PRELIMINARY OFFICIAL STATEMENT DATED JULY 20, 2026

NEW ISSUE: FULL BOOK-ENTRY **Rating: Moody's "MIG 1"**
(See "NOTE RATING" herein)

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Note Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Notes is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Notes is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Such interest, however, may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS" herein for a general discussion of Note Counsel's opinion and other tax considerations.

Hillsborough County PUBLIC SCHOOLS Preparing Students for Life

$240,000,000*
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
TAX ANTICIPATION NOTES, SERIES 2026

Dated: Date of Delivery **Due: March 31, 2027**

The Tax Anticipation Notes, Series 2026 (the "Notes"), of the School District of Hillsborough County, Florida (the "District") will be issued under the authority of Section 1011.13, Florida Statutes, and pursuant to and subject to the terms and conditions of a resolution adopted by The School Board of Hillsborough County, Florida (the "Board" or "School Board") on July 14, 2026 (the "Resolution"), authorizing the issuance of the Notes. The Notes will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof and, when issued, will be initially registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"). The Notes will be 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 Notes. Purchasers of the Notes (the "Beneficial Owners") will not receive physical delivery of note certificates. As long as Cede & Co. is the registered owner of the Notes, principal and interest payments will be made by the Chief Financial Officer of the District, as Registrar and Paying Agent, directly to Cede & Co., as the registered owner. DTC will, in turn, remit such payments to its participants for subsequent disbursement to the Beneficial Owners. Interest on the Notes will be paid on maturity.

The Notes are not subject to redemption prior to maturity.

PAYMENT FOR THE PRINCIPAL AND INTEREST ON THE NOTES WILL BE MADE IN IMMEDIATELY AVAILABLE FUNDS.

Interest Rate	Yield	Price	Initial CUSIP No.
____%	______%	_______	__________

The principal of and interest on the Notes shall be payable from and secured by a lien upon (a) receipts of ad valorem taxes collected for operating purposes (excluding ad valorem taxes collected to pay the principal of and interest on bonds of the District issued pursuant to Sections 1010.40-1010.55, Florida Statutes; or to pay the principal of and interest on any obligations issued by the District pursuant to Section 1011.14, Florida Statutes; or otherwise levied pursuant to Section 1011.71(2), Florida Statutes) and (b) amounts on deposit in the Note Payment Fund for the Notes; and, if necessary, shall be additionally payable from, but not secured by, legally available funds of the District derived from sources other than ad valorem taxation.

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

ELECTRONIC BIDS ONLY FOR THE NOTES PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE WILL BE RECEIVED BY THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, AT 11:00 A.M., EASTERN TIME ON JULY 28, 2026 PURSUANT TO THE BIDCOMP 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).

The Notes are offered in full book-entry form, when, as, and if issued and received by the purchaser of the Notes and subject to the approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Note Counsel. Certain legal matters will be passed upon for the District by Akerman LLP, Tampa, Florida, Counsel to the School Board. Nabors, Giblin & Nickerson, P.A., Tampa, Florida is serving as Disclosure Counsel to the District in connection with the issuance of the Notes. Ford & Associates, Inc., Tampa, Florida is serving as Municipal Advisor to the District. It is expected that settlement for the Notes will occur through the facilities of DTC on or about August 6, 2026.

Dated July __, 2026

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* Preliminary, subject to change.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
TAMPA, FLORIDA

BOARD MEMBERS

Karen Perez, Chair
Nadia T. Combs, Vice Chair
Lynn L. Gray, Member
Dr. Stacy A. Hahn, Ph.D., Member
Patricia Rendon, Member
Jessica Vaughn, Member
Henry Washington, Member

DISTRICT OFFICIALS

Van Ayres, Superintendent of Schools
Jamie Lewis, Chief Finance Officer

COUNSEL TO THE SCHOOL BOARD

Akerman LLP
Tampa, Florida

NOTE COUNSEL/DISCLOSURE COUNSEL

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

MUNICIPAL ADVISOR

Ford & Associates, Inc.
Tampa, Florida

This Official Statement does not constitute an offer to sell the Notes in any state or other jurisdiction to any person to whom it is unlawful to make such offer in such state or jurisdiction. No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained herein in connection with the offering of the Notes, and if given or made, such information or representations must not be relied upon.

The information set forth herein has been furnished by the District, and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the District or anyone acting on its behalf with respect to the information provided by other sources. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, except as stated herein, create any implication that there has been no change in the affairs of the District since the date hereof.

The Notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act") in reliance upon exemptions contained in the Securities Act, will not be listed on any stock or securities exchange and neither the Securities and Exchange Commission nor any other Federal, state, municipal or other governmental entity, other than the School Board, has passed upon the accuracy or adequacy of this Official Statement.

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.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT, THE SCHOOL BOARD OR THE UNDERWRITER AND ANY ONE OR MORE HOLDERS OF THE NOTES.

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 Notes are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

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

$240,000,000*
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
Tax Anticipation Notes, Series 2026

INTRODUCTION

This Official Statement, including the cover page and the appendices, is provided by The School Board of Hillsborough County, Florida (the "School Board" or "Board"), the governing body of the School District of Hillsborough County, Florida (the "District"), a public body corporate and politic established and existing pursuant to Section 4, Article IX of the Florida Constitution and the laws of the State of Florida (the "State"), including, particularly, Chapter 1001, Florida Statutes, in connection with the issuance and sale of the District's $240,000,000* Tax Anticipation Notes, Series 2026 (the "Notes"). The Notes are being issued pursuant to Section 1011.13, Florida Statutes, and a resolution adopted by the School Board on July 14, 2026 (the "Resolution"), in anticipation of the receipt by the District of certain revenues during the fiscal year which commenced July 1, 2026, and ends June 30, 2027 (the "2026-2027 Fiscal Year"). See "SECURITY FOR THE NOTES" herein. The proceeds of the Notes may only be used to pay operating expenditures incurred or accrued during the 2026-2027 Fiscal Year.

The District derives its revenues primarily from State educational funds and from ad valorem taxes levied by the District on taxable property located in Hillsborough County, Florida (the "County") for the support of public schools. The Notes are special obligations of the District and are secured as to principal and interest by a pledge of the receipts from the ad valorem property taxes levied for the purpose of operations during the 2026-2027 Fiscal Year. If necessary, the Notes will additionally be payable from, but are not secured by, legally available funds of the District derived from sources other than ad valorem taxation. See "SECURITY FOR THE NOTES" herein.

Pursuant to the Resolution, the District covenants to deposit said ad valorem tax receipts in a note payment fund (the "Note Payment Fund") to be maintained and monitored by the District, no later than twenty-one (21) days prior to the Maturity Date of the Notes in an amount equal to the principal of and interest on the Notes due at maturity. See "SECURITY FOR THE NOTES" herein.

The District has covenanted and agreed for the benefit of the holders of the Notes to provide notices of certain material events pursuant to Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

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* Preliminary, subject to change.

This Official Statement contains information concerning the District, the School Board, their finances, the sources of payment of the Notes and certain provisions contained in the Notes and the Resolution. All references herein to the Resolution, other agreements, documents and laws are qualified in their entirety by reference to the Resolution and each such agreement, document or law, and all references to the Notes are further qualified by reference to the definitive form thereof and information with respect thereto contained in the Resolution. A copy of the Resolution is attached hereto as APPENDIX C. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution, unless the context clearly indicates a different meaning is intended.

DESCRIPTION OF THE NOTES

The Notes are authorized to be issued pursuant to the provisions of Chapter 1011.13, Florida Statutes, and the Resolution. The Notes will be dated the date of issuance of the Notes (currently expected to be August 6, 2026) and will mature on March 31, 2027. Interest on the Notes (calculated on a 360-day year basis comprised of twelve 30-day months) will be payable at maturity; provided, that if the maturity date is not a business day, interest (and principal) will be paid on the next succeeding business day. Notwithstanding the foregoing, interest on the Notes will accrue to the maturity date. Both the principal of and interest on the Notes shall be payable upon presentation and surrender at the office of the Chief Financial Officer of the District, as Registrar and Paying Agent. The Notes are <u>not</u> subject to redemption prior to maturity.

Purpose of Issue

The proceeds of the Notes will be used to pay operating expenses of the District prior to the receipt of budgeted revenues. Imbalances in the District's cash flow result from the timing of the receipt of ad valorem property taxes.

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.

The Depository Trust Company ("DTC") will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note will be issued for the Notes 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 & 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of Notes ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as defaults, and proposed amendments to the legal documents relating to the Notes. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Notes 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, as Paying Agent, on a 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 registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, the School Board or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 Paying Agent. 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 Notes at any time by giving reasonable notice to the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Notes are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but takes no responsibility for the accuracy thereof.

SECURITY FOR THE NOTES

General

The Notes are special obligations of the District, payable from (a) receipts of ad valorem taxes (the "Tax Receipts") collected by the Hillsborough County Tax Collector for the benefit of the District during the 2026-2027 Fiscal Year, but only to the extent such tax receipts are levied or legally available for payment of operating expenses of the District and (b) amounts on deposit in the Note Payment Fund (collectively, the "Pledged Revenues"). Pledged Revenues shall not include ad valorem taxes collected to pay the principal of and interest on obligations of the District issued pursuant to Sections 1010.40-1010.55, Florida Statutes, or to pay the principal of and interest on any obligations issued by the District pursuant to Section 1011.14, Florida Statutes, or otherwise levied pursuant to Section 1011.71(2), Florida Statutes. If necessary, the Notes are additionally payable from, but are not secured by, the Non-Ad Valorem Funds of the District (defined in the Resolution as all legally available funds of the District or the School Board derived from sources other than ad valorem taxation).

NO OWNER OF ANY OF THE NOTES SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE SCHOOL BOARD, THE DISTRICT, THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OR TAXATION IN ANY FORM ON ANY PROPERTY THEREIN FOR PAYMENT THEREOF, OR BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OF THE SCHOOL BOARD OR THE DISTRICT, EXCEPT FOR THE PLEDGED REVENUES AND ANY NON-AD VALOREM FUNDS DEPOSITED IN THE NOTE PAYMENT FUND.

The School Board may issue additional obligations (including additional installments of Notes) payable from and secured by a lien upon the Pledged Revenues on a parity with the Notes, and may issue obligations having a first lien upon moneys of the District other than the Pledged Revenues and the moneys on deposit in the Note Payment Fund. The School Board covenants in the Resolution that it will not issue any (i) indebtedness of any kind payable from the Pledged Revenues which indebtedness is secured by a lien upon the Pledged Revenues superior to that of the Notes, (ii) obligations (other than additional installments of Notes) payable from or secured by a lien on the moneys on deposit in the Note Payment Fund, and (iii) additional obligations having an equal lien upon the Pledged Revenues if the issuance of such additional indebtedness would violate the provisions of Section 1011.13(1), Florida Statutes.

Note Payment Fund

In accordance with the terms of the Resolution, the District has established a fund designated the "Note Payment Fund." The District will make or cause to be made deposits of the Pledged Revenues and other revenues in the amounts and by the date provided in the Resolution, as summarized below, into the Note Payment Fund to ensure the timely payment of the principal of and interest on the Notes.

The Tax Receipts will be received periodically throughout the 2026-2027 Fiscal Year. Pursuant to the Resolution, the District has covenanted to deposit Tax Receipts into the Note Payment Fund in sufficient amounts so that no later than twenty-one (21) days prior to the Maturity Date of the Notes, or the first business day thereafter, the balance on deposit therein will equal the amount of principal and interest on the Notes at maturity.

If, on the twenty-first day preceding the Maturity Date of the Notes, or the first business day thereafter, and continuously thereafter, there is not on deposit in the Note Payment Fund an amount (including Permitted Investments and the income or earnings to be received thereon) equal to all principal of and interest on the Notes at maturity, the School Board shall designate the Note Payment Fund as its depository for the receipt of Pledged Revenues and continue such designation until such time as the amount in the Note Payment Fund, together with the earnings to be received thereon, is equal to all principal of and interest on the Notes at maturity.

Moneys on deposit in the Note Payment Fund shall be held solely for the payment of the Notes. Pending disbursement upon the Maturity Date of the Notes, such moneys may be invested, pursuant to the Resolution, at the direction of the District in investments which are, under Florida law, legal for the investment of surplus funds of school districts. Earnings on investments held in the Note Payment Fund shall be retained and reinvested in the Note Payment Fund until the amount on deposit in the Note Payment Fund, together with the earnings to be received thereon, is equal to the entire principal of and interest on the Notes at their maturity. Thereafter, such earnings may be withdrawn by the District and used in the District's discretion as provided by law except as otherwise provided in the Resolution.

The proceeds of the Notes are not pledged as security for payment of principal of and interest on the Notes and will be expended by the District to pay the costs of issuance of the Notes and to pay operating expenditures created by the District in accordance with its operating budget for the 2026-2027 Fiscal Year. The holders of the Notes will have no responsibility for the use of the proceeds of the Notes, and the use of such proceeds by the District will in no way affect the rights of such Noteholders.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

The District is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001, Florida Statutes. The District is coterminous with Hillsborough County, Florida (the "County"). For the 2025-2026 Fiscal Year, the District included 248 schools, 234,847 full time equivalent ("FTE") students (inclusive of charter school students and Family Empowerment Scholarship students), and 23,343 full and part-time positions, of which 14,209 were teachers. Management of the schools of the District is independent of County and municipal governments. The County collects taxes for the School Board, but exercises no control over expenditures by the School Board.

The School Board

The School Board is a body corporate existing under the laws of the State of Florida. The School Board is the governing body of the District, consisting of seven members elected by districts for four-year terms. Under existing law, the School Board's duties and powers include, but are not limited to, the development of policies and rules for the efficient operation of the District, 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 the establishment and operation of programs for gifted students and for students in residential care facilities; the appointment, compensation, promotion 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, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls. The annual budget and accounting reports must be filed with the State Department of Education.

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The present members of the School Board, their respective offices and expiration of their respective terms are as follows:

Name/Office	District	Ending Date of Current Term
Karen Perez, Chair	Board District No. 6[1]	November 2026
Nadia T. Combs, Vice Chair	Board District No. 1	November 2028
Lynn L. Gray, Member	Board District No. 7[1]	November 2028
Dr. Stacy A. Hahn, PhD, Member	Board District No. 2	November 2026
Patricia Rendon, Member	Board District No. 4	November 2026
Jessica Vaughn, Member	Board District No. 3	November 2028
Henry Washington, Member	Board District No. 5	November 2028

(1)At large districts.

Superintendent of Schools

The Superintendent of Schools is appointed by the School Board and serves as ex-officio Secretary to the School Board. The Superintendent oversees operations of the school system, makes policy recommendations to the School Board, and performs the duties assigned to him by law and the regulations of the State of Florida Department of Education.

The Superintendent also prepares the annual budget for approval by the School Board, recommends the tax levy based upon needs illustrated by the budget, recommends debt issuance or borrowing plans of the School Board when necessary, provides recommendations for investment of available funds, and keeps records with respect to all funds and financial transactions of the School Board.

Administration

Van Ayres, Superintendent of Schools. Mr. Ayres was appointed to the role of Superintendent of Schools on November 2, 2023. Before being appointed Superintendent, Mr. Ayres served as Chief of Strategic Planning and Partnerships, where he directed and implemented the District's five-year strategic plan. Prior to that role, Mr. Ayres served as Deputy Superintendent of Schools for the District. In that position, he spearheaded efforts to improve the District's graduation rate, which increased by 12.2% over a five-year period. As Deputy Superintendent, Mr. Ayres also established procedures to allow access to Magnet and School Choice Programs for families transitioning into the District.

Mr. Ayres was born and raised in Tampa and has been a lifelong educator with the District. He graduated from Jefferson High School in 1992 and attended the University of Tampa, where he earned his Bachelor's Degree in Chemistry. Mr. Ayres began his teaching career in 1997 as a science teacher at Blake High School. In 2003, Mr. Ayres was selected as Assistant Principal for Student Affairs and later Assistant Principal of Curriculum at Blake High School. In 2012, he returned to his alma mater and was appointed Principal at Jefferson High School.

Mr. Ayres currently sits on the boards of the Hillsborough Education Foundation, LEAP Tampa Bay, Children's Board, Junior Achievement Tampa Bay, Straz Center Board of Trustees, Starting Right Now, Tampa Bay Chamber and the American Heart Association.

Jamie Lewis, Chief Finance Officer. Mr. Lewis has over two decades of extensive experience in finance, project management, and operational leadership within the educational and government sectors. With a strong track record in aligning financial strategies, he has demonstrated excellence in implementing efficiency improvements, cost-reduction strategies, and managing substantial budget oversight.

In 2013, Mr. Lewis began his work in higher education in Hillsborough County at Florida College in Temple Terrace, Florida serving as the Controller within Florida College's Finance Department as well as an adjunct Professor for Florida College's Business Program.

In 2017, Mr. Lewis was appointed to serve as the Chief Business Officer of Florida College and then as Vice President of Finance and Operations for the institution. In these roles, Mr. Lewis managed the institution's finances, business management, operations and capital projects.

Mr. Lewis holds his Bachelor of Arts degree in Accounting and his Master of Business Administration from Saint Leo University.

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School District of Hillsborough County, Florida
Summary of Statistical Data
Five-Year History

School Year	Number of Schools	Number of Instructors	FTE Enrollment[1]	Average Expenditure per FTE Student[2]
2025-26[3]	248	14,209	234,847	$11,032
2024-25[4]	243	13,539	216,363	10,541
2023-24	243	13,366	209,530	9,550
2022-23	252	12,924	221,384	9,072
2021-22	250	14,101	216,461	9,036

N/A = Information not available
(1) K-12 full-time equivalent enrollment. Includes charter school students and Family Empowerment Scholarship (i.e., voucher) students who attend private schools or are home schooled. See "RECENT GOVERNMENTAL ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES – Legislative Changes Relating to School Choice" herein.
(2) Expenditures include Government-wide Governmental Activities
(3) Estimated.
(4) Unaudited
Source: School District of Hillsborough County, Florida

District Facilities Reorganization Plan

Primarily due to declining student enrollment and changing economic factors, the District is considering consolidating a number of underutilized schools in order to decrease costs and increase operational efficiencies. Certain of such underutilized schools are expected to be converted into combination schools (K-8 or grade 6-12). The consolidations will not result in the elimination of any District programs, however, District staff will be reduced in proportion to student enrollment. No schools are expected to be consolidated or closed for Fiscal Year 2026-27. However, the School Board has approved the closure of three schools (one elementary, one middle and one K-8) for the 2027-28 school year.

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Employee Relations

As of June 30, 2026, the School Board employed 23,343 full and part-time employees. A portion of these employees are represented by the following groups:

Teachers	Hillsborough Classroom Teachers Association
Paraprofessionals	Hillsborough Classroom Teachers Association
Clerical	Hillsborough Classroom Teachers Association
Custodial and Maintenance	Hillsborough Schools Employee Federation
Bus Drivers and Bus Attendants	Hillsborough Schools Employee Federation
Security Officers	Hillsborough Schools Employee Federation

Union members include both instructional and non-instructional personnel. Current Union contracts expire as follows:

Paraprofessionals	June 30, 2028
Clerical	June 30, 2028
Bus Attendants	June 30, 2027
Teachers	June 30, 2026*
Custodial and Maintenance	June 30, 2026*
Bus Drivers	June 30, 2026*
Security Officers	June 30, 2026*

* When a collective bargaining agreement expires, Florida law requires the parties to operate under the expired agreement until such time that a successor agreement has been negotiated and ratified.

Under Florida law, public employees and public employee organizations may not participate in a strike against a public employer.

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 to the FRS Pension Plan for Fiscal Year 2024-25 totaled $119.5 million, which was equal to the required contributions for such fiscal year. At June 30, 2025, the District reported a liability of $798 million 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the District's proportion was 2.063%, which was a decrease of 0.087, from its proportion measured as of June 30, 2023. For the Fiscal Year ended June 30, 2025, the District recognized the FRS Pension Plan pension expense of $105.9 million. In addition, the District reported deferred outflows of resources of $325.9 million and deferred inflows of resources of $126.4 million 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 $24.9 million for Fiscal Year 2024-25. At June 30, 2025, the District reported a net pension liability of $426.5 million for its proportionate share of the HIS 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the District's proportion was 2.84%, which was a decrease of 0.06 from its proportion measured as of June 30, 2023. For the Fiscal Year 2024-25, the District recognized pension expense of $3.9 million related to the HIS Plan. In addition, the District reported deferred outflows of resources of $38.4 million and deferred inflows of resources of $93.8 million related to the HIS Plan.

Early Retirement Program. The District also implemented an early retirement incentive program to eligible employees in the past. See Note 15 to the Basic Financial Statements in APPENDIX B hereto for additional information regarding such early retirement program.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD REVIEW NOTE 14 AND NOTE 15 OF THE NOTES TO THE BASIC FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION SET FORTH IN "APPENDIX B – EXCERPTED PAGES FROM THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" ATTACHED HERETO. SUCH NOTES 14 AND 15 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 Benefit Program

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 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 District's total OPEB liability reported at June 30, 2025 totaled $234.4 million.

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. On May 1, 2025, there were approximately 23,930 active participants and 474 inactive participants (retirees and beneficiaries) of the District receiving post-employment benefits.

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Below are the details regarding the change in total OPEB liability for Fiscal Year 2025:

	Fiscal Year 2025 ($ in thousands)
Total OPEB Liability	
Service cost	$16,382
Interest	9,856
Difference between expected and actual experience	(22,351)
Change of assumptions*	(542)
Benefit payments	(6,592)
Net change in total OPEB liability	(3,247)
Total OPEB liability (beginning)	237,684
Total OPEB liability (ending)	$234,437

* Changes of assumptions and other inputs reflect a change in the discount rate from 3.65 percent in 2024 to 3.93 percent as in 2025.

Source: Annual Comprehensive Financial Report of the District School Board of Hillsborough County, Florida for the Fiscal Year Ended June 30, 2025.

For additional information, see Management's Discussion and Analysis, Note 16 and Required Supplemental Information in "APPENDIX B - EXCERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2025" hereto.

Indebtedness

The following table summarizes the District's long-term debt outstanding as of June 30, 2025.

Principal and interest on State Board of Education Bonds are secured by and payable from the State motor vehicle license taxes distributable to the District under State law. The responsibility for principal and interest payments, investment of funds, and reserve requirements for State Board of Education Bonds is administered by the State Board of Education and the State Board of Administration. Payments on the Certificates of Participation are derived from ad valorem taxes levied for capital outlay purposes pursuant to Section 1011.71(2), Florida Statutes. Such ad valorem tax revenues are not pledged to secure the Notes and are not available to pay debt service on the Notes.

Principal and interest payments on General Obligation Bonds, if any, issued by the School Board are secured by ad valorem taxes levied by the School Board as authorized by the electorate.

School District of Hillsborough, Florida
Long-Term Debt by Issue
As of June 30, 2025

	Principal Outstanding as of 6/30/2025
State Board of Education Bonds[(1)]	$2,610,000
Direct Revenue Bonds	43,240,000
Certificates of Participations	362,396,000
District General Obligation Bonds	-
Combined Long-Term Debt	$408,246,000

(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. The State's full faith and credit is also pledged as security for such Bonds.

Source: Annual Comprehensive Financial Report of the District School Board of Hillsborough County, Florida for the Fiscal Year Ended June 30, 2025.

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Direct and Overlapping Debt

The following table presents a statement of direct and overlapping debt for the School District of Hillsborough County.

The School District of Hillsborough County, Florida
Debt Statement
As of June 30, 2025

	General Obligation Debt	Non-Self Supporting Debt	Self Supporting Debt
DIRECT DEBT			
State Board of Education Bonds		$2,610,000	
District Revenue Bonds			$40,525,000
Certificates of Participation			362,396,000
Total Direct Debt		$2,610,000	$402,921,000
OVERLAPPING[(1)]			
General Obligation Bonds	$146,880,000		
County Revenue Bonds			
Total Direct and Overlapping Debt	$146,880,000	$2,610,000	$402,921,000

(1) Overlapping Debt figures as of September 30, 2025; overlapping debt consists of the debt of Hillsborough County.

Sources: Annual Comprehensive Financial Report of the District School Board of Hillsborough County, Florida for the Fiscal Year Ended June 30, 2025; Hillsborough County figures provided by the School District of Hillsborough County, Florida.

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Accounting and Funds

Pursuant to Section 11.45, Florida Statutes, the financial operations of the District are subject to annual audit. The School District is required to use independent auditors at least two out of every three fiscal years with the Auditor General of the State of Florida auditing the District's financial operations once every three years. Excerpted pages from the Board's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2025 are included herein as Appendix B. See "APPENDIX B - Excerpted Pages from the Comprehensive Annual Financial Report of The School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2025," for an example of the scope and objectives of the auditor's reports included therein.

The accounting practices of the School Board are designed to conform to generally accepted accounting principles applicable to governmental units. For Fiscal Year 2024-25, the organization of such financial statements was generally as follows:

Basis of Presentation.

The basic financial statements include the government-wide financial statements and fund financial statements.

<u>Government-Wide Financial Statements</u> - Government-wide financial statements include a Statement of Net Position and a Statement of Activities that display information about the primary government (District School Board) and its component units. These financial statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service fund activities. The effect of interfund activities has not been eliminated in the Statement of Activities.

The Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District School Board's functions. The expense of individual functions is compared to the revenues generated by the function (for instance, through user charges or intergovernmental grants). Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds and to employees for workers compensation and insurance. Operating expenses for the internal service funds include the cost of services and administrative costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund Financial Statements - The fund financial statements provide information about the District School Board's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - *government and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Because the focus of the governmental fund financial statements differs from the focus of the government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

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.

Contracted Services - to account for financial resources of certain federal grant program resources.

Other Debt Service - Accounts for and reports on various bond revenue and principal and interest payments, including the Certificates of Participation.

Local Capital Improvement - Accounts for and reports on the revenues generated from the local capital outlay property taxes.

Other Capital Projects Fund - Accounts for and reports on other miscellaneous funds from various sources.

Additionally, the District reports the following fund types:

Internal Service Funds - to account for the District's workers' compensation, general and automobile liability self-insurance programs and the employee health insurance program.

Pension Trust Fund - to account for resources used to finance the early retirement program.

<u>Custodial Funds</u> - to account for resources held by the District as custodian for others primarily for the benefit of various schools and their activity funds.

<u>Measurement Focus and Basis of Accounting</u>

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

Government-Wide Statements - The government-wide statements are presented using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows have taken place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available if collection is expected in the upcoming fiscal year. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budget Process

State law requires the School Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following the County Appraiser's official certification of taxable property, which usually occurs on or about July 1. The School 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 County Appraiser prepares tax millage notices for property owners within the School 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 School Board expects to adopt the tentative budget for the 2026-2027 Fiscal Year on July 28, 2026 and the final budget for the 2026-2027 Fiscal Year September 15, 2026.

The Superintendent of Schools is responsible for preparing the tentative budget for recommendation to the School Board. Florida law requires the School Board to adopt and maintain a balanced budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. 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.

Auditing System

In addition to local internal audits, two other budget reviews are conducted. The Department of Education conducts regular financial compliance reviews of each school district to ensure that local school districts comply with State regulations. In conjunction with this review, the Financial Management Section of the Department of Education reviews the cost reporting system of each school district to ensure that the Financial and Program Costs Accounting and Reporting for Florida Schools is being properly implemented by the school board of such school district.

OPERATING REVENUES OF THE DISTRICT

Local Revenue Sources

Local revenue for school district support is derived almost entirely from real and tangible personal property taxes described in "AD VALOREM TAX PROCEDURES" herein. School districts in the State are permitted to levy ad valorem property taxes separately for (i) operational purposes, (ii) the payment of debt service, and (iii) capital outlays and maintenance of school facilities. The amount of each such levy is subject to various constitutional and statutory limitations. See "AD VALOREM TAX PROCEDURES" herein. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

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. Chapter 1011, Florida Statutes, further limits the 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 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 of Florida Department of Education and is referred to as the district "required local effort." The District's required local effort was 3.152 mills for Fiscal Year 2023-24, 3.140 mills for 2024-25 and 3.092 mills for 2025-26. The required local effort for Fiscal Year 2026-27 is tentatively proposed to be 3.066 mills. A Prior Period Funding Adjustment Millage, if any, may be included in such required local effort millage as authorized by Section 1011.62(4)(e), Florida Statutes. Such Prior Period millage is levied when the preliminary taxable value for prior years is greater than the final taxable value for such years, thereby resulting in lower than expected revenues from the required local effect millage.

