recoveries	19,510.04	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	4,210,423.04	-	-
Net Change in Fund Balances	(5,525,678.70)	-	(9,214,165.98)
Fund Balances, Beginning	22,580,816.27	-	8,351.86
Adjustment to Beginning Fund Balances	-	-	-
Fund Balances, Beginning, as Restated	22,580,816.27	-	8,351.86
Fund Balances, Ending	\$ 17,055,137.57	\$ 0.00	\$ (9,205,814.12)

The accompanying notes to financial statements are an integral part of this statement.

Capital Projects - District Bonds Fund	Capital Projects - Local Capital Improvement Fund	Special Revenue - Food Service Fund (Former Major Fund)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 19,800.00	\$ 619,716.64
-	-	-	25,039,842.04	28,960,369.69
-	-	-	3,155,737.70	82,266,307.53
-	12,517,047.04	-	7,049,771.12	51,171,305.93
-	-	-	303,403.06	303,403.06
3,688,358.76	832,147.83	-	3,188,701.70	10,544,617.40
3,688,358.76	13,349,194.87	-	10,541,875.88	62,019,326.39
3,688,358.76	13,349,194.87	-	38,757,255.62	173,865,720.25
-	-	-	9,764,331.57	68,434,538.49
-	-	-	750,280.97	6,158,292.23
-	-	-	-	339,588.73
-	-	-	2,760,851.35	5,304,375.37
-	-	-	632,377.59	2,702,941.29
-	-	-	-	806,699.66
-	-	-	-	655,790.89
-	-	-	345,707.29	1,846,468.83
-	-	-	-	9,513,923.37
-	-	-	-	2,148.39
-	-	-	-	1,718,484.94
-	-	-	11,078,619.90	11,094,948.14
-	-	-	-	1,624,430.33
-	-	-	11,953.15	6,380,789.14
-	-	-	-	8,255,049.32
-	-	-	-	2,583,338.18
-	-	-	12,000.00	2,659,520.38
-	-	-	2,338,143.00	2,347,593.71
80,665,709.23	1,153,158.54	-	695,665.34	114,465,118.46
-	897,131.58	-	1,192,667.62	2,425,736.00
-	-	-	1,772,000.00	1,772,000.00
788,629.39	-	-	4,655,947.33	5,444,576.72
81,454,338.62	2,050,290.12	-	36,010,545.11	256,536,352.57
(77,765,979.86)	11,298,904.75	-	2,746,710.51	(82,670,632.32)
-	-	-	-	4,190,913.00
100,000,000.00	-	-	-	100,000,000.00
4,112,537.00	-	-	-	4,112,537.00
-	-	-	-	19,510.04
-	(3,902,328.00)	-	(288,585.00)	(4,190,913.00)
104,112,537.00	(3,902,328.00)	-	(288,585.00)	104,132,047.04
26,346,557.14	7,396,576.75	-	2,458,125.51	21,461,414.72
97,049,466.28	-	10,836,891.56	19,852,105.24	150,327,631.21
-	15,750,073.73	(10,836,891.56)	(4,913,182.17)	-
97,049,466.28	15,750,073.73	-	14,938,923.07	150,327,631.21
\$ 123,396,023.42	\$ 23,146,650.48	\$ 0.00	\$ 17,397,048.58	\$ 171,789,045.93

Putnam County District School Board
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balances - Governmental Funds **\$ 21,461,414.72**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current fiscal year.

Fixed Capital Outlay - Facilities Acquisition and Construction	\$ 114,465,118.46	
Fixed Capital Outlay - Other Capital Outlay	2,425,736.00	
Depreciation Expense	<u>(6,233,806.13)</u>	110,657,048.33

Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. This is the debt related activity in the current fiscal year.

Bond Proceeds	\$ (100,000,000.00)	
Bond Premiums	(4,112,537.00)	
Bond Principal Payments	1,772,000.00	
Amortization of Bond Premium	<u>63,055.20</u>	(102,277,481.80)

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

1,592,018.70

Governmental funds report District OPEB contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions, as determined through an actuarial valuation, is reported as an OPEB expense.

Decrease in Total OPEB Liability	\$ 610,995.32	
Decrease in Deferred Outflows of Resources - OPEB	(824,280.83)	
Decrease in Deferred Inflows of Resources - OPEB	<u>1,162,677.84</u>	949,392.33

Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.

FRS Pension Contribution	\$ 3,434,610.37	
HIS Pension Contribution	653,294.25	
FRS Pension Expense	(3,130,098.20)	
HIS Pension Expense	<u>(203,875.66)</u>	753,930.76

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

146,556.29

Governmental funds recognize revenues when they are measurable and available to pay liabilities in the current period. However, in the statement of activities, revenue is recognized as soon as it is earned regardless of availability. This is the effect of the timing difference between the two methods of revenue recognition.

(21,986,211.37)

Change in Net Position - Governmental Activities **\$ 11,296,667.96**

The accompanying notes to financial statements are an integral part of this statement.

**Putnam County District School Board
Statement of Net Position – Proprietary Funds
June 30, 2025**

	Enterprise Funds			
	NEFEC Risk Management (Property/Casualty) Program	NEFEC Other Programs	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 21,461,896.82	\$ 16,618,222.91	\$ 38,080,119.73	\$ 7,517,459.18
Cash with Fiscal Agent	1,375,000.00	-	1,375,000.00	-
Accounts Receivable	-	93,476.53	93,476.53	23,625.06
Due from Other Agencies	244,505.37	2,948,500.95	3,193,006.32	41,465.57
Due from Excess Insurer	1,506,799.39	-	1,506,799.39	-
Total Current Assets	24,588,201.58	19,660,200.39	44,248,401.97	7,582,549.81
Noncurrent Assets:				
Nondepreciable Capital Assets	-	45,000.00	45,000.00	-
Depreciable Capital Assets, Net	-	776,888.43	776,888.43	-
Total Noncurrent Assets	-	821,888.43	821,888.43	-
TOTAL ASSETS	24,588,201.58	20,482,088.82	45,070,290.40	7,582,549.81
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	59,776.98	1,701,502.65	1,761,279.63	-
OPEB	9,697.52	136,691.07	146,388.59	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	69,474.50	1,838,193.72	1,907,668.22	-
LIABILITIES				
Current Liabilities:				
Accrued Salaries and Benefits	20,455.00	33,460.53	53,915.53	633.71
Accounts Payable	921.85	513,974.61	514,896.46	653,732.61
Compensated Absences Payable	7,814.16	148,469.12	156,283.28	-
Estimated Liability for Self-Insurance Program	6,220,000.00	-	6,220,000.00	-
Estimated Health Claims Payable	-	-	-	443,800.00
Total OPEB Liability	2,944.50	28,757.19	31,701.69	-
Total Current Liabilities	6,252,135.51	724,661.45	6,976,796.96	1,098,166.32
Noncurrent Liabilities:				
Compensated Absences Payable	31,256.66	593,876.47	625,133.13	-
Estimated Liability for Self-Insurance Program	9,596,000.00	-	9,596,000.00	-
Net Pension Liability	212,450.06	4,473,965.23	4,686,415.29	-
Total OPEB Liability	22,748.81	222,140.48	244,889.29	-
Total Noncurrent Liabilities	9,862,455.53	5,289,982.18	15,152,437.71	-
TOTAL LIABILITIES	16,114,591.04	6,014,643.63	22,129,234.67	1,098,166.32
DEFERRED INFLOWS OF RESOURCES				
Pensions	41,182.39	845,583.33	886,765.72	-
OPEB	18,369.25	254,326.84	272,696.09	-
TOTAL DEFERRED INFLOWS OF RESOURCES	59,551.64	1,099,910.17	1,159,461.81	-
NET POSITION				
Investment in Capital Assets	-	821,888.43	821,888.43	-
Unrestricted	8,483,533.40	14,383,840.31	22,867,373.71	6,484,383.49
TOTAL NET POSITION	\$ 8,483,533.40	\$ 15,205,728.74	\$ 23,689,262.14	\$ 6,484,383.49

The accompanying notes to financial statements are an integral part of this statement.

**Putnam County District School Board
Statement of Revenues, Expenses, and Changes in Fund
Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2025**

	Enterprise Funds			
	NEFEC Risk Management (Property/Casualty) Program	NEFEC Other Programs	Total	Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ -	\$ 9,079,373.95	\$ 9,079,373.95	\$ -
Charges for Sales	-	210,064.82	210,064.82	-
Premiums	19,071,390.98	-	19,071,390.98	9,142,603.87
Other	-	-	-	779,929.23
Total Operating Revenues	19,071,390.98	9,289,438.77	28,360,829.75	9,922,533.10
OPERATING EXPENSES				
Salaries	181,959.78	5,778,490.65	5,960,450.43	75,585.75
Employee Benefits	44,780.33	1,580,076.59	1,624,856.92	79,326.73
Purchased Services	700,234.85	8,051,202.95	8,751,437.80	2,812,398.50
Energy Services	-	54,090.97	54,090.97	-
Materials and Supplies	85.93	1,085,835.22	1,085,921.15	-
Capital Outlay	803.51	68,872.09	69,675.60	-
Insurance Claims	6,166,984.00	-	6,166,984.00	6,643,027.00
Excess Insurance Premiums	8,046,035.29	-	8,046,035.29	-
Policyholder Dividends	375,942.26	-	375,942.26	-
Other	-	646,221.65	646,221.65	447,549.99
Depreciation	-	300,123.88	300,123.88	-
Total Operating Expenses	15,516,825.95	17,564,914.00	33,081,739.95	10,057,887.97
Operating Income (Loss)	3,554,565.03	(8,275,475.23)	(4,720,910.20)	(135,354.87)
NONOPERATING REVENUES				
Interest	1,130,918.45	658,917.19	1,789,835.64	281,911.16
Federal Grants	-	7,851,713.63	7,851,713.63	-
State Grants	-	3,955,647.26	3,955,647.26	-
Total Nonoperating Revenues	1,130,918.45	12,466,278.08	13,597,196.53	281,911.16
Change in Net Position	4,685,483.48	4,190,802.85	8,876,286.33	146,556.29
Total Net Position - Beginning	3,798,049.92	11,014,925.89	14,812,975.81	6,337,827.20
Total Net Position - Ending	\$ 8,483,533.40	\$ 15,205,728.74	\$ 23,689,262.14	\$ 6,484,383.49

The accompanying notes to financial statements are an integral part of this statement.

**Putnam County District School Board
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2025**

	Enterprise Funds			
	NEFEC Risk Management (Property/Casualty) Program	NEFEC Other Programs	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Board Funds and Participants	\$ 19,071,390.98	\$ -	\$ 19,071,390.98	\$ 9,163,962.07
Cash Payments to Suppliers for Goods and Services	(8,747,041.14)	(9,681,329.80)	(18,428,370.94)	(2,165,682.79)
Cash Payments to Employees for Services	(312,919.81)	(8,211,160.26)	(8,524,080.07)	(154,278.77)
Cash Payments for Insurance Claims	(7,303,984.00)	-	(7,303,984.00)	(6,862,577.00)
Cash Payments for Policyholder Dividends	(375,942.26)	-	(375,942.26)	-
Cash Receipts (Payments) for Other Operating Activities	(943,860.07)	8,425,843.34	7,481,983.27	332,379.24
Net Cash Provided (Used) by Operating Activities	1,387,643.70	(9,466,646.72)	(8,079,003.02)	313,802.75
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received from Federal and State Grants	-	11,807,360.89	11,807,360.89	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	(530,853.96)	(530,853.96)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of Investments	18,943,334.67	8,478,787.65	27,422,122.32	6,244,041.00
Interest Income	1,130,918.45	658,917.19	1,789,835.64	281,911.16
Net Cash Provided by Investing Activities	20,074,253.12	9,137,704.84	29,211,957.96	6,525,952.16
Net Increase in Cash and Cash Equivalents	21,461,896.82	10,947,565.05	32,409,461.87	6,839,754.91
Cash and Cash Equivalents, Beginning	1,375,000.00	5,670,657.86	7,045,657.86	677,704.27
Cash and Cash Equivalents, Ending	\$ 22,836,896.82	\$ 16,618,222.91	\$ 39,455,119.73	\$ 7,517,459.18
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 3,554,565.03	\$ (8,275,475.23)	\$ (4,720,910.20)	\$ (135,354.87)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided(Used) by Operating Activities:				
Depreciation	-	300,123.88	300,123.88	-
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:				
Accounts Receivable	-	(85,044.03)	(85,044.03)	(22,104.05)
Due from Other Agencies	(243,926.97)	(863,595.43)	(1,107,522.40)	43,462.25
Due from Insurer	(699,933.10)	-	(699,933.10)	-
Accrued Salaries and Benefits	18,924.94	(29,632.42)	(10,707.48)	633.71
Accounts Payable	118.44	309,937.11	310,055.55	646,715.71
Compensated Absences Payable	(87,975.29)	162,341.76	74,366.47	-
Estimated Health Claims Payable	-	-	-	(219,550.00)
Estimated Liability for Self-Insurance Program	(1,137,000.00)	-	(1,137,000.00)	-
Net Pension Liability	(1,157.77)	(1,090,059.12)	(1,091,216.89)	-
Total OPEB Liability	(33,358.43)	14,690.75	(18,667.68)	-
Deferred Outflows of Resources Related to OPEB	1,718.91	23,465.26	25,184.17	-
Deferred Inflows of Resources Related to OPEB	(2,424.56)	(33,098.60)	(35,523.16)	-
Deferred Outflows of Resources Related to Pensions	(11,647.12)	(447,824.93)	(459,472.05)	-
Deferred Inflows of Resources Related to Pensions	29,739.62	547,524.28	577,263.90	-
Total Adjustments	(2,166,921.33)	(1,191,171.49)	(3,358,092.82)	449,157.62
Net Cash Provided (Used) by Operating Activities	\$ 1,387,643.70	\$ (9,466,646.72)	\$ (8,079,003.02)	\$ 313,802.75

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees charged to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Putnam County School District's (District) governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's transportation department is allocated to the student transportation services function, while remaining depreciation expense is not readily associated with a particular function and is reported as unallocated.

B. Reporting Entity

The Putnam County District School Board (Board) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education, operates under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education (SBE) rules. The governing body of the District is the Board, which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Putnam County.

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any legally separate entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading. Based on these criteria, the following component units are included within the District's reporting entity.

Discretely Presented Component Units. The component units columns in the government-wide financial statements include the financial data of the District's component units. A separate column is used to emphasize that they are legally separate from the District.

The District's charter schools are the Children's Reading Center Charter School and the Putnam Academy of Arts and Sciences. The Children's Reading Center, Inc., which owns and operates the

Children's Reading Center Charter School and the Putnam Academy of Arts and Sciences, Inc., which owns and operates the Putnam Academy of Arts and Sciences, are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Putnam County District School Board. The District may choose not to renew the charters under grounds specified in the charters. During the term of the charters, the District may terminate the charters if good cause is shown. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to impose specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District.

The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2025. The audit reports are filed in the District's administrative offices at 200 Reid Street, Palatka, Florida 32177.

C. Basis of Presentation: Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used and net residual amounts between governmental and business-type activities.

D. Basis of Presentation: Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – Federal Education Stabilization Fund – to account for certain Federal grant program resources provided as emergency relief to address the impact of COVID-19 on elementary and secondary schools.
- Capital Projects – Public Education Capital Outlay Fund – to account for State Public Education Capital Outlay moneys to be used, in part, for the construction of the Crescent City Junior/Senior High.

- Capital Projects – District Bonds Fund – to account for the financial resources generated by the General Obligation Bond, to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, implementation of safety enhancements and instructional technology upgrades.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, new and replacement equipment, and motor vehicle purchases.

The District reports the following major enterprise funds:

- NEFEC – Risk Management (Property/Casualty) Program Fund – to account for the North East Florida Educational Consortium (NEFEC) property and casualty self-insurance program (including workers' compensation), for which the District is fiscal agent.
- NEFEC – Other Programs Fund – to account for the financial activities of the NEFEC cooperative programs and services provided to member districts other than the self-insurance program.

Additionally, the District reports the following proprietary fund type:

- Internal Service Fund – to account for the District's group health insurance program.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at fiscal year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service fund) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and

donations are recognized as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 45 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 45 days of year end). Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments, pension benefits, other postemployment benefits, and compensated absences, are only recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The Children's Reading Center Charter School is accounted for as a not-for-profit organization and uses the not-for-profit accounting model. The Putnam Academy of Arts and Sciences is accounted for as a governmental organization and follows the same accounting model as the District's governmental activities.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with original maturities of 3 months or less from the date of acquisition. Investments classified as cash equivalents include amounts placed with Florida Fixed Income Trust (FIT) Cash Pool. The statement of cash flows also considers as cash and cash equivalents those amounts on deposit with fiscal agents.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

2. Investments

Investments consist of amounts placed in the State Board of Administration (SBA) debt service accounts for investment of debt service moneys and those made locally.

Investments made locally consist of amounts placed in intergovernmental investment pools and are reported at fair value. Types and amounts of investments held at fiscal year end are described in a subsequent note.

3. Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on the moving-average basis, except that General Fund transportation inventories are stated at cost based on the last invoice, which approximates the first-in, first-out method, and United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

4. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation.

Capital assets are depreciated using the unweighted average composite method for governmental activities and the straight-line method for business-type activities over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Improvements Other Than Buildings	10 - 35 years
Buildings and Fixed Equipment	15 - 50 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Audio Visual Materials	5 years
Computer Software	5 years

Current year information relative to changes in capital assets is described in a subsequent note.

5. Pensions

In the government-wide statement of net position, liabilities are recognized for the District's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida

Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The District's retirement plans and related amounts are described in a subsequent note.

6. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Debt premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums during the current period. The face amount of debt issued and related premiums are reported as other financing sources.

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. The deferred outflows of resources related to pensions and OPEB are discussed in subsequent notes.

In addition to liabilities, the statement of net position and the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The deferred inflows of resources related to pensions and OPEB are discussed in subsequent notes. The remaining item is reported on the governmental funds balance sheet as unavailable revenue related to State capital outlay funding and will be recognized as an inflow of resources in the period that it becomes available.

8. Net Position Flow Assumption

The District occasionally funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are

considered to be applied. Consequently, it is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumptions

The District may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District reported no committed fund balances at June 30, 2025.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. On August 17, 2010, the Board, by resolution, authorized the Chief Financial Officer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed, above, an additional action is essential to either remove or revise a commitment.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues. Revenues that are not classified as program revenues are

presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

2. State Revenue Sources

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the FDOE under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the FDOE. The FDOE performs certain edit checks on the reported number of FTE and related data and calculates the allocation of funds to the District. The District is permitted to amend its original reporting during specified time periods following the date of the original reporting. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the fiscal year when the adjustments are made.

The State provides financial assistance to administer certain educational programs. SBE rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following fiscal year to be expended for the same educational programs. The FDOE generally requires that these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted in the governmental fund financial statements for the balance of categorical and earmarked educational program resources.

The District received various allocations from the State for specific construction needs. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

Pursuant to Section 1013.64, Florida Statutes, the District received special allocations in the 2023-24 and 2024-25 fiscal years for specific construction needs through the Public Education Capital Outlay and Debt Service Trust Fund – Special Facility Construction Account. As a condition for receiving these funds, other construction funding must be pledged for the project, including the capital outlay millage levied pursuant to Section 1011.71(2), Florida Statutes, for the total amount of 3 fiscal years' maximum millage. The District is required to budget no more than the value of 1 mill per year to the project until the District's participation requirement is satisfied.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

3. District Property Taxes

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

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Putnam County Property Appraiser, and property taxes are collected by the Putnam County Tax Collector.

The Board adopted the 2024 tax levy on September 17, 2024. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property on January 1 and are delinquent on April 1 of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Putnam County Tax Collector at fiscal year end but not yet remitted to the District.

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

4. Federal Revenue Sources

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. The FDOE may require adjustments to subsequent fiscal period expenditures and related revenues based upon an audit of the District's compliance with applicable Federal awards requirements. Normally, such adjustments are treated as reductions of expenditures and related revenues in the fiscal year when the adjustments are made.

5. Compensated Absences

A compensated absence is leave (e.g., employee vacation leave and sick leave) for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. In the government wide financial statements, compensated absences are estimated and accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as for occurrences of employee resignations and retirements. The liability for compensated absences includes salary related benefits, where applicable.

6. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The

principal operating revenues of the District's enterprise funds are charges for information technology services, and premiums for property, casualty, and workers' compensation insurance. Operating expenses include purchased services, salaries and benefits, materials and supplies, capital outlay, and depreciation, related to information technology services provided; and purchased services, insurance claims, excess insurance premiums, and salaries and benefits related to insurance programs. The principal operating revenues of the District's internal service fund are charges for employee health insurance premiums. Operating expenses consist primarily of purchased services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. ACCOUNTING CHANGES

A. Changes to or within the Financial Entity

Change from Major to Nonmajor Fund. The Special Revenue – Food Service Fund met the quantitative requirements for reporting as a major fund in the previous fiscal year. The fund did not meet those requirements for reporting as a major fund in the current fiscal year and as such is reported as a nonmajor fund. The effect of this change to or within the financial reporting entity is shown in the table below.

Change from Nonmajor to Major Fund. The Capital Projects – Other Fund meets the quantitative requirements for reporting as a major fund in the current fiscal year whereas it did not meet those requirements in the previous fiscal year. The effect of this change to or within the financial reporting entity is shown in the table below.

	Reporting Units Affected by Restatements of Beginning Balances		
	Funds		
	Special Revenue - Food Service	Capital Projects - Local Capital Improvement	Nonmajor Governmental
Beginning Balances, as previously reported	\$ 10,836,891.56	\$ -	\$ 19,852,105.24
Change from major to nonmajor fund	(10,836,891.56)	-	10,836,891.56
Change from nonmajor to major fund	-	15,750,073.73	(15,750,073.73)
Beginning Balances, as restated	\$ 0.00	\$ 15,750,073.73	\$ 14,938,923.07

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance. At June 30, 2025, the Capital Projects – Public Education Capital Outlay Fund had a deficit fund balance of \$9,205,814.12. The deficit is due to the timing of cash requested from the FDOE and the receipt of the requested funds to offset expenditures incurred for the Crescent City Junior/Senior High School project.

IV. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk. In the case of deposits, this is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

B. Investments

The District's investments at June 30, 2025, are reported as follows:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA:		
Debt Service Accounts	6 Months	\$ 3,697.40
Florida Fixed Income Trust (FIT) Cash Pool (1)	85 Days	117,702,786.34
Total Investments		<u>\$ 117,706,483.74</u>

(1) This investment is reported as a cash equivalent for financial statement reporting purposes.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investments in SBA debt service accounts are valued using Level 1 inputs, and the District's investments in the Florida FIT are valued using Level 2 inputs.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

The Florida FIT uses a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments to the Local Government Surplus Funds Trust Fund [Florida PRIME], or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United

States Treasury. The Board has adopted an invest policy that authorizes investing in qualified depositories, certificates of deposit, time deposits, securities of the United States Government, investment pools managed and directed by an approved agency of the State, and certain forms of investments authorized in accordance with Section 218.415, Florida Statutes.

The District's investments in the SBA debt service accounts are to provide for debt service payments on bond debt issued by the SBE for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Annual Comprehensive Financial Report.

The District's investments in the Florida FIT are rated AAf/S1 by Fitch.

C. Changes in Capital Assets

Changes in capital assets are presented in the following table:

	Beginning Balance	Additions	Deletions	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 2,798,224.26	\$ -	\$ -	\$ 2,798,224.26
Construction in Progress	14,012,669.93	112,134,206.07	-	126,146,876.00
Total Capital Assets Not Being Depreciated	16,810,894.19	112,134,206.07	-	128,945,100.26
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	10,724,949.64	725,755.33	-	11,450,704.97
Buildings and Fixed Equipment	150,805,156.26	1,564,045.59	-	152,369,201.85
Furniture, Fixtures, and Equipment	21,887,487.26	1,856,632.37	57,663.30	23,686,456.33
Motor Vehicles	11,827,885.43	610,215.10	79,943.10	12,358,157.43
Audio Visual Materials	113,159.61	-	-	113,159.61
Computer Software	1,325,295.51	-	-	1,325,295.51
Total Capital Assets Being Depreciated	196,683,933.71	4,756,648.39	137,606.40	201,302,975.70
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	7,719,835.41	240,718.63	-	7,960,554.04
Buildings and Fixed Equipment	118,313,897.80	3,361,874.52	-	121,675,772.32
Furniture, Fixtures, and Equipment	12,993,346.94	2,001,391.13	57,663.30	14,937,074.77
Motor Vehicles	10,361,800.49	607,189.93	79,943.10	10,889,047.32
Audio Visual Materials	22,631.92	22,631.92	-	45,263.84
Computer Software	1,325,295.51	-	-	1,325,295.51
Total Accumulated Depreciation	150,736,808.07	6,233,806.13	137,606.40	156,833,007.80
Total Capital Assets Being Depreciated, Net	45,947,125.64	(1,477,157.74)	-	44,469,967.90
Governmental Activities Capital Assets, Net	<u>\$ 62,758,019.83</u>	<u>\$ 110,657,048.33</u>	<u>\$ 0.00</u>	<u>\$ 173,415,068.16</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 45,000.00	\$ -	\$ -	\$ 45,000.00
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	25,428.00	-	-	25,428.00
Buildings and Fixed Equipment	2,563,477.17	373,584.39	-	2,937,061.56
Furniture, Fixtures, and Equipment	2,131,069.33	157,269.57	-	2,288,338.90
Motor Vehicles	73,884.00	-	-	73,884.00
Computer Software	3,604,113.33	-	-	3,604,113.33
Total Capital Assets Being Depreciated	8,397,971.83	530,853.96	-	8,928,825.79
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	14,184.00	3,748.00	-	17,932.00
Buildings and Fixed Equipment	2,286,996.24	174,364.28	-	2,461,360.52
Furniture, Fixtures, and Equipment	1,881,783.15	118,962.52	-	2,000,745.67
Motor Vehicles	73,884.00	-	-	73,884.00
Computer Software	3,594,966.09	3,049.08	-	3,598,015.17
Total Accumulated Depreciation	7,851,813.48	300,123.88	-	8,151,937.36
Total Capital Assets Being Depreciated, Net	546,158.35	230,730.08	-	776,888.43
Business-Type Activities Capital Assets, Net	<u>\$ 591,158.35</u>	<u>\$ 230,730.08</u>	<u>\$ 0.00</u>	<u>\$ 821,888.43</u>

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Student Transportation Services	\$ 607,189.93
Unallocated	5,626,616.20
Total Depreciation Expense – Governmental Activities	<u>\$ 6,233,806.13</u>
BUSINESS-TYPE ACTIVITIES	
NEFEC Other Programs	<u>\$ 300,123.88</u>

D. Retirement Plans

1. FRS – Defined Benefit Pension Plans

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree HIS Program, a cost sharing multiple employer defined benefit pension plan, to assist retired members of any State administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the District are eligible to enroll as members of the State administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing multiple employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The District's FRS and HIS pension expense totaled \$7,638,557 for the fiscal year ended June 30, 2025.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are:

- *Regular* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers* – Members who hold specified elective offices in local government.
- *Senior Management Service* – Members in senior management level positions.
- *Special Risk* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional

personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>Percent Value</u>
Regular Members Initially Enrolled Before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Members Initially Enrolled On or After July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	3.00
Senior Management Service	2.00
Special Risk	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	13.63
FRS, Elected County Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk	3.00	32.79
DROP – Applicable to Members from All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The District's contributions to the Plan totaled \$7,869,128 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of \$51,560,852 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.133284860 percent, which was a decrease of 0.008905775 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized a Plan pension expense of \$7,171,452. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 5,209,030	\$ -
Change of Assumptions	7,066,886	-
Net Difference Between Projected and Actual Earnings on FRS Pension Plan Investments	-	3,427,002
Changes in Proportion and Differences Between District FRS Contributions and Proportionate Share of Contributions	714,670	3,406,190
District FRS Contributions Subsequent to the Measurement Date	7,869,128	-
Total	\$ 20,859,714	\$ 6,833,192

The deferred outflows of resources related to pensions resulting from District contributions to the Plan subsequent to the measurement date, totaling \$7,869,128, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (1,299,080)
2027	7,927,485
2028	(201,943)
2029	(575,986)
2030	306,918
Total	\$ 6,157,394

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Investment Rate of Return	6.70 percent, net of pension plan investment expense, including inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP 2018.

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

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100%			
Assumed inflation - Mean			2.4%	1.5%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.7 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long term expected rate of return. The discount rate used in the 2024 valuation was unchanged from the previous valuation.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.7 percent) or 1 percentage point higher (7.7 percent) than the current rate:

	1% Decrease (5.7%)	Current Discount Rate (6.7%)	1% Increase (7.7%)
District's Proportionate Share of the Net Pension Liability	\$ 90,693,734	\$ 51,560,852	\$ 18,778,764

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

HIS Pension Plan

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

Benefits Provided. For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Federal Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The District's contributions to the HIS Plan totaled \$1,496,780 for the fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a net pension liability of \$25,736,172 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within 1 year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportionate share of the net pension liability was based on the District's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the District's proportionate share was 0.171563300 percent, which was a decrease of 0.008684644 from its proportionate share measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized the HIS Plan pension expense of \$467,105. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 248,500	\$ 49,417
Change of Assumptions	455,470	3,046,833
Net Difference Between Projected and Actual Earnings on HIS Pension Plan Investments	-	9,308
Changes in Proportion and Differences Between District HIS Contributions and Proportionate Share of Contributions	34,727	2,068,338
District HIS Contributions Subsequent to the Measurement Date	1,496,780	-
Total	\$ 2,235,477	\$ 5,173,896

The deferred outflows of resources related to pensions resulting from District contributions to the HIS Plan subsequent to the measurement date, totaling \$1,496,780 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (909,151)
2027	(939,105)
2028	(1,104,256)
2029	(820,699)
2030	(518,682)
Thereafter	(143,306)
Total	\$ (4,435,199)

Actuarial Assumptions. The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.50 percent, average, including inflation
Municipal Bond Rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP 2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP 2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.93 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65 percent to 3.93 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.93 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current rate:

	<u>1% Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 29,297,323	\$ 25,736,172	\$ 22,779,839

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

2. FRS – Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2024-25 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	11.30
FRS, Elected County Officers	16.34
FRS, Senior Management Service	12.67

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings, regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's Investment Plan pension expense totaled \$2,690,764.85 for the fiscal year ended June 30, 2025.

E. Other Postemployment Benefit Obligations

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the District that provides OPEB for all employees who satisfy the District's retirement eligibility provisions. Pursuant to Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, prescription drug, and life insurance coverage. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The OPEB Plan provides healthcare and life insurance benefits for retirees and their dependents. In addition to the implicit subsidy described above, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees pursuant to negotiated union bargaining agreements.

Employees Covered by Benefit Terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	521
Active Employees	<u>1,261</u>
Total	<u>1,782</u>

Total OPEB Liability. The District's total OPEB liability of \$3,755,973 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023 and update procedures were used to determine the total OPEB liability as of June 30, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent
Salary Increases	3.4 – 7.8 percent, average, including inflation
Discount Rate	5.2 percent
Healthcare Cost Trend Rates	Based on the Getzen Model with trend rates starting at 6.4 percent for 2024-25, decreasing to an ultimate rate of 3.7 percent for the fiscal year 2072-73 and later fiscal years.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date.

The demographic actuarial assumptions for retirement, mortality, disability, and withdrawal used in the July 1, 2023, OPEB Plan valuation are predominantly consistent with those used in the July 1, 2021, valuation of the FRS

Changes in the Total OPEB Liability.

	Amount
Balance at June 30, 2024	\$ 4,385,636
Changes for the year:	
Service Cost	60,234
Interest	167,189
Changes of Assumptions or Other Inputs	(469,947)
Benefit Payments	(387,139)
Net Changes	(629,663)
Balance at June 30, 2025	\$ 3,755,973

The changes of assumptions or other inputs consisted of a change in the discount rate from 3.93 percent to 5.2 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.2 percent) or 1 percentage point higher (6.2 percent) than the current rate:

	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
Total OPEB Liability	\$ 4,115,929	\$ 3,755,973	\$ 3,454,126

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

		Healthcare Cost Trend Rates	
	1% Decrease		1% Increase
Total OPEB Liability	\$ 3,170,827	\$ 3,755,973	\$ 4,440,335

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2025, the District recognized a negative OPEB expense of \$591,260. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 663,272	\$ 4,949,874
Changes of Assumptions or Other Inputs	1,628,641	817,250
Total	\$ 2,291,913	\$ 5,767,124

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2026	\$ (852,816)
2027	(852,813)
2028	(1,177,534)
2029	(794,560)
2030	81,532
Thereafter	120,980
Total	\$ (3,475,211)

F. Construction and Other Significant Commitments

Construction Contracts. The following is a schedule of major construction contract commitments at June 30, 2025:

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Crescent City Pre-K through Grade 6 Center	\$ 68,657,591.00	\$ 37,593,445.18	\$ 31,064,145.82
Special Facility Project Crescent City Junior-Senior High School	84,985,273.00	33,258,106.61	51,727,166.39
New Palatka Grade 3 - Grade 6 Center	60,292,594.83	53,762,631.90	6,529,962.93
Total	\$ 213,935,458.83	\$ 124,614,183.69	\$ 89,321,275.14

Encumbrances. Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next fiscal year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2025:

Major Funds					
General	Capital Projects - Public Education Capital Outlay	Capital Projects - District Bonds	Capital Projects - Local Capital Improvement	Nonmajor - Governmental Funds	Total Governmental Funds
\$ 2,733,050.06	\$ 51,731,486.39	\$ 37,594,108.75	\$ 1,134,159.31	\$ 3,124,469.27	\$ 96,317,273.78

At June 30, 2025, the encumbrances for the Capital Projects – Public Education Capital Outlay Fund exceeded the total fund balance by \$60,937,300.51. The encumbrances are expected to be honored using resources received in subsequent fiscal years from the Public Education Capital Outlay and Debt Service Trust Fund- Special Facility Construction Account.

G. Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the North East Florida Educational Consortium (NEFEC) (see Note IV.) and participates in the NEFEC Risk Management Program (NEFEC RMP) relating to property and casualty insurance, under which several district school boards have established a combined limited self insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members of the NEFEC. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such risk management programs. The NEFEC RMP for property and casualty insurance is a risk sharing public entity pool that is self-sustaining through member assessments (premiums). Coverage is purchased through commercial companies for claims in excess of specified amounts. Activities applicable to the NEFEC RMP are included in the business-type activities on the financial statements.

In addition, the Board provides life insurance equivalent to each employee's salary rounded to the next \$1,000 to a maximum of \$50,000. The Board also offers a cafeteria plan to its employees, in which the employees select among a variety of plan benefits.

In January 2024, the District transitioned from a commercial health insurance plan to a health and hospitalization self-insured plan, which includes medical and prescription drug coverage. The District's group health and hospitalization plan is being provided on a self-insured basis up to specified limits. The District has entered into an agreement with an insurance carrier wherein the total premium is divided, and the District retains on deposit a portion of the premium in a minimum premium account. The insurance carrier draws on this account to pay claims submitted by District employees and dependents.

The District has also entered into an agreement with an insurance company to provide specific excess coverage for claims amounts above \$250,000 per insured per year. The District liability was limited by the aggregate excess insurance for amounts above \$1 million.

A liability in the amount of \$443,800 was actuarially determined for the estimated insurance claims payable for claims incurred but not reported (IBNR) for health and hospitalization coverage.

The following schedule represents the changes in claims liability for the past 2 fiscal years for the District's self-insurance program:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2023-24	\$ -	\$ 8,939,877.00	\$ (8,276,527.00)	\$ 663,350.00
2024-25	663,350.00	6,643,027.00	(6,862,577.00)	443,800.00

Settled claims resulting from the risks described above have not exceeded commercial coverage in any of the past 3 fiscal years.

H. Public Entity Risk Pool

Fund Description. The NEFEC RMP public entity risk pool was organized on July 1, 1982, to provide property and casualty insurance coverage for its member districts. The NEFEC RMP was established under the authority of Sections 1001.42(12)(k), 111.072, 1001.42(11)(d), 1011.18(6), 440.38(6), and 768.28, Florida Statutes. The NEFEC RMP was established to formulate, develop, and administer, on behalf of the member districts, a program of group self-insurance for achieving lower costs through the development of a comprehensive loss control program. If the assets of the NEFEC RMP were to be exhausted, members would be responsible for their allocable portion of the NEFEC RMP liabilities. The NEFEC RMP members currently include 12 districts and the Florida Virtual School. Members may withdraw from the NEFEC RMP by providing a 60-day written notice of intent to withdraw and may withdraw on the next anniversary date of the program. Annual assessments and increases are based on the assessment formula developed by the member districts.

Summary of Significant Accounting Policies

- **Unpaid Claims Liabilities.** The NEFEC RMP establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported, but not settled, and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards. Accordingly, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability and workers' compensation. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect settlements, claim frequency, and other economic and social factors.
- **Excess Insurance.** The NEFEC RMP has entered into agreements with various insurance companies to provide specific excess coverage for claim amounts above a stated amount on an individual claim basis and aggregate excess coverage when total claims minus specific excess coverage exceed the loss fund. The amount of \$1,506,799.39 in excess insurance recoverable on unpaid claims was deducted from the liability for unpaid claims at June 30, 2025.
- **Investment Income.** Investment income is not treated as an offset to reserves.

Unpaid Claims Liabilities

The following schedule presents the changes in claims liability for the past 2 years in the NEFEC RMP:

	Reconciliation of Claims Liability	
	2023-24	2024-25
Estimated Insurance Claims Payable, Beginning of Fiscal Year	\$ 16,071,000	\$ 16,953,000
Incurring Claims and Claims Adjustment Expenses:		
Provision for Insured Events of Current Fiscal Year	6,858,689	8,047,522
Decrease in Provision for Insured Events of Prior Fiscal Years	(4,327,487)	(6,273,567)
Increase in Estimated Incurred Claims Assigned	6,174,550	4,393,029
Total Incurred Claims and Claims Adjustment Expenses	8,705,751	6,166,984
Payments:		
Claims and Claims Adjustment Expenses Attributable to:		
Insured Events of the Current Fiscal Year	1,785,967	2,232,980
Insured Events of Prior Fiscal Years	8,240,230	(505,224)
Adjustments for Payments from Excess Insurers and Subrogation	(2,202,446)	5,576,228
Total Payments	7,823,751	7,303,984
Estimated Insurance Claims Payable, End of Fiscal Year	\$ 16,953,000	\$ 15,816,000

I. Long-Term Liabilities

1. Bonds Payable

Bonds payable at June 30, 2025, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2017A, Refunding	\$ 162,000.00	3 - 5	2028
General Obligation School Bonds:			
Series 2023	96,660,000.00	4 - 5	2052
Series 2025	100,000,000.00	5 - 5.25	2054
Subtotal Bonds Payable	196,822,000.00		
Plus: Unamortized Premium	10,266,566.65		
Total Bonds Payable	\$ 207,088,566.65		

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

State School Bonds

These bonds are issued by the SBE on behalf of the District. The bonds mature serially and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest

payments, investment of debt service fund resources, and compliance with reserve requirements are administered by the SBE and the SBA.

General Obligation School Bonds

On November 8, 2022, pursuant to Florida Statutes, Sections 1010.40 through 1010.54, voter residents of the District approved a referendum authorizing the School Board to issue General Obligation School Bonds in an aggregate amount not exceeding \$300 million, to be issued as required, for the purposes of constructing, renovating and replacing public schools facilities throughout the District, including implementation of safety enhancements and instructional technology upgrades. The General Obligation School Bonds, Series 2023 are the initial series of new money general obligation bonds, and were issued on June 29, 2023, in the amount of \$99,995,000 with a premium of \$6,245,621.90. The General Obligation School Bonds, Series 2025 are the second series of new money general obligation bonds, and were issued on June 20, 2025, in the amount of \$100,000,000 with a premium of \$4,112,537. The District expects to issue additional series of new money general obligation bonds in several tranches over the next four to five years. Principal and interest on the bonds are paid from ad valorem school district taxes on all taxable real and personal property, excluding homestead exemption as required by Florida law, without limitation as to rate or amount.