In addition to the "required local effort," school boards are also authorized to levy an additional non-voted "discretionary millage" for operations, not to exceed an amount established annually by the Legislature. However, the District may levy up to an additional 0.25 mills for capital outlay and maintenance of school facilities in lieu of operating discretionary millage. In Fiscal Years 2023-24, 2024-25 and 2025-26, the discretionary millage for all school districts, including the District, was 0.748 mills and is tentatively proposed to be 0.748 mills for Fiscal Year 2026-27. The District did not levy any capital outlay discretionary millage for Fiscal Years 2023-24, 2024-25 or 2025-26 and is not proposing to levy any capital outlay discretionary millage for Fiscal Year 2026-27.

The District, pursuant to authority granted in Section 1011.71(9), Florida Statutes, sought voter approval for the levy of an additional 1.00 mills for operating purposes for a period of four years commencing with the 2025-26 Fiscal Year and continuing through the 2028-29 Fiscal Year. The voters approved such levy at the November 2024 general election. For Fiscal Year 2025-26, the District received $179.5 million from such additional levy, approximately $28.9 million of which was shared with charter schools in the District. See "AD VALOREM TAX PROCEDURES - Historical Millage" for current and historical millage levies.

Budgeted revenues from ad valorem taxes are based on applying millage levies to ninety-six percent (96%) of the non-exempt assessed valuation of real and personal property. Historically, the local taxes have been received at less than one hundred percent (100%) of assessed valuation due to the discounts for early payment. The District usually collects approximately ninety-six percent (96%) of the levied taxes. Ad valorem tax receipts for operating purposes were $651.6 million for the 2023-24 Fiscal Year, were $683.7 million for the 2024-25 Fiscal Year and were $705.4 million (estimated) for the 2025-26 Fiscal Year.

State Revenue Sources

The three primary sources of educational funding from the State are (i) basic Florida Educational Finance Program ("FEFP") receipts, (ii) FEFP categorical program receipts, and (iii) certain other specified revenue sources.

Florida Education Finance Program. The major portion of State support is distributed under the provisions of the FEFP, which was enacted by the Florida Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student ("FTE") basis using a formula that takes into account varying program cost factors and district cost differentials. The program cost factors which are used to determine the level of each school district's FEFP funding are determined by the Florida Legislature. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in variables comprising the weighing formula. In addition, the level of State funding is adjusted during each year to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in the County. General Fund receipts from FEFP were $992.6 million for the 2023-24 Fiscal Year, were $997.4 million for the 2024-25 Fiscal Year and were $976.8 million (estimated) for the 2025-26 Fiscal Year.

FEFP categorical programs are lump sum appropriations from the State intended to supplement local school district revenues to enhance the delivery of educational and support services by each school district. In recent years, most categorical programs have been eliminated and the funds are now earmarked within the FEFP base student allocation. The only remaining categorical program is class size reduction. The allocation for class size reduction is based on a funding formula. The majority of the funds available require appropriation by the School Board for the purposes for which they were provided. Total State categorical aid for class size reduction was $229.1 million in the 2023-24 Fiscal Year and $230.6 million in the 2024-25 Fiscal Year. Total State categorical aid for class size reduction was $206.6 million (estimated) in the 2025-26 Fiscal Year.

State Lottery Revenues. A portion of the revenues generated from the State lottery is distributed to each Florida school district as Discretionary Lottery revenue and Florida School Recognition Program revenue. The Florida School Recognition program recognizes schools that have received an "A" or improved at least one letter grade from the previous school year and, under Florida Statutes, is required to be used for nonrecurring bonuses for school faculty and staff, nonrecurring expenditures for educational equipment or materials, for temporary personnel to assist schools in maintaining or improving student performance, or any combination of these. The District received Florida School Recognition Program revenues of $12.4 million and $12.4 million for Fiscal Years 2023-24 and 2024-25, respectively. The District received $9.5 million in Florida School Recognition Program revenues for Fiscal Year 2025-26. The District did not receive any Discretionary Lottery revenues for Fiscal Year 2023-24 and Fiscal Year 2024-25. The District did not receive any such revenues for Fiscal Year 2025-26.

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 29, 2026, Florida Governor Ron DeSantis approved the State education budget for State Fiscal Year 2026-27, which commenced 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 approved 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 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 $284.7 million. Based upon the adopted budget, the estimated decrease for the District is approximately $90.8 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 approved budget.

Federal Sources

The District receives certain Federal moneys, both directly and through the State, substantially all of which are restricted for specific programs. Direct Federal revenue sources were $2.6 million and $3.0 million in Fiscal Years 2023-24 and 2024-25, respectively, and $2.8 million (estimated) for Fiscal Year 2025-26. Federal funds through the State and Local totaled $6.8 million and $7.7 million in Fiscal Years 2023-24 and 2024-25, respectively, and $9.0 million (estimated) in Fiscal Year 2025-26.

Special Revenue Sources

The District also receives certain local, state and federal moneys, substantially all of which are restricted for specific programs. Programs funded with these special revenue sources in the past include school food service operations and programs financed through the Educational Handicapped Act, the Education Consolidation and Improvement Act and other federally financed programs.

General Fund Operations

The following table summarizes results of operations for the general fund for the three Fiscal Years ended June 30, 2023 (audited), 2024 (audited), 2025 (audited) and 2026 (estimated) and the general fund operating budget for the Fiscal Year ending June 30, 2027.

School District of Hillsborough County, Florida
Summary of General Fund Operations
Fiscal Years Ended June 30, 2023-2027[(1)]
(In Thousands)

	Audited			Estimated	Proposed Tentative Budget[(2)]
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Revenues					
Federal	$3,270	$2,652	$2,986	$3,216	$3,197
Federal through State	3,315	6,835	7,662	11,177	11,000
State Sources	1,227,819	1,274,863	1,292,720	1,262,862	1,225,980
Local	689,008	761,083	792,047	992,081	1,041,260
Total Revenues	$1,923,412	$2,045,434	$2,095,415	$2,269,335	$2,281,437
Expenditures					
Current- Education:					
Instruction	$1,210,345	$1,334,043	$1,453,720	$1,601,404	$1,544,322
Pupil Personnel	53,326	85,155	117,421	139,362	137,706
Instructional Media	21,704	22,070	22,756	26,412	25,660
Instruction & Curriculum Development	27,623	37,691	49,137	55,577	54,390
Instructional Staff Training	12,280	9,184	9,028	11,852	11,858
Instructional Related Technology	43,865	49,378	47,342	46,634	46,437
Board of Education	2,614	3,213	3,035	5,113	4,181
General Administration	6,433	6,826	7,622	8,611	7,555
School Administration	118,081	125,867	133,943	142,000	142,515
Administrative Technical Services	191	133	163	305	182
Fiscal Services	7,737	12,960	8,064	10,700	9,876
Food Services	1,296	1,234	7,667	8,471	7,769
Central Services	27,059	25,096	27,619	26,665	28,468
Pupil Transportation	68,389	79,928	88,385	95,649	90,221
Operation of Plant	155,848	172,666	189,580	193,512	195,178
Maintenance of Plant	31,563	32,217	38,289	38,122	38,527
Community Services and Other	14,144	14,728	19,260	20,889	20,463
Facilities Acquisition and Construction	20,938	24,479	31,696	36,276	36,336
Other Capital Outlay	-	-	4,156	-	-
Total Expenditures	$1,823,436	$2,036,868	$2,258,883	$2,467,554	$2,401,645
Surplus (Deficit)	$99,976	$8,566	$(163,468)	$(198,219)	$(120,208)
Other Financing Sources (Uses)					
Transfers In	$43,923	$62,107	$63,702	$111,827	$114,000
Transfers Out	-	(3,942)	(3,656)	(51,903)	(6,000)
Ending Fund Balance					
Nonspendable	$5,969	$5,287	$5,890	$6,174	$6,174
Restricted	70,390	58,880	86,422	66,117	52,500
Designated/Assigned	-	-	-	-	-
Undesignated/Unassigned	253,680	332,603	201,037	82,762	84,172
Total Ending Fund Balance[(3)]	$330,039	$396,771	$293,349	$155,053	$142,845

(1) Totals may not add due to rounding.
(2) Proposed tentatively budgeted millage rates. Subject to Board approval on July 28, 2026 and subject to change in the final adopted budget.
(3) The Ending Fund Balance in prior years represent 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 proposed tentatively budgeted Ending Fund Balance in Fiscal Year 2026-27 represents only those funds set aside in reserve accounts, such as contingency, etc. All other funds have spread through school and budget departments.

Source: Comprehensive Annual Financial Report of The School Board of Hillsborough County, Florida for the Fiscal Years ended June 30, 2023, 2024, and 2025. District records for the Fiscal Year ended June 30, 2026. Proposed Tentative Budget for the Fiscal Year ending June 30, 2027.

General Fund Ending Balance Guidelines

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 2024-25, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 9.6% of General Fund revenues. In Fiscal Year 2025-26, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 6.9% (estimated) of General Fund revenues. For Fiscal Year 2026-2027, the District projects the General Fund ending balance not classified as restricted, committed or nonspendable balance is projected to be approximately 4.6% of General Fund revenues. See Note 9 to the Basic Financial Statements in APPENDIX B hereto.

On February 25, 2026, the School Board voluntarily amended its fiscal planning policies to require a seven percent (7%) General Fund ending balance that is not classified as restricted, committed, or non-spendable and an overall ten percent (10%) General Fund ending balance, as a percentage of the total general fund reserves at the end of each fiscal year. The District is authorized to take all steps necessary to comply with this policy. If unforeseen circumstances arise, the District shall recommend through an agenda the financial need that required the additional use of funds. The agenda item must state the circumstances requiring the additional use and provide a schedule to restore the balance to or above the stated policy. The restoration shall occur at a time as prescribed by the Board.

For Fiscal Year 2025-26, the budget stabilization reserve was estimated to be $156.6 million or 4.6% of total general fund operating revenues. Since Fiscal Year 2014-15, the Board has created savings through energy efficiency, spending reductions, government reimbursements, transportation efficiency, selling real estate, revamping systems, renegotiating contracts, and reducing positions. The Board expects to continue researching and refining its expenses in future years, which may include strategies for cost avoidance and structural balance and a review of filled vacant positions.

Cash and Investments

As of June 30, 2026, the District held cash and investments totaling approximately $186.5 million (estimated) in its General Fund.

Cash Management

The 2025-26 Fiscal Year cash flow presented in the following table was prepared from financial records of the District.

The second table following presents a projected General Fund cash flow for the 2026-2027 Fiscal Year. The cash flow is based on the proposed 2026-2027 Fiscal Year tentative budget and historical experience adjusted to reflect current economic conditions. The 2026-2027 Fiscal Year cash flow projection is based on the disbursement requirements for the entire Fiscal Year, including certain disbursements which could take place in the 2026-2027 Fiscal Year, but which are not in 2026-2027 Fiscal Year tentative budget expenditures, such as certain advances to other funds and provisions for contingencies. Revenue projections reflect the anticipated dates of receipt of funds provided under the FEFP and other state programs, and the expected timing of receipt of tax revenues by the District. Ad valorem taxes shown in these tables reflect the general operating levy.

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THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
Cash Flow Analysis - General Fund
For the Fiscal Period July 1, 2025 to June 30, 2026

	2025						2026						
	July	August	September	October	November	December	January	February	March	April	May	June	FY 26 Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Cash Receipts													
Federal/Federal thru State	$193,115	$1,227,515	$864,523	$1,343,978	$318,600	$5,647,397	$1,047,902	$3,620,932	$437,481	$735,012	$265,268	$1,807,609	$17,509,332
State	102,931,744	103,036,330	102,746,262	105,305,909	118,277,910	103,544,277	98,775,208	99,536,973	101,892,948	102,344,979	101,878,943	101,326,985	1,241,598,468
Ad Valorem	281,171	105,849	125,380	90,672	90,869,577	517,676,104	22,233,010	16,888,044	9,637,144	22,740,135	6,337,073	19,178,455	706,162,614
Miscellaneous	23,618,810	26,920,397	15,110,428	20,680,549	14,312,350	48,356,301	19,255,702	26,104,169	13,142,533	10,575,140	12,945,086	6,910,192	237,931,656
TAN Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers In	1,644,508	0	0	0	0	0	0	0	14,299,019	0	9,801,632	85,078,029	110,823,188
Interfund Receivables	126,649,426	46,234,278	99,480,776	126,054,128	94,573,792	127,288,849	34,577,195	95,077,570	100,507,805	80,083,587	101,742,185	116,283,127	1,148,552,719
Total Cash Receipts	255,318,774	177,524,368	218,327,368	253,475,235	318,352,229	802,512,928	175,889,018	241,227,689	239,916,930	216,478,853	232,970,187	330,584,397	3,462,577,976
Cash Disbursements													
Payroll Transfer	(44,714,867)	(91,071,599)	(88,873,937)	(143,293,611)	(91,725,036)	(90,828,140)	(85,834,644)	(95,707,592)	(91,871,594)	(133,200,493)	(88,647,786)	(83,842,796)	(1,129,612,094)
Employee Benefits	(18,469,886)	(32,931,011)	(41,943,903)	(49,996,316)	(62,500,903)	(66,504,633)	(48,179,262)	(50,776,528)	(49,017,114)	(48,516,074)	(48,726,183)	(68,238,874)	(585,800,685)
Health Insurance	(16,485,388)	(16,170,813)	(15,930,570)	(16,318,679)	0	(32,907,092)	(24,030,601)	(17,480,687)	(4,482,785)	0	0	0	(143,806,615)
Accounts Payable	(168,564,764)	(117,257,134)	(139,875,573)	(128,087,879)	(104,380,005)	(108,304,201)	(82,143,422)	(131,297,144)	(109,471,621)	(124,027,322)	(141,824,311)	(119,435,134)	(1,474,668,510)
TAN Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers Out	(591,252)	0	0	0	(1,789,673)	(6,549,035)	(1,312,580)	0	0	0	(6,351,794)	0	(16,594,335)
Interfund Payables	(5,531,114)	(12,135,482)	(56,282)	(3,794,029)	(368,180)	(1,751,041)	(2,980,576)	(31,129,223)	(805,577)	(4,402,549)	(93,052,008)	(4,518,827)	(160,524,889)
Total Cash Disbursements	(254,357,271)	(269,566,038)	(286,680,265)	(341,490,514)	(260,763,796)	(306,844,142)	(244,481,086)	(326,391,174)	(255,648,691)	(310,146,437)	(378,602,082)	(276,035,632)	(3,511,007,127)
Net Cash Flow	961,502	(92,041,670)	(68,352,896)	(88,015,279)	57,588,433	495,668,787	(68,592,068)	(85,163,485)	(15,731,761)	(93,667,584)	(145,631,895)	54,548,766	(48,429,151)
Beginning Cash Balance	234,990,689	235,952,191	143,910,521	75,557,625	(12,457,654)	45,130,779	540,799,566	472,207,498	387,044,013	371,312,252	277,644,667	132,012,773	234,990,689
Net Cash Flow	961,502	(92,041,670)	(68,352,896)	(88,015,279)	57,588,433	495,668,787	(68,592,068)	(85,163,485)	(15,731,761)	(93,667,584)	(145,631,895)	54,548,766	(48,429,151)
Ending Cash Balance	$235,952,191	$143,910,521	$75,557,625	$(12,457,654)	$45,130,779	$540,799,566	$472,207,498	$387,044,013	$371,312,252	$277,644,667	$132,012,773	$186,561,538	$186,561,538

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THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
Projected Cash Flow Analysis - General Fund
For the Fiscal Period July 1, 2026 to June 30, 2027

	2026						2027						
	July	August	September	October	November	December	January	February	March	April	May	June	FY 27 Total
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Cash Receipts													
Federal/Federal thru State	$861,203	$0	$63,944	$74,828	$297,952	$657,126	$723,791	$1,899,271	$3,846,161	$2,382,252	$2,287,017	$511,552	$13,605,096
State	104,844,959	106,178,248	104,602,543	107,753,952	115,874,891	110,905,361	100,723,886	101,814,758	103,875,295	106,057,040	103,875,295	45,574,225	1,212,080,452
Ad Valorem (3.987 Mills)	291,957	0	0	0	93,499,301	535,303,569	22,991,631	17,882,380	9,999,535	23,502,556	6,569,038	19,853,091	729,893,058
District Voted Addition Tax	0	0	0	0	24,686,997	140,256,587	6,028,220	4,688,616	2,621,797	6,162,181	1,722,349	5,205,320	191,372,066
Miscellaneous	9,690,255	10,314,045	6,151,860	26,758,440	6,151,860	18,573,885	7,689,825	9,034,200	4,549,365	2,764,035	4,785,975	1,086,255	107,550,000
TAN Proceeds	0	240,000,000	0	0	0	0	0	0	0	0	0	0	240,000,000
Transfer In	11,410,000	4,170,000	8,960,000	7,300,000	8,540,000	11,450,000	3,120,000	9,080,000	10,420,000	7,360,000	10,060,000	8,130,000	100,000,000
Interfund Receivables	128,105,434	46,583,794	139,751,382	128,105,434	93,167,588	128,105,434	34,937,846	93,167,588	104,813,537	81,521,640	104,813,537	81,521,640	1,164,594,851
Total Cash Receipts	127,098,374	360,662,293	119,778,347	141,887,220	249,051,000	817,146,528	141,277,353	144,399,225	135,312,153	148,228,064	129,299,672	80,360,443	3,759,095,523
Cash Disbursements													
Payroll Transfer	(49,166,019)	(100,144,053)	(97,728,033)	(157,645,343)	(100,868,859)	(100,023,252)	(94,466,405)	(105,338,497)	(101,110,461)	(146,531,648)	(97,486,431)	(57,501,290)	(1,208,010,292)
Employee Benefits	(19,696,659)	(29,367,769)	(34,937,518)	(43,292,142)	(57,216,515)	(54,684,811)	(43,494,678)	(43,849,117)	(39,241,415)	(39,747,756)	(43,038,972)	(57,773,490)	(506,340,842)
Health Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Payable	(76,296,184)	(52,993,901)	(63,392,232)	(57,441,380)	(43,785,741)	(48,796,985)	(37,521,687)	(51,553,169)	(49,360,750)	(49,360,750)	(64,832,965)	(31,069,711)	(626,405,454)
TAN Repayment	0	0	0	0	0	0	0	241,500,000	0	0	0	0	241,500,000
Transfer Out	0	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Payables	(128,105,434)	(46,583,794)	(139,751,382)	(128,105,434)	(93,167,588)	(128,105,434)	(34,937,846)	(93,167,588)	(104,813,537)	(81,521,640)	(104,813,537)	(81,521,640)	(1,164,594,851)
Total Cash Disbursements	(145,158,862)	(182,505,723)	(196,057,783)	(258,378,865)	(201,871,116)	(203,505,048)	(175,482,770)	40,759,217	(189,712,626)	(235,640,154)	(205,358,367)	(146,344,491)	(3,263,851,439)
Net Cash Flow	(18,060,488)	178,156,569	(76,279,436)	(116,491,645)	47,179,884	613,641,480	(34,205,417)	185,158,442	(54,400,474)	(87,412,090)	(76,058,694)	(65,984,048)	495,244,083
Beginning Cash Balance	186,561,538	168,501,050	346,657,619	270,378,183	153,886,538	201,066,423	814,707,903	780,502,486	965,660,928	911,260,454	823,848,363	747,789,669	186,561,538
Net Cash Flow	(18,060,488)	178,156,569	(76,279,436)	(116,491,645)	47,179,884	613,641,480	(34,205,417)	185,158,442	(54,400,474)	(87,412,090)	(76,058,694)	(65,984,048)	495,244,083
Ending Cash Balance	$168,501,050	$346,657,619	$270,378,183	$153,886,538	$201,066,423	$814,707,903	$780,502,486	$965,660,928	$911,260,454	$823,848,363	$747,789,669	$681,805,622	$681,805,622

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AD VALOREM TAX PROCEDURES

The following information is provided in view of the fact that a large portion of the School Board's revenues are derived 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. However, 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 District, 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 upon 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 "- Exemptions from Ad Valorem Taxation" and "- Legislation 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 County 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 County Tax Collector and distributed to the various taxing bodies. See " - Tax Collection and Distribution by 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.

Assessed Valuation of Taxable Property

The following table shows the assessed value and taxable value for operating millages in each of the past ten years.

School District of Hillsborough County, Florida
Taxable Assessed Value and Estimated Actual Value of Taxable Property
For the Tax Years 2017 through 2026
(in thousands)

Tax Year	Net Taxable Value	Estimated Actual Value	% Total Assessed Value To Total Taxable Value
2026	$193,336,730[1]	N/A	N/A
2025	190,090,498	$229,284,372	82.90%
2024	189,668,431	227,139,600	83.50
2023	173,037,591	207,650,797	83.33
2022	155,682,763	186,675,952	83.40
2021	132,071,366	159,057,193	83.03
2020	121,487,785	147,062,378	82.61
2019	112,264,497	136,467,563	82.26
2018	103,479,221	126,204,062	81.99
2017	94,172,456	115,443,439	81.57

N/A = Information not available.

(1) Preliminary figures as of July 1, 2026. Such figures are subject to adjustment by the Property Value Adjustment Board. See "– Property Assessment and County Property Appraiser" herein.

Source: Comprehensive Annual Financial Report of The School District of Hillsborough County, Florida for the Fiscal Year ended June 30, 2025; 2025 and 2026 figures provided by the District based on Form DR-4205.

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 certificate 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 Board. Generally, the final budget is substantially the same as the tentative budget since the Board's hiring plans and materials purchases have been determined before the final Budget is adopted. The School Board expects to adopt the tentative budget for the 2026-2027 Fiscal Year on July 28, 2026 and the final budget for the 2026-2027 Fiscal Year on September 15, 2026.

Millage Rollback Legislation. In 2007, the Florida Legislature adopted a property tax plan that significantly impacted ad valorem tax collections for State local governments (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.

Historical Millage

The following table contains historical and current millage levies for the School District:

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027[1]
Required Local Effort	3.239	3.152	3.140	3.092	3.066
Discretionary Local Effort	0.748	0.748	0.748	0.748	0.748
Local Referendum[2]	-	-	-	1.000	1.000
Operating Millage	3.987	3.900	3.888	4.840	4.814
Debt Service	0.000	0.000	0.000	0.000	0.000
Capital Outlay	1.500	1.500	1.500	1.500	1.500
TOTAL	5.487	5.400	5.388	6.340	6.314

(1) Proposed tentatively budgeted millage rates. Subject to Board approval on July 28, 2026 and subject to change in the final adopted budget.
(2) Authorized pursuant to Section 1011.71(9), Florida Statutes. See "OPERATING REVENUES OF THE DISTRICT – Local Revenue Sources" herein.

Source: The School Board of Hillsborough County, Florida.

See "OPERATING REVENUES OF THE DISTRICT – Local Revenue Sources" herein for additional information on the various operating millages authorized to be levied by the school districts.

In addition to the millage levies for operating purposes, pursuant to Section 1011.71, Florida Statutes, school boards may set an additional non-voted millage known as the "Capital Improvement Tax" for capital outlay and maintenance purposes of up to 1.50 mills. If the revenues generated from the Capital Improvement Tax are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating millage levy may be used to make such lease payments. If the revenue from the 1.50 mills is insufficient to make payments due under a lease purchase agreement entered into prior to June 30, 2009, or to meet other critical school district fixed capital outlay needs, a school board may levy up to an additional 0.25 mills of Capital Improvement Tax in addition to the 1.50 mills, in lieu of levying an equivalent amount of the discretionary mills for operations. Prior to July 1, 2012, payment from the Capital Improvement Tax for lease-purchase agreements for educational facilities and sites were not permitted to exceed three-fourths of the proceeds of the Capital Improvement Tax. However, effective July 1, 2012, the 75% limitation on the use of Capital Improvement Tax revenues for lease-purchase agreements originally entered into prior to June 30, 2009 was waived. See also, "RECENT GOVERNMENTAL ACTIONS AND OTHER EVENTS AFFECTING DISTRICT REVENUES - Distribution of Capital Outlay Funds to Charter Schools" for information regarding legislation requiring school districts to share Capital Improvement Tax revenues with charter schools in such school districts.

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 percent of the non-exempt assessed valuation of property in the County. Ad valorem taxes are not levied in excess of actual budget requirements.

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 notice 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 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 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 Taxes – Recent Amendments Relating to Ad Valorem Taxation" below.

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 in this paragraph, 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, the 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

<u>Recent Amendments Relating to Ad Valorem Taxation</u>. 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 that just value of real property shall be determined in the first tax year 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.

Property Tax Levies and Collections

The following table shows the tax levies and collections of the District for the last ten years.

Property Tax Levies and Collections
Last Ten Fiscal Years

		Collected to End of Tax Year			Collected in Fiscal Year	
Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy	Delinquent Collections	Total Collections	Percent of Levy
2026	$1,213,393,693	$1,158,425,668[1]	95.47%[1]	N/A	N/A	N/A
2025	986,932,340	942,844,194	95.53	$1,694,015	$944,538,209	95.70%
2024	938,409,773	919,662,586	95.75	1,520,090	921,182,676	98.16
2023	867,260,187	830,384,276	95.75	251,074	830,635,350	95.78
2022	775,146,170	744,284,866	96.02	622,345	744,917,211	96.10
2021	728,009,104	698,568,400	95.96	1,164,865	699,797,832	96.12
2020	692,474,863	664,204,937	95.92	1,120,979	665,325,916	96.08
2019	667,341,930	639,994,245	95.90	1,125,243	641,119,488	96.07
2018	623,746,368	598,702,459	95.98	668,706	599,371,165	96.09
2017	601,253,945	577,457,540	96.04	1,346,771	578,804,312	96.27

N/A =Information not available.
[1] Collections through June 30, 2026.
Source: The School District of Hillsborough County, Florida Comprehensive Annual Financial Report for Year Ended June 30, 2025. Fiscal Year 2026 figures provided by the School District of Hillsborough County, Florida.

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Principal Property Taxpayers

The following unaudited table shows the principal property taxpayers within the County, the taxable valuation (for County purposes) and the percent of total taxable value applicable for the fiscal years that ended in 2025 and 2016.

Hillsborough County Florida
Principal Taxpayers
2025 and 2016

		2025			2016		
Taxpayer	Type of Business	Taxes Levied *in thousands*	Rank	Percentage of Total Taxes Levied	Taxes Levied *in thousands*	Rank	Percentage of Total Taxes Levied
Tampa Electric Company	Electric Utility	$67,964	1	1.91%	$42,019	1	2.43%
Hillsborough Aviation Authority	Transportation	19,514	2	0.55	11,025	3	0.64
East Group Properties	Real Estate	12,599	3	0.35	-	-	-
Camden Operating LP	Real Estate/Apartment	9,074	4	0.26	-	-	-
Metwest International	Real Estate	8,636	5	0.24	-	-	-
Mosaic Fertilizer, LLC	Mining	8,183	6	0.23	4,791	7	0.28
Amazon.Com	Online Sales	8,128	7	0.23	-	-	-
Highwoods / Florida Holding	Real Estate Management	7,453	8	0.21	-	-	-
Wal-Mart	Retail Sales	6,622	9	0.19	4,472	9	0.26
Post Apartment Homes LP	Real Estate/Apartment	6,429	10	0.18	5,434	6	0.31
Verizon Florida Inc	Communications	-	-	-	14,253	2	0.82
Westfield	Shopping Malls	-	-	-	6,011	4	0.35
Liberty Property	Property Management	-	-	-	5,501	5	0.32
Tampa Sports Authority	Real Estate/Apartment	-	-	-	4,700	8	0.27
Busch Entertainment	Entertainment	-	-	-	4,300	10	0.25
Total		$154,602		4.35%	$102,506		5.93%

Source: Comprehensive Annual Financial Report of Hillsborough County, Florida for the Fiscal Year ended September 30, 2025.

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, provide for additional procedures and notices to issue tax-supported debt or require certain local revenues to be shared with public charter schools in such 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 recent amendments to the Florida Constitution and other legislation affecting ad valorem tax revenues.

Constitutional Amendments Related to Class Size Reduction

Amendment 9 to the State Constitution required the State Legislature provide funding for sufficient classrooms so that class sizes could be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9, Section 1003.03, Florida Statutes and Section 1013.735, Florida Statutes, relating to the implementation of Amendment 9 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 3rd 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.

Through Fiscal Year 2009-10, the District complied with the requirements of the Class Size Legislation which was based on average class size at each school. Beginning in Fiscal Year 2010-11, the requirements were based on the number of students in each individual classroom and subsequently, schools that provided choice (e.g., charter, magnet, career and technical, etc.) continued to be required to meet average class size at each school. As of the October 2025 Survey, the week during which the Department of Education determines compliance with class size maximums, the District had 86% of District-operated schools in compliance. The District expects to be in compliance with the class size requirements for Fiscal Year 2026-27.

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: (i) dependent children of active duty military personnel who moved as a result of military orders, (ii) children relocated due to foster care placement in a different school zone, (iii) 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 (iv) 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 thereby. This amendment took effect in the 2017-18 school year.