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

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2026	\$ 56,940.00	\$ 50,000.00	\$ 6,940.00
2027	58,440.00	54,000.00	4,440.00
2028	59,740.00	58,000.00	1,740.00
Total State School Bonds	175,120.00	162,000.00	13,120.00
General Obligation School Bonds:			
2026	12,895,273.37	3,245,000.00	9,650,273.37
2027	12,897,937.50	3,565,000.00	9,332,937.50
2028	12,899,687.50	3,745,000.00	9,154,687.50
2029	12,892,437.50	3,925,000.00	8,967,437.50
2030	12,891,187.50	4,120,000.00	8,771,187.50
2031-2035	64,479,937.50	23,930,000.00	40,549,937.50
2036-2040	64,474,825.00	30,580,000.00	33,894,825.00
2041-2045	64,473,700.00	39,110,000.00	25,363,700.00
2046-2050	64,472,318.76	49,095,000.00	15,377,318.76
2051-2054	39,123,725.00	35,345,000.00	3,778,725.00
Subtotal	361,501,029.63	196,660,000.00	164,841,029.63
Unamortized Premium	10,266,566.65	10,266,566.65	-
Total General Obligation School Bonds	371,767,596.28	206,926,566.65	164,841,029.63
Total Bonds Payable	\$ 371,942,716.28	\$ 207,088,566.65	\$ 164,854,149.63

2. Changes in Long-Term Liabilities

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

Description	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable					
General Obligation School Bonds	\$ 98,380,000.00	\$100,000,000.00	\$ 1,720,000.00	\$196,660,000.00	\$3,245,000.00
Unamortized Premium	6,217,084.85	4,112,537.00	63,055.20	10,266,566.65	131,710.55
Total General Obligation School Bonds	104,597,084.85	104,112,537.00	1,783,055.20	206,926,566.65	3,376,710.55
State School Bonds	214,000.00	-	52,000.00	162,000.00	50,000.00
Total Bonds Payable	104,811,084.85	104,112,537.00	1,835,055.20	207,088,566.65	3,426,710.55
Compensated Absences Payable (1)	10,749,428.36	-	1,592,018.70	9,157,409.66	1,831,481.93
Net Pension Liability	79,506,621.82	4,838,272.62	11,734,285.73	72,610,608.71	-
Total OPEB Liability	4,090,377.34	178,160.76	789,156.08	3,479,382.02	398,796.92
Total Governmental Activities	\$199,157,512.37	\$109,128,970.38	\$15,950,515.71	\$292,335,967.04	\$5,656,989.40
BUSINESS-TYPE ACTIVITIES					
Estimated Insurance Claims Payable	\$ 16,953,000.00	\$ 806,866.29	\$ 1,943,866.29	\$ 15,816,000.00	\$6,220,000.00
Compensated Absences Payable	707,049.94	267,611.26	193,244.79	781,416.41	156,283.28
Net Pension Liability	5,777,632.18	212,592.64	1,303,809.53	4,686,415.29	-
Total OPEB Liability	295,258.66	49,262.24	67,929.92	276,590.98	31,701.69
Total Business-Type Activities	\$ 23,732,940.78	\$ 1,336,332.43	\$ 3,508,850.53	\$ 21,560,422.68	\$6,407,984.97

(1) The change in compensated absences payable is presented as a net change.

For the governmental activities, pensions and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with the resources of the proprietary funds.

J. Fund Balance Reporting

In addition to committed and assigned fund balance categories discussed in Note I.F.10., fund balances may be classified as follows:

- **Nonspendable Fund Balance.** Nonspendable fund balance is the net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash.
- **Restricted Fund Balance.** Restricted fund balance is the portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance.
- **Unassigned Fund Balance.** The unassigned fund balance is the portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

K. Interfund Receivables and Payables

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 6,843,433.04	\$ -
Capital Projects:		
District Bonds	3,381,402.06	-
Public Education Capital Outlay	-	3,381,402.06
Local Capital Improvement	-	3,902,328.00
Nonmajor Governmental	-	2,941,105.04
Total	\$ 10,224,835.10	\$ 10,224,835.10

The interfund receivables and payables represent temporary loans between funds to cover expenditures incurred prior to reimbursement from outside parties. All balances are expected to be repaid within 1 year.

L. Revenues

1. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue sources for the 2024-25 fiscal year:

Source	Amount
Governmental Funds:	
Florida Education Finance Program	\$ 46,776,120.00
Special Facility Construction Account (Public School Capital Outlay)	21,986,211.37
Categorical Educational Program - Class Size Reduction	9,386,683.00
Voluntary Prekindergarten Program	567,035.93
Motor Vehicle License Tax (Capital Outlay and Debt Service)	519,323.93
Miscellaneous	3,030,933.30
Subtotal Governmental Funds	82,266,307.53
Enterprise Funds:	
Regional Education Consortium Services	750,000.00
Civics Professional Development Grant	3,012,500.00
Other State Grants and Contracts	193,147.26
Subtotal Enterprise Funds	3,955,647.26
Total	\$ 86,221,954.79

Accounting policies relating to certain State revenue sources are described in Note I.G.2.

2. Property Taxes

The following is a summary of millages and taxes levied on the 2024 tax roll for the 2024-25 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
General Fund		
Nonvoted School Tax:		
Required Local Effort	3.033	\$ 25,865,883.75
Basic Discretionary Local Effort	0.748	6,379,054.51
Debt Service - District Bonds Fund		
Voted Tax:		
Debt Service - Bonds	0.849	7,240,410.76
Capital Projects - Local Capital Improvement Fund		
Nonvoted Tax:		
Local Capital Improvements	1.500	12,792,423.96
Total	<u>6.130</u>	<u>\$ 52,277,772.98</u>

M. Interfund Transfers

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major:		
General	\$ 4,190,913	\$ -
Capital Projects:		
Local Capital Improvement	-	3,902,328
Nonmajor Governmental	-	288,585
Total	<u>\$ 4,190,913</u>	<u>\$ 4,190,913</u>

Transfers from the Capital Projects – Local Capital Improvement and nonmajor governmental funds to the General Fund were for facilities maintenance work, property and casualty insurance premiums, and charter school capital outlay.

V. CONSORTIUMS

The District is a member of, and the fiscal agent for, the NEFEC. The NEFEC offers risk management programs for property and casualty (including workers' compensation) and information technology and other contracted services. The NEFEC also provides for the purchase of certain materials, supplies, equipment, and services to be used by member districts. The NEFEC is governed by a board of directors composed of the superintendents of the participating districts. As fiscal agent, the District has established enterprise funds to account for the NEFEC's resources and operations.

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OTHER REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule General and Major Special Revenue Funds For the Fiscal Year Ended June 30, 2025

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental:				
Federal Direct	\$ 165,000.00	\$ 175,000.00	\$ 599,916.64	\$ 424,916.64
Federal Through State and Local	200,000.00	510,000.00	301,771.34	(208,228.66)
State	60,979,079.00	58,731,143.30	57,124,358.46	(1,606,784.84)
Local:				
Property Taxes	31,144,387.00	27,749,509.00	31,604,487.77	3,854,978.77
Miscellaneous	2,300,000.00	2,727,457.88	2,835,409.11	107,951.23
Total Local Revenues	33,444,387.00	30,476,966.88	34,439,896.88	3,962,930.00
Total Revenues	94,788,466.00	89,893,110.18	92,465,943.32	2,572,833.14
Expenditures				
Current - Education:				
Instruction	62,317,205.18	65,242,187.02	56,369,194.79	8,872,992.23
Student Support Services	5,688,803.94	5,862,748.04	5,356,222.57	506,525.47
Instructional Media Services	458,582.79	572,193.05	339,588.73	232,604.32
Instruction and Curriculum Development Services	3,286,668.63	3,030,513.27	2,524,539.02	505,974.25
Instructional Staff Training Services	643,455.23	1,301,286.25	1,172,122.49	129,163.76
Instruction-Related Technology	1,490,154.83	820,564.45	806,699.66	13,864.79
Board	719,768.62	656,478.51	655,790.89	687.62
General Administration	896,744.61	1,211,665.71	1,211,665.71	-
School Administration	9,098,155.20	9,513,923.37	9,513,923.37	-
Facilities Acquisition and Construction	1,003.50	72,314.68	2,148.39	70,166.29
Fiscal Services	1,228,676.00	1,768,484.94	1,718,484.94	50,000.00
Food Services	-	16,328.24	16,328.24	-
Central Services	1,620,395.29	1,700,226.94	1,619,093.50	81,133.44
Student Transportation Services	7,402,187.12	7,623,923.72	6,365,405.99	1,258,517.73
Operation of Plant	10,222,787.70	8,316,668.04	8,252,031.82	64,636.22
Maintenance of Plant	4,824,062.62	4,526,628.82	2,583,338.18	1,943,290.64
Administrative Technology Services	2,568,537.59	2,666,685.56	2,647,520.38	19,165.18
Community Services	-	4,718.06	4,181.59	536.47
Fixed Capital Outlay:				
Facilities Acquisition and Construction	-	750,208.00	750,208.00	-
Other Capital Outlay	-	293,556.80	293,556.80	-
Total Expenditures	112,467,188.85	115,951,303.47	102,202,045.06	13,749,258.41
Excess (Deficiency) of Revenues Over Expenditures	(17,678,722.85)	(26,058,193.29)	(9,736,101.74)	16,322,091.55
Other Financing Sources				
Transfers In	4,600,364.00	4,767,560.00	4,190,913.00	(576,647.00)
Loss Recoveries	25,000.00	39,110.98	19,510.04	(19,600.94)
Total Other Financing Sources	4,625,364.00	4,806,670.98	4,210,423.04	(596,247.94)
Net Change in Fund Balances	(13,053,358.85)	(21,251,522.31)	(5,525,678.70)	15,725,843.61
Fund Balances, Beginning	22,580,816.27	22,580,816.27	22,580,816.27	-
Fund Balances, Ending	\$ 9,527,457.42	\$ 1,329,293.96	\$ 17,055,137.57	\$ 15,725,843.61

Special Revenue - Federal Education Stabilization Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ -	\$ -	\$ -	\$ -
3,923,607.13	3,923,607.13	3,618,756.31	(304,850.82)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,923,607.13	3,923,607.13	3,618,756.31	(304,850.82)
2,390,849.51	2,431,726.16	2,301,012.13	130,714.03
51,178.87	52,412.54	51,788.69	623.85
-	-	-	-
-	19,979.16	18,985.00	994.16
1,078,167.76	1,053,186.43	898,441.21	154,745.22
-	-	-	-
-	-	-	-
73,361.87	299,443.15	289,095.83	10,347.32
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
26,400.00	9,800.00	5,336.83	4,463.17
-	5,120.00	3,430.00	1,690.00
6,246.31	3,017.50	3,017.50	-
-	-	-	-
-	-	-	-
25,558.38	6,542.19	5,269.12	1,273.07
-	-	-	-
-	42,380.00	42,380.00	-
3,651,762.70	3,923,607.13	3,618,756.31	304,850.82
271,844.43	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
271,844.43	-	-	-
-	-	-	-
\$ 271,844.43	\$ 0.00	\$ 0.00	\$ 0.00

**Schedule of Changes in the District's
Total OPEB Liability and Related Ratios**

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service Cost	\$ 60,234	\$ 58,721	\$ 50,810	\$ 84,794	\$ 419,236
Interest	167,189	115,286	107,531	276,542	282,277
Differences Between Expected and Actual Experience	-	861,264	-	(9,073,839)	-
Changes of Assumptions or Other Inputs	(469,947)	359,130	179,352	(845,014)	84,563
Benefit Payments	(387,139)	(215,212)	(234,031)	(114,879)	(724,794)
Net Change in Total OPEB Liability	(629,663)	1,179,189	103,662	(9,672,396)	61,282
Total OPEB Liability - Beginning	4,385,636	3,206,447	3,102,785	12,775,181	12,713,899
Total OPEB Liability - Ending	\$ 3,755,973	\$ 4,385,636	\$ 3,206,447	\$ 3,102,785	\$ 12,775,181
Covered-Employee Payroll	\$ 57,419,368	\$ 57,419,368	\$ 52,533,833	\$ 52,533,883	\$ 42,369,340
Total OPEB Liability as a Percentage of Covered-Employee Payroll	6.54%	7.64%	6.10%	5.91%	30.15%

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 175,044	\$ 215,249	\$ 224,512
Interest	355,145	376,877	365,608
Differences Between Expected and Actual Experience	(2,358,885)	-	-
Changes of Assumptions or Other Inputs	4,891,760	514,360	(395,708)
Benefit Payments	(636,726)	(677,781)	(641,484)
Net Change in Total OPEB Liability	2,426,338	428,705	(447,072)
Total OPEB Liability - Beginning	10,287,561	9,858,856	10,305,928
Total OPEB Liability - Ending	\$ 12,713,899	\$ 10,287,561	\$ 9,858,856
Covered-Employee Payroll	\$ 42,369,340	\$ 52,728,938	\$ 52,728,938
Total OPEB Liability as a Percentage of Covered-Employee Payroll	30.01%	19.51%	18.70%

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.163488026%	\$ 21,116,413	\$ 63,535,875	33.24%	92.00%
2016	0.151876888%	38,349,033	64,098,700	59.83%	84.88%
2017	0.148978073%	44,066,714	63,895,894	68.97%	83.89%
2018	0.146017810%	43,981,321	64,258,481	68.44%	84.26%
2019	0.140819865%	48,496,401	64,329,319	75.39%	82.61%
2020	0.141188708%	61,193,266	67,126,847	91.16%	78.85%
2021	0.148701475%	11,232,706	66,636,378	16.86%	96.40%
2022	0.146561087%	54,532,502	67,236,054	81.11%	82.89%
2023	0.142190635%	56,658,468	71,460,051	79.29%	82.38%
2024	0.133284860%	51,560,852	72,608,267	71.01%	83.70%

(1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of District Contributions –
Florida Retirement System Pension Plan (1)**

Fiscal Year Ending June 30	Contractually Required FRS Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	\$ 3,703,760	\$ (3,703,760)	\$ -	\$ 64,098,700	5.78%
2017	3,878,266	(3,878,266)	-	63,895,894	6.07%
2018	4,161,390	(4,161,390)	-	64,258,481	6.48%
2019	4,366,432	(4,366,432)	-	64,329,319	6.79%
2020	4,691,075	(4,691,075)	-	67,126,847	6.99%
2021	5,664,884	(5,664,884)	-	66,636,378	8.50%
2022	6,254,028	(6,254,028)	-	67,236,054	9.30%
2023	6,840,284	(6,840,284)	-	71,460,051	9.57%
2024	7,547,433	(7,547,433)	-	72,608,267	10.39%
2025	7,869,128	(7,869,128)	-	74,967,301	10.50%

(1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of the District's Proportionate Share
of the Net Pension Liability –
Health Insurance Subsidy Pension Plan (1)**

Fiscal Year Ending June 30	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.209557909%	\$ 21,371,610	\$ 63,535,875	33.64%	0.50%
2016	0.207602932%	24,195,262	64,098,700	37.75%	0.97%
2017	0.200419398%	21,429,767	63,895,894	33.54%	1.64%
2018	0.196712351%	20,820,256	64,258,481	32.40%	2.15%
2019	0.192311928%	21,517,780	64,329,319	33.45%	2.63%
2020	0.193376248%	23,610,925	67,126,847	35.17%	3.00%
2021	0.188155333%	23,080,080	66,636,378	34.64%	3.56%
2022	0.184427700%	19,533,839	67,236,054	29.05%	4.81%
2023	0.180247944%	28,625,778	71,460,051	40.06%	4.12%
2024	0.171563300%	25,736,172	72,608,267	35.45%	4.80%

(1) The amounts presented for each fiscal year were determined as of June 30.

**Schedule of District Contributions –
Health Insurance Subsidy Pension Plan (1)**

Fiscal Year Ending June 30	Contractually Required HIS Contribution	HIS Contributions in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	District's Covered Payroll	HIS Contributions as a Percentage of Covered Payroll
2016	\$ 1,064,097	\$ (1,064,097)	\$ -	\$ 64,098,700	1.66%
2017	1,060,677	(1,060,677)	-	63,895,894	1.66%
2018	1,066,776	(1,066,776)	-	64,258,481	1.66%
2019	1,067,889	(1,067,889)	-	64,329,319	1.66%
2020	1,114,337	(1,114,337)	-	67,126,847	1.66%
2021	1,105,979	(1,105,979)	-	66,636,378	1.66%
2022	1,115,943	(1,115,943)	-	67,236,054	1.66%
2023	1,185,703	(1,185,703)	-	71,460,051	1.66%
2024	1,452,506	(1,452,506)	-	72,608,267	2.00%
2025	1,496,780	(1,496,780)	-	74,967,301	2.00%

(1) The amounts presented for each fiscal year were determined as of June 30.

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Ten-Year Claims Development Information-
North East Florida Educational Consortium – Risk Management Property/Casualty Program
For the Fiscal Year ended June 30

	2016	2017	2018	2019
Net Earned Required Contribution and Investment Revenues:				
Earned	\$ 14,124,757	\$ 13,643,467	\$ 12,771,608	\$ 13,394,501
Excess Insured	6,239,140	6,028,102	5,126,507	5,432,391
 Total Net Earned Required Contribution and Investment Revenues	 7,885,617	 7,615,365	 7,645,101	 7,962,110
 Unallocated Expenses	 1,194,208	 948,365	 3,023,592	 3,354,016
 Estimated Incurred Claims and Expenses, End of Policy Year:				
Incurred	6,048,000	7,270,000	6,799,000	7,917,000
 Net Paid (Cumulative) as of:				
End of Policy Year	2,261,000	2,040,000	2,303,000	2,946,000
One Year Later	3,770,000	3,992,000	3,987,000	4,230,000
Two Years Later	4,578,000	4,639,000	4,719,000	5,058,000
Three Years Later	5,174,000	5,122,000	5,352,000	5,276,000
Four Years Later	5,734,000	5,526,000	5,943,000	5,566,653
Five Years Later	5,883,000	6,231,000	6,384,725	5,640,175
Six Years Later	6,002,000	6,397,452	6,491,422	5,842,830
Seven Years Later	6,015,289	6,439,898	6,626,870	-
Eight Years Later	6,021,826	6,473,711	-	-
Nine Years Later	6,075,183	-	-	-
 Reestimated Excess Insured Claims and Expenses	 (1)	 (1)	 (1)	 (1)
 Reestimated Net Incurred Claims and Expenses:				
End of Policy Year	6,048,000	7,270,000	6,799,000	7,917,000
One Year Later	6,255,000	6,840,000	6,395,000	6,546,000
Two Years Later	6,004,000	6,611,000	6,575,000	6,940,000
Three Years Later	6,270,000	6,642,000	6,713,000	6,629,000
Four Years Later	6,552,000	6,741,000	6,947,000	6,252,973
Five Years Later	6,419,000	6,819,000	6,813,907	6,457,138
Six Years Later	6,371,000	6,831,643	6,826,540	6,312,085
Seven Years Later	6,231,551	6,885,883	6,868,911	-
Eight Years Later	6,246,475	6,784,150	-	-
Nine Years Later	6,075,183	-	-	-
 Increase (Decrease) in Estimated Incurred Claims	 27,183	 (485,850)	 69,911	 (1,604,915)

(1) Information relating to excess insured is not available.

2020	2021	2022	2023	2024	2025
\$ 13,418,043	\$ 13,754,504	\$ 14,237,205	\$ 15,524,641	\$ 20,298,250	\$ 20,202,309
5,226,556	5,837,588	6,235,569	6,871,141	11,036,079	8,046,035
8,191,487	7,916,916	8,001,636	8,653,500	9,262,171	12,156,274
2,991,672	2,233,457	4,121,278	846,720	2,973,167	1,303,807
6,548,000	7,433,000	7,906,000	9,609,079	6,858,689	8,047,522
2,438,000	2,159,000	2,581,000	2,781,151	1,785,967	2,232,980
4,437,000	3,859,000	4,828,877	4,733,551	3,479,323	-
5,044,000	4,831,131	5,881,346	5,751,348	-	-
5,564,164	5,175,124	6,315,304	-	-	-
6,131,337	5,809,561	-	-	-	-
6,281,213	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1)	(1)	(1)	(1)	(1)	(1)
6,548,000	7,433,000	7,906,000	9,609,079	6,858,689	8,047,522
7,053,000	7,082,000	8,016,366	9,736,162	7,137,456	-
7,202,000	6,844,601	7,887,607	8,196,439	-	-
6,722,128	6,646,511	7,637,430	-	-	-
7,098,120	6,397,157	-	-	-	-
6,593,727	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,727	(1,035,843)	(268,570)	(1,412,640)	278,767	-

1. Budgetary Basis of Accounting

The Board follows procedures established by State law and State Board of Education (SBE) rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by State law and SBE rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, student transportation services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year end and encumbrances outstanding are honored from the subsequent year's appropriations.

2. Schedule of Changes in the District's Total Other Postemployment Benefits Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Assumptions. In 2025, the discount rate was changed from 3.93 percent to 5.2 percent.

3. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. In 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

4. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. In 2024, the municipal bond rate used to determine total pension liability was increased from 3.65 percent to 3.93 percent and the demographic and coverage election assumptions were updated.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Putnam County District School Board Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
Clustered				
Child Nutrition Cluster				
United States Department of Agriculture:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	25002	\$ -	\$ 3,771,295.29
National School Lunch Program	10.555	25001, 25003	-	7,007,609.22
Summer Food Service Program for Children	10.559	24006, 24007, 25006, 25007	-	474,985.80
Total Child Nutrition Cluster			-	11,253,890.31
Special Education Cluster				
United States Department of Education:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	25,000.00	6,908,229.47
Special Education - Preschool Grants	84.173	267	-	120,301.67
Total Special Education Cluster			25,000.00	7,028,531.14
Not Clustered				
United States Department of Defense				
Army Junior Reserve Officers Training Corps	12.UNK	N/A	-	223,073.67
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	376,842.77
Total United States Department of Defense			-	599,916.44
United States Department of Labor				
Florida Department of Education:				
National Farmworker Jobs Program	17.264	405	-	170,051.90
United States Department of Education				
Education Innovation and Research	84.411	N/A	-	821,741.34
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 226	-	7,463,613.01
Migrant Education - State Grant Program	84.011	217	-	264,546.71
Career and Technical Education - Basic Grants to States	84.048	161	-	304,854.35
Education for Homeless Children and Youth	84.196	127	-	304,382.69
Twenty-First Century Community Learning Centers	84.287	244	-	1,098,815.67
Rural Education	84.358	110	-	375,608.97
English Language Acquisition State Grants	84.365	102	-	108,550.35
Supporting Effective Instruction State Grants	84.367	224	-	1,772,548.45
Student Support and Academic Enrichment Program	84.424	241, 242	-	1,439,923.93
Education Stabilization Fund:				
American Rescue Plan - Elementary and				
Secondary School Emergency Relief Fund	COVID-19, 84.425U	121	-	2,466,697.32
American Rescue Plan - Elementary and				
Secondary School Emergency Relief Fund -				
Homeless Children & Youth Fund	COVID-19, 84.425W	122	-	1,152,058.99
Total Education Stabilization Fund	84.425		-	3,618,756.31
Total United States Department of Education			-	17,573,341.78
Total Expenditures of Federal Awards			\$ 25,000.00	\$ 36,625,731.57

The accompanying notes are an integral part of this Schedule.

- Notes: (1) Basis of Presentation. The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Putnam County District School Board under programs of the Federal Government for the fiscal year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
- (2) Summary of Significant Accounting Policies. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (3) Indirect Cost Rate. The District has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.
- (4) Noncash Assistance – National School Lunch Program. Includes \$374,550.10 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the 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 the Putnam County District School Board as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 16, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a

combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 16, 2026



Sherrill F. Norman, CPA
Auditor General

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The President of the Senate, the Speaker of the
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Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Putnam County District School Board's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2025. The District's major Federal programs are identified in **SECTION I – SUMMARY OF AUDITOR'S RESULTS** of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the **Auditor's Responsibilities for the Audit of Compliance** section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each

major Federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a

Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the ***Auditor's Responsibilities for the Audit of Compliance*** section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 16, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major Federal programs:	
Assistance Listing Numbers:	Name of Federal Program or Cluster:
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Century Community Learning Centers
84.367	Supporting Effective Instruction State Grants
84.424	Student Support and Academic Enrichment Program
84.425	Education Stabilization Fund
Dollar threshold used to distinguish between type A and type B programs:	\$1,098,771
Auditee qualified as low risk auditee?	No

SECTION II – FINANCIAL STATEMENT FINDING

No matters are reported.

SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

No matters are reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



**PUTNAM COUNTY
SCHOOL DISTRICT**
SHAPING THE FUTURE

**200 Reid Street
Palatka, Florida 32177
386.329.0538**

Audit Report No. (Finding No.)	Program/Area	Brief Description	Status	Comments
2021-175 (2020-001); 2022-168 (2021-001); 2023-147 (2022-001); 2024-167 (2023-001); 2025-156 (2024-001)	Financial Reporting	District financial reporting procedures need improvement to ensure that financial statements, notes to the financial statements, and required supplementary information are properly presented in the annual financial report submitted to the Florida Department of Education.	Fully Corrected	The District has strengthened AFR review procedures.
2025-156 (2024-002)	Education Stabilization Fund (ESF) (ALNs 84.425D and 84.425U)	District controls over ESF Program expenditures did not always ensure compliance with Federal regulations, resulting in questioned costs totaling \$6,028,388.	Fully Corrected	The grantor accepted the District's explanation and documentation in resolution of the finding. The grantor did not require restoration of questioned costs.

www.putnamschools.org

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APPENDIX C

COPY OF RESOLUTION

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THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA

**GENERAL OBLIGATION SCHOOL BOND
MASTER RESOLUTION**

ADOPTED JANUARY 10, 2023

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Exhibit A Projects

Exhibit B Form of Bond

**GENERAL OBLIGATION SCHOOL BOND
MASTER RESOLUTION**

A RESOLUTION OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA PROVIDING FOR THE ISSUANCE, IN SERIES FROM TIME TO TIME OF GENERAL OBLIGATION SCHOOL BONDS OF THE SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$300,000,000 FOR CONSTRUCTION, RENOVATION AND REPLACEMENT OF PUBLIC SCHOOL FACILITIES OF THE SCHOOL DISTRICT, INCLUDING SAFETY AND SECURITY ENHANCEMENTS AND INSTRUCTIONAL TECHNOLOGY UPGRADES; PROVIDING THAT SUCH GENERAL OBLIGATION SCHOOL BONDS SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE SCHOOL DISTRICT AND THAT THE FULL FAITH, CREDIT AND TAXING POWER OF THE SCHOOL DISTRICT SHALL BE IRREVOCABLY PLEDGED FOR PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH GENERAL OBLIGATION SCHOOL BONDS; CREATING CERTAIN FUNDS AND ACCOUNTS; ESTABLISHING RIGHTS AND REMEDIES OF OWNERS OF SUCH BONDS; SETTING FORTH CERTAIN COVENANTS AND AGREEMENTS OF THE SCHOOL DISTRICT; AUTHORIZING RELATED ACTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The School Board of Putnam County, Florida (the “**School Board**”) adopted a Resolution on March 2, 2021 (the “**Initial Resolution**”), requesting approval by the Florida Department of Education of the issuance of general obligation school bonds of the School District of Putnam County, Florida (the “**District**” or the “**School District**”) in an aggregate principal amount not to exceed Three Hundred Million Dollars (\$300,000,000) (the “**Bonds**”); and

WHEREAS, in a letter dated November 8, 2021, the Florida Department of Education approved the Initial Resolution; and

WHEREAS, the School Board adopted a Referendum Resolution on December 14, 2021 (the “**Referendum Resolution**”), calling for a referendum to submit to the duly qualified electors of the School District the question of whether the School District shall issue the Bonds at the general election to be held on November 8, 2022; and

WHEREAS, notice of the election was published on October 6, 2022 and October 20, 2022 in The Palatka Daily News, a newspaper of general circulation in the School District; and

WHEREAS, pursuant to the Referendum Resolution, the question was submitted to the qualified electors of the School District at the election held on November 8, 2022, the results of which were

canvassed and declared by the School Board at a regular public meeting on November 22, 2022 (which results have been recorded in the minutes of the School Board) as follows: As provided in the Report dated November 18, 2022 of the Putnam County Supervisors of Elections, 52.62% of the electorate who voted approved the issuance of Bonds; and

WHEREAS, the School District now desires to provide for the issuance of the Bonds and desires to fix certain of the terms thereof;

NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA that:

DEFINITIONS

. Capitalized terms used herein and not otherwise defined shall have the meanings set forth below.

“Act” shall mean Sections 1010.40 through 1010.54, Florida Statutes, together with other relevant sections of Chapters 1000-1013, Florida Statutes.

“Additional Bonds” shall mean additional obligations issued in compliance with the terms, conditions and limitations contained in Section 22 which rank equally in all respects with all Outstanding Bonds initially issued under this Master Resolution.

“Administration Expenses” shall mean the expenses of levy and collection of the taxes pledged to secure the payment of the Bonds (including the expenses of the Property Appraiser and Tax Collector) and the expenses of the Registrar and Paying Agent.

“Amortization Installment” with respect to any Term Bonds shall mean an amount designated for mandatory redemption of any Term Bonds, as set forth in such Term Bonds.

“Authorized Investments” shall mean Government Obligations, or any other investments permitted by applicable law, including without limitation, with respect to the Project Fund, the provisions of Sections 1010.53(2), 218.407 and 218.415, Florida Statutes, as such provisions may be amended from time to time, and with respect to the Debt Service Fund, the provisions of Sections 1010.53(2), 218.407 and 1011.22, Florida Statutes, as such provisions may be amended from time to time.

“Bonds” shall mean Bonds issued or authorized to be issued under this Master Resolution.

“Bond Counsel” shall mean a lawyer or firm of lawyers recognized for expertise in municipal bond law, whose opinions are generally accepted by purchasers of public obligations.

“Bond Insurance Policy” shall mean any municipal bond new issue insurance policy or policies, if any, issued by an Insurer guaranteeing the payment of principal of and interest on the Bonds of any Series, or portions thereof.

“Business Day” shall mean, unless otherwise specified in a Series Resolution with respect to a Series of Bonds, a day on which banking business is transacted in the city or cities in which a Paying Agent has its designated corporate trust offices, on which the New York Stock Exchange is open and on which the School District is open to transact business.

“Calendar Year” shall mean the period commencing on January 1 of each year and ending on the succeeding December 31.

“Chair” shall mean the Chair of the School Board, or in his or her absence, the Vice-Chair of the School Board.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and regulations promulgated under it.

“Cost” or “Cost(s) of the Project” shall mean (1) all costs of planning, designing, acquiring, constructing, financing and placing such Project in operation; (2) costs of land and all of the properties deemed necessary or convenient for the maintenance and operation of the Project and all other costs of the School District incidental thereto; (3) the cost of any indemnity and surety bonds and premiums for insurance during construction of, or the making of improvements or performance of maintenance on, the Project; (4) all interest due to be paid on the Bonds and other obligations relating to the Project during, and if deemed advisable by the School District for up to one year after the end of, the construction period of the Project; (5) engineering, legal and other consultant fees and expenses relating to the Project; (6) costs and expenses of the financing incurred during, and if deemed advisable by the School District for up to one year after the end of, the construction period for the Project, including audits; (7) payments, when

due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the School District (other than the Bonds) incurred for any portion of the Project; (8) costs of machinery or equipment required by the School District for the acquisition or construction of the Project; (9) the costs of technology implementation throughout the District, including hardware, software and retrofitting or initial wiring of facilities; (10) all costs of issuance of Bonds, including the cost of validating such Bonds pursuant to Chapter 75 Florida Statutes, bond insurance, bond counsel, disclosure counsel, underwriters and underwriters' counsel, financial advisors, printing costs and rating agency fees, initial acceptance fees of paying agents, registrars and depositaries, and any other costs of issuance of Bonds; (11) all other engineering, legal and financial costs and expenses related to the Project; (12) all expenses for estimates of costs and of revenues relating to the Project; (13) costs of obtaining governmental and regulatory permits, licenses, covenants and approvals in connection with the Project; (14) all fees of special advisors and consultants associated with one or more aspects of the Project or the financing thereof; (15) all costs relating to claims or judgments arising out of the construction or acquisition of the Project; (16) all federal, state and local taxes required to be paid in connection with the acquisition and construction of the Project; (17) all amounts required to be rebated to the United States of America under Section 148(f) of the Code; (18) administrative expenses associated with managing the bond programs described in this Master Resolution and (19) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles and shall include reimbursement to the School District for any such items of Cost heretofore paid by the School District. Any Series Resolution may provide for additional items to be included in the aforesaid Costs.

“Debt Service Fund” shall mean the Debt Service Fund established pursuant to Section 17 hereof which shall constitute the “district interest and sinking fund” referred to in Sections 1011.21 and 1011.22, Florida Statutes.

“Defeasance Securities” shall mean, unless otherwise provided in a Series Resolution solely for use in connection with the investment of proceeds of Bonds of such Series, direct obligations of, or

obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“DTC” shall mean The Depository Trust Company, New York, New York, an automated depository for securities and clearinghouse for securities transactions, its successors and assigns.

“DTC Participant” shall mean those broker dealers, banks and other financial institutions reflected on the books of DTC.

“Fiscal Year” shall mean the twelve-month period ending on June 30 of each year, or otherwise as provided by law.

“Fitch” shall mean Fitch, Inc. d/b/a Fitch Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Superintendent.

“Government Obligations” shall mean, to the extent permitted by law and except as otherwise provided in a Series Resolution, (i) direct obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America; (ii) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clause (i) of this definition 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 in clause (i) of this definition, and which underlying obligations are not available to satisfy any claim of the custodian of any person claiming through the custodian or to whom the custodian may be obligated; and (iii) municipal obligations, the payment of the principal of and interest and premium, if any, on which are irrevocably secured by obligations described in clause (i) of this definition and which obligations have been deposited in an escrow account which is irrevocably pledged to the payment of the principal, interest on and redemption premium, if any, on such municipal obligations; provided, however, that the investment of moneys held in

any fund or account created by this Master Resolution shall be limited by Florida law in effect from time to time.

“Holder” or **“Bondholder”** or any similar term, shall mean any person who shall be the registered owner of any Bond or Bonds as provided in the registration books of the School District.

“Insurer” shall mean the issuer of a municipal bond insurance policy insuring the payment when due of the principal of and interest on any Series of Bonds or any maturity thereof as provided therein.

“Interest Payment Date” shall mean the date or dates determined by the Superintendent on which interest on the Bonds shall be due and payable.

“Moody’s” shall mean Moody’s Investors Service, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Superintendent.

“Outstanding” shall mean all Bonds which have been authorized and delivered pursuant to this Master Resolution and any Series Resolution with the exception of:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds the payment or redemption for which cash or Defeasance Securities or any combination thereof shall have been irrevocably set aside as set forth in Section 21; and
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Master Resolution.

“Paying Agent” shall mean either or both of the Assistant Superintendent of Business and Finance of the School District, or a bank or trust company selected by the Superintendent, located within or without the State of Florida, who shall perform the duties of paying agent set forth in the Resolution.

“Project” shall mean the acquisition, building, enlarging, furnishing or otherwise improving of buildings and school grounds within the School District, as more particularly set forth and described in Exhibit A attached hereto, including safety enhancements and instructional technology upgrades in

schools throughout the District, provided if it be found at the time of construction of any project that the amounts allocated to certain of the projects described in Exhibit A are inadequate for the completion of such projects, the Board may, in its discretion, allocate additional amounts to said projects from other projects listed on Exhibit A; and if it be found at the time of the construction of the projects that less than the amounts allocated to certain of the projects are needed for the completion of such projects, the Board may, in its discretion, allocate the amounts so saved to other projects, or if through unusual conditions or circumstances including changes in population, it is deemed necessary and advisable to change any of the school sites or modify, substitute or replace any of the projects described in Exhibit A, the Board may, in its discretion, make such necessary changes in site or projects on the basis of a survey of school plant needs conducted pursuant to Section 1013.31, Florida Statutes or other applicable provisions of law, including the Referendum Resolution.

“Project Fund” shall mean the Project Fund established pursuant to Section 16 hereof and Section 1010.53(1), Florida Statutes.

“Rating Agency” shall mean Moody’s, S&P and Fitch, or whichever of them is or are rating the Bonds or a portion of the Bonds at a particular time, or their respective successors and assigns.

“Rating Category” shall mean one of the general rating categories of any Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

“Rebate Amount” shall mean the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) of the income tax regulations under the Code) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

“Record Date” shall mean, unless otherwise provided in a Series Resolution, the close of business on the fifteenth day of the month next preceding any Interest Payment Date, whether or not a Business Day.

“Redemption Price” shall mean the principal amount and redemption premium, if any, and accrued interest on any Bond.

“Registered Owner” shall mean the owner of any Bond as such Owner’s name appears on the registration books of the Registrar, subject to the provisions of Section 5 hereof with respect to any book-entry system.

“Registrar” shall mean either or both of the Assistant Superintendent of Business and Finance of the School District, or a bank or trust company selected by the Superintendent, located within or without the State of Florida, which shall maintain the registration books of the District and which shall be responsible for the transfer and exchange of the Bonds.

“S&P” shall mean S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Superintendent.

“Series” shall mean a series of Bonds issued under this Master Resolution pursuant to a Series Resolution.

“Series Certificate” shall mean a certificate, executed by the Superintendent and dated as of the date of the original issuance and delivery of each Series of Bonds, setting forth the information required to be included in such Certificate by this Master Resolution and the Series Resolution.

“Series Resolution” shall mean a supplemental resolution adopted pursuant to the terms of this Master Resolution, establishing the manner of sale, terms, maturities, interest rates and the details of the Series of Bonds.

“Special Record Date” shall mean such date as shall be fixed for the payment of defaulted interest on the Bonds by the School District by notice mailed to the registered owners of Bonds not less than ten (10) days preceding such Special Record Date.

“Superintendent” or **“Secretary”** shall mean the Superintendent of Schools of Putnam County, Florida, as ex-officio Secretary of the School Board, or his or her designee.

“State” shall mean the State of Florida.

“Term Bonds” shall mean the Bonds all of which shall be stated to mature on one date and which shall be subject to mandatory redemption through the payment of Amortization Installments.

AUTHORITY FOR RESOLUTION

. This resolution (the “Master Resolution”) is adopted pursuant to and is subject to the Constitution and laws of the State of Florida, particularly, Section 1010.40 *et seq.*, Florida Statutes, as amended, and other applicable provisions of law.

AUTHORIZATION OF BONDS

. The Bonds are hereby authorized to be issued in accordance with the terms hereof in an aggregate principal amount not to exceed Three Hundred Million Dollars (\$300,000,000) for the purpose of modernizing, constructing, acquiring, building, enlarging, furnishing or otherwise improving school buildings, including safety enhancements and instructional technology upgrades or for any other exclusive use of the public schools within the District, including therein, the projects set forth on Exhibit A attached hereto, as such projects may be modified from time to time. The Bonds shall be designated “School District of Putnam County, Florida, General Obligation School Bonds, Series [to be determined],” or such other appropriate designation or designations as shall be determined by the Superintendent after consultation with the School Board Attorney and Bond Counsel. The Bonds shall be issued in one or more Series with appropriate designations, in fully registered form without coupons, and in such denominations as shall be determined by the School Board at the time of sale thereof. The Bonds of each Series shall be sold and delivered at one time or from time to time, at public or private sale and at such prices as shall be determined pursuant to a Series Resolution adopted in connection with the issuance thereof as contemplated in Section 22 of this Master Resolution. The Bonds shall mature at such time or times according to a schedule which will permit the Bonds, or any Series of Bonds, to be retired over a period of time not exceeding thirty (30) years from their date or dates and which will be so arranged that

the total payments required in each year will be as nearly equal as practicable, and shall bear interest, payable semiannually, from the date or dates thereof at a rate or rates not exceeding the maximum rate permitted by law, all as shall be determined by the Superintendent at or prior to the time of sale thereof. The principal of, premium, if any, and interest on the Bonds shall be payable by the Paying Agent, in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

FORM AND EXECUTION OF BONDS

. The Bonds are issuable only in fully registered form, with such appropriate variations, omissions and insertions as may be required and approved by the Superintendent pursuant to the Series Resolution. The text of the Bonds and the form of the assignment for such Bonds shall be substantially in the form set forth in Appendix B hereto, with such omissions, insertions and variations as may be necessary or desirable and approved by the Superintendent, after consultation with the School Board Attorney and Bond Counsel. The Bonds shall be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof, or in other authorized denominations specified in a Series Resolution. The Bonds shall be numbered from one upward preceded by the letter "R" prefixed to the number.

The Bonds shall be executed for and on behalf of the School District by the facsimile or manual signature of the Chair and attested with a facsimile or manual signature of the Secretary of the School Board and the imprint or reproduction of the official seal of the School District. In case any officer whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Bonds may be signed and sealed on behalf of the School District by such person who at the actual time of the execution of such Bonds shall hold the proper office with the School District, although on the date of adoption of this Master Resolution such person may not have held such office or may not have been so authorized. The execution and delivery of the Bonds

substantially in the manner mentioned above are authorized and such execution and delivery as described above shall be conclusive evidence of the District's approval.

The School District shall appoint such registrars, paying agents, transfer agents, depositaries or other agents as shall be necessary to cause the registration, registration of transfer and reissuance of Bonds within a commercially reasonable time according to the then current industry standards.

The Registered Owner of any Bond shall be deemed and regarded as the absolute owner of the Bonds for all purposes of this Master Resolution. Payment of or on account of the debt service on any Bond shall be made only to or upon the order of that Registered Owner or such Registered Owner's attorney-in-fact duly authorized in writing in the manner permitted by law, and neither the School District nor the Paying Agent shall be affected by notice to the contrary. All payments made as described in this Master Resolution shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest on that Bond, to the extent of the amount or amounts so paid.

The principal of, premium, if any, and interest on the Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The payment of the principal of, interest on and premium, if any, with respect to the Bonds shall be secured equally and ratably by a pledge of and lien on the ad valorem tax revenues deposited by the School District in the Debt Service Fund pursuant to Section 17 hereof.

BOOK-ENTRY ONLY SYSTEM

. Except as otherwise provided in a Series Resolution for a Series of Bonds, the Bonds shall initially be issued in the form of a separate single authenticated fully registered certificate for each interest rate per maturity of such Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books of the School District kept by the Registrar in the name of Cede & Co., as nominee of DTC. The School District, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive Holder of such Bonds registered in its name for the purposes of payment of the principal of, redemption premium, if any, and interest on such Bonds; any notice permitted or required to

be given to Bondholders under this Master Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders of such Bonds and for all other purposes whatsoever; and neither the School District, the Registrar nor the Paying Agent shall be affected by any notice to the contrary.

Neither the Registrar, the Paying Agent nor the School District shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in such Bonds under or through DTC or any DTC Participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment of DTC or any DTC Participant of any amount in respect of the principal of, redemption premium, if any, or interest on such Bonds; any notice which is permitted or required to be given to Bondholders under this Master Resolution or any other documents; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of such Bonds; or any consent given or other action taken by DTC as Bondholder. The Registrar shall pay all principal of, and redemption premium, if any, and interest on such Bonds only to or "upon the order of DTC" (as that term is used in the Uniform Commercial Code as adopted in Florida), and all such payments shall be valid and effective to fully satisfy and discharge the School District's obligations with respect to the principal of, and redemption premium, if any, and interest on such Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c) below, no person other than DTC shall receive an authenticated Bond certificate evidencing the obligation of the School District to make payments of principal of, redemption premium, if any, and interest on such Bond, pursuant to this Master Resolution. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Master Resolution with respect to transfers of Bonds, the word "Cede & Co." in this Master Resolution shall refer to such new nominee of DTC.

(a) Payment of interest for any Bond registered in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Date for such

Bonds at the address indicated for Cede & Co. in the registration books of the School District kept by the Registrar.

(b) In the event the School District determines that it is in the best interest of the beneficial owners that they be able to obtain Bond certificates, the School District may notify DTC and the Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of Bond certificates. In such event, the School District shall prepare and shall execute and the Registrar shall authenticate, transfer and exchange Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Master Resolution. DTC may determine to discontinue providing its services with respect to such Bonds at any time by giving written notice to the School District and the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the School District and the Registrar shall be obligated to deliver Bond certificates as described herein. In the event Bond certificates are issued, the provisions of this Master Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, redemption premium, if any, and interest on such certificates. Whenever DTC requests the School District and the Registrar to do so, the School District will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing such Bonds to any DTC Participant having Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing such Bonds.

(c) Neither the School District nor the Registrar will have any responsibility or obligations to the DTC Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant; (2) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount, redemption premium, if any, or interest on such Bonds; (3) the delivery by DTC or any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of this Master Resolution to be given to Bondholders; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of such

Bonds; or (5) any consent given or other action taken by Cede & Co. as the nominee of DTC, as registered owner.

So long as Cede & Co. is the registered owner of such Bonds, as nominee of DTC, purchasers of beneficial ownership interests in the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds, and references herein to the Bondholders or registered holders of such Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of such Bonds.

REGISTRATION OF BONDS AND TRANSFER OF OWNERSHIP

. The provisions of this Section 6 shall apply to all the Bonds that are issued in fully registered form, subject to the provisions of any Series Resolution that may be adopted by the School Board to authorize the issuance of any Series of Bonds.

The School Board shall select a Registrar for the Bonds, or for each Series of Bonds, prior to the issuance thereof and shall cause books for the registration and transfer of the Bonds to be kept at the office of the Registrar. Upon surrender for transfer of any Bond at the office of the Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by the registered owner or his attorney duly authorized in writing, the School District shall have executed and the Registrar shall authenticate, date and deliver, in the name of the transferee or transferees, a new fully registered Bond or Bonds of the same maturity and of authorized denominations for a like aggregate principal amount. For every such exchange or transfer of Bonds, the School District or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. If provided in a Series Resolution authorizing the issuance of any Series of Bonds, the School District may assess a fee for exchanges or transfers of Bonds of such Series. The Registrar shall not be required to transfer or exchange any Bonds during the period of fifteen (15) days next preceding any interest payment date on such Bonds, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been

mailed, nor during a period of fifteen (15) days next preceding the giving of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes in payment of the principal of, premium, if any, or interest on any Bond. Such payments shall be made only to or upon the order of such registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the amount so paid. Interest on each of the Bonds shall be payable to the person in whose name such Bond is registered on the applicable Record Date, by check or draft mailed by first class mail to the registered owners (or by wire transfer to DTC or the registered owners of not less than \$1,000,000 in aggregate principal amount of the Series of Bonds for which such interest payment is due, if such registered owners request payment by wire transfer in writing and specify the account to which such interest payment is to be wired) by the Paying Agent, irrespective of any transfer or exchange of any Bond subsequent to such Record Date and prior to such interest payment date, unless the School District defaults in the payment of interest due on such interest payment date. In the event of any such default, such defaulted interest will be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the School District to the registered owners of the Bonds not less than ten (10) days preceding such special record date. The principal of and premium, if any, on the Bonds shall be payable upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent.

In case any Bond shall become mutilated or be destroyed or lost, the School District shall cause to be executed and delivered a new Bond of like date, number, maturity and tenor, in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the holder or registered owner paying the reasonable expenses and charges in connection therewith and, in the case of a Bond destroyed or lost, filing with the School District

evidence satisfactory to the School District that such Bond was destroyed or lost and of the ownership thereof and furnishing indemnity satisfactory to the School District.

AUTHENTICATION OF BONDS

. The Certificate of Authentication (the "Certificate of Authentication") of the Registrar shall appear on the Bonds and no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Master Resolution unless such Certificate of Authentication shall have been duly executed on such Bonds. The authorized signature for the Registrar shall at all times be a manual signature or any electronic or facsimile signature expressly authorized by law in connection with the issuance of governmental debt instruments.

SECURITY FOR AND PAYMENT OF BONDS

. The Bonds shall constitute general obligations of the School District, the prompt payment of the principal of, premium, if any, and interest on which is secured by the full faith and credit and ad valorem taxing power of the School District. Pursuant to the Act, there shall be levied and collected upon all property within the School District subject to taxation for such purpose, in each year while any of the Bonds remain Outstanding, a direct tax sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same, respectively, become due and payable, and to provide for probable failures of collection of such tax in such year. Such tax shall be levied and collected at the same time and in the same manner as ad valorem taxes levied for operating expenses of the School District and shall be in addition to all other taxes authorized to be levied by the School District.

The proceeds of the tax to be levied to pay the principal of, premium, if any, and interest on the Bonds, when collected, shall be deposited in the Debt Service Fund. If the tax levy of the School District, together with monies on deposit in the Debt Service Fund to make payments on the Bonds, shall ever be insufficient to make such payments when due, current funds of the School District shall be used to overcome such deficiency and reimbursement of such current funds shall be made out of subsequent taxes levied and collected by the School District.

Whenever the School Board shall, in any year, have irrevocably deposited in the Debt Service Fund from which principal of and interest on the Bonds are payable any monies derived from sources other than the aforementioned property tax, said property tax may be correspondingly diminished, but any such diminution must leave available an amount of such taxes, after allowance for anticipated delinquencies in collection, which shall be fully sufficient, with such monies so deposited from other sources, to assure the prompt payment of principal of, premium, if any, and interest on the Bonds becoming due prior to the time that the proceeds of the next annual property tax levy will be available.

VALIDITY OF BONDS

. The School District hereby authorizes Bond Counsel, if determined by such counsel to be necessary or desirable, to take appropriate action to validate the Bonds by filing a complaint as provided in Chapter 75, Florida Statutes, in the Circuit Court of the Seventh Judicial Circuit of Florida in and for Putnam County or, in lieu of validation, if determined by such counsel to be necessary or desirable, to submit to the Florida Department of Legal Affairs for its approving opinion all information relating to the issuance of the Bonds as shall be required, as provided in Section 1010.52, Florida Statutes. The Chair of the School Board or the Vice Chair of the School Board and the Secretary of the School Board, are each hereby authorized to sign any pleadings or other documents required to institute or complete the court's validation proceedings or to obtain the Department of Legal Affairs' approving opinion, and any official or employee of the School Board is authorized to offer testimony for or on behalf of the School District in such proceedings or in connection with, obtaining such approving opinion.

PURCHASE OF BONDS

. The Bonds shall be sold in such manner as shall be permitted by Florida law at one time or in any number of Series from time to time and shall be delivered to the purchaser or purchasers thereof upon receipt by the School District of the purchase price therefor, which, unless specifically authorized by the Department of Education, shall not be less than the par value of the Bonds.

USE OF BOND PROCEEDS

. Proceeds from the issuance of the Bonds shall be held, invested and expended in accordance with the provisions of Section 1010.53, Florida Statutes.

Except as otherwise may be provided in the applicable Series Resolution (which provisions shall be consistent with this Master Resolution), the proceeds received upon the issuance of each Series of Bonds shall be applied as follows:

(a) accrued interest received upon the issuance of each Series of Bonds, if any, shall be deposited in the Debt Service Fund and applied to pay interest on such Bonds on the initial Interest Payment Date;

(b) capitalized interest, if any, shall be deposited in the Debt Service Fund and shall be used only for the purpose of paying interest which shall thereafter become due on the Bonds;

(c) all costs and expenses in connection with the preparation, issuance and sale of the Bonds, including, without limitation, the fees and expenses of accountants, attorneys and financial advisors, and the premiums for credit enhancement or municipal bond insurance policies, shall be paid by, or on behalf of, the School District to those persons who shall be entitled to receive the same. Such amount may, at the option of the School District, be deposited in and disbursed from the Cost of Issuance Account in the Project Fund;

(d) amounts designated by the Board to be used to pay Administrative Expenses related to managing the Bond program authorized by a Series Resolution; and

(e) the balance of the proceeds of such Series of Bonds shall be deposited in the Project Fund.

REDEMPTION

. The Bonds of each Series issued under the provisions of this Master Resolution shall be subject to redemption prior to their maturity, either in whole or in part and at such times and in such manner as may be provided by the Series Resolution relating to such Series of Bonds.

REDEMPTION NOTICE

. Unless otherwise provided in a Series Resolution with respect to a Series of Bonds, notice of redemption shall be given by deposit in the U.S. mails, of a copy of a redemption notice, first class and postage prepaid, at least thirty (30) and not more than sixty (60) days before the redemption date to all registered owners of the Bonds or portions of the Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions of this Master Resolution on the fifth (5th) day prior to such mailing. Failure to mail any such notice to a registered owner of a Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption of any Bond or portion of any Bond with respect to which no failure or defect occurred. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

Each redemption notice shall set forth the date fixed for redemption, the rate of interest borne by each Bond being redeemed, the name and address of the Registrar and Paying Agent, the redemption price to be paid, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives such notice.

Notwithstanding the foregoing or any other provision hereof, notice of optional redemption pursuant to this Section 13 or any Series Resolution may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the School District if expressly set forth in such notice. Such notice shall be entitled "CONDITIONAL NOTICE OF REDEMPTION", and shall expressly state that the redemption is conditional and is subject to the deposit of the redemption moneys with the Paying Agent

not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited. The notices required to be given by this Section 13 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

EFFECT OF CALLING FOR REDEMPTION

. The Bonds or portions of Bonds called for redemption shall, on the redemption date designated in the redemption notice, be due and payable at the redemption price provided for in such notice. On the redemption date, provided moneys are on deposit with the Paying Agent, interest on the Bonds or portions of the Bonds called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any lien, benefit or security under this Master Resolution and shall be deemed paid and the registered owners of such Bonds or portions of Bonds shall have no further rights except to receive payment of the redemption price and to receive Bonds for any unredeemed portions of the Bonds as provided in the next paragraph.

In case part but not all of an Outstanding fully registered Bond shall be selected for redemption, its registered owner shall present and surrender such Bond to the Paying Agent for payment of the redemption price for the portion of such Bond called for redemption, and the School District shall execute and deliver to, or upon the order of, such registered owner, without charge, for the unredeemed balance of the principal amount of the Bonds so surrendered, a Bond or Bonds fully registered as to principal and interest.

Bonds or portions of Bonds that have been duly called for redemption or as to which irrevocable instructions to call for redemption have been given by the School District, and with respect to which amounts are sufficient to pay the principal of, redemption premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate trust accounts by the Paying Agent, or other authorized depository acting as an escrow agent in separate accounts in trust for the registered owners thereof, as provided in this Master Resolution, and as to which any conditions to such redemption have been satisfied, shall not be deemed to be Outstanding under the provisions of this Master Resolution and

shall cease to be entitled to any lien, benefit or security under this Master Resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in the preceding paragraph, to receive Bonds for any unredeemed portion of the Bonds.

Unless otherwise provided in a Series Resolution, the Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The School District shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Bonds then Outstanding of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than thirty-five (35) days prior to the redemption date by the Registrar, from the Outstanding Bonds of the maturity or maturities designated by the School District by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the School District in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Notice of redemption having been given substantially in accordance with Section 13, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the School District shall default in the payment) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar or Paying Agent. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar who shall furnish a certificate of such destruction to the School District. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due

endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by the Bondholder thereof or its attorney duly authorized in writing) and the School District shall execute and cause to be authenticated, if necessary, and delivered to the Bondholder of such Bond without service charge, a new Bond or Bonds, of any authorized denomination as requested by such Bondholder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

REPRESENTATIONS OF SCHOOL DISTRICT

. The School District makes the following representations on which the Bondholders are entitled to rely:

(a) Adoption of this Master Resolution and the compliance by the School District with the requirements hereof will not conflict with or result in a breach of or a default under any resolution, agreement or instrument to which the School District is now a party.

(b) As of the date of issuance of any Bonds under this Master Resolution, there will exist no Event of Default, as defined in Section 26, or any condition or event which would constitute, or with the passage of time or the giving of notice or both would constitute, an Event of Default under this Master Resolution.

(c) As of the date of issuance of any Bonds under this Master Resolution, there will be no pending, or to the knowledge of the School District, threatened actions or proceedings against the School District before any court of the State or any federal court in the State or any administrative agency which are likely in any case or in the aggregate to have a material adverse effect on the financial condition or operations of the School District or its obligations under this Master Resolution, nor is the School District aware of any facts or circumstances that would give rise to any such actions or proceedings. For purposes hereof, "material adverse effect" shall mean the impairment of (A) the School District's ability to perform its obligations under this Master Resolution or (B) the ability of Holders of Bonds to enforce the obligations of the School District hereunder.

PROJECT FUND

. There is hereby created and established by the District a trust fund to be known as the "Project Fund" and within such Project Fund, a Cost of Issuance Account, a Bond Administrative Expenses Account and a separate Series Project Account therein for each Series of Bonds. Such Fund shall be held and administered by the School Board or a depository designated by the School Board. In accordance with the provisions of Section 1010.53(1), Florida Statutes, the proceeds derived from the sale of a Series of Bonds net of accrued interest shall be deposited by the District in the Account of the Project Fund for such Series and such proceeds, together with investment earnings thereon, shall be expended for the purpose of financing the costs of the Project, including the payment of interest on such Series of Bonds until receipt of sufficient proceeds of the first ad valorem tax to be levied to pay interest on such Series of Bonds. If for any reason such proceeds or any part thereof are not necessary for and are not applied to the payment of the cost of the Project, then the remaining proceeds shall be transferred to the Debt Service Fund, or may be held by the School Board and expended for the exclusive use of the public schools within the District as the School Board may deem reasonable and proper, including capital improvements, all in accordance with Section 1010.54, Florida Statutes. All such proceeds shall be and constitute trust funds for such purposes.

The Registered Owners of the Bonds issued hereunder shall have no responsibility for the use of the proceeds of the Bonds, and the use of such Bond proceeds by the School Board shall in no way affect the rights of such Registered Owners. The School Board shall be irrevocably obligated to continue to levy and collect the ad valorem taxes as provided herein and to timely pay the principal of and interest on the Bonds notwithstanding any failure of the School Board to use and apply Bond proceeds in the manner provided herein. The Registered Owners of a Series of Bonds shall have a lien on all monies and investments held on deposit in the related Series Account of the Project Fund during the period that such monies remain on deposit in such Account.

The Superintendent (or his or her designee) is hereby authorized to make disbursements from the appropriate Project Accounts in the Project Fund to pay the Cost of the designated Projects. The Superintendent shall authorize such disbursement only upon the receipt of a requisition, purchase contract

or other authorizing document sufficient to substantiate payment. The Superintendent shall cause to be reviewed each disbursement request associated with the designated Project and maintain accountability of all invoices and other documents associated with each payment in accordance with Florida law and the requirements of the Code. The Superintendent shall cause to be kept and maintained adequate records pertaining to the Project Fund and each Project Account and all disbursements made.

Notwithstanding any of the other provisions of this Section 16, to the extent that other moneys are not available therefor, amounts in the Project Fund shall be applied to the payment of principal and interest on Bonds when due.

DEBT SERVICE FUND

. There is hereby created and established by the District a trust fund to be known as the "Debt Service Fund" and within such Fund an Account for each Series of Bonds, to be held and administered by the School Board solely for the purpose of paying the principal of, premium, if any, and interest on the Bonds as they become due, whether at maturity, or upon redemption, or to reimburse the District for paying such amounts. In accordance with Sections 1011.04 and 1011.21, Florida Statutes and Section 8 hereof, in each year while any Bonds are Outstanding, there shall be levied and collected a tax without limitation as to rate or amount on all taxable property within the School District, sufficient in amount to pay the principal of, premium, if any, and interest on such Bonds, as provided above, together with Administration Expenses after deducting therefrom any other funds which may be available for such payments and which shall actually be so applied. The proceeds of such tax, other than amounts payable to the District as reimbursement for prior payments or amounts to be deposited in the Project Fund as reimbursement for amounts transferred in accordance with the following paragraph shall be deposited into the Debt Service Fund and used solely for the payment of such principal, premium, if any, and interest on the Bonds and Administration Expenses as provided above.

Accrued interest paid on the Bonds shall also be deposited in the Debt Service Fund. At the option of the School Board, an amount of Bond proceeds and/or investment earnings thereon not exceeding the amount of interest on the Bonds which will become due prior to the estimated receipt of

sufficient proceeds of the first ad valorem tax to be levied after issuance of a Series of Bonds may be withdrawn from the related Series Account in the Project Fund and deposited in the related Series Account of the Debt Service Fund.

SEPARATE ACCOUNTS

. The moneys required to be accounted for in each of the foregoing funds and accounts, including the Project Fund established pursuant to Section 16 hereof, may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Master Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

DEPOSITS CONSTITUTE TRUST FUNDS

. All funds on deposit or held in the Project Fund and the Debt Service Fund under the provisions of this Master Resolution shall be held in trust and applied only in accordance with the provisions of this Master Resolution and the Series Resolution under which a Series of Bonds is issued, and shall not be subject to lien or attachment by any creditor of the School District other than the Holders of Bonds, the Insurers and any credit support providers.

All moneys deposited with an authorized depository shall be credited to the particular fund or account to which such moneys belong.

INVESTMENT OF MONEYS

. Moneys held for the credit of the funds and accounts created hereunder shall be invested and reinvested by the School District in Authorized Investments.

Such investments or reinvestments shall mature not later than the respective dates, as estimated by the School District, that the moneys held for the credit of said funds or accounts will be needed for the purposes of such funds or accounts.

The Authorized Investments purchased with the moneys in each fund or account shall be deemed a part of such fund or account. The interest, including gains on obligations purchased at a discount and gains realized upon the sale of such obligations, received on all such obligations (after deduction for accrued interest, commissions (if any) and premium paid from such fund at the time of purchase) shall be held in such fund or account and used for the purposes contemplated in this Master Resolution. If at any time it shall become necessary that some or all of the securities purchased with the moneys in any such fund or account be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Master Resolution, the School District shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same.

DEFEASANCE

. If the School District shall pay or cause to be paid to the registered owners of the Bonds the principal of, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, and all fees and expenses of the Paying Agent and the Registrar shall have been paid, and the School District shall have kept, performed and observed all the covenants and promises contained in the Bonds and in this Master Resolution expressed as to be kept, performed and observed by it or on its part, then the Bonds shall no longer be deemed to be Outstanding under the provisions of this resolution. If the School District shall pay or cause to be paid to the holders of all Outstanding Bonds of a particular Series, or of a particular maturity within a Series, the principal of, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, such Bonds shall no longer be deemed to be Outstanding under the provisions of this Master Resolution.

Bonds for the payment or redemption of which sufficient monies or Defeasance Securities shall have been deposited with the Paying Agent (or an escrow agent appointed for such purpose) in trust for the Registered Owners thereof (whether upon or prior to the maturity or the redemption date of such

Bonds) in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such Bonds, shall be deemed to have been paid within the meaning of this Section 21 and no longer Outstanding under the provisions of this Master 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 this resolution or arrangements shall have been made for the giving thereof. Defeasance Securities will be considered sufficient if said investments, with interest, 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 of and premium, if any, when due on the Bonds being defeased.