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 13, 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. If a significant number of eligible students in the District transition to private schools or other scholarship eligible programs, it is likely to have an adverse impact on the District's finances. See also, "OPERATING REVENUES OF THE DISTRICT – State Sources – State Budget" herein.

Distribution of Capital Outlay Funds to Charter Schools

On May 1, 2023, CS/CS/HB 1259 ("HB 1259") was signed by the 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 will be 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 the 2025-26 Fiscal Year, the District shared $6.4 million in Capital Improvement Tax revenues with eligible charter schools in the District. However, the Capital Improvement Tax is not pledged to the repayment of the Notes and the District does not expect any reduction in Capital Improvement Tax revenues to adversely impact its ability to pay debt service on the Notes.

Schools of Hope

In addition to requiring school districts to share the Capital Improvement Tax revenue with charter schools, 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 adopted proposed 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 that 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.

The District received notices from Schools of Hope operators approved in the State seeking to use a portion of underused, vacant or surplus District facilities. The District has responded to such notices and cited material impracticability with regard to such facilities. At this time, the District has not finalized its analysis of the financial or other impacts of any Schools of Hope seeking to co-locate in District facilities.

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; (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. The District does not plan to arm its teachers under the Guardian Program. For Fiscal Year 2025-26, the Florida Department of Education allocated $17.95 million to the District for school safety. Of this, approximately $2.99 million was allocated to charter schools. The remaining $14.96 million was applied to the total cost of implementing SB 7026, which was approximately $26.43 million. The additional cost to the District was funded from the general fund. The District has established a school resource officer program through cooperative agreements with law enforcement agencies while hiring and training its own school resource officers.

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 $1.1 billion 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 or another virus 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 and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, 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), 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 information systems are integral to departmental operations and services, managing a wide array of sensitive data that may include intellectual property, security information, proprietary business processes, supplier and partner details, and Personally Identifiable Information (PII) of students and staff (collectively, "Computer Information"). The secure handling (including processing, maintenance, and transmission) of this Computer Information is critical to operational efficiency and the appropriate provision of services. In recent years, governmental entities (and more specifically the K-12 sector) have increasingly become prime targets for cybercriminals aiming to acquire this sensitive information or disrupt critical services. The ever-evolving threat landscape necessitates robust, adaptive cybersecurity measures to safeguard our digital assets and maintain operational integrity. The District periodically faces cyber threats as is to be expected with all network-connected governments and businesses. However, there have been no major breaches that have demanded monetary remediation, nor any costs related to such incidents.

A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers and hackers can attempt to exploit in their efforts to successfully bypass existing security measures and breach an entity and or effect service disruptions. User error and/or deliberate insider threats can potentially compromise Computer Information integrity or lead to system vulnerabilities. The District has a multilayered information security program that follows guidelines established by the National Institute of Standards and Technology. Among the technical security controls that the District has implemented, 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. In addition to these technical controls, there are established policies and procedures which include Responsible Usage Policies and Information Security Guidelines.

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.

LITIGATION

Concurrently with the delivery of the Notes, Counsel to the School Board will deliver an opinion substantially to the effect that there is no litigation or other proceedings pending or, to the best of his knowledge, threatened against the School Board that seeks to restrain or enjoin the issuance or delivery of the Notes or this Official Statement or questioning or affecting the validity of the Notes, the Official Statement or the proceedings of the School Board with respect to the authorization, sale, execution or issuance of the Notes or the transactions contemplated by this Official Statement or any other agreement or instrument to which the School Board is a party in connection therewith and which is used or contemplated for use in the transactions contemplated by this Official Statement and neither the creation, organization nor existence of the School Board is being contested.

The District is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, Counsel for the School Board believes that there are substantial defenses to such litigation and the disputes and that, in any event, any ultimate liability, in excess of applicable insurance coverage, resulting therefrom will not materially adversely affect the financial position or results of operations of the District.

NOTEHOLDER'S RISKS

The Notes are limited obligations of the District payable from the Pledged Revenues as described herein, and are not secured by the full faith, credit and taxing power of the District. Because the Notes are limited obligations, the sources of money pledged to secure payment of the Notes may be insufficient therefor, and the Noteholders would not be able to compel the levy of taxes (other than the taxes levied for operating purposes for the 2026-2027 Fiscal Year) or the institution of foreclosure proceedings against any property of the District to provide for payment of the Notes and the interest thereon. Certain factors may affect the adequacy of the Pledged Revenues to provide for payment of the Notes, and there can be no assurance that the Pledged Revenues will be adequate to provide for payment of the Notes and the interest thereon.

In particular, the adequacy of the Pledged Revenues to provide for repayment of the Notes depends upon (1) the ability of taxpayers in the County to pay the ad valorem taxes levied in 2026, (2) the percentage of collection of ad valorem taxes for the 2026-2027 Fiscal Year, (3) the receipt by the District of the federal and State funds upon which it depends, in part, for the funding of its operations for the current year, and (4) the absence of the need for extraordinary, unforeseen expenditures during the 2026-2027 Fiscal Year. These matters are largely dependent upon factors beyond the control of the District, and any adverse developments with respect to these or other factors could affect the ability of the District to pay the principal of and interest on the Notes.

FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report of The School Board of Hillsborough County, Florida for the Fiscal Year ended June 30, 2025, excerpted pages of which are appended hereto as Appendix B as part of this Official Statement, have been audited by Forvis Mazars, LLP, as set in their report dated March 3, 2026. The auditor has not performed any services relating to, and is therefore not associated with, the issuance of the Notes.

Audited financial statements for the Fiscal Year ended June 30, 2026 are not available as of the date hereof.

UNDERWRITING

The Notes are being purchased by ____________ (the "Underwriter") at an aggregate purchase price of $_______ (which consists of the par amount of the Notes of $_________ plus a note premium of $_______ and less an underwriter's discount of $_________). The offer of the Underwriter to purchase the Notes provides for purchase of all of the Notes if any are purchased.

The Underwriter may offer to sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) and others at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

MUNICIPAL ADVISOR

The District has retained Ford & Associates, Inc., Tampa, Florida, as Municipal Advisor (the "Municipal Advisor") with respect to the issuance and sale of the Notes. The Municipal Advisor assisted in matters relating to the planning, structuring, and issuance of the Notes, and has provided additional advice. The Municipal Advisor is not obligated to undertake nor has undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

NOTE RATING

Moody's Ratings ("Moody's") has assigned its municipal bond rating of "MIG 1" to the Notes. An explanation of the significance of the rating may be obtained only from Moody's at the following address: Moody's Ratings, 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0501. There is no assurance that the rating will be in effect for any given period of time or that it will not be revised downward, suspended or withdrawn entirely by Moody's if in its judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of the rating given the Notes may have an adverse effect on the liquidity or market of the Notes.

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TAX MATTERS

Opinion of Note Counsel

In the opinion of Note Counsel, the form of which is included as APPENDIX D hereto, under existing statutes, regulations, rulings and court decisions, the interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Notes is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Failure by the District to comply subsequent to the issuance of the Notes with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Note proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Notes to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted in the Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Notes for purposes of federal income taxation. In rendering its opinion, Note Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

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

Collateral Tax Consequences

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

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE NOTES AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE NOTEHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE NOTEHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD

Other Tax Matters

Interest on the Notes may be subject to state or local income taxation under applicablestate or local laws in other jurisdictions. Purchasers of the Notes should consult their tax advisors as to the income tax status of interest on the Notes in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the IRA), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a 15 percentalternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. Interest on the Notes will be included in the "adjusted financial statement income" of such corporations for purposes ofcomputing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Notes.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that aresimilar to the Notes. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Notes. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Notes and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon,the Notes.

Original Issue Premium

The Notes (the "Premium Notes") were offered and sold to the public at a price in excess of the principal amount of such Premium Notes, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable note premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Notes which term ends on the earlier of the maturity or call date for each Premium Note which minimizes the yield on said Premium Notes to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Note, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Note annually by the amount of amortizable note premium for the taxable year. The amortization of note premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Notes. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Notes which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Notes are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Notes.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Notes are subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Note Counsel, whose approving opinion (a form of which is attached hereto as APPENDIX D) will be available at the time of delivery of the Notes. The actual legal opinion to be delivered by Note Counsel may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Note Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date. Certain legal matters will be passed on for the School Board by its Counsel, Akerman LLP, Tampa, Florida. Nabors, Giblin & Nickerson, P.A., Tampa, Florida is serving as Disclosure Counsel to the District in connection with the issuance of the Notes.

FORWARD LOOKING STATEMENTS

This Official Statement contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," "budgeted" and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, factors affecting ad valorem revenues, federal legislation and/or regulations, and regulatory and other restrictions. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between budgets and actual results, and those differences may be material.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the District make a full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to principal or interest at any time after December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to Rule 69W-400.003, Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the District, and certain additional financial information, unless the District believes in good faith that such information would not be considered material by a reasonable investor. The District is not and has not been in default on any bond issued since December 31, 1975 which would be considered material by a reasonable investor.

CONTINGENT FEES

The School Board has retained Note Counsel and the Municipal Advisor, with respect to the authorization, sale, execution and delivery of the Notes. Payment of each fee of such professionals is each contingent upon the issuance of the Notes.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Noteholders to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the Notes remain outstanding under the Resolution. The covenant shall also cease upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administration action. The notices of material events will be filed by the District with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System described in the Form of the Continuing Disclosure Certificate attached hereto as APPENDIX E. The specific nature of the notices of material events are described in "APPENDIX E - Form of Continuing Disclosure Certificate," which shall be executed by the District at the time of issuance of the Notes. These covenants have been made in order to assist the Underwriter in complying with the Rule. Because the Notes mature in less than 18 months, the District is not required to provide any other information other than notices of material events pursuant to the Rule.

Due to an administrative oversight, the School Board failed to timely file its audited financial statements and annual operating data for Fiscal Year 2024 as required by its existing Disclosure Dissemination Agent Agreements. The District filed a notice of failure to file on March 31, 2025 and again on June 2, 2025 to include applicable CUSIP numbers inadvertently omitted from the original notice. Thereafter, the District filed its annual operating data on June 3, 2025 and its audited financial statements on June 12, 2025 and intends to fully comply with all current and future continuing disclosure undertakings.

MISCELLANEOUS

The information contained above is subject to change without notice and no implication is to be derived therefrom or from the sale of the Notes that there has been no change in the affairs of the District from the date hereof.

The Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or the holders of any of the Notes.

Further information regarding the District is available upon request from Hillsborough County Public Schools, Office of the Chief Finance Officer, 901 East Kennedy Boulevard, 3rd Floor, Tampa, Florida 33602.

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CERTIFICATE CONCERNING THIS OFFICIAL STATEMENT

Concurrently with the delivery of the Notes, the Chair of the School Board and the Superintendent will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement (except for the information under the caption "BOOK-ENTRY SYSTEM ONLY" as to which no opinion will be expressed), as of the date of delivery of the Notes, does not contain any untrue statement of a material fact and does not omit to state a material fact which is necessary in order to make the statements contained therein, in the light of the circumstances for which they were made, not misleading.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

____

Chair, The School Board of Hillsborough County, Florida

____

Superintendent of Schools

APPENDIX A

GENERAL INFORMATION REGARDING HILLSBOROUGH COUNTY, FLORIDA

GENERAL INFORMATION REGARDING HILLSBOROUGH COUNTY

The County

Hillsborough County (the "County") was established on January 25, 1834, at which time its boundaries included the present-day counties of Pasco, Charlotte, Desoto, Hardee, Pinellas, Sarasota, Manatee and Polk. The County is located on the west coast of central Florida, bounded by Tampa Bay (to the west), Polk County (to the east), Pasco County (to the north), and Manatee County (to the south). The County is the seventh largest county in the State of Florida (the "State") by area, covering a total area of 1,266 square miles, of which 215 square miles is water. The County is part of a four-county Metropolitan Statistical Area ("MSA") referred to as the Tampa, St. Petersburg-Clearwater MSA.

Tampa (the "City" or "Tampa"), Plant City and Temple Terrace are the three incorporated cities in the County, with Tampa being the largest. Tampa is also the County seat and a center of international, national, and intrastate commerce. Tampa International Airport ("TIA") and the Port of Tampa (the "Port") connect the County to other major cities in the nation and major markets throughout the world.

Government

The County operates under a home-rule charter enacted by the voters on September 20, 1983. Charter powers address self-government and cannot conflict with general law or special law approved by the voters. The established legislative body of the County is the Board of County Commissioners (the "BOCC"), a seven-member body elected by County voters. Specifically designated governmental functions are performed by separately elected constitutional officers who are elected at-large. These separately elected officers are the Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

The County provides a full range of services, including law enforcement, construction and maintenance of roads and bridges, animal services, social service programs, children's services, aging services, comprehensive planning and growth management, environmental protection, property assessment and tax collection, official records, a variety of court-related support functions, fire protection and emergency rescue, water, wastewater and solid waste disposal services, stormwater management, indigent health care, parks and recreational facilities, libraries and cultural events, emergency disaster planning and response, economic development and agricultural cooperative extension services.

In addition to their legislative duties, members of the BOCC serve as the County's Environmental Protection Commission. Individual members of the BOCC also take turns serving on various boards, authorities, commissions and private non-profits such as the Children's Board, Tampa Bay Regional Planning Council, Metropolitan Planning

Organization, Hillsborough County Tourist Development Council, Tampa Bay Water, Tampa Port Authority, Hillsborough County Aviation Authority, Hillsborough Transit Authority, Tampa-Hillsborough County Expressway Authority, Tampa Sports Authority, Value Adjustment Board, Hillsborough County Hospital Authority, Council of Governments and the Tampa Hillsborough Economic Development Corporation.

Population

The County ranks as the fourth most populous within the State and is the 26th most populous county in the United States (the "U.S."). The County's estimated population in 2025 was 1,575,637, representing an increase of 15,188 compared to 2024. A majority of the County's population, roughly 68%, resides in the unincorporated areas. Between 2010 and 2020, the County experienced a population growth of approximately 18.75%, with an additional increase of approximately 7.94% occurring from 2020 to 2025. The most notable growth during this period was observed in communities located in the southern, unincorporated regions of the County. The median age of residents in 2025 was estimated to be 38 years.

Year	Countywide Population	Increase (Decrease)
1950	249,894	--
1960	397,788	59.2%
1970	490,265	23.2
1980	646,960	32.0
1990	834,054	28.9
2000	998,948	19.8
2010	1,229,226	23.1
2020	1,459,762	18.8
2021	1,490,374	2.1
2022	1,520,529	2.0
2023	1,541,531	1.4
2024	1,560,449	1.2
2025	1,575,637	1.0

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

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Property Taxes

Hillsborough County, Florida
Taxable Assessed Value and Actual Value of Property
Last Five Fiscal Years
(*in millions*)

	Estimated Actual Value[2]			Exemptions[3]			Assessed Value[4]				
Fiscal Year	Real Property	Tangible Personal Property[5]	Centrally Assessed Property[6]	Real Property	Tangible Personal Property[5]	Centrally Assessed Property[6]	Real Property	Tangible Personal Property[5]	Centrally Assessed Property[6]	Total Taxable Assessed Value	Total Direct Tax Rate[7]
2021	$143,632	$11,751	$130	$30,905	$2,159	$2	$112,727	$9,592	$128	$122,447	10.750%
2022	163,763	12,334	134	33,245	2,187	2	130,518	10,147	132	140,797	10.750
2023[1]	181,936	14,088	132	36,311	2,604	2	145,625	11,484	130	157,239	10.750
2024	195,300	14,171	130	39,063	2,598	2	156,237	11,573	128	167,938	10.722
2025[1]	209,007	14,460	135	41,308	2,770	2	167,699	11,690	133	179,522	10.695

(1) Assessed values shown for Fiscal Year 2025 on the table above will be the basis of property taxes collected during Fiscal Year 2026, starting in November 2025.
(2) Section 192.001, Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property." Therefore, gross assessed value is defined to be Estimated Actual Value.
(3) Exemptions allowed include those for governmental as well as qualified, religious, or other non-profit properties. In addition, there are also additional exemptions if a property owner is a widow, widower, disabled, or 65 or older. A new expanded homestead exemption and the existing 3% and new 10% homestead cap differentials are not included in this table. The new homestead exemption does not apply to property taxes for the School Board.
(4) Assessed value is the estimated actual value less exemptions.
(5) Tangible personal property represents business property such as furniture, computers, machinery and equipment, as well as mobile homes that are not permanently affixed to land. With the passing of Amendment 1 on January 29, 2008, an exemption of $25,000 for tangible property is included in the table above.
(6) Centrally assessed property is primarily railroad that is assessed by the State rather than by the Property Appraiser since the property is located in more than one county.
(7) Total Direct Tax Rate shows the County tax rates applicable to residents of the unincorporated areas of the County.
Source: Hillsborough County, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2025.

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HILLSBOROUGH COUNTY, FLORIDA
Property Tax Levied and Collected[1]
(*in thousands*)

Fiscal Year	Taxes Levied for the Fiscal Year[2]	Collected within the Fiscal Year of the Levy: Amount[3]	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collected in Subsequent Years[4]	Total Taxes Collected: Amount	Total Taxes Collected: Percentage of Levy
2016	$664,593	$661,251	99.5%	$723	$661,974	99.6%
2017	715,683	712,837	99.6	540	713,377	99.7
2018	777,968	774,685	99.6	388	775,073	99.6
2019	854,656	850,960	99.6	765	851,725	99.7
2020	931,072	926,815	99.5	558	927,373	99.6
2021	1,013,951	1,009,453	99.6	457	1,009,910	99.6
2022	1,099,340	1,095,692	99.7	302	1,095,994	99.7
2023	1,260,220	1,253,961	99.5	261	1,254,222	99.5
2024	1,407,589	1,400,663	99.5	52	1,400,715	99.5
2025	1,497,693	1,492,287	99.6	(1,372)	1,490,915	99.5

(1) Since 2024 property tax rolls were not opened for collections until November 1, 2025, final data for the 2024 property tax levy is not available. Taxes levied during a fiscal year are collected in the following fiscal year. Therefore, most amounts levied in fiscal year 2024 should actually be received in fiscal year 2025.

(2) The tax levy is the entire property tax due to the County before any tax reductions are determined by the Value Adjustment Board and before any tax amounts are determined to be uncollectible due to insolvencies. The tax levy represents only the taxes due to the County financial reporting entity and therefore, excludes taxes due to the School Board, the City, and certain other governmental entities..

(3) There is a four percent early payment discount available to taxpayers who pay their property taxes in November, with the discount declining one percentage point each month thereafter. To accurately compare taxes collected to the taxes levied, discounts taken were added into the amounts collected, making them directly comparable.

(4) Includes all delinquent tax collections received during the year regardless of the year in which the taxes were originally levied.

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

Hillsborough County, Florida
Property Tax Millage Rates for Direct and Overlapping Governments
Last Five Years
(*Millage Rates Rounded to Nearest Thousandth*)

	2021	2022	2023	2024	2025
Direct rates Countywide (BOCC):					
BOCC General Revenue	5.731	5.731	5.731	5.603	5.461
BOCC Library Service*	0.558	0.558	0.558	0.558	0.558
Environmentally sensitive lands (voted)	0.060	0.060	0.060	0.060	0.060
Total millage	6.349	6.349	6.349	6.221	6.079
Maximum millage per statute(1)	10.060	10.060	10.060	10.060	10.060
Unincorporated Area (BOCC):					
BOCC Municipal Service Taxing Unit	4.375	4.375	4.375	4.475	4.616
Parks and Recreation (voted)	0.026	0.026	0.026	0.026	-
Total millage	4.401	4.401	4.401	4.501	4.616
Maximum millage per statute(1)	10.026	10.026	10.026	10.026	10.000
Total direct rates (Countywide and Unincorporated Area)	10.750	10.750	10.750	10.722	10.695
Overlapping rates(2)					
Countywide (Other):					
Tampa Port Authority	0.099	0.094	0.077	0.077	0.074
Southwest Florida Water Management District	0.267	0.254	0.204	0.191	0.183
School Board	5.967	5.849	5.400	5.388	6.340
Children's Board	0.459	0.459	0.459	0.459	-
Unincorporated Area (Other):					
Transit Authority	0.500	0.500	0.500	0.500	0.500
Municipalities:(3)					
Tampa	6.208	6.208	6.208	6.208	6.208
Temple Terrace	6.555	6.555	6.455	6.455	6.455
Plant City	5.716	5.716	5.716	5.716	5.716
Total millage for unincorporated area within the Alafia River Basin excluding any special district assessments (for analysis only)	18.042	17.906	17.390	17.337	17.792

* Excludes City of Plant City and City of Temple Terrace.

(1) Section 200.071, Florida Statutes, states that the maximum ad valorem tax millage for either the countywide or unincorporated area (municipal services taxing unit) of the BOCC is set at 10 mills plus any voted levies.

(2) Overlapping rates depend on whether the taxpayer resides in the unincorporated area of the County or one of the three municipalities. In addition, Countywide overlapping rates apply to all taxpayers. As a result, overlapping rates are not totaled, but total millage figures are shown at the bottom of this chart for comparisons over time or other analysis purposes.

(3) Dependent on its location, property within the city of Tampa or city of Plant City may either be in the Alafia or the Hillsborough River Basins.

Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

Employees

The County employees provide a variety of services to a population of over 1.5 million residents. As of September 2025, there were approximately 10,323 employees of the County. Several categories of employees are represented by labor unions. County organizations and their employees are as follows:

BOCC	5,510
Sheriff	3,498
Clerk of Circuit Court	702
Tax Collector	419
Property Appraiser	94
Discretely Presented Component Units	53
Supervisor of Elections	47

Employment Indicators

The County has a diversified economic base, including large services, manufacturing and retail trade sectors. The County's largest industrial sectors include: education and health services; trade, transportation and utilities; professional and business services; leisure and hospitality; and wholesale and retail trade. The principal employers serving the county are the Hillsborough County School Board and Hillsborough County Government. The employment by industry for Hillsborough County as of September 2025 was as follows:

Employment by Industry	Establishments
Professional and business services	16,058
Trade, transportation and utilities	9,675
Educational and health services	7,501
Financial activities	6,565
Construction	5,531
Leisure and hospitality	4,266
Other services	3,865
Manufacturing	1,623
Information	1,418
Natural resources and mining	313
Government	265
Total	**57,080**

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

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Hillsborough County, Florida
Principal Employers
Latest Fiscal Year Compared to the Fiscal Year Nine Years Earlier

Employer	Type of Operation	2025 Employees	2025 %	2025 Rank[1]	2016 Employees	2016 %	2016 Rank[1]
Publix	Supermarket	47,166	5.3%	1	7,732	1.2%	5
Baycare Health System	Medical facilities	33,631	3.8	2	6,243	1.0	7
Hillsborough County School District	Government	23,000	2.6	3	26,195	4.0	1
HCA West Florida Division[4]	Medical facilities	21,000	2.4	4	3,886	0.6	14
MacDill Air Force Base	Military base	16,800	1.9	5	19,978	3.0	2
University of South Florida[2]	Education services	16,280	1.8	6	13,902	2.1	3
Tampa General Hospital	Medical facilities	12,409	1.4	7	5,378	0.8	9
AdventHealth West Florida Division[3]	Medical facilities	12,000	1.4	8	6,000	0.9	8
Citigroup	Bank	10,800	1.2	9	-	-	-
Hillsborough County Government	Government	10,093	1.1	10	9,331	1.4	4
H. Lee Moffitt Cancer Center &Research Institute	Medical facilities	9,466	1.1	11	4,900	0.7	11
US Postal Service	Postal service	8,312	0.9	12	3,197	0.5	15
James A. Haley VA Medical Center	Veterans hospital	6,562	0.7	13	4,204	0.6	12
Raymond James Financial Inc.	Bank	6,556	0.7	14	-	-	-
JPMorgan Chase Bank	Bank	6,200	0.7	15	-	-	-
Deloitte LLP and Subsidiaries	Financial services	5,896	0.7	16	-	-	-
St. Joseph's Hospital	Medical facilities	5,121	0.6	17	-	-	-
Bloomin Brands Inc.	Food services	5,000	0.6	18	-	-	-
Progressive Insurance	Insurance	5,000	0.6	19	2,400	0.4	18
Tampa International Airport	International airport	-	-	-	7,000	1.1	6
Busch Entertainment Corporation	Tourist attraction	-	-	-	5,000	0.8	10
City of Tampa	Government	-	-	-	4,151	0.6	13
US Automobile Assoc. (USAA)	Insurance	-	-	-	2,850	0.4	16
Tampa Electric Company	Electric utility	-	-	-	2,457	0.4	17
Hillsborough Community College	Education services	-	-	-	2,300	0.3	19
Total		**261,292**	**29.5%**		**137,104**	**20.8%**	

(1) Percentages shown represent the number of employees as a percent of total County employment. Total County employment for 2025 was 888,888. Total County employment for 2015 was 657,897.
(2) Includes USF Health Science Center.
(3) Formerly known as Florida Hospital.
(4) Comprised of Brandon Regional Hospital, South Bay Hospital, Memorial Hospital and Tampa Community Hospital.
Source: Hillsborough County, Florida Annual Comprehensive Financial Report for the Year Ended September 30, 2025.

The following table shows the average civilian labor force, the average number of individuals employed and related unemployment statistics for the County:

	Hillsborough County				Florida	National
Calendar Year	**Labor Force**	**Number Employed**	**Number Unemployed**	**Unemployment Rate**	**Unemployment Rate**	**Unemployment Rate**
2016	691,104	657,897	33,207	4.9%	5.4%	4.9%
2017	713,562	680,117	33,445	4.7	5.0	4.8
2018	734,513	707,657	26,856	3.7	4.0	4.1
2019	741,658	718,396	23,262	2.9	3.3	3.3
2020	741,575	698,113	43,462	5.9	7.2	7.7
2021	803,902	772,806	31,096	3.9	4.3	4.6
2022	813,945	793,876	20,069	2.5	2.7	3.3
2023	824,322	800,135	24,187	2.9	2.9	3.7
2024	810,148	784,470	25,678	3.4	3.7	4.1
2025	818,741	781,853	36,888	4.5	4.2	4.4

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

Demographics and Economics

The following table outlines some of the general demographic and economic statistics for the County.

Hillsborough County
Demographic and Economic Statistics
2016-2025

Year	Population	Personal Income (in thousand)	Personal Income Per Capita	Median Age	Public High School Graduation Rates	Total Public School Enrollment	Unemployment Rate
2016	1,325,563	$58,596,262	$44,205	36	76.0%	205,019	4.9%
2017	1,352,797	62,630,443	46,297	36	79.1	209,414	4.7
2018	1,379,302	62,976,126	45,658	36	82.9	212,038	3.7
2019	1,408,864	67,533,935	47,935	36	85.8	211,959	2.9
2020	1,444,870	71,319,751	49,361	36	86.2	212,537	5.9
2021	1,490,374	77,665,624	52,111	36	88.8	215,975	3.9
2022	1,520,529	85,942,006	56,521	36	87.9	216,461	2.5
2023	1,541,531	90,064,452	58,425	37	86.2	221,384	2.9
2024	1,560,449	97,723,882	62,625	38	88.0	210,237	3.4
2025	1,575,637	107,082,073	67,961	38	90.9	220,437	4.5

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

Banking and Finance

A total of 301 commercial and savings bank offices were located in the County as of June 30, 2025. The following table presents commercial bank and savings institutions deposit for each year since 2016:

Calendar Year	Commercial Bank Deposits	Savings Bank Deposits	Total Deposits
2016	$29,837,696,000	$407,057,000	$30,244,753,000
2017	31,131,689,000	519,059,000	31,650,748,000
2018	31,488,241,000	219,838,000	31,708,079,000
2019	30,753,666,000	219,031,000	30,972,697,000
2020	37,783,077,000	180,603,000	37,963,680,000
2021	43,277,376,000	176,701,000	43,454,077,000
2022	45,987,490,000	169,949,000	46,157,439,000
2023	41,534,000,000	167,000,000	41,701,000,000
2024	41,699,415,000	173,295,000	41,872,710,000
2025	44,764,091,000	179,387,000	44,943,478,000

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

Medical Facilities

There are thirteen general, specialty, and military hospitals in the County with approximately 4,714 hospital beds and 3,737 nursing home beds. The County's medical resources include more than 5,960 licensed physicians, with specialists in all types of medicine and surgery, and 932 dentists.

Transportation

TIA is a major airport for the west central region of Florida serving primarily Hillsborough, Pinellas, Pasco and Hernando Counties and is one of four Federal Aviation Administration coded large hub airports in the State. It is located five miles from downtown Tampa and is served by most major airlines which provide non-stop service to more than 56 national and international destinations. Inbound and outbound passengers at TIA for the fiscal year ended September 30, 2025, totaled 21,527,863, an increase of 18.84% from the prior fiscal year.