For purposes of this Section 21, Defeasance Securities shall mean and include only (a) such Defeasance Securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or (b) Defeasance Securities which, if subject to redemption shall, nevertheless, in all events, regardless of when redeemed, provide sufficient and timely funds for payment of the principal of, premium, if any, and interest on the Bonds to be paid thereby.

Notice of redemption of any of the Bonds as provided in this Section 21, identifying the Bonds to be redeemed and containing any additional information required by any securities depository where Bonds may be held, must be given by mailing a copy of the redemption notice not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the registered owner of each such Bond to be redeemed at the address shown on the registration books held by the Registrar at the close of business on the last day of the month preceding the month in which notice is mailed; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any of the Bonds.

Notwithstanding any other provision of this Master Resolution, including, in particular this Section 21, the obligation of the School District to pay any Rebate Amount to the United States of America and to comply with the requirements of Section 23 shall survive the defeasance or payment in full of the Bonds or any Bonds within a Series.

CONDITIONS PRECEDENT TO ISSUANCE OF EACH SERIES OF BONDS

. Bonds may be issued under and secured by this Master Resolution, subject to the conditions provided in this Section 22, in Series from time to time for the purpose of paying all or any part of the Cost of the Projects or for the purpose of refunding any Series of Bonds or portions thereof previously issued under this Master Resolution.

Before any Series of Bonds shall be issued under the provisions of this Master Resolution, the School Board shall adopt a Series Resolution providing for the sale of such Series of Bonds and establishing the amount of such Series of Bonds. Subject to Section 3 hereof, the Bonds of each Series issued under the provisions of this Section shall be dated, shall mature subject to the right of prior redemption as set forth in this Master Resolution in such amounts and on such dates in such year or years not later than thirty (30) years from the date of issuance of such Series of Bonds, shall bear interest at such rate or rates on such dates, shall have such Registrar and such Paying Agent, and any Term Bonds of such Series, shall have such Amortization Installments, shall be subject to such credit enhancement and may be made redeemable or callable and may be made subject to mandatory tender for purchase at such times and prices all as may be specified in or provided for by or pursuant to the Series Resolution providing for the sale of such Series of Bonds.

Prior to the delivery of each Series of Bonds, there shall be filed with the Superintendent the following:

(a) a copy, certified by the Secretary of the School Board, of the Series Resolution specifying the terms of such Series of Bonds, the Projects to be funded, or if applicable, the Series of Bonds or portions thereof to be refunded, and other details pertaining thereto as contemplated in this Master Resolution; and

(b) an opinion of the School Board Attorney that such Series of Bonds are valid and binding obligations of the School District enforceable in accordance with their terms and have been issued in accordance with the Constitution and Laws of the State of Florida, and this Master Resolution.

In addition to the requirements set forth above, each Series Resolution shall contain findings to the effect that (except that the findings contained in clause (c) below will not be required with respect to a Series of Bonds issued to refund Bonds previously issued hereunder):

(c) The principal amount of the Series of Bonds authorized therein, when aggregated with the principal amount of all Bonds previously issued pursuant to this Master Resolution, does not exceed \$300,000,000. For purposes of this requirement, the principal amount of all Bonds issued pursuant to this Master Resolution shall be counted, whether or not they remain Outstanding on the date of calculation, except that the principal amount of refunding Bonds shall be included in the calculation and the principal amount of Bonds defeased or redeemed by such refunding Bonds shall be ignored.

TAX COVENANTS

It is the intention of the School District that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes and to this end the School District hereby represents to and covenants with the Holders of the Bonds that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, except as provided in the Series Resolution, the School District covenants and agrees:

- (a) to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;
- (b) to set aside sufficient moneys to timely pay the Rebate Amount to the United States of America;
- (c) to pay the Rebate Amount to the United States of America at the times and to the extent required pursuant to Section 148(f) of the Code;
- (d) to maintain and retain all records pertaining to the Rebate Amount with respect to such Bonds, and required payments of the Rebate Amount with respect to each of the Bonds for at least six

(6) years after the final maturity of such Bonds or such other period as shall be necessary to comply with the Code;

(e) to refrain from using proceeds from the Bonds, in a manner that might cause the Bonds, to be classified as private activity bonds under Section 141(a) of the Code; and

(f) to refrain from taking any action that would cause any Bonds issued with the intent that interest thereon would be excludable from gross income for federal income tax purposes, to become arbitrage bonds under Section 148 of the Code.

The School District understands that the foregoing covenants impose continuing obligations on it that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Bonds.

Notwithstanding any other provision of this Master Resolution, including, in particular, Section 21 hereof, the obligation of the School District to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 23 shall survive the defeasance or payment in full of the Bonds.

RESOLUTION TO CONSTITUTE A CONTRACT

. In consideration of the acceptance of the Bonds authorized to be issued by those who shall hold the same from time to time, this Master Resolution shall be deemed to be and shall constitute a contract between the School District, and such Bondholders, Insurers and credit support providers. The covenants and agreements herein set forth to be performed by the School District shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds (and for Insurers and credit support providers), all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

REGISTRAR AND PAYING AGENT; APPOINTMENT, ACCEPTANCE OF DUTIES AND REMOVAL

. The Superintendent shall select and designate a Registrar and Paying Agent for and in respect of each Series of Bonds, which, if it is an independent financial institution and not the Assistant

Superintendent of Business and Finance of the School District, shall enter into a registrar and paying agent agreement with the School District in which it shall signify its acceptance of its obligations under this Master Resolution.

The School District may appoint one or more additional Paying Agents for each Series of Bonds which may include the Registrar. Each additional Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Master Resolution by executing and delivering to the School District and the Registrar and Paying Agent a written acceptance of its obligations under this Master Resolution.

The School District may remove any Paying Agent or the Registrar and any successors thereto, and may appoint a successor or successors thereto; provided that the Registrar or such Paying Agent designated for removal by the School District shall continue to function as such until the designation of a successor. Each Paying Agent is hereby authorized to pay or redeem Bonds from moneys on deposit in the respective funds and accounts hereunder when duly presented to it for payment or redemption pursuant to the terms of this Master Resolution.

EVENTS OF DEFAULT

. The following events shall each constitute an "Event of Default":

(a) Default shall be made by the School District in the payment of the principal of, redemption premium, if any, or interest on any Bond when due. With respect to the event described in the preceding sentence, when determining whether a payment default has occurred with respect to any Series of Bonds, no effect shall be given to payments made under a Bond Insurance Policy in place with respect to such Series of Bonds.

(b) The School District shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Master Resolution on the part of the School District to be performed, and such default shall continue for a period of sixty (60) days after written notice of such default shall have been received from the Bondholders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds

Outstanding or the Insurer, if any, of such amount of Bonds. Notwithstanding the foregoing, the School District shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the School District in good faith institutes curative action and diligently pursues such action until the default has been corrected.

(c) There shall occur the dissolution or liquidation of the School District, or the filing by the School District of a voluntary petition in bankruptcy, or the commission by the School District of any act of bankruptcy, or adjudication of the School District as a bankrupt, or assignment by the School District for the benefit of its creditors, or appointment of a receiver for the School District, or the entry by the School District into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the School District in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

BONDHOLDER REMEDIES FOR EVENTS OF DEFAULT

. Any Holder of Bonds issued under the provisions of this Master Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Master Resolution, and may enforce and compel the performance of all duties required by this Master Resolution or by any applicable statutes to be performed by the School District or by any officer thereof. Notwithstanding the foregoing, however, nothing herein shall permit an acceleration of maturity of the Bonds.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding, by a duly executed certificate in writing, may appoint any state bank, national bank, trust company or national banking association, qualified to transact business in Florida and having a combined capital, surplus and undivided profits of at least \$100,000,000, to serve as trustee for the benefit of the Holders of all Bonds issued pursuant to this Master Resolution and then Outstanding with authority to represent such Bondholders in any legal proceedings for the enforcement

and protection of the rights of such Bondholders or their duly authorized attorneys or representatives, and shall file such certificate with the School Board Attorney and the Superintendent. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which such trustee shall have agreed to serve shall be filed with the School District and such trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first such trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

In case any proceeding taken by such trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to such trustee or such Bondholder, then and in every such case, the School District, such trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the trustee shall continue as though no such proceeding had been taken.

DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS

. Subject to the provisions of Section 31 below, the Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring a majority in principal amount of the Bonds then Outstanding) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Bonds owned by such Bondholders or insured by such Insurer, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Master Resolution, and that the trustee shall have the right to decline to follow any such direction which in the reasonable opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

REMEDIES CUMULATIVE

. No remedy herein conferred upon or reserved to the Bondholders and the Insurer, if any, is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

EFFECT OF DISCONTINUANCE OF PROCEEDINGS

. In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, then and in every such case, the School District and the Bondholder shall be restored to their former positions and rights thereunder, respectively, and all rights and remedies of the Bondholders shall continue as though no such proceeding had been taken.

RESTRICTION ON INDIVIDUAL BONDHOLDER ACTIONS

. No Holder of any of the Bonds hereby secured shall have any right in any manner whatever by its action to affect, disturb or prejudice the security of this Master Resolution, or to enforce any right under this Master Resolution, except in the manner in this Master Resolution provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Holders of such Bonds.

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 by Section 27 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 School District or a trustee or receiver appointed for the purpose shall apply all ad valorem tax revenues collected pursuant to this Master Resolution as follows and in the following order:

- (a) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agents hereunder;

(b) To the payment of the interest and principal and redemption premium, if any, then due on the Bonds, as follows:

FIRST: to the payment to the Holders entitled thereto of all installments of interest then due, in the order of the maturity of such installments, 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;

SECOND: to the payment to the Holders 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 Section 13 or Section 21 of this Master 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 Holders entitled thereto without any discrimination or preference; and

THIRD: to the payment of the principal of and redemption premium, if any, of any Bonds called for optional redemption pursuant to the provisions of this Master Resolution.

Whenever moneys are to be applied by the School District pursuant to the provisions of this Section, such moneys shall be applied by the School District at such times, and from time to time, as the Superintendent in his or her sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside

such moneys, in trust for the proper purpose, shall constitute proper application by the School District; and the School District shall incur no liability whatsoever to any Bondholder or to any other person for any delay in applying any such funds, so long as the School District acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Master Resolution as may be applicable at the time of application. Whenever the Superintendent shall exercise such discretion in applying such funds, he or she shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Superintendent shall give such notice as he or she may deem appropriate of the fixing of any such date.

NOTICE BY REGISTRAR AND PAYING AGENT IF DEFAULT OCCURS

. Neither the Registrar nor any Paying Agent shall be required to take notice or be deemed to have notice of any default under this Master Resolution, except failure by the School District to cause to be made any of the payments to such Paying Agent required to be made by this Master Resolution, unless the Registrar or such Paying Agent shall be specifically notified in writing of such default by the School District or by the Holders of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, and all notices or other instruments required by this Master Resolution to be delivered to the Registrar or any Paying Agent must, in order to be effective, be delivered at a corporate trust office of the Registrar or such Paying Agent, and in the absence of such notice so delivered, the Registrar and such Paying Agent may conclusively assume there is no default except as aforesaid.

If a default occurs of which the Registrar or any Paying Agent is by this Section 34 required to take notice or if notice of default be given as provided in the preceding paragraph, then the Registrar or such Paying Agent shall give written notice thereof to the School District, each Insurer, if any, and the registered owners of all Bonds then Outstanding.

CONTROL BY INSURER

. Upon the occurrence and continuance of an Event of Default, any Insurer, if such Insurer is not in default under its Bond Insurance Policy or insolvent, shall be entitled to direct and control the

enforcement of all rights and remedies with respect to the Bonds covered under its Bond Insurance Policy. Each such Insurer shall receive from the School District and any trustee copies of all notices required to be delivered to the Bondholders under this Master Resolution and notice of any Event of Default.

SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT

. The School District, without the consent of the Bondholders (which supplemental resolution shall thereafter form a part hereof) may adopt a supplement to this Master Resolution or any supplemental resolution for any of the following purposes:

(a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Resolution, as supplemented, or to clarify any matters or questions arising hereunder;

(b) to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders;

(c) to provide for the sale, authentication and delivery of Additional Bonds or refunding Bonds and the disposition of the proceeds from the sale thereof in the manner and to the extent authorized under this Master Resolution;

(d) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Master Resolution other conditions, limitations and restrictions thereafter to be observed;

(e) to add to the covenants and agreements of the School District in this Master Resolution other covenants and agreements thereafter to be observed by the School District or to surrender any right or power herein reserved to or conferred upon the School District;

(f) to specify and determine the matters and things relative to the Bonds which are not contrary to or inconsistent with this Master Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds;

(g) to modify, amend or supplement this Master Resolution or any supplemental resolution in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if the School District so determines, to add to this Master Resolution or any supplemental resolution such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America;

(h) to provide for changes suggested by a rating agency as necessary to secure a rating on the Bonds;

(i) to provide for terms and conditions applicable to a particular Series of Bonds which may vary from the provisions of this Master Resolution; or

(j) to make any other change that, in the opinion of the School District, would not materially adversely affect the rights or security of the Holders of Bonds granted or provided for in this Master Resolution.

SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' AND INSURER'S CONSENT

. Subject to the terms and provisions contained in Section 36 above, the School District shall not amend or modify the provisions contained in this Master Resolution without the consent of the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding. For purposes of the foregoing requirement, a Bond Insurer may consent to any such modification or amendment on behalf of the Holders of Bonds insured by it; however, without the express written consent of the Holders of all affected Bonds, no supplemental resolution may be approved or adopted which shall permit or require (a) an extension of the maturity of the principal of or the interest on any Bond, (b) reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, (c) the creation of a lien upon or pledge of any funds or accounts established under or pursuant to this Master Resolution other than as expressly permitted hereby, (d) a preference or priority of any Bond or

Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of any amendment to this Master Resolution as authorized in Section 36.

If at any time the School District shall determine that it is necessary or desirable to adopt any supplemental resolution for any of the purposes of this Section 37, the Superintendent shall cause the Registrar to give notice of the proposed adoption of such supplemental resolution to be mailed, postage prepaid, to all registered owners of Bonds at their addresses as they appear on the registration books and to each Insurer of Outstanding Bonds. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the office of the Registrar for inspection by all Bondholders. The School District shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 37 to be mailed and any such failure shall not affect the validity of such supplemental resolution when consented to and approved as provided in this Section 37.

Whenever the School District shall deliver to the Registrar an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, or by Insurers on behalf of such Holders to the extent permitted by this Section 37, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy of such notice referred to in such notice, following which, but not otherwise, the School District may adopt such supplemental resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such supplemental resolution shall have consented to and approved the adoption of such resolution as provided in this Master Resolution, no Holder of any Bond shall have any right to object to the adoption of such supplemental resolution, or to object to any of the terms and

provisions contained therein or the operation of such terms and provisions, or in any manner to question the propriety of the adoption of such supplemental resolution, or to enjoin or restrain the School District from adopting the same or from taking any action pursuant to the provisions of such supplemental resolution.

Upon the adoption of any supplemental resolution pursuant to the provisions of this Section 37, this Master Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Master Resolution of the School District and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Master Resolution as so modified and amended.

RIGHTS OF INSURERS

. In the event that a Bond Insurance Policy is in full force and effect as to any Bonds and the Insurer is not insolvent and no default under such Bond Insurance Policy exists on the part of such Insurer, such Insurer, in place of the Registered Owners of the Bonds insured by it, shall have the power and authority to give any consents and exercise any and all other rights that the Registered Owners of such Bonds would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Section 27, and the giving of consents to supplemental resolutions when required by Section 37, and such consent shall be deemed to constitute the consent of the Registered Owners of all of those Bonds which are secured by such Bond Insurance Policy.

SUPPLEMENTAL RESOLUTIONS PART OF RESOLUTION

. Any supplemental resolution adopted in accordance with the provisions of this Article and approved as to legality by the School Board Attorney or Bond Counsel shall thereafter form a part of this Master Resolution, and all of the terms and conditions contained in any such supplemental resolution shall be part of the terms and conditions of this Master Resolution for any and all purposes. Express reference to any supplemental resolution may be made in the text of any Bonds issued after its adoption, if deemed necessary or desirable by the School District.

MANNER OF EVIDENCING OWNERSHIP OF BONDS

. Any request, direction, consent or other instrument in writing required or permitted by this Master Resolution to be signed or executed by owners of the Bonds may be in any number of concurrent instruments of similar tenor and may be signed or executed by such owners in person or by an agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Master Resolution, and shall be conclusive in favor of the School District and the Registrar if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such verification or affidavit shall also constitute sufficient proof of his authority.

The ownership of the Bonds shall be proved by the registration books kept under the provisions of this Master Resolution.

Any action taken or suffered by the Registrar and Paying Agent pursuant to any provision of this Master Resolution, upon the request or with the assent of any Holder who at the time is the registered owner of any Bond or Bonds shall be conclusive and binding upon all future owners of the same Bond or Bonds. In determining whether the owners of the required principal amount of Bonds Outstanding have taken any action under this Master Resolution, Bonds owned by the School District or any person controlling, controlled by or under common control with the School District (unless the School District or such other person own all Bonds which are then Outstanding, determined without regard to this Section 40) shall be disregarded and deemed not to be Outstanding, except that for the purpose of determining whether the Registrar and Paying Agent shall be protected in relying on any such action, only such Bonds which the Registrar and Paying Agent has actual knowledge are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Registrar and Paying Agent the pledgee's right so to act with respect

to such Bonds and that the pledgee is not any person directly or indirectly controlling or controlled by or under direct or indirect common control with the School District. In case of a dispute as to such right, any decision by the Registrar and Paying Agent taken upon the advice of Bond Counsel shall be full protection to the Registrar and Paying Agent, as the case may be.

Any moneys deposited with any Paying Agent by the School District in accordance with the terms and covenants of this Master Resolution, in order to redeem or pay any Bond in accordance with the provisions of this Master Resolution, and remaining unclaimed by the registered owner of the Bond for five (5) years after the date on which such Bonds or interest, principal or redemption premium, if any, thereon has become payable, as the case may be, (or such shorter or longer period of time as may be specified in Section 717.112, Florida Statutes, or any successor provision) shall, if the School District is not at the time to the actual knowledge of such Paying Agent in default with respect to any of the terms and conditions of this Master Resolution, be repaid by such Paying Agent to the School District; and thereafter, the registered owner of the Bond shall be entitled to look only to the School District for payment of such amount; *provided, however*, that the Registrar or such Paying Agent, before being required to make any such repayment, shall, at the expense of the School District, mail to the registered owner of such Bond at its address, as the same shall last appear on the Bond register, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be returned to the School District. If the School District makes arrangements satisfactory to such Paying Agent to indemnify such Paying Agent for any costs which it may incur due to the unavailability of moneys due to such investment, such moneys may be invested in accordance with the terms of this Master Resolution in Authorized Investments. Investment income on any such unclaimed moneys received by such Paying Agent shall be deposited as provided in this Master Resolution until the final maturity or redemption date of such Bond. Any such income generated after such date shall be deemed to be unclaimed moneys of the type referred to in the first sentence of this Section 40 and shall be disposed of in accordance with such sentence. The School District must covenant and agree, as a condition to it receiving such funds, to indemnify and save such

Paying Agent harmless from any and all loss, costs, liability and expense suffered or incurred by such Paying Agent by reason of having returned any such moneys to the School District as in this Master Resolution provided.

ACTION REQUIRED ON NON-BUSINESS DAY

. If the date for payment of the principal of, redemption premium, if any, or interest on the Bonds or action or notice required by this Master Resolution shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized or required by law or executive order to close, then the date for such payment, action or notice shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such day shall have the same force and effect as if made on the scheduled date of payment and such action or notice shall have the same effect as if made on the required or scheduled date, and no Event of Default shall exist solely because of the failure to make such payment, take such action or give such notice on such required or scheduled date.

COVENANTS OF SCHOOL DISTRICT BINDING ON SUCCESSORS; NO PERSONAL LIABILITY

. All covenants, stipulations, obligations and agreements of the School District contained in this Master Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the School District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon any officer, board, body or person to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with the law.

Except as otherwise provided in this Master Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the School District or upon the School Board by the provisions of this Master Resolution shall be exercised or performed by the School Board or by such

officers, board, body or persons as may be required by law to exercise such power or to perform such duties.

No covenant, stipulation, obligation or agreement contained in this Master Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the School Board or officer, agent or employee of the School District in his or her individual capacity, and neither the members of the School Board nor any officer or official of the School District executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

INCIDENTAL ACTIONS

. The Chair of the School Board, the Vice Chair of the School Board and the Secretary of the School Board, and other officials and officers of the School Board now or hereafter authorized to act on behalf of the School District, are hereby authorized, empowered and directed to execute and deliver such documents and take such other actions (including, but not limited to, the establishment of reserve funds or the procurement of a municipal bond insurance policy to secure Bonds or any Series of Bonds, the validation of the Bonds or the issuance of the Bonds or any Series of Bonds in book-entry form) as shall be necessary and appropriate to accomplish the issuance of the Bonds pursuant to the terms of this Master Resolution. The Chair of the School Board, the Vice Chair of the School Board and the Secretary of the School Board, are hereby authorized to agree to such requirements as may be imposed by the issuer of any municipal bond insurance policy or any rating agency with respect to any of the Bonds as a condition of such credit enhancement or rating and are hereby authorized to amend this Master Resolution as may be necessary to comply with such requirements.

SUCCESSORSHIP OF SCHOOL DISTRICT OFFICERS

. In the event that the office of any officer authorized to act hereunder shall be abolished, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of such office by reason of sickness, absence or otherwise, all, powers conferred and all obligations and duties imposed

upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law or by the School District.

HEADINGS NOT PART OF RESOLUTION

. Any heading preceding the text of the several articles of this Master Resolution, and any table of contents or marginal notes appended to copies of this Master Resolution, shall be solely for convenience of reference and shall not constitute a part of this Master Resolution, nor shall they affect its meaning, construction or effect.

SEVERABILITY

. If any section, paragraph, clause or provision of this resolution shall be held invalid by any court of competent jurisdiction, such holding shall not affect any other section, paragraph, clause or provision of this resolution.

REPEALING CLAUSE

. All resolutions or parts thereof in conflict or inconsistent herewith are, to the extent of such conflict or inconsistency, hereby repealed.

EFFECTIVE DATE

. This Master Resolution shall be effective immediately upon its adoption.

Adopted this 10th day of January, 2023.

By: Sandra Gilyard
Chair, The School Board of Putnam County,
Florida

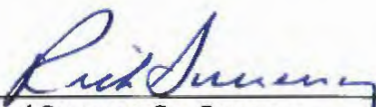
ATTEST:

Ruth Summey
Secretary, The School Board of Putnam County,
Florida

CERTIFICATE

I, Dr. Richard Surrency, Sr., Secretary of The School Board of Putnam County, Florida, and Superintendent of Schools of the School District of Putnam County, Florida do hereby certify that the foregoing resolution entitled **"A RESOLUTION OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA PROVIDING FOR THE ISSUANCE, IN SERIES FROM TIME TO TIME OF GENERAL OBLIGATION SCHOOL BONDS OF THE SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$300,000,000 FOR CONSTRUCTION, RENOVATION AND REPLACEMENT OF PUBLIC SCHOOL FACILITIES OF THE SCHOOL DISTRICT, INCLUDING SAFETY ENHANCEMENTS AND INSTRUCTIONAL TECHNOLOGY UPGRADES; PROVIDING THAT SUCH GENERAL OBLIGATION SCHOOL BONDS SHALL CONSTITUTE GENERAL OBLIGATIONS OF THE SCHOOL DISTRICT AND THAT THE FULL FAITH, CREDIT AND TAXING POWER OF THE SCHOOL DISTRICT SHALL BE IRREVOCABLY PLEDGED FOR PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH GENERAL OBLIGATION SCHOOL BONDS; CREATING CERTAIN FUNDS AND ACCOUNTS; ESTABLISHING RIGHTS AND REMEDIES OF OWNERS OF SUCH BONDS; SETTING FORTH CERTAIN COVENANTS AND AGREEMENTS OF THE SCHOOL DISTRICT; AUTHORIZING RELATED ACTIONS; AND PROVIDING AN EFFECTIVE DATE."** was presented, considered, passed and adopted at a duly assembled meeting of The School Board of Putnam County, Florida held on the 10th day of January, 2023, in Putnam County, Florida, and I further certify that the foregoing resolution is a true and correct copy of the original resolution duly adopted and spread upon the official minutes of the said Board.

In testimony whereof, I have hereunto set my hand and the seal of the Board this 10th day of January, 2023.



Dr. Richard Surrency, Sr., Secretary
The School Board of Putnam County, Florida

EXHIBIT A

**Putnam County Public Schools
Current General Obligation Bond Project List**

West Putnam Schools

New Elementary School - PreK - 6th - Melrose
New Elementary School - PreK - 6th - Interlachen

Central Putnam Schools

New Elementary School - PreK - 6th - Palatka 1A
New Elementary School - PreK - 6th - Palatka 1B
New Elementary School - PreK - 6th - San Mateo

South Putnam Schools

New Elementary School - PreK - 6th - Crescent City

EXHIBIT B
FORM OF BOND

NO. R-[]

\$[]

UNITED STATES OF AMERICA
STATE OF FLORIDA
SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA
GENERAL OBLIGATION SCHOOL BOND
SERIES []

Interest Rate

Maturity Date

Dated Date

CUSIP

[]%

[]

[]

[]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [] DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the School District of Putnam County, Florida (the "School District"), for value received, hereby promises to pay to the order of the Registered Owner, or registered assigns (the "Registered Owner"), on the date specified above, solely from the special funds hereinafter mentioned, the Principal Amount identified above, upon the presentation and surrender hereof at the designated office of [], [], Florida, as co-bond registrar, (individually, the "Co-Bond Registrar", and together with The School Board of Putnam County, Florida, the "Co-Bond Registrars"), and to pay interest thereon from the date of this Series [] Bond or from the most recent interest payment date to which interest has been paid, whichever is applicable, until payment of such sum by The School Board of Putnam County, Florida (the "School Board") or [], as co-paying agents (the "Co-Paying Agents"), at the rate per annum set forth above, semi-annually on the first day of [] and the first day of [] of each year commencing on [], [] by check or draft mailed by first class mail to the Registered Owner (or by wire transfer to the Registered Owner of not less than \$1,000,000 in aggregate principal amount of Series [] Bonds if such Registered Owner requests payment by wire transfer in writing and specifies the account to which such interest payment is to be wired) as of no later than the fifteenth day of the month preceding the month of the applicable interest payment date (the "Record Date") at the Registered Owner's address as it appears on the registration books on the Record Date; provided however presentation and surrender is not required for payment while the Series [] Bonds are registered in book-entry only form. Both principal of and interest on this Series [] Bond are payable in lawful money of the United States of America.

This Series [] Bond is one of an authorized issue of bonds designated as “General Obligation School Bonds, Series [],” originally issued on [Dated Date] in the aggregate principal amount of \$[], pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Sections 1010.40 through 1010.54, Florida Statutes, together with other relevant sections of Chapters 1001-1013, Florida Statutes, the Master Resolution, adopted by the School Board, acting as the governing body of the School District, on [January 10, 2023] and the Series Resolution adopted by the School Board on [], [] (collectively, the “Series [] Bond Resolution”). The Series [] Bonds are subject to all the terms and conditions of the Series [] Bond Resolution. The Series [] Bonds are being issued to pay for costs associated with construction, renovation and replacement of public school facilities in the School District, including safety enhancements and instructional technology upgrades.

Reference is made to the Series [] Bond Resolution for the provisions, among others, relating to the terms, lien and security for the Series [] Bonds, the custody and application of the proceeds of the Series [] Bonds, the rights and remedies of the holders of the Series [] Bonds, and the extent of and limitations on the School District’s rights, duties, and obligations, to all of which provisions the registered owner hereof assents by acceptance hereof.

This Series [] Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York (“DTC”), which shall act as securities depository for the Series [] Bonds, with no physical distribution of certificates to be made. Any provisions of the Series [] Resolution or of the Series [] Bonds requiring physical delivery of the Series [] Bonds shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests of its participants (“DTC Participants”) and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“Indirect Participants”). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series [] Bonds (“Beneficial Owners”).

This Series [] Bond shall initially be registered in the name of Cede & Co. as nominee for DTC, and so long as this Series [] Bond is held in book-entry-only form, Cede & Co. shall be considered the registered holder for all purposes hereof, including the payment of principal of and interest hereon. Payments to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Co-Paying Agents or the School District.

This Series [] Bond shall constitute a general obligation of the School District, the prompt payment of the principal of and interest on which is secured by the full faith and credit and ad valorem taxing power of the School District. This Series [] Bond is payable solely from and secured by a prior lien upon and a pledge of the proceeds of the levy and collection of a direct annual tax, without limitation as to rate or amount, upon all taxable property within the School District sufficient to pay the principal of, and interest on this Series [] Bond as the same, respectively, shall become due and payable and to provide for probable failures of collection of such tax in such year, which tax shall be levied and collected at the same time and in the same manner as other ad valorem taxes are assessed, levied and collected for operating expenses of the School District and shall be in addition to all other taxes authorized to be levied by the School District.

This Series [] Bond may be transferred only upon the books of the School District kept by the Co-Bond Registrar upon surrender thereof at the corporate trust office of the Co-Bond Registrar, [], Florida, with an assignment duly executed by the registered owner or duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Series [] Resolution, and upon surrender and cancellation of this Series [] Bond. Upon any such transfer, there shall be executed and the Co-Bond Registrar shall deliver, a new fully registered Series [] Bond or Series [] Bonds, payable to the transferee, in authorized denominations and in the same aggregate principal amount, series, maturity and interest rate as this Series [] Bond.

In like manner, subject to and upon the payment of such charges, if any, the Registered Owner of this Series [] Bond may surrender the same (together with a written authorization for exchange satisfactory to the Co-Bond Registrar duly executed by the Registered Owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of fully registered Series [] Bonds in authorized denominations and of the same series, maturity and interest rate as this Series [] Bond.

This Series [] Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

[Insert applicable redemption provisions.]

It is hereby certified and recited that this Series [] Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Florida, that all acts, conditions and things required to exist, to happen and to be performed precedent to the issuance of this Series [] Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Series [] Bonds of this issue does not violate any constitutional or statutory limitation or provision.

This Series [] Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Series [] Resolution until the certificate of authentication hereon shall have been executed by the Co-Bond Registrar.

IN WITNESS WHEREOF, the School District of Putnam County, Florida, has issued this Bond and has caused the same to be executed by the Chair of the School Board, and attested and countersigned by the Secretary of the School Board, either manually or with their facsimile signatures, and its corporate seal, or a facsimile thereof to be impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date set forth above.

**SCHOOL DISTRICT OF PUTNAM COUNTY,
FLORIDA**

(SEAL)

By: _____
Chair, The School Board of Putnam
County, Florida

ATTESTED AND COUNTERSIGNED:

By: _____
Secretary, The School Board
of Putnam County, Florida

CERTIFICATE OF AUTHENTICATION OF CO-BOND REGISTRAR

This Series [] Bond is one of the Series [] Bonds of the issue described in the within-mentioned Series [] Resolution.

[], as **Co-Bond Registrar**

[Dated Date]
Date of Authentication

By: _____
Authorized Signature

CERTIFICATE OF VALIDATION

This Series [] Bond is one of a series of bonds which were validated and confirmed by final judgment of the Circuit Court of the Seventh Judicial Circuit in and for Putnam County, Florida, rendered on [Validation Date].

By: _____
Chair, The School Board of
Putnam County, Florida

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Series [] Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN - as joint tenants with rights to survivorship and not as tenants in common

UNIFORM TRANSFER _____ Custodian _____
MIN ACT - (Cust) (Minor)

Under Uniform Transfer to _____
Minors Act - (State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

PLEASE INSERT SOCIAL
SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

the within Series [] Bond and does hereby irrevocably constitute and appoint the
_____ as his agent to transfer the Series [] Bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The signature to this assignment
must correspond with the name of the
Registered Owner as it appears upon the face
of the within Series [] Bond in every
particular, without alteration or enlargement or
any change whatever.

THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA

GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

SERIES RESOLUTION

APPROVED
APR 28 2026
BOARD MEETING

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A RESOLUTION OF THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA, PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026 OF THE SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA, IN AN AGGREGATE AMOUNT NOT EXCEEDING \$100,005,000; FIXING THE FORM AND OTHER DETAILS OF THE SERIES 2026 BONDS; AUTHORIZING A PUBLIC SALE OF THE SERIES 2026 BONDS AND APPROVING THE FORM OF DOCUMENTS IN CONNECTION THEREWITH; CREATING CERTAIN FUNDS AND ACCOUNTS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPOINTING A BOND REGISTRAR AND PAYING AGENT FOR THE SERIES 2026 BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE SCHOOL BOARD AND THE BOND REGISTRAR AND PAYING AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT; PROVIDING FOR INCIDENTAL ACTION BY MEMBERS AND OFFICERS OF THE SCHOOL BOARD AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The School Board of Putnam County, Florida (the “**School Board**”) adopted a Resolution on March 2, 2021 (the “**Initial Resolution**”), requesting approval by the Florida Department of Education of the issuance of general obligation school bonds of the School District of Putnam County, Florida (the “**District**” or the “**School District**”) in an aggregate principal amount not to exceed Three Hundred Million Dollars (\$300,000,000) (the “**Bonds**”); and

WHEREAS, in a letter dated November 8, 2021, the Florida Department of Education approved the Initial Resolution; and

WHEREAS, the School Board adopted a Referendum Resolution on December 14, 2021 (the “**Referendum Resolution**”), calling for a referendum at the general election to be held on November 8, 2022, to submit to the qualified electors of the School District the question of whether the School District shall issue the Bonds; and

WHEREAS, pursuant to the Referendum Resolution, the question was submitted to the qualified electors of the School District at the election held on November 8, 2022, the results of

which were canvassed and declared by the Board at a regular public meeting on November 18, 2022 (which results have been recorded in the minutes of the Board) as follows: As provided in the Report dated November 18, 2022, of the Putnam County Supervisor of Elections, 52.62% of the electorate who voted approved the issuance of Bonds; and

WHEREAS, the School Board adopted a Master Resolution on January 10, 2023 (the “**Master Resolution**”), authorizing the issuance of Bonds from time to time, and setting forth certain terms of the Bonds; and

WHEREAS, the Bonds were validated by final judgment entered April 13, 2023, in the Circuit Court of the Seventh Judicial Circuit in and for Putnam County, Florida, subject to an appeal period that expired on May 13, 2023 without an appeal having been filed; and

WHEREAS, on June 29, 2023, the School District issued \$99,995,000 aggregate principal amount of its General Obligation School Bonds, Series 2023 as the first series of Bonds; and

WHEREAS, on June 20, 2025, the School District issued \$100,000,000 aggregate principal amount of its General Obligation School Bonds, Series 2025 as the second series of Bonds; and

WHEREAS, the School Board has determined it to be in the best interest of the School District that a third series of Bonds in an amount not exceeding \$100,005,000 aggregate principal amount of the Bonds (hereinafter called the “**Series 2026 Bonds**”) be issued and sold in accordance with Section 7 hereof; and

WHEREAS, it is necessary to authorize the distribution and use of the Preliminary Official Statement for the Series 2026 Bonds and to authorize the execution and delivery of a final Official Statement therefor; and

WHEREAS, in order to provide for compliance with the requirements of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Rule**”), the School Board will execute a Disclosure Agreement (as hereinafter defined) agreeing to deliver such information and reports and give notice of the occurrence of certain events consistent with the requirement of the Rule; and

WHEREAS, the School Board deems it to be in its best financial interests that said Series 2026 Bonds be sold at a competitive sale;

NOW THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA that:

SECTION 1. AUTHORITY FOR SERIES 2026 RESOLUTION. This Series 2026 Resolution is adopted pursuant to and is subject to the Constitution and laws of the State of Florida, particularly, Section 1010.40 *et seq.*, Florida Statutes, and other applicable provisions of law (hereinafter referred to collectively as the “**Act**”), and pursuant to the provisions of the Master Resolution of the School Board referred to above (this Series 2026 Resolution and the Master Resolution, as modified and supplemented by this Series 2026 Resolution are sometimes hereinafter collectively referred to as the “**Resolutions**”). This Series 2026 Resolution shall constitute the Series Resolution (as defined in the Master Resolution) contemplated by Section 22 of the Master Resolution.

SECTION 2. DEFINITIONS. Any capitalized term used herein and not otherwise defined shall have the definition for such term provided in the Master Resolution. In addition, the following capitalized terms shall have the following meanings herein, unless the text otherwise expressly requires:

“Debt Service Requirement” for any Calendar Year, as applied to the Series 2026 Bonds shall mean the sum of:

(1) The amount required to pay the interest becoming due on the Series 2026 Bonds during such Calendar Year; and

(2) The aggregate amount required to pay the principal becoming due on the Series 2026 Bonds for such Calendar Year. For purposes of this definition the stated maturity date of any Series 2026 Bonds which are Term Bonds shall be disregarded and the Amortization Installment applicable to such Series 2026 Bonds which are Term Bonds in such Calendar Year shall be deemed to mature in such Calendar Year.

“Interest Payment Date” shall mean the date or dates determined in the Certificate of Award (hereinafter defined) on which interest on the Series 2026 Bond shall be due and payable.

“Project Account” shall mean the Series 2026 Project Account of the Project Fund established pursuant to Section 5 hereof.

“Series 2026 Debt Service Account” shall mean the Series 2026 Debt Service Account of the Debt Service Fund established pursuant to Section 6 hereof.

“Series 2026 Project” shall mean the portion of the Project (as defined in the Master Resolution) to be financed with proceeds of the Series 2026 Bonds.

SECTION 3. SERIES 2026 BONDS. An amount not exceeding \$100,005,000 aggregate principal amount of the Bonds is hereby authorized to be issued at this time, and shall be designated **“Series 2026 Bonds”**.

(a) The Series 2026 Bonds shall be dated, shall pay interest on each Interest Payment Date, shall be issued in denominations of \$5,000 or integral multiples thereof, shall mature, and shall bear interest at rates determined pursuant to Section 6 hereof.

(b) Redemption Provisions of Series 2026 Bonds. The Series 2026 Bonds shall be subject to optional redemption, and the Series 2026 Bonds which are Term Bonds, if any, shall be subject to mandatory redemption, upon the terms and conditions and at the times determined pursuant to Section 7 hereof and the Official Notice of Sale.

SECTION 4. FORM OF SERIES 2026 BONDS. The text of the Series 2026 Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, with such omissions, insertions and variations as may be necessary and desirable.

SECTION 5. SERIES 2026 PROJECT ACCOUNT. There is hereby created and established by the District within the Project Fund a separate account therein to be known as the “**Series 2026 Project Account**”. Such account shall be held and administered by the School Board or a depository designated by the School Board. The proceeds derived from the sale of the Series 2026 Bonds net of accrued interest, if any, shall be deposited by the District in the Series 2026 Project Account of the Project Fund and such proceeds, together with investment earnings thereon, shall be expended for the purpose of financing the costs of the Series 2026 Project, subject to the provisions of Section 16 of the Master Resolution. All such proceeds shall be and constitute trust funds for such purposes.

The Registered Owners of the Series 2026 Bonds issued hereunder shall have no responsibility for the use of the proceeds of the Series 2026 Bonds, and the use of such proceeds by the School Board shall in no way affect the rights of such Registered Owners. The School Board shall be irrevocably obligated to continue to levy and collect the ad valorem taxes as provided herein and to timely pay the principal of and interest on the Series 2026 Bonds notwithstanding any failure of the School Board to use and apply such Series 2026 Bond proceeds in the manner provided herein. The Registered Owners of the Series 2026 Bonds shall have a lien

on all monies and investments held on deposit in the Series 2026 Project Account of the Project Fund during the period that such monies remain on deposit in the Series 2026 Project Account.

SECTION 6. SERIES 2026 DEBT SERVICE ACCOUNT OF THE DEBT SERVICE FUND. There is hereby created and established by the District an account within the Debt Service Fund to be known as the “Series 2026 Debt Service Account” (the “**Series 2026 Debt Service Account**”), to be held and administered by the School Board solely for the purpose of paying the principal of, premium, if any, and interest on the Series 2026 Bonds as they become due, whether at maturity, or upon redemption or purchase for cancellation, or to reimburse the District for paying such amounts.

SECTION 7. PUBLIC SALE OF SERIES 2026 BONDS; AWARD OF SERIES 2026 BONDS. It is hereby found, ascertained, determined and declared by the Board that a public sale of the Series 2026 Bonds in the aggregate principal amount of not to exceed \$100,005,000 is in the best interest of the District and is hereby authorized. Each of the Superintendent, and the Chief Financial Officer of the District is hereby authorized to approve and publish a summary notice of sale for the Series 2026 Bonds, to approve and distribute an official notice of sale for the Series 2026 Bonds and related documents, and to approve a Preliminary Official Statement for distribution in connection with such official notice of sale. The forms of the official notice of sale and summary notice of sale shall be substantially in the forms set forth in **Exhibit D** and **Exhibit F**, respectively, attached hereto. The Series 2026 Bonds shall be offered at public sale on a date to be determined at the discretion of the Superintendent or the Chief Financial Officer of the District without further authorization from the Board. Each of the Superintendent and the Chief Financial Officer of the District is hereby authorized and directed to publish, or cause to be published, the official or summary form of notice of sale in The Bond Buyer, a financial newspaper

published and/or of general circulation in the Borough of Manhattan, City and State of New York and, at the discretion of the Superintendent or the Chief Financial Officer of the District, in a newspaper of general circulation in the area of the District one time not less than 10 days prior to such date of sale. The Board hereby separately authorizes and directs the Chair or Vice Chair, the Superintendent and the Chief Financial Officer to take all actions necessary to consummate such sale, upon the terms and conditions set forth in the official notice of sale.