Three general aviation airports serve as reliever airports, primarily to accommodate light and medium weight aircraft in the general aviation category. These include Peter O. Knight Airport, Plant City Airport and Tampa Executive Airport (formerly Vandenberg Airport). In addition, there are two full service general aviation executive terminals located at the Tampa Executive Airport.

AMTRAK provides passenger rail service to major cities throughout the U.S. This rail service is provided by the Palmetto and Silver Service Trains (the Silver Meteor and the Silver Star) which offer service between Florida, Georgia, and New York City. The restored Tampa Union Station has seven northbound and seven southbound departures on AMTRAK weekly. Freight rail service is provided to the County by CSX Transportation Systems ("CSX"). CSX rail units possess some of the world's most technologically advanced terminal equipment and operate on regular schedules throughout the network. Major transports include coal, wood products, phosphate, chemicals, construction materials, semi-tractor trailers, automobiles, and automobile products.

The Hillsborough Transit Authority ("HART") is the County's public transportation system. HART offers local and express routes for residents and visitors alike. Local service seven days a week provides access to area shopping malls, businesses, government buildings, attractions and recreational facilities. An estimated 9.2 million riders use the system annually.

Agriculture

The County has 2,843 farms that utilize 263,664 acres, which ranks it 2nd in Florida and 28th nationally. The County ranks as the 4th largest producer of agricultural products in the state and 59th in the U.S. The County is in the top 2% of agricultural counties in the country. The 215,000 acres utilized for agricultural production represents approximately 33% of the County's land area. The estimated total economic impact of agriculture and agribusiness on the County is $4.156 billion while employing approximately 42,000 workers.

Port Facilities

The Port is Florida's largest port both in terms of cargo tonnage and geographic acreage, encompassing over 5,000 acres. The Port handled over 33 million tons of cargo. The Port is also one of the most diverse seaports in the country with multiple lines of business providing a solid financial footing and supporting an aggressive capital investment program for new development. The Port has a significant economic impact on the County and supports nearly 85,000 jobs in the regional economy.

In addition to being one of the world's premier fertilizer export ports, it is also the gateway for Central Florida's energy products, construction/building materials and consumer goods. The Port is also home to one of the largest shipbuilding and repair centers in the Southeast U.S. The Port's cruise business is growing rapidly as well, with additional ships offering year-long service to Cuba, Mexico and the Caribbean.

Military Facilities

MacDill Air Force Base is located eight miles south of downtown Tampa on the Southwestern tip of the Interbay Peninsula on the west coast of Florida. The 6th Air Mobility Wing hosts 28 tenant units including the 927th Air Refueling Wing which uses KC-135R Stratotankers and a C-37A Gulfstream aircraft to conduct its air mobility mission, two non-aviation units: the U.S. Central Command and the U.S. Special Operations Command and 23 other units.

Recreational Facilities

A variety of entertainment activities may be found in the County including numerous parks, beaches, restaurants with international flair, excellent golf courses, racquetball courts, saltwater fishing, tennis and shopping. Walt Disney World, including Hollywood Studios Theme Park, Universal Studios, and Sea World are all just over an hour's drive to the east. Two thirds of the State's major attractions lie within a 100-mile radius of Tampa. Busch Gardens, located in Tampa, is a family adventure park offering an array of fascinating attractions based on exotic encounters with the African continent. It offers an appealing blend of thrilling rides, one of the country's premier zoos featuring more than 3,000 animals, live shows, restaurants, shops and games. Adventure Island, which is located next to Busch Gardens, features a beach volleyball complex and 15 water play areas situated on 30 acres.

The County is home to the Tampa Bay Buccaneers of the National Football League, who were the Superbowl champions in 2003 and 2021. The Tampa Bay Buccaneers and University of South Florida Bulls football teams play their home games at Raymond James Stadium in Tampa, which has a seating capacity of 65,890. Raymond James Stadium has hosted special events such as Super Bowl XXXV in January 2001, Super Bowl XLIII in February 2009 and Super Bowl LV in February 2021.

In the heart of downtown Tampa's Channelside District, located between the Tampa Convention Center and the Florida Aquarium, lies the Amalie Arena, one of the premier entertainment venues in the Southeast and home of the National Hockey League's Tampa Bay Lightning, who were the 2004, 2020, and 2021 Stanley Cup Champions. The Amalie Arena also hosts many concerts, family shows and sporting events each year. In addition, the New York Yankees Major League Baseball franchise has spring training at the County's George M. Steinbrenner Field baseball stadium. The recently renovated University of South Florida Yuengling Center is a multipurpose 10,000-seat arena located on the campus of the University of South Florida ("USF") and is home to the National Collegiate Athletic Association's USF Men's and Women's Basketball Teams as well as other University events. Thoroughbred horse racing is also seasonally available in the County.

Cultural Facilities

The County offers a variety of cultural facilities to residents and visitors. ZooTampa at Lowry Park is operated by the Lowry Park Zoological Society, an independent 501(c)(3) charitable organization committed to excellence in education, conservation and research. The Zoo is accredited by the Association of Zoos and Aquariums. The 205,000 sq-ft Florida Aquarium is among the top aquariums in the world and has more than 20,000 aquatic plants and animals from Florida and around the world. The Florida Aquarium's Center for Conservation combines research and rehabilitation programs to give much needed support to animals in distress or imminent danger and ecosystems faced with both natural and man-made threats.

The Straz Center for the Performing Arts is located on a nine-acre site along the east bank of the Hillsborough River. As the second largest performing arts complex in the southeast, the 335,000 square-foot Straz Center provides an environment for a wide variety of world-class events. It boasts one of the nation's leading Broadway series and is nationally respected for producing grand opera, as well as presenting a wide variety of concerts, performances and events. The Tampa Convention Center, located directly on the waterfront in the heart of downtown Tampa, hosts a variety of conventions, trade shows, and other special events year-round.

Museums in the area include the Museum of Science and Innovation (MOSI), a science and technology center encompassing over 58,000 square-feet on a 74-acre campus of exhibits and hands-on displays. MOSI is the only science center in the Tampa Bay community. Other museums in the area are the Tampa Museum of Art, the historic H. B. Plant Museum at the University of Tampa, the Contemporary Art Museum at the University of South Florida, the Scarfone/Hartley Gallery at the University of Tampa, the Veteran's Memorial Museum and Park, the Ybor City State Museum, Glazer Children's Museum, and the Florida Museum of Photographic Arts.

APPENDIX B

EXCERPTED PAGES FROM THE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2025
Tampa, FL

Hillsborough County
PUBLIC SCHOOLS
Preparing Students for Life

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Independent Auditor's Report

Honorable Chairperson and Members
The District School Board of Hillsborough County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Hillsborough County, Florida (the "District"), as of and for the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

With the exception of Terrance Community Middle School, we did not audit the financial statements of the charter schools, which represent 99.8%, 98.5% and 98.3% of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report 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 the Management's Discussion and Analysis, pension schedules, and other postemployment benefit schedules 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 budgetary comparison schedules and combining and individual financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 budgetary comparison schedules, and the combining individual financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 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, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Forvis Mazars, LLP

Tampa, Florida
March 3, 2026

Hillsborough County
PUBLIC SCHOOLS
Preparing Students for Life

The School District of Hillsborough County's (the "District") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements (beginning on page 15).

Overview of the Financial Statements

The MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances in a manner similar to the corporate private sector. Governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The Statement of Net Position details information on all of the Districts assets, deferred outflows, liabilities, and deferred inflows, with the assets plus deferred outflows minus liabilities plus deferred inflows being reported as net position. This statement combines governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District has changed.

The Statement of Activities (see page 16) presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying obligation/event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or component units.

The government-wide financial statements include not only the District but its component unit as well. The Hillsborough School Board Leasing Corporation, although legally separate, functions for all practical purposes, as a department of the District, and therefore has been included as an integral part of the primary government.

Key financial highlights included assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources by $1,857,398 (net position). Of this amount $(1,368,493) represents a deficit unrestricted net position. This deficit balance increased this year, but overall, is attributed to long term liabilities. See long term liability notes to the financial statements for additional information.

The government-wide financial statements can be found on pages 15 - 17 of this report.

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. Funds are established for various purposes and the Fund Financial Statements allow for the demonstration of sources and uses and/or budgeting compliance associated therewith (beginning on page 18). All funds of the District can be divided into three major categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds focus on the sources and uses of liquid resources and balances of spendable resources available at the end of the fiscal year.

This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government entity. Because the focus is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers can better understand the long-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Reconciliation between the government-wide and the governmental fund financial information is necessary because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 21 and 27). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column in the Government-wide statements.

The District maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Contracted Services, Federal Stabilization Funds, Other Debt Service, Local Capital Improvement, and Other Capital Projects are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation.
The District adopts an annual appropriated budget for all of its governmental funds.

Proprietary Funds
The District maintains an internal service fund as its only proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its group health insurance, workers compensation, and liability self-insurance activities. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund statements can be found on pages 34 – 36.

Fiduciary Funds
The District is the trustee, or fiduciary, for its employee pension plans. It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries. The District is liable for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance any of its ongoing operations.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-81 of this report.

Government-wide Financial Analysis
As noted earlier, net position may serve over time as a useful indicator of an entities financial position. In the case of the District, assets plus deferred outflows exceeded liabilities plus deferred inflows by $1,857,398 at the end of the current fiscal year.

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

(dollar amounts expressed in thousands)

	Governmental Activities 2025	Governmental Activities 2024
Current and other assets	$ 981,098	$ 1,139,984
Capital assets	3,093,957	2,937,936
Total assets	4,075,055	4,077,920
Deferred outflows	468,352	481,359
Current liabilities	194,933	203,406
Noncurrent liabilities:		
Due within one year	90,792	109,980
Due in more than one year	2,049,452	2,168,027
Total noncurrent liabilities	2,140,244	2,278,007
Total liabilities	2,335,177	2,481,413
Deferred inflows	350,829	284,732
Net position:		
Net Investment in Capital Assets	2,660,932	2,435,726
Restricted	564,959	589,784
Unrestricted	(1,368,493)	(1,232,396)
Total Net Position	$ 1,857,398	$ 1,793,114

An additional portion of the District's Net Position represents resources that are subject to external restrictions on how they may be used. The District's net position increased by $64,284 from last year, due to current year operations and decreases in long term liabilities.

(dollar amounts expressed in thousands)

Governmental Activities

Governmental activities increased the District's net position by $64,284. Key elements of this increase are as follows:

	Governmental Activities 2025	Governmental Activities 2024
Revenues:		
Program revenues:		
Charges for services	$ 38,251	$ 35,518
Operating grants and contributions	131,422	131,731
Capital grants and contributions	9,655	9,079
General revenues:		
Property taxes, levied for operational Purposes	683,683	651,646
Property taxes, levied for capital projects	279,331	250,611
Local sales taxes	278,489	236,451
Grants and contributions not restricted to specific programs	1,616,586	1,723,259
Investment earnings	27,794	45,429
Miscellaneous	126,925	187,201
Total revenues	3,192,136	3,270,925
Expenses:		
Instructional services	1,633,026	1,728,888
Instructional support services	342,863	342,525
Pupil transportation services	90,514	92,756
Operation and maintenance of plant	230,090	221,074
Non-capitalizable facilities acquisition and construction	434,925	340,002
School administration	134,910	142,633
General administration	56,529	66,667
Food services	164,632	168,474
Community services and other	23,146	25,448
Interest on long term debt	17,217	11,570
Total expense	3,127,852	3,140,038
Change in net position	64,284	130,887
Net position beginning of year	1,793,114	1,662,227
Net position end of year	$ 1,857,398	$ 1,793,114

Property taxes for operational purposes increased $32,037 and property taxes for capital projects increased $28,720 during the year as a result of an increase in assessed values. The voter approved sales tax referendum added $278,489 of revenue earmarked for school renovations and major improvements.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

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. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $773,353 a decrease of $155,615 as compared to the prior year.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $201,036 while total fund balance was $293,348. The fund balance of the District's General Fund decreased by $103,461 during the current fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents nine percent of total General Fund expenditures, while total fund balance represents thirteen percent of that same amount. The fund balance decrease of $103,461 in the current year was primarily due to the decrease in unrestricted grants and contributions.

The Contracted Services and Federal Stabilization Fund (Other Federal Programs) revenue and expenditures remain equal to the prior year.

The Other Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on the long-term Certificates of Participation and bonds. The restricted fund balance at the end of the fiscal year 2025 was $168,746.

The Capital Projects Fund Local Capital Improvement Tax is used to account for the resources generated by the local capital improvement tax to be used for educational capital outlay needs. At June 30, 2025, the total fund balance was $53,274.

Other Capital Projects Fund had a decrease in fund balance of $(44,098) from a prior year fund balance of $207,933 to a current year fund balance of $163,835. This change was primarily due to an increase in expenditures related to new construction, major renovation and repair.

General Fund Budgetary Highlights

During the fiscal year, the District revises its budget and brings amendments to the Board on a monthly basis. These amendments are needed to adjust to actual revenues and direct resources where needed. The Board approves the final amendment to the budget after year-end.
The General Fund final budget appropriations increased $121.5 million from the original budget to the final amended budget. Actual expenditures were $124.8 million below the final amended

(dollar amounts expressed in thousands)

expenditure budget. The decreases were due to vacancy savings and movement of expenditures to other funding sources.

Unexpended appropriations of $124.8 million were composed of restricted and non-spendable budget items.

Capital Asset and Debt Administration

Capital Assets

The Districts investment in capital assets for its governmental activities as of June 30, 2025 amounts to $3,093,957 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, construction in progress, improvements other than buildings, buildings and systems, furniture, fixtures and equipment, motor vehicles, and computer equipment.

	Governmental Activities 2025	Governmental Activities 2024
Land	$ 176,668	$ 176,668
Land improvements	95,770	95,770
Construction in progress	131,676	394,589
Improvements other than buildings	119,956	85,612
Buildings and systems	2,449,507	2,101,942
Furniture, fixtures and equipment	38,243	38,758
Leasehold improvements	5,613	5,745
Motor vehicles	57,916	38,487
Computer software	18,608	365
Total capital assets	$ 3,093,957	$ 2,937,936

This year's additions of $350,355, excluding transfers from construction in progress, included several renovation projects. The total of capital assets increased due to renovation and repair funded by the voter approved sales tax referendum.

See note #5 to the financial statements for more information on the District's capital assets.

(dollar amounts expressed in thousands)

Long Term Debt
At the end of the current fiscal year the District had borrowed and bonded debt outstanding of $432,325 which is net of un-amortized bond premiums of $26,794.

	2025	**2024**
Bonds payable	44,939	66,312
Certificates of participation	387,386	436,583
Total long-term debt	$ 432,325	$ 502,895

The District's total borrowed and bonded debt decreased by $70,571 (net of repayment of principal on outstanding debt) during the current fiscal year. The decrease is approximately equal to the payment of principal.

The District has been given the following bond ratings:

	Sales Tax Revenue Bonds Underlying
Moody's	A1
Standard & Poors	A
Fitch IBCA	A

	Certificates of Participation Underlying
Moody's	A2
Standard & Poors	A
Fitch IBCA	A

See notes 8-9 to the financial statements for more information on the District's long-term debt.

Requests for Information
This financial report is designed to provide a general overview of the School District of Hillsborough County's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accounting Services, 901 E. Kennedy Blvd., Tampa, Florida, 33602 or call 813-272-4292

Hillsborough County
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BASIC FINANCIAL STATEMENTS

Hillsborough County

PUBLIC SCHOOLS

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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF NET POSITION
JUNE 30, 2025
(dollar amounts expressed in thousands)

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash	$ 565,768	$ 98,008
Investments	366,371	33,701
Accounts receivable, net	5,736	8,632
Lease receivable	-	980
Due from other governmental agencies	35,865	3,113
Inventories	7,357	-
Other assets	-	945
Prepaid items	-	2,831
Capital assets (net of accumulated depreciation/amortization):		
Land	176,668	18,648
Land improvements	95,770	420
Construction in progress	131,676	6,761
Improvements other than buildings	119,956	10,028
Buildings and systems	2,449,507	154,696
Furniture, fixtures and equipment	38,243	8,117
Leasehold Improvements	5,613	-
Motor vehicles	57,916	1,432
Property under leases	-	328,678
Computer software	18,608	-
Total assets	4,075,054	676,990
DEFERRED OUTFLOWS		
Deferred outflows - Leases	-	2,951
Deferred outflows - Bond refunding	9,949	-
Deferred outflows - Other post employment health care benefit	94,050	-
Deferred outflows - Pension	364,353	-
	468,352	2,951
LIABILITIES		
Accounts payable	92,901	24,054
Construction retainage payable	6,838	-
Salaries and wages payable	1,619	10,883
Accrued payroll taxes and withholdings	44,471	1,542
Accrued interest	7,730	1,592
Due to other governmental agencies	12,737	394
Deposits payable	191	-
Unearned revenue	28,448	1,588
Other liabilities	-	827
Noncurrent liabilities:		
Due within one year	90,792	18,199
Due in more than one year	2,049,452	529,754
Total liabilities	2,335,179	588,833
DEFERRED INFLOWS		
Deferred inflows - Leases	-	967
Deferred inflows - Other post employment health care benefit	129,466	-
Deferred inflows - Bond refunding	1,096	-
Deferred inflows - Pension	220,267	-
	350,829	967
NET POSITION		
Net investment in capital assets	2,660,932	(6,626)
Restricted for:		
Categorical carryover programs	28,969	-
Debt service	170,528	7,770
Capital outlay	256,498	636
Non categorical carryover programs	51,511	-
Other purposes	57,453	4,691
Unrestricted	(1,368,493)	83,670
Total net position	$ 1,857,398	$ 90,141

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

Functions/Programs	Expenses	Charges for Services
Primary government:		
Governmental activities:		
Instructional services	$ 1,633,026	$ 23,446
Instructional support services	342,863	-
Pupil transportation services	90,514	1,405
Operation and maintenance of plant	230,090	-
Non-capitalizable facilities acquisition and construction	434,925	-
School administration	134,910	-
General administration	56,529	-
Food services	164,632	13,400
Community services and other	23,146	-
Interest on long-term debt	17,217	-
Total governmental activities and primary government	$ 3,127,852	$ 38,251
Component units:		
Charter Schools	$ 401,930	$ 12,788
Total component units	$ 401,930	$ 12,788

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

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
	$ -	$ -	$ (1,609,580)	$ -
	-	-	(342,863)	-
	-	-	(89,109)	-
	-	-	(230,090)	-
	-	8,281	(426,644)	-
	-	-	(134,910)	-
	-	-	(56,529)	-
	131,422	-	(19,810)	-
	-	-	(23,146)	-
	-	1,374	(15,843)	-
	$ 131,422	$ 9,655	$ (2,948,524)	$ -
	$ 30,188	$ 17,455	$ -	$ (341,499)
	$ 30,188	$ 17,455	$ -	$ (341,499)
General Revenues:				
Property taxes, levied for operational purposes			683,683	-
Property taxes, levied for capital projects			279,331	-
Local sales taxes			278,489	-
Grants and contributions not restricted to specific programs			1,616,586	317,214
Investment earnings			27,794	1,751
Miscellaneous			126,925	20,912
Gain on disposal of property			-	374
Total general revenues			3,012,808	340,251
Change in net position			64,284	(1,248)
Net position - beginning			1,793,114	91,389
Net position - ending			$ 1,857,398	$ 90,141

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(dollar amounts expressed in thousands)

	General	Contracted Services	Federal Stabilization Funds
ASSETS			
Cash	$ 109,304	$ 2,743	$ 214
Investments	235,800	-	-
Accounts receivable	5,043	2	-
Due from other governmental agencies	5,417	20,213	37
Due from other funds	36,618	4,220	-
Inventories	5,890	-	-
Total assets	$ 398,072	$ 27,178	$ 251
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 19,834	$ 3,048	-
Salaries and wages payable	1,620	-	-
Payroll deductions and withholdings	44,471	-	-
Due to other funds	23,215	17,623	-
Due to other governmental agencies	12,737	-	-
Deposits payable	163	5	-
Unearned revenue	2,683	6,502	251
Total liabilities	104,723	27,178	251
Fund balances:			
Nonspendable	5,890	-	-
Restricted for:			
Federal programs	-	-	-
State programs	28,969	-	-
Local programs	57,453	-	-
Debt service	-	-	-
Capital projects	-	-	-
Unassigned	201,037	-	-
Total fund balances	293,348	-	-
Total liabilities and fund balances	$ 398,072	$ 27,178	$ 251

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

Other Debt Service	Local Capital Improvement	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ 124,873	$ 53,085	$ 183,420	$ 42,495	$ 516,134
43,884	19,598	12,908	43,232	355,422
-	-	-	682	5,726
-	-	484	9,714	35,865
-	18,989	-	-	59,827
-	-	-	1,468	7,357
$ 168,757	$ 91,671	$ 196,812	$ 97,591	$ 980,332
$ 11	$ 19,408	$ 32,954	$ 1,067	$ 76,323
-	-	-	-	1,620
-	-	-	-	44,471
-	18,989	-	-	59,827
-	-	-	-	12,737
-	-	23	-	191
-		-	2,374	11,810
11	38,397	32,978	3,441	206,979
-	-	-	1,468	7,358
-	-	-	51,511	51,511
-	-	-	-	28,969
-	-	-	-	57,453
168,746	-	-	1,782	170,528
-	53,274	163,835	39,389	256,498
-	-	-	-	201,037
168,746	53,274	163,835	94,150	773,353
$ 168,757	$ 91,671	$ 196,812	$ 97,591	$ 980,332

Hillsborough County

PUBLIC SCHOOLS

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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025
(dollar amounts expressed in thousands)

Total Fund Balances - Governmental Funds		$ 773,353
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,093,957
Deferred outflows are applicable to future periods and therefore are not reported in the funds.		
Deferred outflows related to refunding	9,949	
Deferred outflows related to post employment health care benefits	94,050	
Deferred outflows related to pension	364,353	468,352
Deferred inflows are applicable to future periods and therefore are not reported in the funds.		
Deferred inflows related to refunding	(1,096)	
Deferred inflows related to post employment health care benefits	(129,466)	
Deferred inflows related to pension	(220,267)	(350,829)
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.		6,253
Long term liabilities, including unamortized bond premiums, are not due and payable in the current period and therefore, are not reported in the funds.		
Post employment benefits	(234,437)	
Pension	(1,230,991)	
Compensated absences payable	(218,651)	
Certificates of participation	(387,386)	
Bonds payable	(47,654)	(2,119,119)
Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds.		(7,730)
Accrued construction retainage payable is not due and payable in the current period and therefore, is not reported in the funds.		(6,839)
Total Net Position - Governmental Activities		$ 1,857,398

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 (dollar amounts expressed in thousands)

	General	Contracted Services	Federal Stabilization Funds
REVENUES			
Local sources:			
Ad valorem taxes	$ 683,683	$ -	$ -
Local sales tax	-	-	-
Food services	-	-	-
Interest income	5,094	-	-
Other	103,270	290	-
Total local sources	792,047	290	-
State sources:			
Florida education finance program	997,383	-	-
Charter school capital outlay funding	-	-	-
Public education capital outlay	-	1,089	-
Categorical education programs	230,673	-	-
Class size reduction	-	-	-
Workforce development	53,630	-	-
Food services supplement	-	-	-
Other	11,035	381	-
Total state sources	1,292,720	1,470	-
Federal sources:			
Food services	-	-	-
Federal grants direct	2,986	17,917	-
Federal grants through state	7,662	197,940	73,743
Federal grants through local	-	-	-
Total federal sources	10,648	215,857	73,743
Total revenues	2,095,415	217,617	73,743
EXPENDITURES			
Current:			
Instructional services:			
Basic programs	1,130,714	76,168	64,134
Exceptional child programs	244,899	19,125	6
Adult and vocational technical programs	78,108	6,586	-
Total instructional services	1,453,720	101,878	64,140
Instructional support services:			
Pupil personnel services	117,421	16,133	4,750
Instructional media services	22,756	6,986	97
Instruction and curriculum development services	49,137	42,002	391
Instructional staff training services	9,028	22,115	1,272
Instructional related technology	47,342	777	166
Total instructional support services	245,684	88,012	6,676
Pupil transportation services	88,385	1,265	372
Operation and maintenance of plant:			
Operation of plant	189,580	1,172	5
Maintenance of plant	38,289	-	-
Total operation and maintenance of plant	227,869	1,172	5
School administration	133,943	143	0
General administration:			
Central services	27,619	336	40
Board of education	3,035	-	-
General administration	7,622	6,746	2,510
Fiscal services	8,064	91	-
Administrative technology services	163	-	-
Total general administration	46,503	7,173	2,549

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

Other Debt Service	Local Capital Improvement	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 279,834	$ -	$ -	$ 963,517
40,519	-	237,970	-	278,489
-	-	-	13,400	13,400
4,427	3,559	9,663	5,390	28,133
-	712	46,548	617	151,437
44,946	284,104	294,182	19,407	1,434,976
-	-	-	-	997,383
-	-	20,185	-	20,185
-	-	-	8,141	9,230
-	-	-	338	231,011
-	-	-	-	-
-	-	-	-	53,630
-	-	-	1,475	1,475
	-	1,152	1,483	14,052
-	-	21,337	11,436	1,326,964
-	-	-	-	-
-	-	-	-	20,904
-	-	-	129,947	409,291
-	-	-	-	-
-	-	-	129,947	430,195
44,946	284,104	315,519	160,790	3,192,135
-	-	-	-	1,271,015
-	-	-	-	264,030
-	-	-	-	84,694
-	-	-	-	1,619,739
-	-	-	-	138,305
-	-	-	-	29,839
-	-	-	-	91,530
-	-	-	-	32,415
-	-	-	-	48,284
-	-	-	-	340,372
-	-	-	-	90,022
-	-	-	-	190,757
-	-	-	-	38,289
-	-	-	-	229,046
-	-	-	-	134,086
-	-	-	-	27,995
-	-	-	-	3,035
-	-	-	-	16,878
-	-	-	-	8,155
-	-	-	-	163
-	-	-	-	56,225

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	General	Contracted Services	Federal Stabilization Funds
Facilities acquisition and construction	31,696	-	-
Charter school local capital improvement	-	-	-
Food services	7,667	-	-
Community services and other	19,260	3,828	-
Debt Service:			
Principal retirement	-	-	-
Interest	-	-	-
Dues, fees, and other	-	-	-
Capital outlay:			
Facilities acquisition and construction	4,156	14,145	-
Other capital outlay	-	-	-
Total expenditures	2,258,883	217,617	73,743
Excess (deficiency) of revenues over (under) expenditures	(163,468)	-	-
OTHER FINANCING SOURCES (USES):			
Transfers in	63,702	-	-
Transfers out	(3,656)	-	-
Total other financing sources and uses	60,045	-	-
Net change in fund balances	(103,422)	-	-
Fund balances - beginning	396,770	-	-
Fund balances - ending	$ 293,348	$ -	$ -

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

Other Debt Service	Local Capital Improvement	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
-	166,051	57,150	-	254,897
-	-	-	-	-
-	-	-	155,090	162,757
-	-	-	-	23,088
63,264	-	-	1,221	64,485
18,733	-	-	269	19,003
17	-	-	1	18
-				
-	36,283	282,283	9,832	346,699
-	-	-	3,656	3,656
82,015	202,334	339,433	170,069	3,344,093
(37,069)	81,771	(23,913)	(9,279)	(151,958)
63,982	-	-	-	127,684
-	(107,499)	(20,185)	-	(131,340)
63,982	(107,499)	(20,185)	-	(3,656)
26,912	(25,728)	(44,098)	(9,279)	(155,615)
141,833	79,002	207,933	103,429	928,968
$ 168,746	$ 53,274	$ 163,835	$ 94,150	$ 773,353

Hillsborough County
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THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds		$ (155,615)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay ($350,355) was more than depreciation expense ($189,583) during the current period.		164,435
The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net position differs by the cost of assets sold.		(4,751)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of payments of bond principal.		64,485
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:		
Postemployment health care benefits	(14,291)	
Interest expense	768	
Compensated absences	(26,876)	
Pension	35,899	
Amortization of bond discount and premium DOR/DIR Bond refundings	1,037	(3,463)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue/(net expense) of internal service funds is reported with governmental activities.		(807)
Change in Net Position of Governmental Activities		$ 64,284

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2025 (dollar amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local sources:				
Ad valorem taxes	$ 681,333	$ 688,777	$ 683,683	(5,094)
Interest income	18,600	5,094	5,094	-
Other	81,800	98,748	103,270	4,522
Total local sources	781,732	792,619	792,047	(572)
State sources:				
Florida education finance program	1,017,267	1,007,173	997,383	(9,790)
Categorical programs	235,271	232,937	230,673	(2,264)
Workforce development	54,699	54,156	53,630	(526)
Other	11,255	11,143	11,035	(108)
Total state sources	1,318,492	1,305,409	1,292,720	(12,689)
Federal sources:				
Federal grants direct	2,350	2,986	2,986	-
Federal grants through state	6,500	7,662	7,662	-
Total federal sources	8,850	10,648	10,648	-
Total revenues	2,109,074	2,108,676	2,095,415	(13,261)
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	1,189,905	1,188,908	1,130,714	58,194
Exceptional child programs	257,704	257,488	244,899	12,590
Adult and vocational technical programs	84,510	84,439	78,108	6,331
Total instructional services	1,532,119	1,530,835	1,453,720	77,115
Instructional support services:				
Pupil personnel services	117,468	120,822	117,421	3,400
Instructional media services	25,284	25,234	22,756	2,478
Instruction and curriculum development services	37,091	55,257	49,137	6,120
Instructional staff training services	11,284	14,733	9,028	5,705
Instructional related technology	54,385	47,757	47,342	416
Total instructional support services	245,513	263,803	245,684	18,118
Pupil transportation services	77,750	90,514	88,385	2,129
Operation and maintenance of plant:				
Operation of plant	150,088	192,420	189,580	2,840
Maintenance of plant	36,262	38,402	38,289	112
Total operation and maintenance of plant	186,350	230,822	227,869	2,953
School administration	142,885	136,543	133,943	2,601
General administration:				
Central services	26,666	40,033	27,619	12,413
Board of education	3,330	3,830	3,035	795
General administration	8,007	10,510	7,622	2,888
Fiscal services	14,093	8,689	8,064	625
Administrative technology services	194	163	163	-
Total general administration	52,290	63,225	46,503	16,722

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Facilities acquisition and construction	14,759	32,395	31,696	699
Food services	300	7,723	7,667	56
Community services and other	6,117	23,740	19,260	4,481
Debt Services	-	-	-	-
Capital outlay:				
Facilities acquisition and construction	4,156	4,156	4,156	-
Total expenditures	2,262,240	2,383,756	2,258,883	124,873
Excess (deficiency) of revenues over (under) expenditures	(153,166)	(275,080)	(163,468)	111,612
OTHER FINANCING SOURCES (USES)				
Transfers in	63,702	63,702	63,702	-
Transfers out	(3,903)	(3,695)	(3,656)	38
Total other financing sources and uses	59,799	60,007	60,045	38
Net change in fund balances	(93,367)	(215,073)	(103,422)	111,651
Fund balances - beginning	395,946	396,770	396,770	-
Fund balances - ending	$ 302,579	$ 181,698	$ 293,348	$ 111,651

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Local sources:				
Other	$ 728	$ 1,039	$ 290	(750)
Total local sources	728	1,039	290	(750)
State sources:				
Other	1,235	2,752	381	(2,371)
Total state sources	1,235	2,752	1,470	(1,282)
Federal sources:				
Federal grants direct	7,205	29,081	17,917	(11,163)
Federal grants through state	151,238	232,698	197,940	(34,758)
Total federal sources	158,443	261,778	215,857	(45,921)
Total revenues	160,406	265,570	217,617	(47,953)
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	87,319	96,400	76,168	20,233
Exceptional child programs	21,161	23,362	19,125	4,237
Adult and vocational technical programs	7,576	8,364	6,586	1,778
Total instructional services	116,055	128,126	101,878	26,247
Instructional support services:				
Pupil personnel services	4,745	18,072	16,133	1,939
Instructional media services	1,079	7,610	6,986	624
Instruction and curriculum development services	13,838	50,487	42,002	8,485
Instructional staff training services	11,655	28,793	22,115	6,678
Instructional related technology	497	940	777	163
Total instructional support services	31,815	105,901	88,012	17,889
Pupil transportation services	1,231	1,438	1,265	174
Operation and maintenance of plant:				
Operation of plant	632	1,497	1,172	325
School administration	25	202	143	59
General administration:				
Central services	206	482	336	146
General administration	5,825	7,997	6,746	1,251
Fiscal services	22	91	91	0
Total general administration	6,053	8,570	7,173	1,397

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Community services and other	4,086	4,619	3,828	790
Capital outlay:				
Facilities acquisition and construction	509	15,217	14,145	1,072
Total expenditures	160,406	265,570	217,617	47,953
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FEDERAL STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local sources:				
Ad valorem taxes	$ -	$ -	$ -	$ -
Interest income	-	-	-	-
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Florida education finance program	-	-	-	-
Categorical programs	-	-	-	-
Workforce Development	-	-	-	-
Food services	-	-	-	-
Other	-	-	-	-
Total state sources	-	-	-	-
Federal sources:				
Federal grants direct	-	-	-	-
Federal grants through state	80,849	73,864	73,743	(121)
Federal grants through local	-	-	-	-
Total federal sources	80,849	73,864	73,743	(121)
Total revenues	80,849	73,864	73,743	(121)
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	61,312	64,250	64,134	117
Exceptional child programs	6	6	6	0
Adult and vocational technical programs	-	-	-	-
Total instructional services	61,318	64,257	64,140	117
Instructional support services:				
Pupil personnel services	9,494	4,750	4,750	(0)
Instructional media services	297	97	97	-
Instruction and curriculum development services	540	392	391	1
Instructional staff training services	1,656	1,272	1,272	-
Instructional related technology	1,011	166	166	-
Total instructional support services	12,999	6,677	6,676	1
Pupil transportation services	686	372	372	-
Operation and maintenance of plant:				
Operation of plant	124	5	5	-
Maintenance of plant	-	-	-	-
Total operation and maintenance of plant	124	5	5	-
School administration	919	0	0	0
General administration:				
Central services	964	40	40	-
Board of education	-	-	-	-
General administration	3,675	2,513	2,510	3
Fiscal services	-	-	-	-
Administrative technology services	0	-	-	-
Total general administration	4,639	2,552	2,549	3

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - FEDERAL STABILIZATION FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2025 (dollar amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Facilities acquisition and construction	-	-	-	-
Food services	163		-	-
Community services and other			-	-
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	-	-	-	-
Total expenditures	80,849	73,864	73,743	121
Excess (deficiency) of revenues over (under) expenditures	(0)	(0)	(0)	(0)
OTHER FINANCING SOURCES (USES)				
Transfers in	-		-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(0)	-	-	(0)
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ 100	$ -	$ -	$ -

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(dollar amounts expressed in thousands)

		Internal Service Funds
ASSETS		
Current assets:		
Cash	$	49,634
Investments		10,949
Accounts receivable		10
Due from other funds		38
Total assets	$	60,632
LIABILITIES		
Current liabilities:		
Accounts payable	$	16,578
Due to other funds		38
Unearned revenue		16,638
Estimated liability for claims		10,739
Total current liabilities		43,993
Noncurrent liabilities:		
Estimated liability for claims		10,386
Total liabilities		54,379
NET POSITION		
Unrestricted		6,253
Total net position	$	6,253

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	Internal Service Funds
OPERATING REVENUES:	
Premium revenue from other funds	$ 203,034
Other revenue	115
Total operating revenues	203,149
OPERATING EXPENSES:	
Salaries	364
Benefits	169
Purchased services	560
Claims, premiums and other	207,842
Total operating expenses	208,935
Operating loss	(5,786)
NON OPERATING REVENUE:	
Interest	1,065
Other miscellaneous sources	259
Total non-operating revenue	1,324
Loss before transfers	(4,463)
TRANSFERS IN	3,656
Change in net position	(807)
Total net position - beginning	7,060
Total net position - ending	$ 6,253

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from interfund services provided	$ 208,855
Payment to suppliers	(191,980)
Payment to employees	(533)
Other receipts	115
Net cash used in operating activities	16,457
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfers from other funds	3,656
Net cash used in noncapital and related financing activities	3,656
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	3,844
Interest on investments	1,323
Net cash provided by investing activities	5,167
Net decrease in cash	25,280
Cash - Beginning of year	24,354
Cash - End of year	$ 49,634
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	$ (5,786)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in due from other funds	10,929
Increase (decrease) in accounts payable	16,423
Increase (decrease) in estimated liability for claims payable	1,595
Increase (decrease) in unearned revenue	(6,742)
Total adjustments	22,243
Net cash used in operating activities	$ 16,457

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025
(dollar amounts expressed in thousands)

	Pension Trust Fund	Custodial Fund
ASSETS		
Cash	$ -	$ 21,955
Investments, at fair value:		
State Board of Administration	-	754
U.S. Government securities	7,448	-
Total investments	7,448	754
Accounts receivable, net	69	-
Inventory	-	160
Total assets	7,517	22,869
LIABILITIES		
Accounts payable	-	330
Total liabilities	-	330
NET POSITION		
Restricted for:		
Pensions	7,517	-
Individuals, organizations, and other governments	-	22,539
Total net position	$ 7,517	$ 22,539

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(dollar amounts expressed in thousands)

	Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions received from employer	$ 1,168	$ -
Contributions received from others	-	21,785
Investment income:		
Interest income	318	-
Net change in fair value of investments	82	-
Total investment income	400	-
Total additions	1,568	21,785
DEDUCTIONS		
Benefit payments	1,543	-
Purchased services	30	-
Materials and supplies	-	20,610
Total deductions	1,573	20,610
Net change in net position	(5)	1,175
Net position - beginning	7,522	21,364
Total net position - ending	$ 7,517	$ 22,539

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The School District of Hillsborough County, Florida (District) has direct responsibility for the operation, control, and supervision of the District schools and is considered a primary government for financial reporting purposes. The District is a part of the Florida system of public education. The governing body of the school district is the Hillsborough County District School Board (Board) that is composed of seven (7) elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Hillsborough County.

The accompanying financial statements present the activities of the Board and its component units. Criteria for determining if other entities are potential component units, which should be reported within the District's financial statements, are identified and described in Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units GASB Statement No. 61, The Financial Reporting Entity – Omnibus and GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14. The application of these criteria provides for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based on the application of these criteria, the following component units are included within the District School Board's reporting entity:

Blended Component Unit The Hillsborough School Board Leasing Corporation (Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in note 7. The governing board of the Corporation is the same as the District School Board. Financial records for the Corporation are maintained by the District and District staff is responsible for the day-to-day operation of the Corporation. Due to the substantive economic relationship between the Hillsborough County District School Board and the Corporation, the financial activities of the Corporation are included in the accompanying financial statements of the School Board in the Other Capital Projects Fund. Separate financial statements of the Corporation are not published.

Discretely Presented Component Units
The component units column in the government wide financial statements includes the financial data of the District's discretely presented component units for the fiscal year ended June 30, 2025. These component units consists of the District's Charter Schools. Charter Schools are reported in a separate column to emphasize that they are legally separate from the District. While the District's officials are not financially accountable for the Charter Schools, it would be misleading to exclude them from the District's financial statements. None of the individual component units are considered to be major.

(dollar amounts expressed in thousands)

A. Reporting Entity (continued)

The Charter Schools are separate not-for-profit corporations organized under Section 1002.33, Florida Statutes to operate as public (as opposed to private) schools and are held responsible for prudent use of the public funds they receive. Each Charter School is a separate component unit that operates under a charter approved by their sponsor, the Board. There are fifty-four (54) Charter Schools operating in the District that meet the criteria for presentation as a discretely presented component unit.

The individual Charter Schools are listed below. Further, complete audited financial statements of the individual discretely presented component units can be obtained from their administrative offices. These schools include:

Advantage Academy of Hillsborough 304 West Prosser Drive Plant City, FL 33563	Bell Creek Academy 13221 Boyette Road Riverview, FL 33569
Big Bend Academy of Math and Science 9906 Symmes Road Riverview, FL 33578	BridgePrep Academy of Advanced Study of Hillsborough 6303 South US Hwy 301 Riverview, FL 33578
BridgePrep Academy of Riverview 6309 South US Highway 301 Riverview, FL 33578	BridgePrep Academy of Tampa 2418 W. Swann Avenue Tampa, FL 33609
Brooks DeBartolo Collegiate High School 10948 N. Central Avenue Tampa, FL 33612	Channelside Academy of Math & Science 1029 E. Twiggs Street Tampa, FL 33602
Creekside Charter Academy 14020 US Highway 301 Riverview, FL 33578	Dr. Kiran C. Patel Elementary School 10739 Raulerson Ranch Road Tampa, FL 33637
Dr. Kiran C. Patel High School 10721 Raulerson Ranch Road Tampa, FL 33637	Excelsior Prep Charter School 2156 University Square Mall, Unit 260 Tampa, FL 33612
Excelsior Prep Charter Middle School 2156 University Square Mall, Units 260-262 Tampa, FL 33612	Florida Autism Center of Excellence 6310 E. Sligh Avenue Tampa, FL 33617
Florida Connections Academy (Virtual) 5805 Breckenridge Pkwy, Suites E&F Tampa, FL 33610	Focus Academy 304 Druid Hills Road Temple Terrace, FL 33617
Henderson Hammock Charter School 10322 Henderson Road Tampa, FL 33625	Hillsborough Academy of Math & Science 9659 West Waters Avenue Tampa, FL 33635
Horizon Charter School of Tampa 7235 West Hillsborough Avenue Tampa, FL 33634	IDEA Hope *(Combined with IDEA Victory)* 5050 East 10th Avenue Tampa, FL 33619
IDEA Victory *(Combined with IDEA Hope)* 11612 North Nebraska Avenue Tampa, FL 33612	Independence Academy 12902 East US Hwy 92 Dover, FL 33527
Kid's Community College Charter Southeast 11519 McMullen Road Riverview, FL 33569	Kid's Community College Riverview South K-12 10030 Mathog Road Riverview, FL 33578

(dollar amounts expressed in thousands)

Learning Gate Community School 16215 Hanna Road Lutz, FL 33549	Legacy Preparatory Academy 302 E. Linebaugh Avenue Tampa, FL 33612
Literacy Leadership Technology Academy 6771 Madison Avenue Tampa, FL 33619	Literacy Leadership Technology Academy South Bay 1090 30th Street NE Ruskin, FL 33570
Lutz Preparatory School 17951 North US Hwy 41 Lutz, FL 33549	Navigator Academy of Leadership Valrico 1101 E. Bloomingdale Avenue Valrico, FL 33596
New Springs School 2410 E. Busch Boulevard Tampa, FL 33612	Pepin Academies 9304 Camden Field Parkway Riverview, FL 33578
Pivot Charter School 3020 Falkenburg Road Riverview, FL 33578	Plato Collegiate Academy Tampa 7705 Gunn Highway Tampa, FL 33625
Riverview Academy High School 9906 Symmes Road Riverview, FL 33578	Riverview Academy of Math & Science 9906 Symmes Road Riverview, FL 33578
Seminole Heights Charter High School 4006 N. Florida Avenue Tampa, FL 33603	Sports Leadership and Management Academy - Apollo Beach 5150 N. US Hwy 41 Apollo Beach, FL 33572
Sports Leadership and Management Academy - Elementary 7116 Gunn Highway Tampa, FL 33625	Sports Leadership and Management Academy (Tampa) 7116 Gunn Highway Tampa, FL 33625
Southshore Charter Academy 11667 Big Bend Road Riverview, FL 33579	Sunlake Academy of Math & Science 18681 North Dale Mabry Highway Lutz, FL 33548
Terrace Community Middle School 10735 Raulerson Ranch Road Tampa, FL 33637	The Collaboratory Preparatory Academy 6406 East Chelsea Street Tampa, FL 33610
Trinity School for Children 2402 West Osborne Avenue Tampa, FL 33603	Valrico Lake Advantage Academy 13306 Boyette Road Riverview, FL 33569
Victory Charter School Tampa 13901 Sheldon Road Tampa, FL 33625	Victory Charter School Tampa (6-12) 13901 Sheldon Road Tampa, FL 33625
Village of Excellence Academy 4600 East Busch Boulevard Tampa, FL 33617 *(Closed January 24, 2025)*	Walton Academy for the Performing Arts 4817 North Florida Avenue Tampa, FL 33603
Waterset Charter School 6540 Knowledge Lane Apollo Beach, FL 33572	West University Charter High School 11602 North 15th Street Tampa, FL 33612
Winthrop Charter School 6204 Scholars Hill Lane Riverview, FL 33578	Winthrop College Prep Academy 12802 South US Highway 301 Riverview, FL 33578
Woodmont Charter School 10402 North 56th Street Temple Terrace, FL 33617	

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The basic financial statements include the government-wide financial statements and fund financial statements.

Government-Wide Financial Statements

Government-wide financial statements include a Statement of Net Position and a Statement of Activities that display information about the primary government (District School Board) and its component units. These financial statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service fund activities. The effect of interfund activities has not been eliminated in the Statement of Activities.

The Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District School Board's functions. The expense of individual functions is compared to the revenues generated by the function (for instance, through user charges or intergovernmental grants). Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds and to employees for workers compensation and insurance. Operating expenses for the internal service funds include the cost of services and administrative costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fund Financial Statements – The fund financial statements provide information about the District School Board's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *government and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Because the focus of the governmental fund financial statements differ from the focus of the government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

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.

Contracted Services - to account for financial resources of certain federal grant program resources.

Other Debt Services – Accounts for and reports on the payments of principal and interest for outstanding bonds and Certificates of Participation.

Local Capital Improvement – Accounts for and reports on the revenues generated from the local capital outlay property taxes.

Other Capital Projects Fund – Accounts for and reports on other miscellaneous funds from various sources.

Additionally, the District reports the following fund types:

Internal Service Funds – to account for the District's workers' compensation, general and automobile liability self-insurance programs and the employee health insurance program.

Pension Trust Fund – to account for resources used to finance the early retirement program.

Custodial Funds – to account for resources held by the District as custodian for others primarily for the benefit of various schools and their activity funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting

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

Government-Wide Statements – The government-wide statements are presented using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows have taken place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available if collection is expected in the upcoming fiscal year. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash

Cash consists of petty cash funds and deposits held by banks qualified as public depositories under Florida law. All deposits are fully insured by Federal depository insurance and a multiple financial institution collateral pool required by Chapter 280 Florida Statutes. The statement of cash flows for the Proprietary Funds considers cash as those accounts used as demand deposit accounts.

E. Investments

Investments of the general government consist of amounts placed with the State Board of Administration for participation in the State investment pool, those made by the State Board of Administration from the District's bond proceeds held and administered by the State Board of Education, and those made locally.

District monies placed with the State Board of Administration for participation in the State investment pool represent an interest in the pool rather than ownership of specific securities. Such investments are stated at fair value. Investments of the early retirement program are reported at fair value.

Types and amounts of investments held at year-end are further described in a subsequent note on investments.

F. Inventory

Inventories consist of expendable supplies and equipment held for consumption in the course of District operations. Inventories at the central warehouse, maintenance, technology repair, and the bus garage are stated at cost basis on a moving average. Food service inventories are stated at cost based on the first-in, first-out basis, except that United States Department of Agriculture surplus commodities 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 Health and Rehabilitative Services, Food Distribution Center. All other inventories are stated at cost on the last invoice price method, which approximates the first-in, first-out basis. The cost of inventories is recorded as expenditures when used rather than purchased.

G. 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 acquired are recorded at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets purchased after July 1, 2004 are defined as those costing more than $1,000 and having a useful life of more than one year. Donated assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest costs incurred during construction are not capitalized as part of the cost of construction.

(dollar amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class Description	Estimated Useful Lives
Buildings	15-50 years
Improvements other than Buildings	10-25 years
Building Improvements	10-25 years
Furniture, Fixtures and Equipment	5-10 years
Motor Vehicles	4-10 years
Audio Visual Materials and Computer Software	3-5 years

H. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported in the government-wide statement of net position. Bond premiums, discounts and losses on refunding issuances, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains and losses on refunding issuances are netted and reported as deferred outflows of resources.

In governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize bond premiums, discounts and losses on refunding issuances during the current period. The face amount of debt issued, as well as any related premium is reported as another financing source while discounts on debt issuances and losses on refunding issuances are reported as another financing use.

During the current year, the District implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the District recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The adoption of GASB Statement No. 101 had no impact on the liability.

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

I. Lease Obligations

The District has short-term leases for facility rental. These agreements allow use of a facility that meet specific needs of certain programs. Adult Education pays rental fees out of workforce funding, while Student Nutrition Services pays with earned revenue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the Board determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department 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 for a period of nine (9) months following the date of original reporting. Such amendments may impact funding allocations for subsequent years. The Department 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 of or additions to revenues in the year when the adjustments are made.

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. The money not expended or encumbered as of the close of the fiscal year is usually carried forward into the following year to be expended for the same programs. The Department requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved for the unencumbered balance of categorical educational program resources.

K. 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 taxes are assessed by the Hillsborough County Property Appraiser and are collected by the Hillsborough County Tax Collector.

The School Board adopted the 2024 tax levy for fiscal year 2025 on September 5, 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 with discounts of up to four percent for early payment.

Taxes become delinquent on April 1 of the year following the 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. These procedures result in the collection of essentially all taxes prior to June 30 of the year following the assessment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property tax revenues are recognized in the government-wide financial statements in the fiscal year for which the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when the taxes are received by the District, except that revenue is accrued for taxes collected by the Hillsborough County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

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

L. Federal Revenue Sources

The District receives Federal financial assistance for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal financial assistance 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.

M. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets on the government-wide financial statements, the District records deferred outflows. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources until that time. At June 30, 2025 pension related items as discussed in notes 14-15, other post-employment benefits items discussed in note 16, and loss or gain of debt refunding as represented in the statement of net position.

In addition to liabilities on the government-wide financial statements, the District records deferred inflows. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. At June 30, 2025 pension related items as discussed in notes 14-15, other post employement benefits discussed in note 16, and loss or gain of debt refunding as represented in the statement of net position.

N. Use of Estimates

The preparation of the financial statements requires management of the District to make a number of assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

O. Unearned Revenue

The unearned revenue are payments received in advance from various sources. Revenues will be recognized in future periods when earned.

2. BUDGET COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The School Board follows the procedures established by State statutes and State Board of Education rules in establishing final budget balances reported in the financial statements:

1. 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 law and State Board of Education rules. Original budgets are submitted to the State Commissioner of Education for approval.

2. The budget is prepared by fund, function, object and department. Management may make transfers of appropriations between departments and objects. The functional level is the legal level of budgetary control and may only be amended by resolution of the Board at any Board meeting prior to the due date for the Superintendent's Annual Financial Report (State Report). Budgetary disclosure in the accompanying financial statements reflects the original and final budget including all amendments approved for the fiscal year through September 5, 2024.

3. Budgets are prepared using the modified accrual basis as is used to account for actual transactions in the governmental funds.

4. 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 year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

All budget amounts presented in the basic statements and the accompanying supplementary information reflect the original budget and the final amended budget (which has been adjusted for legally authorized revisions of the annual budget during the year).

At the governmental fund level, outstanding encumbrances are re-appropriated in the subsequent year. Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls.

3. CASH AND INVESTMENTS

At June 30, 2025, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

(dollar amounts expressed in thousands)

3. CASH AND INVESTMENTS (continued)

As of June 30, 2025, the District had the following investments and maturities:

Investment	Maturities	Fair Value
U.S. Treasuries	7/15/25 - 5/15/28	$ 9,011
Local Government Investment Pool		
Florida PRIME	47 Days	330,391
Florida Palm	44 Days	34,425
State Board of Administration	47 Days	65
Certificates of Deposit	7/16/2025	462
Wells Fargo Advantage Treasury		
Plus Money Market	N/A	219
Total Investments		$ 374,573

Investments are reflected in the financial statement as follows:

Governmental funds	$	355,422
Internal service funds		10,949
Fiduciary funds		
Pension trust		7,448
Custodial		754
Total Primary Government	$	374,573

Interest Rate Risk

The District has a formal investment policy that the investment objectives are safety of capital, liquidity of funds, and investment income, in that order. The performance measurement objective shall be to exceed the State Board of Administration's Florida PRIME yield. The policy limits the type of investments and the length of investments of idle funds. The weighted average duration of the investment portfolio shall not exceed five years.

Credit Risk

Section 218.415(17) Florida Statutes, authorizes the District to invest or reinvest any surplus public funds in their control or possession in:

(a) The State Board of Administration (SBA) Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided by F.S. 163.01.

3. CASH AND INVESTMENTS (continued)

(b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

(c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes.

(d) Direct obligations of the U.S. Treasury.

(e) Obligations of Federal agencies, government sponsored enterprises, and instrumentalities.

(f) Securities of, or other interest in, any open-end or closed-end management type investment company or trust registered under the Investment Company Act of 1940, 15 U.S. C 80a-1.

(g) Short-term obligations commonly referred to as "money market instruments" including but not limited to commercial paper, provided such obligations carry the highest credit rating from a nationally recognized rating agency.

(h) Asset-backed securities when either a) the underlying asset is guaranteed by the issuer or b) the security carries the highest quality rating by a nationally recognized rating agency.

The District's investment in intergovernmental investment pools consists of Florida PRIME and Florida PALM.

Florida PRIME and Florida PALM are external investment pools that are not registered with the Securities Exchange Commission (SEC), but operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows funds to use amortized cost to maintain a constant net asset value (NAV) of $1.00 per share. Accordingly, the District's investment in the

Florida PRIME and Florida PALM reported at the account balance which is considered fair value. Florida PRIME and Florida PALM are rated AAAm by Standard & Poors.

The District's investments in United States Agencies or Treasuries for the Pension Trust Fund and General Fund were rated either AA+ by Standard and Poors or Aaa by Moody's Investors Services.

The District's investments in Certificates of Deposits were in qualified public depositories.

Investments in the State Board of Education Debt Service Account totaling $65 to provide for debt service payments on bonded debt issued by the State Board of Education for the benefit of the District. These investments consist of United States Treasury securities, with maturity dates of six months or less and are reported at fair value. The District has no formal policy for managing interest rate risk or credit risk for this account, but relies on policies developed by the State Board of Education

3. CASH AND INVESTMENTS (continued)

Custodial Credit Risk

The District's investment policy requires that securities purchased or otherwise acquired by the District shall be properly designated as an asset of the District. Also, Florida Statute, Section 218.415(18) requires every security purchased under this section on behalf of the District to be properly earmarked and:

1. If registered with the issuer or its agents, must be immediately placed for safekeeping in a location that protects the District's interest in the security;
2. If in book entry form, must be held for the credit of the District by a depository chartered by the Federal Government, the state, or any other state or territory of the United States which has a branch or principal place of business in Florida as defined in Section 658.12, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in Florida, and must
   be kept by the depository in an account separate and apart from the assets of the financial institution; or
3. If physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.

Of the District's investments, $8,257 in U. S. Treasuries are not registered in the name of the District, are held by the counterparty's trust department or agent and are not insured.

Concentration of Credit Risk

The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.

Foreign Currency Risk

The District has no investments which are exposed to foreign currency risk as of June 30, 2025. The District does not have a formal investment policy that limits its investment in foreign currency.

Fair Value Measurement

The District categorizes is fair value measurement within the hierarchy established by generally accepted accounting principles. The hierarchy is based on 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; Level 3 inputs are significant unobservable inputs.

The District has the following fair value measurements as of June 30, 2025:

- U.S. Treasury securities of $8,257 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices (Level 2 inputs).

(dollar amounts expressed in thousands)

3. CASH AND INVESTMENTS (continued)

•Money markets of $219 are valued using the quoted market prices (Level 1 inputs).

•Certificates of deposit of $462 are valued using the quoted market prices (Level 1 inputs).

•State board of education and Local government investment pools are $364,881 are valued using the net asset value of the pools.