The Board and its officers are hereby authorized and directed to take such action as the Board or its officers deem necessary or desirable to obtain a securities rating for the Series 2026 Bonds from Moody's Ratings ("**Moody's**"), S&P Global Ratings, a division of S&P Global Inc. ("**S&P**") and/or Fitch Ratings, Inc. ("**Fitch**").

The Superintendent and the Chief Financial Officer, acting separately or with another named officer and in consultation with and upon the advice of the District's Municipal Advisor, School Board Attorney and Bond Counsel, are authorized to receive bids for the purchase of the Series 2026 Bonds and to award the Series 2026 Bonds to the lowest responsive bidder as evidenced by the execution of the Certificate of Award (as hereinafter defined), without further action by the Board.

Characteristics of the Series 2026 Bonds or any installment thereof, determined on the basis of the bids and the provisions of this Series 2026 Resolution, shall be set forth in a certificate of the District awarding the Series 2026 Bonds (the "**Certificate of Award**") to the successful purchaser thereof. The Certificate of Award shall constitute the Series Certificate referenced in the Master Resolution. The Certificate of Award shall be executed by the Superintendent or the Chief Financial Officer, upon satisfaction of the conditions specified below, without further action by the Board.

This delegation of the District is expressly made subject to the following conditions, the failure of any of which shall render the successful bid voidable at the option of the District. The conditions for execution of the Certificate of Award are:

- (a) The form of Certificate of Award shall be approved by Bond Counsel to the District;
- (b) The net interest cost rate for the Series 2026 Bonds, based upon their award to the successful bidder, shall not exceed the interest rate limitation contained in Section 215.84, Florida Statutes;
- (c) The final maturity of the Series 2026 Bonds shall not be later than July 1, 2056.
- (d) No bid for the purchase of the Series 2026 Bonds shall be for a price of less than par.
- (e) Prior to award of the Series 2026 Bonds to the successful bidder, the District shall receive from the successful bidder a truth-in-bonding statement as required by Section 218.385(2) and (3), Florida Statutes; and
- (f) The successful bidder (the “**Purchaser**”) shall comply with such other conditions as requested by Bond Counsel to the District.

SECTION 8. PRELIMINARY OFFICIAL STATEMENT; OFFICIAL STATEMENT.

The form of the Preliminary Official Statement attached to this Series 2026 Resolution as **Exhibit B** is hereby approved, and the Board hereby authorizes the distribution and use of the Preliminary Official Statement in connection with the sale of the Series 2026 Bonds. If between the date hereof and the mailing of the Preliminary Official Statement it is necessary to make insertions, modifications and changes to the Preliminary Official Statement, each of the Chair, the Vice Chair,

the Superintendent and the Chief Financial Officer is hereby authorized to approve such insertions, changes and modifications, and each of the Chair, the Vice Chair, the Superintendent and the Chief Financial Officer is hereby authorized to deem the Preliminary Official Statement “final” within the meaning of the Rule, in the form as mailed, and in furtherance thereof to execute a certificate evidencing the same substantially in the form attached hereto as **Exhibit C**. Execution of such certificate shall be conclusive evidence of the approval of any such insertions, changes or modifications.

The Superintendent is hereby authorized to have prepared and each of the Chair or Vice Chair is hereby authorized to execute a final Official Statement and, upon such execution, to deliver the same to the Purchaser for use by it in connection with the sale of the Series 2026 Bonds. The Official Statement shall be substantially in the form of the Preliminary Official Statement, with such changes as shall be approved by the Superintendent or the Chief Financial Officer as necessary to conform the details of the Series 2026 Bonds and such other insertions, modifications and changes as may be approved by the Superintendent or the Chief Financial Officer. The execution and delivery of the Official Statement by the Chair or Vice Chair shall constitute conclusive evidence of the approval thereof. The Board hereby authorizes the Official Statement and the information contained therein to be used in connection with the sale of the Series 2026 Bonds.

SECTION 9. EXECUTION OF ADDITIONAL DOCUMENTS, INCIDENTAL ACTIONS. The Chair, Vice Chair and Secretary, and the Superintendent and Chief Financial Officer are authorized and directed to execute and deliver all documents, contracts, instruments and certificates, and to take all actions and steps on behalf of the School Board which are necessary or desirable in connection with the issuance of the Series 2026 Bonds or the acquisition,

construction, equipping and financing of the Series 2026 Project, and which are not inconsistent with the provisions of the Resolutions.

SECTION 10. APPOINTMENT OF BOND REGISTRAR AND PAYING AGENT. U.S. Bank Trust Company, National Association is hereby appointed and designated as Bond Registrar (the “**Bond Registrar**”) and Paying Agent (the “**Paying Agent**”) for the Series 2026 Bonds. The Chair, Vice Chair and Secretary, and the Superintendent and Chief Financial Officer are each hereby authorized, without further act of the School Board, to enter into any agreements with such Bond Registrar and Paying Agent which may be necessary to reflect the obligation of such Bond Registrar and Paying Agent to accept and perform the duties imposed upon it, and to effectuate the transactions contemplated, by this Series 2026 Resolution and the Master Resolution.

SECTION 11. CONTINUING DISCLOSURE. The School Board hereby covenants and agrees that, in order to provide for compliance by the School Board with the secondary market disclosure requirements of the Rule, if applicable, it will comply with and carry out all of the provisions of a Disclosure Dissemination Agent Agreement for the Series 2026 Bonds (the “**Disclosure Agreement**”) between the School Board and Digital Assurance Certification LLC, as it may be amended from time to time in accordance with the terms thereof. The Disclosure Agreement shall be substantially in the form attached hereto as **Exhibit G** with such changes, amendments, modifications, omissions and additions as shall be approved by the Chair or Vice Chair who is hereby authorized to execute and deliver the Disclosure Agreement. Execution of the Disclosure Agreement by the Chair or Vice Chair shall constitute conclusive evidence of the approval thereof. Notwithstanding any other provision of this Series 2026 Resolution, failure of the School Board to comply with the Disclosure Agreement shall not be considered an event of default; provided, however, any holder of a Series 2026 Bond may take such actions as may be

necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School Board to comply with its obligations under this Section 11 and the Disclosure Agreement.

SECTION 12. FINDINGS.

(a) The aggregate principal amount of the Series 2026 Bonds authorized herein shall not exceed \$100,005,000.

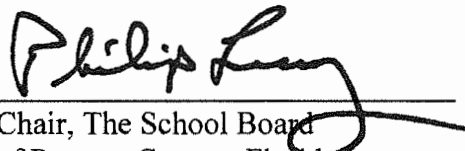
(b) It is hereby found and determined that all formal actions of the School Board concerning and relating to the adoption of this Series 2026 Resolution and the consummation of the transactions contemplated by this Series 2026 Resolution were adopted in open meetings of the School Board, and that all deliberations of the School Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

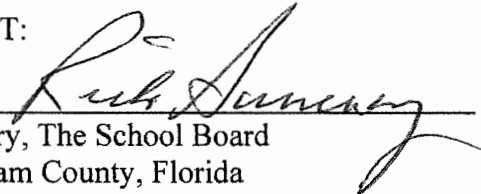
SECTION 13. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Series 2026 Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all the other provisions of this Series 2026 Resolution or of the Series 2026 Bonds issued hereunder.

SECTION 14. REPEALER. All Resolutions or portions thereof previously adopted by the School Board which are inconsistent with the provisions of this Series 2026 Resolution are hereby repealed to the extent of such inconsistency.

SECTION 15. EFFECTIVE DATE. This Series 2026 Resolution shall be effective immediately upon its adoption.

Adopted this 28th day of April, 2026.

By: 
Chair, The School Board
of Putnam County, Florida

ATTEST: 
Secretary, The School Board
of Putnam County, Florida

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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FORM OF LEGAL OPINION

*On the date of issuance of the General Obligation School Bonds, Series 2026,
Bond Counsel proposes to issue its approving opinion in substantially the following form:*

[date of delivery]

School District of Putnam County, Florida
Palatka, Florida

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Florida, including, particularly, Chapters 1010.40 through 1010.54, Florida Statutes, as amended, certified copies of the proceedings of The School Board of Putnam County, Florida (the “School Board”), acting as the governing body of the School District of Putnam County, Florida (the “School District”), including the Master Resolution adopted by the School Board on January 10, 2023, as supplemented, particularly as supplemented by a Resolution adopted by the School Board on April 28, 2026 (collectively, the “Resolutions”), certified copies of the validation proceedings in the Circuit Court of the Seventh Judicial Circuit in and for Putnam County, Florida, and other proofs submitted, relative to the issuance and sale of

\$100,005,000

School District of Putnam County, Florida
General Obligation School Bonds
Series 2026

on the date hereof (the “Series 2026 Bonds”), and maturing in such amounts and at such times, and bearing interest, and subject to redemption, all as described in the Official Statement of the School District, dated May 28, 2026, delivered in connection with the issuance and sale of the Series 2026 Bonds. The Series 2026 Bonds are being issued to pay for costs associated with the acquisition, construction, renovation and equipping of educational facilities within the School District, including safety enhancements and instructional technology upgrades.

As to questions of fact material to our opinion, we have relied upon such certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Series 2026 Bonds by the School District pursuant to the Constitution and laws of the State of Florida, including particularly Chapters 1010.40 through 1010.54, Florida Statutes.

2. The Series 2026 Bonds have been duly authorized, executed, authenticated and delivered under the provisions of the Resolutions.
3. The Resolutions have been duly adopted by the School Board and constitute legal, valid and binding obligations of the School District.
4. The Series 2026 Bonds are valid and legally binding general obligations of the School District, for the prompt payment of the principal of and interest on which as the same become due, the full faith, credit and taxing power of the School District are irrevocably pledged. The Series 2026 Bonds have been approved at a general election bond referendum duly held in the School District in accordance with the Constitution and laws of the State of Florida on November 8, 2022. Pursuant to the terms of the Resolutions, provision has been made for the levy and collection of a direct annual tax, without limitation as to rate or amount, upon all taxable property within the School District sufficient to pay the principal of and interest on the Series 2026 Bonds as the same become due. Such tax shall be levied and collected at the same time and in the same manner as other ad valorem taxes of the School District are assessed, levied and collected.
5. The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the School District must continue to meet after the issuance and sale of the Series 2026 Bonds in order that interest on the Series 2026 Bonds not be included in gross income for federal income tax purposes. The failure of the School District to meet these requirements may cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The School District has covenanted in the Resolutions to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2026 Bonds. The School District has full legal power and authority to comply with such covenants.

Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the following paragraph, interest on the Series 2026 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and, furthermore, interest on the Series 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2026 Bonds is not excluded from the determination of adjusted financial statement income.

In rendering the opinion expressed above, we have assumed the accuracy of certain certifications, representations and warranties of the School District and continuing compliance with the tax covenants referred to above that must be met after the issuance of the Series 2026 Bonds in order that interest on the Series 2026 Bonds

not be included in gross income for federal income tax purposes.

6. The Series 2026 Bonds and interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in Chapter 220.

We express no opinion regarding other federal or any state tax consequences of acquiring, carrying, owning or disposing of the Series 2026 Bonds.

It is to be understood that the rights of the holders of the Series 2026 Bonds and the enforceability thereof and of the Resolutions may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting generally the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement. This opinion is given as of the date hereof, and we assume no obligation to 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.

Respectfully submitted,

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APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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**DISCLOSURE DISSEMINATION AGENT AGREEMENT
SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA**

**\$(PAR AMOUNT)
General Obligation School Bonds, Series 2026**

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of [CLOSING DATE], 2026, is executed and delivered by The School Board of Putnam County, Florida, as the governing body of the School District of Putnam County, Florida (the "Issuer"), and Digital Assurance Certification LLC, as Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC"), for the benefit of the Holders (hereinafter defined) of the captioned Bonds designated as Series 2026 (the "Bonds" and in order to provide certain continuing disclosure with respect to the Bonds (hereinafter defined) in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB (as hereinafter defined).

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term

is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the Bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Chief Financial Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"District" means the School District of Putnam County, Florida.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of an obligation or instrument described in either clause (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical,

mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule.

"Obligated Person" means the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports. (a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure

Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than April 15 of each Fiscal Year, commencing April 15, 2027. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern Time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then on the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies";
2. "Non-Payment related defaults, if material";
3. "Unscheduled draws on debt service reserves reflecting financial difficulties";
4. "Unscheduled draws on credit enhancements reflecting financial difficulties";
5. "Substitution of credit or liquidity providers, or their failure to perform";
6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security";
7. "Modifications to rights of securities holders, if material";
8. "Bond calls, if material, and tender offers";
9. "Defeasances";
10. "Release, substitution, or sale of property securing repayment of the securities";
11. "Rating changes";
12. "Bankruptcy, insolvency or receivership or similar event of the Obligated Person";
13. "Merger, consolidation or acquisition of the Obligated Person, if material";
14. "Appointment of a successor or additional trustee or the change of name of a trustee, if material";

15. "Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material"; and

16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties."

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking";
2. "change in obligated person";
3. "notice to investors pursuant to bond documents";
4. "certain communications from the Internal Revenue Service";
5. "secondary market purchases";
6. "bid for auction rate or other securities";
7. "capital or other financing plan";
8. "litigation/enforcement action";
9. "change of tender agent, remarketing agent, or other on-going party";
10. "derivative or other similar transaction"; and
11. "other event-based disclosures";

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information";
2. "change in fiscal year/timing of annual disclosure";
3. "change in accounting standard";
4. "interim/additional financial information/operating data";
5. "budget";
6. "investment/debt/financial policy";
7. "information provided to rating agency, credit/liquidity provider or other third party";
8. "consultant reports"; and
9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including, to the extent not set forth in the Audited Financial Statements:

1. Updates of information in the Official Statement in the tables entitled:

a. "Statement of Revenues, Expenditures and Changes in Fund Balance – All Government Fund Types" and "Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund" as described under the heading "SELECTED FINANCIAL INFORMATION – Revenues and Expenditures";

b. "Assessed Value of Taxable Property," "Tax Millage Rates," "Property Tax Levies and Collections" and "Principal Taxpayers" as described under the heading "AD VALOREM TAX PROCEDURES."

(b) If available at the time of such filing, the Audited Financial Statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted auditing standards, and Government Auditing Principles issued by the Comptroller General of the United States. If the Issuer's Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the Audited Financial Statements shall be filed in the same manner as the Annual Report when they become available. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final Official Statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the interest payments made on the Bonds, or other material events affecting the tax-exempt status of the interest portion of payments made on the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes on the Bonds; and
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not in excess of ten (10) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which should be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the

information, (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB, from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a

Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized special tax counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification LLC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure

Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. If the Issuer has given its consent to the use of external counsel, the reasonable fees and expenses of such external counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**DIGITAL ASSURANCE CERTIFICATION
LLC, as Disclosure Dissemination Agent**

By: _____
Brianna Steger, Senior Vice President

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

By: _____
Phil Leary, Chair

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA

Obligated Persons: School District of Putnam County, Florida

Name of Bond Issue: \$[PAR AMOUNT] School District of Putnam County, Florida
General Obligation School Bonds, Series 2026

Date of Issuance: [CLOSING DATE], 2026

Date of Official Statement: [SALE DATE], 2026

Initial CUSIP Numbers: See below

SERIES 2026 GENERAL OBLIGATION SCHOOL BONDS:

Initial
CUSIP No.

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: SCHOOL DISTRICT OF PUTNAM COUNTY, FLORIDA

Obligated Persons: School District of Putnam County, Florida

Name of Bond Issue: \$[PAR AMOUNT] School District of Putnam County, Florida
General Obligation School Bonds, Series 2026

Date of Issuance: [CLOSING DATE], 2026

Date of Official Statement: [SALE DATE], 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of [CLOSING DATE], 2026, between The School Board of Putnam County, Florida, as the governing body of the Issuer, and Digital Assurance Certification LLC, as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification LLC, as
Disclosure Dissemination Agent, on behalf of
the Issuer

cc: School District of Putnam County, Florida
Obligated Person

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: **[C1]**

School District of Putnam County, Florida

Name of Bond Issue: **[\$[PAR AMOUNT]]** School District of Putnam County, Florida
General Obligation School Bonds, Series 2026

Issuer's Six-Digit CUSIP Number: **[C2]** 746547

Nine-Digit CUSIP Number(s) of the Bonds to which this event notice relates: **[C3]**

Number of pages of attached material event notice: **[C4]**_____

Description of Notice Event (Check One): **[C5]**

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-Payment related defaults, if material
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions, IRS notices or events affecting the tax status of the Bonds
7. ☐ Modifications to rights of Bond holders, if material
8. ☐ Bond calls, if material, and tender offers
9. ☐ Defeasances
10. ☐ Release, substitution, or sale of property securing repayment of the Bonds, if material
11. ☐ Rating changes
12. ☐ Bankruptcy, insolvency or receivership or similar event of the Obligated Person
13. ☐ Merger, consolidation or acquisition of the Obligated Person, if material
14. ☐ Appointment of a successor or additional trustee, or the change of name of a trustee, if material
15. ☐ Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material

16. ___ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.
17. ___ Failure to provide annual financial information as required [C6]

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature: _____

Name: [C6] _____ Title: [C7] _____

Employer: Digital Assurance Certification LLC Address: [C8] _____

City, State, Zip Code: _____

Voice Telephone Number: [C9] _____

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the Municipal Securities Rulemaking Board, pursuant to the Disclosure Dissemination Agent Agreement dated as of [C10] [CLOSING DATE], 2026 between The School Board of Putnam County, Florida, as the governing body of the Issuer, and DAC.

Issuer's and/or Other Obligated Person's Name: [C1]

School District of Putnam County, Florida

Name of Bond Issue: \$[PAR AMOUNT] School District of Putnam County, Florida
General Obligation School Bonds, Series 2026

Issuer's Six-Digit CUSIP Number: [C2] 746547

Nine-Digit CUSIP Number(s) of the Bonds to which this event notice relates: [C3]

Number of pages of attached material event notice: [C4]_____

____ Description of Voluntary Event Disclosure (Check One): [C11]

1. ____ "amendment to continuing disclosure undertaking";
2. ____ "change in obligated person";
3. ____ "notice to investors pursuant to bond documents";
4. ____ "certain communications from the Internal Revenue Service";
5. ____ "secondary market purchases";
6. ____ "bid for auction rate or other securities";
7. ____ "capital or other financing plan";
8. ____ "litigation/enforcement action";
9. ____ "change of tender agent, remarketing agent, or other on-going party";
10. ____ "derivative or other similar transaction"; and
11. ____ "other event-based disclosures."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: [C6] _____ Title: [C7] _____

Employer: Digital Assurance Certification LLC Address: [C8] _____

City, State, Zip Code: _____

Voice Telephone Number: [C9] _____

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the Municipal Securities Rulemaking Board, pursuant to the Disclosure Dissemination Agent Agreement dated as of [C9] [CLOSING DATE], 2026 between The School Board of Putnam County, Florida, as the governing body of the Issuer, and DAC.

Issuer's and/or Other Obligated Person's Name: [C1]

School District of Putnam County, Florida

Name of Bond Issue: \$[PAR AMOUNT] School District of Putnam County, Florida
General Obligation School Bonds, Series 2026

Issuer's Six-Digit CUSIP Number: [C2] 746547

Nine-Digit CUSIP Number(s) of the Bonds to which this event notice relates: [C3]

Number of pages of attached material event notice: [C4]_____

_____ Description of Voluntary Financial Disclosure (Check One): [C12]

1. _____ "quarterly/monthly financial information";
2. _____ "change in fiscal year/timing of annual disclosure";
3. _____ "change in accounting standard";
4. _____ "interim/additional financial information/operating data";
5. _____ "budget";
6. _____ "investment/debt/financial policy";
7. _____ "information provided to rating agency, credit/liquidity provider or other third party";
8. _____ "consultant reports"; and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature:

Name: [C6] _____ Title: [C7] _____

Employer: Digital Assurance Certification LLC Address: [C8] _____

City, State, Zip Code: _____

Voice Telephone Number: [C9] _____

Date: _____

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**PUTNAM COUNTY
SCHOOL DISTRICT**
SHAPING THE FUTURE



Mixed Sources
Product group from well managed
forests, controlled sources and
recycled wood or fiber.

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