		Fair Value Measurement Using		
	June 30, 2025	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by fair value level				
Debt securities:				
U.S. Treasuries	$ 9,011	$ 9,011	$ -	$ -
Total debt securities	$ 9,011	$ 9,011	$ -	-
Money market	219	219	-	-
Certificates of deposit	462	462	-	-
Total investments at fair value	$ 9,692	$ 9,692	$ -	$ -
Investments measured at net asset value (NAV)				
State Board of Administration & Local Government Investment Pools	$ 364,881			
Total investments	$ 374,573			

4. DUE FROM OTHER AGENCIES

Amount due from other governmental agencies as of June 30, 2025 are shown below:

	General	Other Special Revenue	Federal Stabilization Funds	Other Capital Projects	Non-Major Governmental Funds	Total
Federal Government:						
Miscellaneous	$ 3,400	$ 19,921	$ 37	$ -	$ -	$ 23,358
State Government:						
Food Reimbursement	-	-	-	-	1,245	1,245
Miscellaneous	1,946	241	-	484	8,469	11,140
Local Government:						
Hillsborough County Board of County Commissioners	-	35	-		-	35
Miscellaneous	71	16	-	-	-	87
Total:	$ 5,417	$ 20,213	$ 37	$ 484	$ 9,714	$ 35,865

(dollar amounts expressed in thousands)

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

Description	Beginning Balances	Additions	Deletions	Ending Balances
Capital assets not being depreciated:				
Land	$ 176,668	$ -	$ -	$ 176,668
Land improvements-non depreciable	95,770	-	-	95,770
Construction in progress	394,589	310,029	572,942	131,676
Total capital assets not being depreciated	667,027	310,029	572,942	404,114
Capital assets being depreciated:				
Improvements other than buildings	293,494	47,369	21	340,842
Buildings and systems	3,673,826	504,771	5,517	4,173,080
Furniture, fixtures and equipment	168,258	6,496	17,389	157,365
Leasehold improvements	6,788	-	-	6,788
Motor vehicles	134,304	33,825	17,824	150,305
Computer software	11,356	20,807	-	32,163
Total capital assets being depreciated	4,288,026	613,268	40,751	4,860,543
Less accumulated depreciation for:				
Improvements other than buildings	207,882	13,025	21	220,886
Buildings and systems	1,571,884	152,455	766	1,723,573
Furniture, fixtures, and equipment	129,500	7,011	17,389	119,122
Leasehold improvements	1,043	132	-	1,175
Motor vehicles	95,817	14,396	17,824	92,389
Computer software	10,991	2,564	-	13,555
Total accumulated depreciation	2,017,117	189,583	36,000	2,170,700
Total capital assets being depreciated (net)	2,270,909	423,685	4,750	2,689,845
Governmental Activities Capital Assets (net)	$ 2,937,936	$ 733,713	$ 577,693	$ 3,093,957

(dollar amounts expressed in thousands)

5. CAPITAL ASSETS (continued)

Depreciation expense charged to governmental functions are:

Instructional Services	$ 7,474
Instructional Support Services	1,216
Pupil Transportation Services	92
Operation and Maintenance of Plant	316
Non Capitalizable Facilities Acquisition and Construction	178,919
School Administration	150
General Administration	43
Food Services	1,354
Community Services and Other	19
Total Depreciation Expense	$ 189,583

6. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION

The District entered into various financing arrangements, each of which was characterized as a lease-purchase agreement, with the Hillsborough School Board Leasing Corporation (Corporation), whereby the District secured financing of various education facilities through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given ground leases on District property to the Hillsborough School Board Leasing Corporation, with a rental fee of $10 per year. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreements to the Trustee for the benefit of the securers of the Certificates to the end of the ground lease term.

Certificates of Participation that are still part of the District's debt obligation are as follows:

Certificates	Date of Certificates	Original Amount of Certificates	Ground Lease Term Expiration
Series 2010 QSCB	December 21, 2010	$37,935	Nov. 30, 2028
Series 2014A	April 2, 2014	20,540	June 30, 2026
Series 2015A	August 20, 2015	88,565	June 30, 2031
Series 2016A	March 31, 2016	45,350	June 30, 2031
Series 2017A	May 25, 2017	23,700	June 30, 2026
Series 2017B	November 13, 2017	51,915	June 30, 2028
Series 2018	November 14, 2018	63,905	June 30, 2030
Series 2020A	May 21, 2020	56,700	June 30, 2029
Series 2020B	May 21, 2020	76,530	June 30, 2027
Totals		$465,140	

6. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION

The Series 2014A Certificates of Participation were issued in order to provide funds necessary to fully advance refund the Series 2002 Certificates of Participation and partially advance refund the Series 2004B Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the Series 2002 and Series 2004B Certificates of Participation. The Series 2015A Certificates of Participation were issued in order to refund the Series 2005A and advance refund the Series 2006A Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2005A and 2006A Certificates of Participation. The Series 2016A Certificates of Participation were issued in order to advance refund the Series 2007 Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2007 Certificates of Participation. See Note 8 for current issuances. The Series 2017A Certificates of Participation were issued in order to advance refund the Series 2006B Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2006B Certificates of Participation. The Series 2017B Certificates of Participation were issued in order to advance refund the Series 2012A Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the 2012A Certificates of Participation.

Board acquired, constructed and installed from the proceeds of the 2008A Certificates of Participation. The Series 2018 Certificates of Participation were issued in order to refund the Series 2015B Certificates of Participation and refinance the educational facilities that the school board acquired, constructed, and installed from the proceeds of the 2015B Certificates of Participation. The Series 2020A Certificates of Participation were issued in order to refund the Series 2010A Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the 2010A Certificates of Participation. The Series 2020B Certificates of Participation were issued in order to refund the Series 2012A Certificates of Participation and refinance the educational facilities that the School Board acquired, constructed and installed from the proceeds of the 2012A Certificates of Participation.

Due to the economic substance of the issuances of the Certificates of Participation as a financing arrangement on behalf of the Board, the financial activities of the Corporation have been blended in with the financial statements of the District. For accounting purposes, due to the blending of the Corporation within the District's financial statements, basic lease payments are reflected as debt service expenditures when payable to Certificate holders.

(dollar amounts expressed in thousands)

6. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION (continued)

The lease payments for the Series 2014A, Series 2015A, Series 2016A, 2017A, 2017B, 2018, 2020A and 2020B. Certificates are payable by the District, semi-annually, on July 1 and January 1 at interest rates of 2.56 percent, 2.00 to 5.00 percent, 5.00 percent, 4.00 to 5.00 percent, 5.00 percent, 5.00 percent, 5.00 percent, 5.00 percent and 1.26 to 2.19 percent respectively. The lease payment for the Series 2010-QSCB Certificates is due December 1, 2028. There is no interest to be paid on the QSCB, as the certificate holders receive Federal Tax Credits in lieu of interest payments. The District is required to reserve a portion of the lease payments each year. The following is a schedule by years of future minimum lease payments under the lease agreements as of June 30:

Fiscal Year Ending June 30	Total	Principal	Interest
2026	$ 59,257	$ 45,215	$ 14,042
2027	65,490	49,535	15,955
2028	59,393	49,510	9,883
2029	60,490	53,025	7,465
2030	18,046	14,150	3,896
2031-2032	154,779	150,961	3,818
Total Minimum Lease Payments	$ 417,455	$ 362,396	$ 55,059

7. BONDS PAYABLE

Bonds payable at June 30, 2025 were as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity to:
State School Bonds:			
Series 2017-A	$ 1,605	3.0 - 5.0	2028
Series 2019-A	204	5.0	2029
Series 2020-A	801	5.0	2030
District Revenue Bonds:			
Series 2015 Capital Improvement & Racetrack Revenue Refunding	3,035	2.0 - 4.0	2033
Series 2015B Sales Tax Revenue	4,520	3.0 - 5.0	2026
Series 2017A Sales Tax Revenue	35,685	2.49	2027
Total Bonds Payable	$ 45,850		

(dollar amounts expressed in thousands)

7. BONDS PAYABLE (continued)

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

STATE SCHOOL BONDS

These bonds are issued by the State Board of Education (SBE) on behalf of the District. The bonds mature serially and are secured by a pledge of part of the District's portion of State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these issues. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

DISTRICT REVENUE BONDS

Series 2015 Capital Improvement and Racetrack Revenue Refunding Bonds

These bonds are authorized by Chapter 71-680, Laws of Florida, which authorized the Board to pledge all of the portion of racetrack funds accruing annually to Hillsborough County, under the provisions of Chapters 550 and 551, Florida Statutes, as allocated to the Board pursuant to law, and Chapter 132, Florida Statutes, which authorized the refunding of the District Revenue Bonds of 1985. As required by the bond resolution the Board established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

Sales Tax Revenue Bonds, Series 2015B and 2017A

These bonds are authorized by the Constitution and Laws of the State of Florida, including, particularly Chapter 1010, Florida Statutes, Chapter 212, Part I, Florida Statutes and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to the Interlocal Agreement from the levy and collection by the County of the one-half cent local infrastructure sales surtax.

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

TOTAL STATE BOARD of EDUCATION BONDS

Fiscal Year Ending June 30	Total	Principal	Interest
2026	$ 1,006	$ 885	$ 121
2027	714	637	77
2028	729	684	45
2029	247	227	20
2030	186	177	9
Total Debt Service Payments	$ 2,882	$ 2,610	$ 272

(dollar amounts expressed in thousands)

7. BONDS PAYABLE (continued)

TOTAL DISTRICT REVENUE BONDS

Fiscal Year Ending June 30	Total	Principal	Interest
2026	$ 21,055	$ 20,175	$ 880
2027	21,060	20,720	340
2028	429	360	69
2029	433	375	58
2030	431	385	46
2031 - 2033	1,287	1,225	62
Total Debt Service Payments	$44,695	$ 43,240	$ 1,455

8. CHANGES IN LONG TERM LIABILITIES

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due in One Year
Estimated liability for long term claims	$ 19,530	$ 14,579	$ 12,984	$ 21,125	$ 10,739
Post employment benefits	237,684	-	3,247	234,437	-
Compensated absences *	191,775	26,876	-	218,651	13,778
Net pension liability					
State - FRS	856,988	-	59,037	797,951	-
State - HIS	461,171	-	34,628	426,543	-
Early Retirement	7,963	-	1,466	6,497	-
Certificate of participation	406,360	-	43,964	362,396	45,215
Bonds payable	63,656	-	17,806	45,850	21,060
TOTAL	$ 2,245,127	$ 41,455	$ 173,132	$ 2,113,450	$ 90,792

Plus unamortized premium	
Certificates of Participation	$ 24,990
Bonds payable	1,804
Total Long-Term Debt	$ 2,140,244

*- The change in compensated absences above is a net change for the year.

Internal service funds predominately serve the governmental funds and, accordingly, long-term liabilities of those funds are included in the governmental activities. For the governmental activities, compensated absences, net pension liability, and other postemployment benefits are generally liquidated with resources of the General and Special Revenue Funds. The estimated liability for long term claims is generally liquidated with resources of the Worker's Compensation and the General and Automobile liability programs Internal Service Funds.

9. FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions (GASB 54). The intention of GASB 54 is to provide more structured classification of fund balance reporting. The reporting standards established a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or are legally or contractually required to remain intact. Examples of this classification are prepaid item, inventories, and principal of an endowment fund. The District has inventories that are considered nonspendable. The District does not have any other nonspendable fund balances.

The GASB 54 statement provides a hierarchy of spendable fund balances, based on spending constraints:

Restricted – fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – fund balance that contain self-imposed constraints by the Board, (the district's highest level of decision-making authority). The Board has not established a policy to commit fund balance, therefore no such balance is reported.

Assigned – fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The District has a policy No. 6100 approved by the Board that designates administrative staff (the Superintendent and Chief Business Officer) to determine the assignments.

Unassigned – fund balance of the general fund that is not constrained for a particular purpose.

The District has classified its fund balances based on the GASB 54 hierarchy as follows:

Nonspendable – The District has inventories totaling $5,890 that are classified as nonspendable.

Spendable – The District has classified the spendable fund balances as restricted, assigned and unassigned. The District currently has no funds classified as committed.

Restricted for Federal, State and Local Programs, Debt Service and Capital Projects:

Federal Laws, Florida Statutes and local constraints require that certain revenues be specifically used for certain expenditures. These funds have been included in the restricted category of fund balances. The restricted

(dollar amounts expressed in thousands)

9. FUND BALANCE REPORTING (continued)

fund balance totals represents $51,511 for federal programs, $28,969 for State programs, and $57,453 for Local programs, $170,528 for Debt Service and $256,498 for Capital Projects.

Unassigned:

The District has $201,037 in unassigned fund balance. At the end of the fiscal year the unassigned fund balance in the general fund is 10% of total general fund revenues.

The District applies resources for expenditures to restricted, then assigned and then unassigned, when expenditures are incurred which could use any of the fund balance classifications.

10. INTERFUND RECEIVABLES AND PAYABLES

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

	Interfund	
Funds	Receivables	Payables
Major Funds:		
General	$ 36,618	$ 23,215
Contracted Services	4,220	17,623
Federal Stabilization Funds	-	-
Other Debt Service	-	-
Local Capital Improvement	18,989	18,989
Other Capital Projects	-	-
Non-Major Governmental Funds	-	-
Internal Service Funds	38	38
Total	$ 59,865	$ 59,865

The majority of interfund receivables and payables are established during the closing period. The receivable in the general fund is for payback of direct/indirect charges for June of the prior fiscal year. The amounts in local capital improvement, other capital project funds and non-major funds is mostly due to the movements of expenditures between capital project funds. The amount in the internal service fund is due to movement of revenue to other funds. The amounts payable are expected to be paid within the next fiscal year.

(dollar amounts expressed in thousands)

11. INTERFUND TRANSFERS

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

Major Funds:		
General	$ 63,702	$ 3,656
Contracted Services	-	-
Federal Stabilization Funds	-	-
Other Debt Service	63,982	-
Local Capital Improvement	-	107,499
Other Capital Projects	-	20,185
Non-Major Governmental Funds	-	-
Internal Service Funds	3,656	-
Total	$ 131,340	$ 131,340

The largest amount of interfund transfers is to move money to the debt service funds for the bond principal and interest payments. The remainder is the charging of direct and indirect costs.

12. STATE REVENUE SOURCES

The following is a schedule of the District's state revenue for the 2025 fiscal year:

Sources	Amount
Florida Education Finance Program	$ 997,383
Workforce Development	53,630
Categorical Education Programs	231,011
Capital Outlay and Debt Service (motor vehicle license tax)	896
Food Service Supplement	1,475
Mobile Home License Tax	638
State Board of Education Bond Interest	164
Sales Tax Distribution (previously called pari-mutuel tax)	447
Discretionary Lottery Funds	-
Miscellaneous	41,320
Total	$ 1,326,964

(dollar amounts expressed in thousands)

13. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2024 tax roll for the fiscal year 2025:

General Fund	Millage Levied	Taxes Levied
Non-voted School Tax:		
Required Local Effort	3.140	$ 551,560
Discretionary Local Effort	0.748	130,930
Capital Projects Funds		
Non-voted Tax:		
Local Capital Improvements	1.500	260,354
Total	5.388	$ 942,844

14. STATE RETIREMENT PROGRAMS

a. Summary of Significant Accounting Policies

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

b. General Information about the Pension Plan

Plan description. All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the FRS Investment Plan.

Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Employees in the Pension Plan vest at six years of service if enrolled in the plan prior to July 1, 2011. Enrollment after July 1, 2011, requires eight years of service to vest. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. For enrollees prior to July 1, 2011, pension plan benefit payments are based on the member's highest 5-year average annual salary (average final compensation) times the number of years of service. Enrollees after July 1, 2011, have benefit payments based on the member's highest 8-year average annual salary. For regular class members enrolled before July 1, 2011, the annual final compensation is multiplied by a percentage ranging from 1.60 percent at either 62 or with 30 years of service

(dollar amounts expressed in thousands)

14. STATE RETIREMENT PROGRAMS (continued)

to 1.68 percent at age 65 or with 33 years of service. Regular class members enrolled after July 1, 2011, have an annual final compensation multiplied by a percentage ranging from 1.60 at age 65 or with 33 years of service to 1.68 percent at age 68 or with 36 years of service. Members are eligible for early retirement after 6 years of service, however, normal benefits are reduced by 5 percent for each year a member retires before age 62. As described in note 15, the District administers a single-employer retirement program that under certain conditions covers the difference in benefits between normal and early retirement.

The Plan provides retirement, disability, and death benefits and annual cost-of-living-adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) was established effective July 1, 1998. It permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

Eligible FRS members may elect to participate in FRS Investment Plan in lieu of the Defined Benefit Plan. District employees participating in DROP are not eligible to participate in the Investment Plan. This plan is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.) Contributions are directed to individual member accounts, and the ultimate benefit depends in part on the performance of investment funds chosen. Employees in the FRS Investment Plan vest after one year of service.

The benefit provisions and all other requirements of the Plan are established by Florida Statutes.

The contribution rates for the Plan are established by section 121.71 of the Florida State Statues, and may be amended, by the State of Florida. As of June 30, 2025, the contribution rates were as follows:

	Percent of Gross Salary	
Class or Plan	Employee	Employer (A)
Florida Retirement System, Regular (HA)	3.00%	13.63%
Florida Retirement System, County Elected Officers (HI)	3.00%	58.68%
Florida Retirement System, Senior Management Service Class (HM)	3.00%	34.52%
Florida Retirement System, Special Risk (HB)	3.00%	32.79%
Teachers' Retirement System, Plan E (IE)	6.25%	13.90%
Florida Retirement System, Reemployed Retiree (UA)	N/A	6.84%
DROP	N/A	21.13%

(dollar amounts expressed in thousands)

14. STATE RETIREMENT PROGRAMS (continued)

Notes: (A)
Employer rates include the post-retirement health insurance supplement, which remained the same from the prior fiscal year. As of July 1, 2024, this amount totaled 2.0 percent.

The District's contributions to the FRS Pension Plan, net of employee contributions, for the fiscal year ending June 30, 2025, totaled $119,489. This amount is equal to the required contributions for the fiscal year. Effective July 1, 2011, all members of FRS, except for DROP participants and reemployed retirees who are not eligible for renewed membership, are required to contribute 3 percent of their compensation to FRS. Amounts collected by the District, and remitted to the Plan for employee contributions, are not considered employer contributions for the Plan.

c. 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 $797,951 for its proportionate share of the FRS Pension Plan 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the District's proportionate share was 2.063 percent, which was an decrease of 0.087 percent from its proportionate share of 2.15 percent measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $105,883 for the FRS Pension Plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 80,615	$ -
Changes in assumptions	109,367	-
Difference between projected and actual earnings on pension plan investments	-	53,036
Changes in proportion and differences between District contributions and proportionate share of contributions	16,457	73,380
District contributions subsequent to the measurement date	119,489	-
Total	$ 325,928	$ 126,416

(dollar amounts expressed in thousands)

14. STATE RETIREMENT PROGRAMS (continued)

The deferred outflows of resources related to pensions totaling $119,489 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported for the FRS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount Recognized
2026	$ (24,578)
2027	116,970
2028	(9,643)
2029	(8,374)
2030	5,648
Thereafter	-
Total	$ 80,023

Actuarial assumptions. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

Valuation date	July 1, 2024
Measurement date	June 30, 2024
Discount rate	6.70%
Long-term expected rate of return, Net of investment expense	6.70%
Inflation	2.40%
Salary increase, including inflation	3.50%
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2021
Actuarial cost method	Entry Age

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

(dollar amounts expressed in thousands)

14. STATE RETIREMENT PROGRAMS (continued)

Long-term expected rate of return. The long-term expected rate of return assumption of 6.70 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.20 percent, consistent with the currently articulated real return target in the current Florida State Board of Administration's investment policy, developed using capital market assumptions calculated by Aon Hewitt Investment Consulting; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.70 percent reported investment return assumption differs from the 7.00 percent investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

Asset Class	Target Allocation	Annual Arithmetic Rate of Return
Cash	1.0%	3.3%
Fixed Income	29.0%	5.7%
Global Equity	45.0%	8.6%
Real Estate (Property)	12.0%	8.1%
Private Equity	11.0%	12.4%
Strategic Investments	2.0%	6.6%
Investments measure at the	100.0%	

Discount rate. The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70 percent and is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined.

Based on those assumptions, the FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 of the FRS Pension Plan calculated using the discount rate of 6.70 percent. Also presented is what the District's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

(dollar amounts expressed in thousands)

14. STATE RETIREMENT PROGRAMS (continued)

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
District's proportionate share of the FRS Pension Plan net pension liability	$1,403,569	$797,951	$290,619

Pension plan fiduciary net position. Detailed information about FRS Pension Plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report. The Annual Comprehensive Financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 3189 Blair Stone Road, Tallahassee, Florida 32301; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at retirement@dms.fl.gov or at the Division's Web site (http://www.dms.myflorida.com).

d. General Information about the Health Insurance Subsidy (HIS)

HIS plan description. The HIS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system, or beneficiary entitled to receive benefits.

HIS benefits provided. The benefit of the HIS Pension Plan is a monthly payment to assist retirees in paying their health insurance costs. This plan is administered by the Department of Management Services within the Florida Retirement System. HIS benefits are not guaranteed and are subject to annual legislative appropriation.

For fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $7.50. The payments are at a minimum of $45 but not more than $225 monthly per Florida Statutes 112.363.

HIS contributions. The HIS Pension Plan is funded by required contributions from FRS participating employers. The funds are deposited in a separate trust fund and consequently, paid from that trust fund. Employer contributions are a percentage of gross compensation for all FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2.0 percent of payroll per Florida Statutes 112.363. Employees do not contribute to this plan. The District's contributions to the HIS Pension Plan totaled $24,893 for the fiscal year ended June 30, 2025.

e. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS Pensions

At June 30, 2025, the District reported a liability of $ 426,543 for its proportional share of the HIS Pension Plan 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

(dollar amounts expressed in thousands)

14. STATE RETIREMENT PROGRAMS (continued)

proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions during the fiscal year ended June 30, 2024. At June 30, 2024, the District's proportionate share was 2.84 percent, which was a decrease of 0.06 percent from its proportionate share of 2.90 percent measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $3,878 for the HIS Pension Plan. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HRS Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,118	$ 819
Changes in assumptions	7,549	50,497
Difference between projected and actual earnings on pension plan investments	-	154
Changes in proportion and differences between District contributions and proportionate share of contributions	1,865	42,286
District contributions subsequent to the measurement date	24,893	-
Total	$ 38,425	$ 93,756

The deferred outflows of resources related to pensions totaling $ 24,893 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported for the HIS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount Recognized
2026	$ (17,362)
2027	(17,295)
2028	(20,823)
2029	(15,570)
2030	(7,461)
Thereafter	(1,713)
Total	$ (80,224)

(dollar amounts expressed in thousands)

14. STATE RETIREMENT PROGRAMS (continued)

Actuarial assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date calculated on the assumptions listed below:

Valuation date	July 1, 2024
Measurement date	June 30, 2024
Discount rate	3.93%
Long-term expected rate of return, Net of investment expense	N/A
Inflation	2.40%
Salary increase, including inflation	3.50%
Mortality	Generational PUB-2010 with Projection Scale MP-2021
Actuarial cost method	Entry Age

The actuarial assumptions that determined the total pension liability of the HIS Pension Plan as of June 30, 2025, were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023. The only change was the discount rate. The discount rate increased from 3.65% to 3.93%. This change will continue to allow FRS to meet or increased its assumed investment return in future years.

Discount rate. Because the HIS pension Plan is funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable municipal bond index.

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 of the HIS Pension Plan calculated using the discount rate of 3.93 percent. Also presented is what the District's proportionate share of the HIS Pension Plan 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:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
District's proportionate share of the HIS Pension Plan net pension liability	$485,565	$426,543	$377,546

14. STATE RETIREMENT PROGRAMS (continued)

Pension plan fiduciary net position. Detailed information about HIS Pension Plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report. The Annual Comprehensive Financial report of the FRS is available by mail at: State of Florida, Division of Retirement, Department of Management Services, 3189 Blair Stone Road, Tallahassee, Florida 32301; by telephone toll free (844) 377-1888 or (850) 907-6500; by e-mail at retirement@dms.fl.gov; or at the Division's Web site (http://www.dms.myflorida.com).

15. EARLY RETIREMENT PROGRAM

a. Summary of Significant Accounting Policies

Pension. The Plan is accounted for as a pension trust fund; therefore, it is accounted for in substantially the same manner as a proprietary fund with an economic measurement focus and the accrual basis of accounting. Employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan.

Plan assets are valued at fair value, based on quoted market prices, for financial statement purposes. Separate Statements are not issued for the Plan.

b. General Information about the Early Retirement Program

Plan Description: As authorized by Section 1012.985, Florida Statutes, the Board implemented an Early Retirement Plan (Plan), effective August 1, 1984. The Plan is a single-employer defined benefit plan. The purpose of the Plan is to provide eligible District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, described in Note 14, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62. The School Board entered into an agreement with Wells Fargo Bank, N.A., designating the Bank as the Investment Manager and Custodian (Trustee) for the Plan assets. The Agreement also provides that monthly benefits be paid by the Trustee.

Eligibility. A member of the Plan was eligible upon attainment of age 55 to 59, completion of 25 but not more than 28 years of creditable service, at least 5 consecutive and uninterrupted years of service immediately preceding early retirement and having applied for retirement under The Florida Retirement System. The Board approved to eliminate new participants to the Early Retirement Program on June 30, 2008. Certain employees were eligible to enter the plan before July 1, 2010. As of July 1, 2010, the plan was closed to any new participants.

Benefits provided. The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the Florida Retirement System due to early retirement. The benefit amount will be based on the initial benefit amount determined by the Florida.

(dollar amounts expressed in thousands)

15. EARLY RETIREMENT PROGRAM (continued)

Retirement System prior to any cost of living adjustments and once established will remain unchanged, unless a specific increase is authorized by the Board.

Employees covered by benefit terms. Based on an actuarial report as of June 30, 2025 employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits	410
Active Plan Participants: There are no longer any active plan participants.	

Contributions. The District's Early Retirement Program was established by the Board on August 1, 1984. On July 1, 2010, the plan was closed to any new participants. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. The District's annual contribution to the pension trust is determined through the budgetary process and with reference to actuarial determined contributions. The board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The contribution is designed to accumulate sufficient assets to pay benefits when due. Total contributions to the Plan in fiscal year 2025 amounted to $1,168.

c. Net Pension Liability

In fiscal year ending in 2025, the net pension liability decreased by $1,466 for a liability in the amount of $6,497.

Total pension liability	$	14,014
Plan fiduciary net position		7,517
Net pension liability	$	6,497
Plan fiduciary net position as a percentage of the total pension liability		53.64%

The Net Pension Liability of $6,497 was added as a long-term liability on the Statement of Net Position in the Government-wide Financial Statements. The plan fiduciary net position represents 53.64% of the total pension liability.

The computation of the total pension liability for fiscal 2025 was based on the same (a) benefit provisions, (b) actuarial funding method, and (c) other significant factors as used to determine annual required contributions in the previous year.

(dollar amounts expressed in thousands)

15. EARLY RETIREMENT PROGRAM (continued)

Actuarial assumptions. Significant assumptions and other inputs used to measure the annual required contribution are:

Valuation Date	July 1, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Aggregate
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	3.75%
Projected Salary Increases	0%
Rate of Inflation Adjustment	2.50%

Mortality rates were based on the PUB 2010, adjusted for the headcount weighted teacher's mortality, set forward one year for females and 2 years for males, projected using scale MP 2018.

Investments. The District oversees the management of the District's Early Retirement Plan. The Superintendent has established procedures to ensure that idle funds are invested as authorized by Florida Statute, to earn the maximum interest. Investments are reported at fair value. The primary objectives, in priority order, in investment activities shall be safety, liquidity, and yield.

The Plan's investments at June 30, 2025, consisted of the following:

	Balance June 30, 2025	Percentage of Plan Net Position
U.S. Treasury Notes and Bonds	$ 7,229	96.17%
U.S. Agencies	-	0.00%
Federation Prime Obligations Fund	219	2.91%
Accrued Income	69	0.92%
Total	$ 7,517	100.00%

Long-term expected rate of return. The long-term expected rate of return on pension plan investment was confirmed appropriate using Aon's (The District's actuary) e-tool model assuming general inflation of 2.25%, which is a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

(dollar amounts expressed in thousands)

15. EARLY RETIREMENT PROGRAM (continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target allocation	Long-term Expected real rate of return
Government Fixed Income	97%	1.6%
Cash	3%	1.5%

*Rate of r*eturn. For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.75 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables. The pension plan does not have receivables from long-term contracts with the District contribution.

Allocated insurance contracts. The pension plan has not allocated insurance contracts that are excluded from pension plan assets.

Reserves. The pension plan has no reserves that are required to be disclosed under paragraph 30e of GASB Statement No. 67, Financial Reporting for Pension Plans.

Deferred Retirement Option Program (DROP). The District does not offer DROP to employees in the Early Retirement Program.

d. Total Pension Liability

The District reported a net liability of $6,497 for the Early Retirement Plan net pension liability. The liability was measured as of June 30, 2025 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 net pension liability was based on a projection of the pension plan relative to the projected contributions during the fiscal year ended June 30, 2025.

(dollar amounts expressed in thousands)

15. EARLY RETIREMENT PROGRAM (continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2024	$ 15,485	$ 7,522	$ 7,963
Service cost	-	N/A	-
Interest on Total Pension Liability	552	N/A	552
Differences between expected and actual experience	(252)	N/A	(252)
Changes of assumptions	(227)	N/A	(227)
Benefit payments, including refunds of contributions	(1,543)	(1,543)	-
Contributions from employer	N/A	1,168	(1,168)
Net investment income	N/A	400	(400)
Administrative expense	N/A	(30)	30
Net Changes	(1,471)	(5)	(1,466)
Balance at June 30, 2025	$ 14,014	$ 7,517	$ 6,497

Discount rate. The discount rate used to measure the total pension liability was 3.75 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the District, calculated using the discount rate of 3.75 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.75 percent) and 1-percentage point higher (4.75 percent) than the current rate.

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
District's net pension liability	$ 7,498	$ 6,497	$ 5,613

e. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the District recognized an Early Retirement negative pension expense of ($110,172). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to Early Retirement from the following sources:

(dollar amounts expressed in thousands)

15. EARLY RETIREMENT PROGRAM (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	$ -	$ 95
Total	$ -	$ 95

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ending June 30	
2026	$ 36
2027	(47)
2028	(62)
2029	(22)
2030	-
Total	$ (95)

At June 30, 2025, the following schedule details the pension amounts for all plans.

Aggregate Pension Amounts - All Plans	
Net pension liabilities	$ 1,230,991
Deferred outflows of resources for pensions	364,353
Deferred inflows of resources for pensions	220,267
Negative pension expense	(411)

16. POST EMPLOYMENT HEALTH CARE BENEFITS

a. General Information about the Plan

Plan description. The Post Employment Health Care Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents may continue to participate in the District's health and hospitalization plan for medical and prescription drug coverage. As of May 1, 2025, the District had 23,930 active participants and 474 retirees and eligible dependents in the plan. The District subsidizes the premium rates paid by retirees by allowing them to participate in the 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, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average

(dollar amounts expressed in thousands)

16. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. Separate financial statements for the Plan are not issued. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75.

Benefits provided. Eligible retirees are generally covered by Aetna with the following designs:

Plan Type	Staff HMO	Select HMO	Coverage 1st Local	Coverage 1st National		HDHP PPO	
Deductible	$250	$500	$1,250	$1,250	$3,250	$3,300	$3,900
Coinsurance	0%	0%	0%	0%	30%	0%	0%
Copayment	$20	$35	$30	$30	$0	10%	40%
Out of pocket limit	$4,000	$4,000	$4,000	$4,000	$12,000	$6,850	$13,300

In addition to the plans described above, Medicare eligible retirees have the option to participate in a Medicare Advantage plan offered by Aetna. The employer has no liability for this plan because retirees pay the full cost with no cost sharing. Medicare eligible retirees coordinate benefits with Medicare on a "Coordination of Benefits" basis. That is, the plan pays up to the amount it would pay as primary payer, except that it will not pay benefits already paid by Medicare (which is actually the primary payer) or if the retiree elects not to participate in

Medicare Parts A and B, the hypothetical amount Medicare would have paid. Spouses of retirees or surviving spouses of retirees of the School District who meet retirement criteria, and received pension benefits at termination may elect medical coverage. Retirees pay the full cost of dental and vision with no employer cost sharing in the implicit subsidy between active employees and retirees. Retirees pay the full cost with no implicit subsidy for life insurance.

Employees covered by benefit terms. At May 1, 2025, the following employees were covered by the benefit terms:

Retirees or dependents receiving benefits	474
Active employees or dependents receiving benefits	23,930

(dollar amounts expressed in thousands)

16. POST EMPLOYMENT HEALTH CARE BENEFITS (continued)

b. Total OPEB Liability

The District's total OPEB liability of $234,438 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and methods. The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2025
Measurement date	June 30, 2025
Actuarial cost method	Entry age
Inflation	2.10 percent
Salary increases	4.00 percent
Discount rate	3.93 percent

Discount rates were based on Bond Buyer GO 20-Bond Municipal Bond Index. Mortality rates were based on the adjusted for the headcount weighted teacher's mortality, set forward one year for females and two years for males, projected using Scale MP 2018. Disabled retirees were projected using Scale MP-2018.

c. Changes in the Total OPEB Liability

Total OPEB Liability	2025
Service cost	$ 16,382
Interest	9,856
Differences between expected and actual experience	(22,351)
Changes in assumptions	(542)
Benefit payments	(6,592)
Net change in total OPEB liability	(3,247)
Total OPEB Liability (Beginning)	237,684
Total OPEB Liability (Ending)	$ 234,437

Changes of assumptions reflect a change in the discount rate from 3.65 percent in 2024 to 3.93 percent in 2025.

Funded Status and Funding Progress. As of June 30, 2025, the most recent valuation date, the total OPEB Plan liability was $234,437 and assets held in trust were $0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $1,245,094 and the ratio of the total OPEB Plan liability to the covered payroll was 18.83 percent. The OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding

(dollar amounts expressed in thousands)

methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB Plan is financed on a pay-as-you-go basis.

Actuarial Assumptions and Methods. OPEB selected the economic, demographic and health care claim cost assumptions and prescribed them for use for purposes of compliance with GASB 75. The method used to calculate the service cost and accumulated postretirement benefit obligation for determining OPEB expense is the entry age normal cost methods. Under this cost method, the actuarial accrued liability is based on a prorated portion of the present value of all benefits earned to date over expected future working lifetime as defined by GASB. The proration is determined so that the cost with respect to service accrued from date of hire is recognized as a level percentage of pay each year. The Normal Cost is equal to the prorated cost for the year of the valuations. Benefit obligations and

expense/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Government Accounting Standards Board Statement 75. The total OPEB liability represents the actuarial present value of benefits based on the entry age normal cost method as of the measurement date reflecting all normal costs over the period when benefits were earned. The OPEB expense is the annual amount to be recognized in the income statement as the cost of OPEB benefits for this plan for the period ending June 30, 2025.

Sensitivity of the total OPEB liability to changes in the discount rate. The following 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 (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current discount rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$265,311	$234,437	$208,730

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following 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

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	$202,076	$234,437	$274,770

(dollar amounts expressed in thousands)

d. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized an OPEB expense of $20,883. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ -	$ 106,700
Changes of assumption or other inputs	94,050	22,766
Total	$ 94,050	$ 129,466

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	
2026	$ (5,356)
2027	(5,356)
2028	(5,356)
2029	(5,356)
2030	(3,612)
Thereafter	(10,380)
Total	$ (35,416)

17. RISK MANAGEMENT

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. Workers' compensation, automobile liability, and general liability coverage are being provided on a self-insured basis up to specified limits. Prior to July 18, 2007, the District entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis. Effective July 18, 2007, the district chose not to purchase excess coverage. The District has continued to retain $ 4,000,000 to cover any excess claims. The Board has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims. Settled claims resulting from the risks described above have yet to exceeded commercial insurance coverage.

A liability in the amount of $21,125 was actuarially determined using a discount rate of 1.5% to cover reported and unreported insurance claims payable at June 30, 2025. It is estimated that $10,739 of the liability is current and due within one year. The remaining $10,386 will be due in future years.

(dollar amounts expressed in thousands)

17. RISK MANAGEMENT (continued)

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

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023--2024	$20,531	$8,592	$(9,593)	$19,530
2024--2025	$19,530	$14,579	$(12,984)	$21,125

Claims and judgments are generally liquidated by the internal service funds that are funded by the general fund and special revenue funds.

18. COMMITMENTS AND CONTINGENCIES

Construction Contract Commitments

The following is summary of major construction contract commitments remaining at June 30, 2025:

DETAIL LISTING OF CONSTRUCTION IN PROGRESS

Description	Project Authorization	Expended as of June 30, 2025	Committed
Major Renovation-Incl HVAC, Additions, Etc.	$ 81,425	$ 17,415	$ 64,010
New Construction	414,463	50,817	363,646
Total	$ 495,888	$ 68,232	$ 427,656

Litigation

The District is involved in several pending and threatened legal actions. In the opinion of District management, the range of potential loss from all such claims and actions should not materially affect the financial condition of the District.

Grants and Contracts

The District participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the District.

Hillsborough County

PUBLIC SCHOOLS

Preparing Students for Life

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SUPPLEMENTAL FLORIDA RETIREMENT SYSTEM PENSION INFORMATION
LAST 10 FISCAL YEARS*
(dollar amounts expressed in thousands)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 67,371	$ 61,990	$ 64,502	$ 67,274	$ 71,543	$ 75,543	$ 93,620	$ 101,173	$ 103,462	$ 119,489
Contributions in relation to the contractually required contribution	$ (67,371)	$ (61,990)	$ (64,502)	$ (67,274)	$ (71,543)	$ (75,543)	$ (93,620)	$ (101,173)	$ (103,462)	$ (119,489)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 985,387	$ 988,184	$ 985,656	$ 946,041	$ 940,830	$ 968,343	$ 938,679	$ 913,816	$ 892,988	$ 899,429
Contributions as a percentage of covered payroll	6.84%	6.27%	6.54%	7.11%	7.60%	7.80%	9.97%	11.07%	11.59%	12.98%

*The amounts presented for each fiscal year were determined as of 6/30

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL FLORIDA RETIREMENT SYSTEM PENSION INFORMATION
LAST 10 FISCAL YEARS*
(dollar amounts expressed in thousands)
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proportion of the net pension liability	2.68%	2.76%	2.54%	2.47%	2.36%	2.27%	2.29%	2.46%	2.37%	2.15%
District's proportionate share of the net pension liability	$ 163,260	$ 356,916	$ 964,676	$ 729,291	$ 706,562	$ 783,284	$ 990,620	$ 185,635	$ 882,193	$ 856,988
District's covered payroll	$ 930,149	$ 985,387	$ 988,184	$ 985,656	$ 946,041	$ 940,830	$ 968,343	$ 938,679	$ 913,816	$ 892,988
Districts proportionate share of the net pension liability as a percentage of its covered payroll	17.55%	36.22%	97.62%	73.99%	74.69%	83.25%	102.30%	19.78%	96.54%	95.97%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%

*The amounts presented for each fiscal year were determined as of 6/30

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PROGRAM INFORMATION
LAST 10 FISCAL YEARS*
(dollar amounts expressed in thousands)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 14,294	$ 19,006	$ 19,067	$ 18,429	$ 18,398	$ 19,422	$ 19,506	$ 19,189	$ 19,102	$ 24,893
Contributions in relation to the contractually required contribution	$ (14,294)	$ (19,006)	$ (19,067)	$ (18,429)	$ (18,398)	$ (19,422)	$ (19,506)	$ (19,189)	$ (19,102)	$ (24,893)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,134,992	$ 1,145,024	$ 1,149,179	$ 1,110,759	$ 1,108,182	$ 1,169,900	$ 1,174,944	$ 1,156,332	$ 1,151,400	$ 1,245,094
Contributions as a percentage of covered payroll	1.45%	1.92%	1.93%	1.95%	1.96%	2.01%	2.08%	2.10%	1.66%	2.00%

*The amounts presented for each fiscal year were determined as of 6/30

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

SCHEDULE OF EMPLOYER PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS
SUPPLEMENTAL HEALTH INSURANCE SUBSIDY PROGRAM INFORMATION
LAST 10 FISCAL YEARS*
(dollar amounts expressed in thousands)
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proportion of the net pension liability	3.74%	3.74%	3.71%	3.60%	3.40%	3.31%	3.37%	3.32%	3.17%	2.90%
District's proportionate share of the net pension liability	$ 354,898	$ 381,345	$ 432,150	$ 385,423	$ 359,853	$ 370,709	$ 411,510	$ 407,061	$ 335,896	$ 461,171
District's covered payroll	$ 1,064,283	$ 1,134,992	$ 1,145,024	$ 1,149,179	$ 1,110,759	$ 1,108,182	$ 1,169,900	$ 1,174,944	$ 1,156,332	$ 1,151,399
Districts proportionate share of the net pension liability as a percentage of its covered payroll	33.35%	33.60%	37.74%	33.54%	32.40%	33.45%	35.17%	34.65%	29.05%	40.05%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%

*The amounts presented for each fiscal year were determined as of 6/30

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditor's report

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EARLY RETIREMENT PENSION TRUST
(dollar amounts expressed in thousands)
(UNAUDITED)

Fiscal Year Ended June 30	Actuarially Determined Contribution	Annual Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2016	$ 1,054	$ 1,115	$ (61)	N/A	N/A
2017	1,147	1,185	(38)	N/A	N/A
2018	1,150	1,170	(20)	N/A	N/A
2019	1,170	1,195	(25)	N/A	N/A
2020	1,072	1,090	(18)	N/A	N/A
2021	1,130	1,130	72	N/A	N/A
2022	1,103	1,133	(29)	N/A	N/A
2023	1,123	1,125	(1)	N/A	N/A
2024	1,179	1,205	(27)	N/A	N/A
2025	1,168	1,168	0	N/A	N/A

Note: Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited – see accompanying independent auditors' report.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
EARLY RETIREMENT PENSION TRUST
LAST 10 FISCAL YEARS
(dollar amounts expressed in thousands)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	891	654	621	592	596	487	449	416	397	552
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(89)	(78)	45	(243)	356	(440)	(230)	405	53	(252)
Changes of assumptions	1,846	-	-	(506)	827	-	-	-	(1,813)	(227)
Benefit payments, including refunds of member contributions	(1,959)	(1,932)	(1,892)	(1,838)	(1,812)	(1,771)	(1,707)	(1,682)	(1,611)	(1,543)
Net change in total pension liability	689	(1,356)	(1,226)	(1,995)	(33)	(1,724)	(1,488)	(861)	(2,974)	(1,470)
Total pension liability - beginning	26,452	27,141	25,786	24,560	22,565	22,532	20,808	19,319	18,458	15,485
Total pension liability - ending (a)	$ 27,141	$ 25,785	$ 24,560	$ 22,565	$ 22,532	$ 20,808	$ 19,319	$ 18,458	$ 15,485	$ 14,014
Plan fiduciary net position										
Contributions - employer	$ 1,115	$ 1,185	$ 1,170	$ 1,195	$ 1,090	$ 1,130	$ 1,133	$ 1,125	$ 1,205	$ 1,168
Contributions - member	-	-	-	-	-	-	-	-	-	-
Net investment income	260	(11)	21	340	323	16	(214)	102	379	400
Benefit payment, including refunds of member contributions	(1,959)	(1,932)	(1,892)	(1,838)	(1,811)	(1,771)	(1,708)	(1,681)	(1,611)	(1,543)
Administrative expense	(42)	(41)	(11)	(37)	(37)	(35)	(33)	(31)	(30)	(30)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(626)	(799)	(712)	(340)	(435)	(660)	(822)	(485)	(57)	(5)
Plan fiduciary net position - beginning	12,459	11,833	11,034	10,322	9,982	9,547	8,886	8,064	7,579	7,522
Plan fiduciary net position - ending (b)	$ 11,833	$ 11,034	$ 10,322	$ 9,982	$ 9,547	$ 8,886	$ 8,064	$ 7,579	$ 7,522	$ 7,517
Net pension liability (asset) - ending (a)-(b)	$ 15,308	$ 14,751	$ 14,238	$ 12,583	$ 12,985	$ 11,922	$ 11,255	$ 10,879	$ 7,963	$ 6,497
Plan fiduciary net position as a percentage of the total pension liability	43.60%	42.79%	42.03%	44.24%	42.37%	42.71%	41.74%	41.06%	48.58%	53.64%
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Districts's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditors' report

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF INVESTMENT RETURNS
EARLY RETIREMENT PENSION TRUST
LAST 10 FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Money Weighted Rate of Investment Return
2016	2.50%
2017	2.50%
2018	2.50%
2019	2.75%
2020	2.25%
2021	2.25%
2022	2.25%
2023	2.25%
2024	2.25%
2025	3.75%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditors' report

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
LAST 10 FISCAL YEARS
(dollar amounts expressed in thousands)
(UNAUDITED)

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB liability								
Service cost	$ 11,940	$ 11,073	$ 12,053	$ 15,998	$ 16,925	$ 16,749	$ 13,008	$ 16,382
Interest	6,477	6,531	6,342	4,902	4,665	8,497	7,242	9,856
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual expe	(12,514)	(17,873)	(15,259)	(31,618)	(20,148)	(31,159)	(16,764)	(22,351)
Changes of assumptions	(12,407)	15,722	37,736	11,757	31,146	(25,507)	51,821	(542)
Benefit payments	(4,508)	(5,074)	(2,875)	(5,587)	(9,953)	(6,837)	(6,024)	(6,592)
Net change in total OPEB liability	(11,012)	10,379	37,997	(4,548)	22,635	(38,257)	49,283	(3,247)
Total OPEB liability - beginning	171,208	160,196	170,575	208,572	204,023	226,658	188,401	237,684
Total OPEB liability - ending	$ 160,196	$ 170,575	$ 208,572	$ 204,024	$ 226,658	$ 188,401	$ 237,684	$ 234,437
Covered employee payroll	$ 1,110,759	$ 1,108,182	$ 1,169,899	$ 1,174,944	$ 1,156,333	$ 1,151,400	$ 1,203,572	$ 1,245,094
Total OPEB liability as a percentage of covered employee payroll	14.42%	15.39%	17.83%	17.36%	19.60%	16.36%	19.75%	18.83%

Changes in assumptions and other inputs include the change in the discount rate from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the end of the measurement period. This change is reflected in the Schedule of Chagnes in Total OPEB Plan Liability

There are no assets accumulated in a trusts to pay related benefits.

Note: Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Unaudited - see accompanying independent auditors' report

SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR
FLORIDA RETIREMENT SYSTEM PENSION AND HEALTH INSURANCE SUBSIDY PROGRAM
June 30, 2025
(UNAUDITED)

The following are relevant to the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Program:

1) Actuarial assumptions for defined benefit plans are reviewed annually by the Florida Retirement System. The FRS Pension Plan has a valuation performed annually, whereas the HIS Program has a valuation performed biennially which was updated for GASB reporting in the year a valuation was not performed. The most recent experience study for the pension plan was completed in 2024 for the period July 1, 2018 through June 30, 2023.

2) Method and assumptions used in calculation of actuarially determined contribution:

FRS Pension Plan

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age

Actuarial Assumptions:

Discount Rate	6.70%
Investment Rate of Return	6.70%
Projected Salary Increases	3.50%
Rate of Inflation Adjustment	2.40%

Mortality assumption:
Pub-2010 base table generational mortality using gender-specific MP-2021 mortality improvement projection scale

HIS Program

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age

Actuarial Assumptions:

Discount Rate	3.93%
Investment Rate of Return	N/A
Projected Salary Increases	3.50%
Rate of Inflation Adjustment	2.40%

Mortality assumption:
Generational PUB-2010 with projection scale MP-2021

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR
EARLY RETIREMENT PENSION TRUST AND POST EMPLOYMENT HEALTH CARE BENEFITS PLAN
June 30, 2025
(UNAUDITED)

The following are relevant to the early retirement pension plan:

1) Change in plan eligibility

As of July 1, 2010, the Early Retirement Pension Plan was closed to any new participants.

2) The discount rate assumption increased to 3.75% from 2.25% in the prior year.

Method and assumptions used in determination of the pension liability:

Actuarial cost method	Aggregate
Actuarial assumptions:	
Valuation Date	July 1, 2024
Asset Valuation Method	Market Value
Investment Rate of Return	3.75%
Projected Salary Increases	N/A
Rate of Inflation Adjustment	2.50%

Mortality Assumption:
Mortality rates were based on the PUB2010, adjusted for the headcount weighted teacher's mortality, set forward one year for females and 2 years for males, projected using scale MP 2021.

The following is relevant to the post employment health care benefits:

Changes in assumptions and other inputs include the change in the discount rate from 3.75 percent as of the beginning of the measurement period to 3.75 percent as of the end of the measurement period. This change is reflected in the Schedule of Changes in Total OPEB Plan Liability.

There are no assets accumulated in a trust to pay related benefits.

1) Actuarial assumptions:
   (a). Entry age actuarial cost method
   (b). Inflation – 2.50%
   (c). Salary scale - 4.0%
   (d). Discount Rate – 3.75%
   Discount rates were based on Bond Buyer GO 20-Bond Municipal Bond index.
   (e). Healthcare cost trend rate is 6.25% for pre-65 and 6.75% for post-65 participants, both decreasing to 4.5%.
   (f). Payroll growth – 3.0%
   (g). Retirees' share of benefit-related costs - 30% of projected health insurance premiums for retirees

2) Mortality Assumption:
Healthy retirees were based on the PUB2010 headcount weighted teacher's
Mortality, set forward one year for females and two years for males, projected using scale MP 2021. Disabled retirees were projected using scale MP-2021.

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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*

Independent Auditor's Report

Honorable Chairperson and Members
The District School Board of Hillsborough County, Florida

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Hillsborough County, Florida (the "District") as of and for the 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 3, 2026. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, with the exception of Terrance Community Middle School, 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 over financial reporting. 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 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, 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.

Forvis Mazars, LLP

Tampa, Florida
March 3, 2026

APPENDIX C

COPY OF RESOLUTION

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A RESOLUTION AUTHORIZING THE ISSUANCE OF TAX ANTICIPATION NOTES, SERIES 2026 OF THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $300,000,000 TO PROVIDE INTERIM FUNDS FOR THE PAYMENT OF OPERATING EXPENSES OF THE DISTRICT; PLEDGING CERTAIN TAX RECEIPTS TO THE PAYMENT OF THE NOTES; AUTHORIZING CERTAIN REMEDIES TO THE HOLDERS OF THE NOTES AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING THE FORM, MATURITY DATE, AND CERTAIN PARAMETERS WITH RESPECT TO THE OTHER TERMS AND DETAILS OF THE NOTES; AUTHORIZING THE AWARDING OF SAID NOTES PURSUANT TO A PUBLIC BID; DELEGATING CERTAIN AUTHORITY TO THE SUPERINTENDENT FOR THE AWARD OF THE NOTES AND APPROVAL OF THE TERMS OF THE NOTES; APPOINTING THE PAYING AGENT AND NOTE REGISTRAR FOR SAID NOTES; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING CERTAIN OFFICIALS OF THE BOARD TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID NOTES; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 1011, Florida Statutes, and other applicable provisions of law.

SECTION 2. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

"Act" means Chapter 1011, Florida Statutes, in particular Section 1011.13(1), Florida Statutes, and other applicable provisions of law.

"Board" means The School Board of Hillsborough County, Florida, the governing body of the District.

"Chair" means the Chair of the Board, and in his or her absence or unavailability, the Vice-Chair of the Board and such other person who may be duly authorized to act on his or her behalf.

"Chief Financial Officer" means the Chief Financial Officer of the District, and in his or her absence or unavailability, such other person who may be duly authorized to act on his or her behalf.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means any date of calculation of the Cumulative Cash Flow Deficit.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate to be executed by the District on or prior to the issuance of the Notes, the form of which is attached hereto as Exhibit D.

"County" means Hillsborough County, Florida, a political subdivision of the State of Florida.

"Cumulative Cash Flow Deficit" means, as of any Computation Date during the Current Fiscal Year, an amount equal to:

(a) The amount the District will expend from the date of issuance of the Notes to such Computation Date for expenditures which would ordinarily be paid out of or financed by ad valorem taxes and other available Non-Ad Valorem Funds, minus

(b) The sum of the "available amounts," as defined in the Code (excluding proceeds of the Notes), whether in the form of cash, investments, or other amounts, which will be available for the payment of working capital expenditures of the type to be paid from the proceeds of the Notes without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Said amounts shall be measured from the date of issuance of the Notes to the Computation Date referred to in paragraph (a) above.

"Current Fiscal Year" means the fiscal year of the District which commenced July 1, 2026 and ends June 30, 2027.

"District" means the School District of Hillsborough County, Florida, created by Article IX, Section 4 of the Constitution of Florida.

"Holder" or **"Noteholder"** means the registered owner of a Note.

"Maturity Date" means the maturity date for the Notes as determined by the Superintendent prior to the issuance of the Notes, which date shall not be later than one year from the date of issuance of the Notes.

"Municipal Advisor" means Ford & Associates, Inc.

"Non-Ad Valorem Funds" means all legally available funds of the District or Board derived from sources other than ad valorem taxation.

"Note" or **"Notes"** means one or more of the tax anticipation notes authorized by this Resolution in substantially the form attached as Exhibit A hereto, with such modifications as shall be approved by the Superintendent or his designee upon the advice of Note Counsel to the District, approval of such changes to be presumed by the execution thereof by the Superintendent or his designee.

"Note Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida, or such other firm of attorneys having expertise in the State and federal laws applicable to the issuance of public securities and obligations.

"Note Payment Fund" means the School District of Hillsborough County, Florida Tax Anticipation Notes, Series 2026 Note Payment Fund created by this Resolution.

"Official Bid Proposal" means the Official Bid Proposal that complies with all of the terms and provisions of the Official Notice of Sale and which sets forth an offer to purchase the Notes at the lowest net interest cost to the District.

"Official Notice of Sale" means the Official Notice of Sale relating to the competitive sale of the Notes, which Official Notice of Sale shall be substantially in the form attached hereto as Exhibit B.

"Official Statement" means the Official Statement prepared on behalf of the District, dated the date of sale of the Notes and pertaining to the Notes, in substantially the form of the Preliminary Official Statement which is attached hereto as Exhibit C.

"Operating Budget" means the District's operating budget for the Current Fiscal Year prepared and adopted by the Board in accordance with the Act.

"Paying Agent" or "Note Registrar" means the District, acting through its Chief Financial Officer.

"Permitted Investments" means investments from time to time legal for District moneys pursuant to the provisions of Sections 1010.53(2) and 218.415, Florida Statutes, as amended.

"Pledged Revenues" means (a) receipts of ad valorem taxes collected by the Tax Collector of the County for the benefit of the District during the Current Fiscal Year, but only to the extent such tax receipts are levied or legally available for payment of operating expenses of the District and (b) amounts on deposit in the Note Payment Fund. "Pledged Revenues" shall not include ad valorem taxes collected to pay the principal of and interest on bonds of the District issued pursuant to Sections 1010.40-1010.55, Florida Statues, or to pay the principal of and interest on any obligations issued by the District pursuant to Section 1011.14, Florida Statutes, or otherwise levied pursuant to Section 1011.71(2), Florida Statutes.

"Preliminary Budget" means the preliminary budget discussed by the Board for the Current Fiscal Year prior to adoption of the Tentative Budget.

"Preliminary Official Statement" shall mean the Preliminary Official Statement "deemed final," except as for permitted omissions, in accordance with Rule 15c2-12 of the Securities and Exchange Commission and Section 16 of this Resolution, the form of which is attached hereto as Exhibit C, with such modifications as shall be approved by the Superintendent or his designee upon the advice of Note Counsel to the District.

"Principal Amount" shall mean the principal amount of Notes issued hereunder which amount may not exceed $300,000,000.

"Purchaser" shall mean the underwriter or underwriters that submit(s) the Official Bid Proposal accepted by the District in accordance with the terms hereof. The Purchaser shall be the initial purchaser and underwriter of the Notes.

"Record Date" shall mean the 15th day of the month (whether or not a business day) immediately preceding the Maturity Date of the Notes.

"Regulations" means the Income Tax Regulations promulgated by the Internal Revenue Service under Section 103 and Sections 141-150 of the Code of 1986.

"State" means the State of Florida.

"Summary Notice of Sale" means the Summary Notice of Sale pursuant to which the Notes shall be advertised for competitive bid, which Summary Notice of Sale shall be substantially in the form attached hereto as Exhibit E.

"Superintendent" means the Superintendent of Schools of the District, Ex-Officio Secretary to the Board, and in his absence or unavailability, any associate or deputy Superintendent of the District and such other persons who may be duly authorized to act on the Superintendent's behalf.

"Tentative Budget" means the proposed budget considered by the Board at public hearings, after due notice, for the Current Fiscal Year prior to adoption of the Operating Budget.

SECTION 3. **FINDINGS.** It is hereby found, determined and declared as follows:

(A) Pursuant to Section 1011.13, Florida Statutes, and other applicable provisions of law, the school board of any school district in the State of Florida is authorized to negotiate a current loan at any time the current school funds on hand are estimated to be insufficient to pay obligations created by such school board, in accordance with the applicable budget of such school district.

(B) The Board has caused to be prepared a Preliminary Budget reflecting the reasonable estimates of receipts and expenditures during the Current Fiscal Year.

(C) The Board, to the extent possible, has endeavored to arrange the expenditures of the District for the Current Fiscal Year so as to make it unnecessary for the District to incur loans.

(D) It is estimated based on the Preliminary Budget and Tentative Budget that the school funds will be insufficient, at various times during the Current Fiscal Year, to satisfy obligations to be created by the Board in accordance with the Operating Budget of the District.

(E) It is necessary for the benefit of the schools of the District for a loan to be obtained to meet the disbursement requirements of the Operating Budget, such loan to be retired from Pledged Revenues anticipated to be received in accordance with the Operating Budget and, if necessary, from the Non-Ad Valorem Funds.

(F) The loan or loans shall be evidenced by the issuance of the Notes (or installments thereof), in the aggregate principal amount not exceeding the Principal Amount. The principal of and the interest on the Notes will be payable at maturity.

(G) The Principal Amount shall be less than 80% of the amount to be available from taxes levied by the District for operating purposes for the Current Fiscal Year.

(H) The Principal Amount does not exceed the Cumulative Cash Flow Deficit plus any reasonable working capital reserve not in excess of the amount permitted by Section 1.148-6(d)(3)(iii)(B) of the Regulations.

(I) The loan or loans, as evidenced by the Notes and computed as prescribed by Section 1011.13, Florida Statutes, will be, in the aggregate, not in excess of the amount necessary for the proper operation of the schools in the District.

(J) The Notes will be payable as to both principal and interest from the Pledged Revenues estimated in the Operating Budget to be available, and, if necessary, are additionally payable from, but are not secured by, the Non-Ad Valorem Funds. Neither the faith and credit nor the taxing power of the State of Florida, the County, or the District are pledged to the payment of the principal of or the interest on the Notes.

(K) It is estimated that the Pledged Revenues will be sufficient to pay the principal of and interest on the Notes when due.

(L) The Superintendent has authorized Note Counsel to prepare a Preliminary Official Statement on behalf of the District, and it is necessary and desirable that the Board delegate to the Superintendent the authority to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to authorize the use of the Preliminary Official Statement and a final Official Statement in connection with the marketing and competitive sale of the Notes in accordance with the terms hereof.

(M) It is necessary and desirable that the Notes be issued in book-entry only form and that the Superintendent be authorized to make such provision and perform such acts as are necessary to provide for the issuance of the Notes in book-entry form.

(N) In accordance with Section 218.385, Florida Statutes, and pursuant to this Resolution, the Notes shall be advertised for competitive bids pursuant to the Summary Notice of Sale, the form of which is attached hereto as Exhibit E.

(O) Pursuant to the Summary Notice of Sale and the Official Notice of Sale, competitive bids received on such date and time as is determined by the Superintendent in accordance with the terms and provisions of the Summary Notice of Sale and the Official Notice of Sale, shall be publicly opened and announced.

(P) Due to the present volatility and uncertainty of the market for tax-exempt obligations such as the Notes, it is desirable for the District to be able to advertise and award the Notes at the most advantageous time and date which shall be determined by the Superintendent; and, accordingly, the District hereby determines to delegate the advertising and awarding of the Notes to the Superintendent within the parameters described herein.

(Q) It is necessary and appropriate that the Board determine the parameters for the terms and details of the Notes and to delegate certain authority to the Superintendent for the award of the Notes and the approval of the terms of the Notes in accordance with the provisions hereof.

(R) In the event Note Counsel shall determine that the Notes have not been awarded competitively in accordance with the provisions of Section 218.385, Florida Statutes, the Board shall adopt such resolutions and make such findings as shall be necessary to authorize and ratify a negotiated sale of the Notes in accordance with said Section 218.385, Florida Statutes.

SECTION 4. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Notes authorized to be issued hereunder, this Resolution shall be deemed to be and shall constitute a contract between the District, the Board and the Holders of any Notes. The covenants and agreement herein set forth to be performed by the District and the Board shall be for the equal benefit, protection and security of the Holder of each such Note, all of which shall be of equal rank and without preference, priority or distinction of any of such Notes over any other thereof, except as expressly provided therein and herein.

SECTION 5. AUTHORIZATION, DESCRIPTION AND BOOK-ENTRY PROVISIONS OF THE NOTES. For the purpose of financing the cost of obligations incurred in the ordinary operations of the District in the Current Fiscal Year there are hereby authorized to be issued "School District of Hillsborough County, Florida Tax Anticipation Notes, Series 2026" in the aggregate principal amount not to exceed $300,000,000. The exact aggregate principal amount of Notes to be issued pursuant to this Resolution shall be determined by the Superintendent in accordance with the terms of this Resolution, provided such amount shall not exceed $300,000,000.

The Notes may be issued in one or more installments. The Notes shall be dated, shall be in denominations of $5,000 or integral multiples thereof, as agreed to between the District and the Purchaser, shall be in fully-registered form, shall mature on the Maturity Date, as determined by the Superintendent prior to the issuance thereof, and shall bear interest from their date until maturity, calculated on a 360-day year basis (consisting of twelve 30-day months), payable at maturity at an interest rate not to exceed the maximum rate allowed by law, all as provided in the Official Bid Proposal. The Notes shall not be redeemable prior to maturity.

The Notes shall initially be issued in book-entry only form. The Notes shall be registered to Cede & Co., as nominee for The Depository Trust Company ("DTC"). All payments for the principal of and interest on the Notes shall be paid in lawful money of the United States of America, by check, draft or wire transfer to DTC.

To the extent permitted by the provisions of the DTC Blanket Issuer Letter of Representations executed by the District and delivered to DTC (the "DTC Blanket Letter of Representations"), the District shall issue Notes directly to beneficial owners of Notes other than DTC, or its nominee, in the event that:

(i) DTC determines not to continue to act as the securities depository for the Notes; or

(ii) The Board has advised DTC of its determination that DTC is incapable of discharging its duties; or

(iii) The Board, upon compliance with applicable DTC policies and procedures, determines that it is in the best interest of the District not to continue the book-entry system or that the interest of the beneficial owners of the Notes might be adversely affected if the book-entry system is continued.

Upon occurrence of either of the events described in clauses (i) or (iii) above (the Board undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Board to make any such determination) or if the Board fails to locate another qualified securities depository to replace DTC upon occurrence of either of the events described in clauses (i) or (ii) above, the Board shall mail a notice to DTC for distribution to the beneficial owners of the Notes stating that DTC will no longer serve as securities depository, whether a new securities depository will or can be appointed, the procedures for obtaining authenticated replacement Notes and the provisions which govern the Notes including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payments and other related matters. The DTC Blanket Letter of Representations previously executed and delivered by the District shall apply with respect to the Notes.

SECTION 6. EXECUTION AND AUTHENTICATION OF NOTES. The Notes shall be executed in the name of the District by the Chair of the Board, and attested and countersigned by the Superintendent, as Ex-Officio Secretary of the Board, and the corporate seal of the Board or a facsimile thereof shall be affixed thereto or reproduced thereon. The Notes may be signed and sealed on behalf of the District by any person who at the actual time of the execution of such Notes shall hold such offices in the District, although at the date of such Notes such person may not have been so authorized. The Notes may be executed by the facsimile signatures of the Chair or Superintendent so long as the Notes bear one manual signature.

There shall be a Certificate of Authentication of the Note Registrar on the Notes, and no Note shall be valid or obligatory for any purpose or be entitled to any security or benefit under the provisions of this Resolution unless such certificate shall have been duly executed on such Notes. The authorized signature for the Note Registrar shall be either manual or in facsimile; provided, however, that at least one of the above signatures, including that of the authorized signature for the Note Registrar, appearing on the Notes shall be a manual signature.

SECTION 7. NOTES MUTILATED, DESTROYED, STOLEN OR LOST. In case any Note shall be mutilated, destroyed, stolen or lost, upon the Holder furnishing the District proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur, the District shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, if any, to the District and the cancellation thereof; provided however, if the Note shall have matured or be about to mature, instead of issuing a substitute Note, the District may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof. Any Note surrendered under the terms of this Section 7 shall be cancelled by the Superintendent.

Any such duplicate Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the District whether or not, as to duplicate Notes, the lost, stolen or destroyed Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as the other Notes issued hereunder.

SECTION 8. REGISTRATION AND TRANSFER OF NOTES. The following Section 8 is subject to the provisions of the DTC Blanket Letter of Representations.

All Notes shall be and shall have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each successive Holder, in accepting any of the Notes, shall be conclusively deemed to have agreed that such Notes shall be and have all of said qualities and incidents of such negotiable instruments.

There shall be a Note Registrar with respect to each series or installment of Notes, which shall be the District or a bank or trust company located within or without the State of Florida with corporate trust powers. The Note Registrar initially shall be the District, acting through the Chief Financial Officer. The Note Registrar shall be responsible for maintaining the books for the registration of the transfer and exchange of the Notes.

All Notes presented for transfer, exchange or payment (if so required by the District or the Note Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the District or the Note Registrar, as the case may be, duly executed by the Holder or by his duly authorized attorney.

Upon surrender to the Note Registrar for transfer or exchange of any Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Holder or his attorney duly authorized in writing, the Note Registrar shall deliver in the name of the Holder or the transferee or transferees, as the case may be, a new fully registered Note or Notes of authorized denominations and of the same maturity and interest rate for the aggregate principal amount which the Holder is entitled to receive.

The District and the Note Registrar may charge the Holder a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of such Notes. The Note Registrar or the District may also require payment from the Holder or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Note shall be delivered.

New Notes delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Notes surrendered, shall be secured under this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Notes surrendered.

The District and the Note Registrar may treat the Holder of any Note as the absolute owner thereof for all purposes, whether or not such Notes shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any Note is registered shall be deemed the Holder thereof by the District and the Note Registrar, and any notice to the contrary shall not be binding upon the District or the Note Registrar.

Whenever any Note shall be delivered to the Note Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Note shall be cancelled and destroyed by the Note Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the District.

SECTION 9. FORM OF NOTES. The text of the Notes shall be in substantially the form of Exhibit A hereto, with such modifications, deletions and insertions as may be necessary and desirable, and as may be authorized or permitted by this Resolution.

SECTION 10. SECURITY FOR NOTES; SPECIAL OBLIGATIONS OF DISTRICT. To the extent necessary to pay when due the principal of and the interest on the Notes, the Pledged Revenues are irrevocably pledged to the payment of the Notes. The Notes and the interest thereon do not constitute a general obligation or indebtedness of, or a pledge of the faith and credit of, the Board, the District, the County, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation but shall be payable from and secured solely by a lien upon and pledge of the Pledged Revenues in the manner provided herein and therein. If necessary, Notes are additionally payable from, but are not secured by, Non-Ad Valorem Funds of the District. The Notes and the obligations evidenced thereby shall not constitute a lien upon any property of or in the District other than the Pledged Revenues in the manner provided in this Resolution. No Holder of the Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the Board, the District, the County or the State or any political subdivision or agency thereof, other than the levy, collection and application of the Pledged Revenues, for the payment of the principal of or interest on the Notes in the manner herein and in the Notes provided.

SECTION 11. NOTE PAYMENT FUND. (a) There is hereby established the "School District of Hillsborough County, Florida Tax Anticipation Notes, Series 2026 Note Payment Fund" (the "Note Payment Fund") to be held by the District as a separate special fund for the benefit of the Noteholders; provided that the cash required to be accounted for therein may be pooled with other funds of the District so long as adequate accounting records are maintained to reflect and control the restricted purposes of such Note Payment Fund moneys. The Note Payment Fund shall be held in trust by the District for the sole benefit of the Holders, and the Holders are granted an express lien on the moneys and/or investments held in the Note Payment Fund. The Holders of the Notes shall have no lien upon all or any portion of the Non-Ad Valorem Funds unless and until any such funds are deposited into the Note Payment Fund. The District covenants that it shall deposit sufficient monies or Permitted Investments into the Note Payment Fund no later than twenty-one (21) days prior to the Maturity Date of the Notes, or the first business day thereafter, such that the balance on deposit therein will equal the amount of principal and interest becoming due on the Notes on the Maturity Date. If, on the twenty-first day preceding the Maturity Date of the Notes, or the first business day thereafter, and continuously thereafter, there is not on deposit in the Note Payment Fund an amount (including Permitted Investments and the income or earnings to be received thereon) equal to all principal of and interest on the Notes at maturity, the Board shall designate the Note Payment Fund as its depository for the receipt of Pledged Revenues and continue such designation until such time as the amount in the Note Payment Fund, together with the earnings to be received thereon, is equal to all principal of and interest on the Notes at maturity.

(b) All investments held in the Note Payment Fund shall mature on or prior to the Maturity Date. All such investments shall be valued for the purpose of this Section 11 at their principal amount, and interest income or earnings to be received on or prior to the date of maturity of the Notes shall be included in the Note Payment Fund balance for purposes of determining whether the requirements of this Section 11 have been met.

(c) Funds in the Note Payment Fund may be invested only in Permitted Investments. Earnings on investments held in the Note Payment Fund shall be retained and reinvested in the Note Payment Fund until the amount on deposit in the Note Payment Fund together with the earnings to be received thereon, is equal to the entire principal of and interest on the Notes at their maturity. Thereafter, such earnings may be withdrawn by the District and used in the District's discretion as provided by law except as provided in Subsection 11(d) hereof.

(d) Amounts in the Note Payment Fund, other than earnings permitted to be withdrawn by the District pursuant to Subsection 11(c) hereof, shall be applied solely to the payment of the principal of and interest on the Notes. After all such principal and interest shall have been paid, or at such time as provision for payment thereof shall have been made pursuant to Section 15 hereof, any amounts remaining in the Note Payment Fund may be used in the District's discretion as provided by law.

(e) No later than seven (7) days prior to the Maturity Date of the Notes, the District shall, if necessary, adjust the amount on deposit in the Note Payment Fund in order to ensure that sufficient funds are on deposit therein on the Maturity Date to pay the principal of and interest on the Notes in full.

SECTION 12. APPLICATION OF NOTE PROCEEDS. The proceeds of the sale of the Notes shall first be applied by the District to pay the costs of preparation and issuance of the Notes. The remaining proceeds from the sale of the Notes shall be used by the District to pay the lawful expenses of the District as the Board shall direct. The Holders of the Notes issued hereunder shall have no responsibility for the use of the proceeds of said Notes, and the use of such Note proceeds by the District shall in no way affect the rights of such Noteholders.

SECTION 13. COVENANTS OF DISTRICT AND BOARD. The Board covenants on its behalf and on behalf of the District with the Holders so long as any of the Notes are outstanding and unpaid as follows, to the extent not already performed or accomplished:

(a) to comply promptly with the Act and other applicable statutes in regard to (i) adoption of the Tentative Budget and Operating Budget, (ii) determination of the amounts necessary to be raised for current operating purposes for the Current Fiscal Year, (iii) determination of millage necessary to be levied for current operating purposes for the Current Fiscal Year, (iv) certification of such millage to the County Property Appraiser, (v) ordering the County Property Appraiser to assess such millage, and (vi) collecting the taxes paid and due to the Board from the County Tax Collector; and

(b) in preparing, approving and adopting its Operating Budget controlling or providing for the expenditures of its funds, so long as any principal of or interest on the Notes are outstanding and unpaid, to appropriate, allot and approve, in the manner required by law from funds of the District derived from sources other than ad valorem taxes and legally available therefor, amounts sufficient to pay the principal of and interest on the Notes; and

(c) not to issue any (i) indebtedness of any kind payable from the Pledged Revenues which indebtedness is secured by a lien upon the Pledged Revenues superior to that of the Notes, (ii) obligations (other than additional installments of Notes) payable from or secured by a lien on the moneys on deposit in the Note Payment Fund, and (iii) additional obligations having an equal lien upon the Pledged Revenues if the issuance of such additional indebtedness would violate the provisions of Section 1011.13(1), Florida Statutes. Subject to the foregoing limits, the Board may issue additional obligations (including additional installments of Notes) payable from and secured by a lien upon the Pledged Revenues on a parity with the Notes, and may issue obligations having a first lien upon moneys of the District other than the Pledged Revenues and the moneys on deposit in the Note Payment Fund; and

(d) except as otherwise expressly provided herein, not to enter into any contract or other agreement and not to take any action by which the rights of any Holder might be impaired or diminished; and

(e) not to modify or amend this Resolution or any resolution amendatory hereof or supplemental hereto, unless such modification or amendment would not, in the opinion of Note Counsel, have a material adverse effect on the interest of the Holders, without the consent in writing of Holders of fifty-one percent (51%) or more in principal amount of the Notes then outstanding; provided that no modification or amendment shall permit, without the consent of all the Holders, a change (i) in the maturity of the Notes or a reduction in the rate of interest thereon, (ii) in the amount of the principal obligation evidenced by the Notes, (iii) that would affect the unconditional promise of the District to collect the ad valorem tax revenues and to make the deposits to the Note Payment Fund required herein, (iv) that would reduce the percentage of Holders required above, for modifications or amendments hereto, (v) that would affect the tax covenants of the District contained in Section 14 hereof, or (vi) that would impair the obligation of the District to pay the principal of and interest on the Notes at maturity or the remedies granted herein for the enforcement of such obligation. For the purpose of Holders' voting rights or consents, the Notes owned by or held for the account of the District, directly or indirectly, shall not be counted.

Any rating agency providing a rating for the Notes shall be notified, in writing, and supplied with a copy, of any modification, amendment or supplement to this Resolution so long as the rating assigned by such rating service is in effect.

SECTION 14. TAX COMPLIANCE. None of the Board, the District nor any third party over whom the Board or the District has control, will make any use of the proceeds of the Notes or the Pledged Revenues at any time during the term hereof and thereof which would cause the Notes to be "private activity bonds" within the meaning of Section 103(b)(1) of the Code or "arbitrage bonds" within the meaning of Section 103(b)(2) of the Code. The Board, on behalf of the District, covenants throughout the term of the Notes, to comply with the requirements of the Code and the Regulations, as such may be amended from time to time.

SECTION 15. DEFEASANCE. If, at any time the Board shall have paid, or shall have made provision for payment of the principal of and interest on the Notes then, and in that event, the pledge of and lien on the Pledged Revenues in favor of the holders of the Notes shall be no longer in effect and the Notes shall no longer be deemed to be outstanding and unpaid for the purposes of this Resolution. For purposes of the preceding sentence, deposit of Permitted Investments in irrevocable trust or pursuant to an irrevocable letter of instruction with the State Board of Administration of the State or with a bank or trust company with corporate trust powers for the sole benefit of the Noteholders, the principal of which, together with the earnings to be received thereon, will be sufficient to make timely payment of the principal of and interest on the Notes, shall constitute provision for payment.

SECTION 16. PRELIMINARY OFFICIAL STATEMENT; OFFICIAL STATEMENT; SUMMARY NOTICE OF SALE AND OFFICIAL NOTICE OF SALE; SALE AND AWARD OF NOTES. (a) The form of, and the distribution and delivery on behalf of the District of, the Preliminary Official Statement for the Notes, in substantially the form attached hereto as Exhibit C, and the execution, distribution and delivery to the Purchaser of the final Official Statement, substantially in the form of the Preliminary Official Statement with such changes, insertions and modifications as shall be necessary to reflect the final terms and details of the Notes, are hereby authorized and approved. The Superintendent and the Chief Financial Officer, on behalf of the District, are each hereby authorized to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission. The Chair and the Superintendent, Ex-Officio Secretary of the Board are hereby authorized to execute the Official Statement on behalf of the District.

(b) The forms of the Summary Notice of Sale and Official Notice of Sale attached hereto as Exhibits E and B, respectively, and the terms and provisions thereof are hereby authorized and approved. The Superintendent, on behalf of the District, is hereby authorized to make such changes, insertions and modifications as he shall deem necessary prior to the advertisement of such Summary Notice of Sale and Official Notice of Sale. The Superintendent is hereby authorized to advertise and publish the Summary Notice of Sale and Official Notice of Sale at such time as he shall deem necessary and appropriate, upon the advice of the Municipal Advisor, to accomplish the competitive sale of the Notes.

(c) The Superintendent, on behalf of the District and only in accordance with the terms hereof, shall award the Notes to the underwriter or underwriters that submit the bid which complies in all material respects with the Official Notice of Sale and offers to purchase the Notes at the lowest net interest cost to the District, as calculated by the Municipal Advisor in accordance with the terms and provisions of the Official Notice of Sale.

SECTION 17. EXECUTION OF DOCUMENTS. The Chair, Vice-Chair, Superintendent, Ex-officio Secretary of the Board, and their designee(s) are hereby authorized to execute and deliver such documents and certificates, including the Official Statement and the Notes, in addition to those expressly authorized by this Resolution, and to take such further actions as they shall deem reasonably necessary or appropriate to effect the issuance of the Notes and the other transactions contemplated by this Resolution.

Those officers are further authorized to make or effect any election, selection, choice, consent, approval, or waiver on behalf of the District with respect to the Notes as the District is permitted or required to make or give under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or characterization of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties thereon, or making payments in lieu thereof, or obviating such amounts or payments, as determined by such officer. Any such action of such officer shall be in writing and signed by the officer.

SECTION 18. NOTE REGISTRAR AND PAYING AGENT AND AGREEMENT THEREFOR. The Chief Financial Officer is hereby appointed Note Registrar and Paying Agent hereunder. The Note Registrar and Paying Agent shall perform such duties as are more fully described herein and in the Notes.

The Note Registrar and Paying Agent shall fulfill the functions of Note Registrar and Paying Agent with respect to the Notes until a qualified successor shall have been designated by the District and accepted such duties, such designation to be subject to written notice to the Note Registrar and Paying Agent, or until the Notes have been paid in full pursuant to the terms hereof and of the Notes.

SECTION 19. SECONDARY MARKET DISCLOSURE. The District hereby covenants and agrees that, in order to provide for compliance by the District with the secondary market disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the District and dated the date of delivery of the Notes, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form attached hereto as Exhibit D with such changes, modifications, deletions and additions as shall be approved by the Superintendent who is hereby authorized to execute and deliver such Certificate. Notwithstanding any other provision of this Resolution, failure of the District to comply with such Continuing Disclosure Certificate shall not be considered an event of default under this Resolution; provided, however, to the extent allowable by law, any Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section 19 and the Continuing Disclosure Certificate.

SECTION 20. DISCLOSURE COUNSEL SERVICES. The Board hereby appoints Note Counsel to serve as Disclosure Counsel to the Board in connection with the Notes. Disclosure Counsel services shall include, but not be limited to, preparation of the

Preliminary Official Statement and final Official Statement. The Board hereby authorizes the payment of mutually agreeable legal fees in connection therewith.

SECTION 21. REMEDIES. Any Holder may sue to protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State or the United States of America or granted and contained in this Resolution, and to enforce and compel the performance of all duties required by this Resolution or by any applicable laws to be performed by the District, the Board or by any officer thereof, and may take all steps to enforce this Resolution to the full extent permitted or authorized by the laws of the State or the United States of America.

SECTION 22. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, although 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 of this Resolution and shall in no way affect the validity of all other provisions of this Resolution or of the Notes issued hereunder.

SECTION 23. REPEALING CLAUSE. All resolutions or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 24. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

DULY ADOPTED in Regular Session this 14th day of July 2026.

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

(SEAL)

By: ______________________
Chair

ATTEST:

By: ______________________
Superintendent and Ex-Officio Secretary to the Board

APPENDIX D

FORM OF LEGAL OPINION

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APPENDIX D

**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.
WITH RESPECT TO THE NOTES**

Upon delivery of the Notes in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Note Counsel, proposes to render its opinion with respect to such Notes in substantially the following form:

(Date of Delivery)

The School Board of Hillsborough County, Florida
Tampa, Florida

Board Members:

We have examined a record of proceedings relating to the issuance of $_______ Tax Anticipation Notes, Series 2026 (the "Notes") of the School District of Hillsborough County, Florida (the "District"). The Notes are issued under and pursuant to the laws of the State of Florida, including, particularly, Chapter 1011, Florida Statutes, and pursuant to a resolution adopted by The School Board of Hillsborough County, Florida, as the governing body of the District (the "Board"), on July 14, 2026 (the "Resolution").

The Notes are dated and shall bear interest from their date of delivery, except as otherwise provided in the Resolution. The Notes will mature on March 31, 2027 and will bear interest at the rate per annum, as provided in the Resolution and as set forth in the final Official Statement relating to the Notes. Interest on the Notes shall be payable at maturity. The Notes are not subject to redemption prior to maturity. The Notes are in the form of fully registered Notes in denominations of $5,000 or any integral multiple thereof.

The Notes are issued for the principal purpose of providing interim funds for the payment of the District's operating expenses as more particularly described in the Resolution.

As to questions of fact material to our opinion, we have relied upon the representations of the Board contained in the Resolution and in the certified proceedings relating thereto and to the issuance of the Notes and other certifications of public officials furnished to us in connection therewith without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Resolution. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Notes, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The District is a duly created and validly existing school district and a governmental authority created by Article IX, Section 4 of the Constitution of the State of Florida and the Board is the duly constituted governing body of the District.

2. The Board has the right and power under the Constitution and laws of the State of Florida to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Board, is in full force and effect in accordance with its terms and is valid and binding upon the Board and enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Pledged Revenues (as such term is defined in the Resolution), subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. To the extent necessary, the Notes are additionally payable from, but are not secured by, legally available funds of the District derived from sources other than ad valorem taxation.

3. The District is duly authorized and entitled to issue the Notes, and the Notes have been duly and validly authorized and issued by the District in accordance with the Constitution and laws of the State of Florida and the Resolution. The Notes constitute valid and binding obligations of the District as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the benefits of the Resolution and the laws pursuant to which they are issued. The Notes do not constitute a general indebtedness of the Board, the District or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are solely payable from the Pledged Revenues in the manner and to the extent provided in the Resolution. No holder of the Notes shall ever have the right to compel the exercise of any ad valorem taxing power of the Board, the District or the State of Florida or any political subdivision, agency or department thereof, except from the Pledged Revenues, to pay the Notes.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Notes (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Notes is taken into account in

determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in this paragraph are subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Notes to be so included in gross income retroactive to the date of issuance of the Notes. The Board has covenanted in the Resolution to comply with all such requirements. Ownership of the Notes may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Notes.

It should be noted that we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Notes and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Resolution and the Notes, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Notes and, in our opinion, the form of the Notes is regular and proper.

Respectfully submitted,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the School District of Hillsborough County, Florida (the "Issuer") in connection with the issuance of its $**[**PAR AMOUNT**]** Tax Anticipation Notes, Series 2026 (the "Notes"). The Notes are being issued pursuant to the Issuer's resolution adopted on July 14, 2026. The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and in order to assist the original underwriters of the Notes in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 2. REPORTING SIGNIFICANT EVENTS. The Issuer shall provide to the MSRB and to the SID, if any, on a timely basis not in excess of 10 business days after the occurrence of the event, notice of any of the following events, if such event is material with respect to the Notes or the Issuer's ability to satisfy its payment obligations with respect to the Notes; provided, however, to the extent the Issuer has provided notice of any such event to a dissemination agent pursuant to any other undertaking executed by the Issuer in accordance with the Rule, the Issuer's obligations as set forth in this Section 2 shall be deemed to be satisfied:

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults;

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancement reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material or events affecting the tax status of the Notes;

(G) Modifications to rights of Noteholders;

(H) Calls on the Notes;

(I) Tender offers with respect to the Notes;

(J) Defeasance of the Notes;

(K) Release, substitution, or sale of property securing repayment of the Notes;

(L) Rating changes;

(M) Bankruptcy, insolvency, receivership or similar event of the Issuer (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer 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 Issuer, 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 Issuer);

(N) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

(O) Appointment of a successor or additional trustee or the change of name of a trustee;

(P) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(Q) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For purposes of (P) and (Q) above, "Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of an obligation or instrument described in either clause (a) or (b). 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.

The Issuer may from time to time, in its discretion, choose to provide notice of the occurrence of certain other events, in addition to those listed in this Section 2, if, in the judgment of the Issuer, such other events are material with respect to the Notes, but the

Issuer does not specifically undertake to commit to provide any such additional notice of the occurrence of any material event except those events listed above.

Upon the occurrence of a significant event described in this Section 2, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities law to holders of Notes, provided, that any event under clauses (A), (C), (D), (E), (F), (I), (J), (K), (L), (M) or (Q) above will always be deemed to be material.

SECTION 3. SUBMISSION OF INFORMATION TO THE MSRB. The information required to be disclosed pursuant to Section 2 of this Disclosure Certificate shall be submitted to the MSRB through its Electronic Municipal Market Access system ("EMMA"). Subject to future changes in submission rules and regulations, such submissions shall be provided to the MSRB, through EMMA, in portable document format ("PDF") files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. Such PDF files shall be word-searchable (allowing the user to search for specific terms used within the document through a search or find function available in a software package).

Subject to future changes in submission rules and regulations, at the time that such information is submitted through EMMA, the Issuer, or any dissemination agent engaged by the Issuer pursuant to Section 6 hereof, shall also provide to the MSRB information necessary to accurately identify, as applicable:

(A) the category of information being provided;

(B) the period covered by the Annual Comprehensive Financial Report and any additional financial information and operating data being provided;

(C) the issues or specific securities to which such submission is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);

(D) the name of any Obligated Person other than the Issuer;

(E) the name and date of the document being submitted; and

(F) contact information for the submitter.

SECTION 4. NO EVENT OF DEFAULT. Notwithstanding any other provision in the Resolution to the contrary, failure of the Issuer to comply with the provisions of this Disclosure Certificate shall not be considered an event of default under the Resolution. To the extent permitted by law, the sole and exclusive remedy of any Noteholder for the enforcement of the provisions hereof shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations hereunder. For purposes of this Disclosure Certificate, "Noteholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Note for federal income tax purposes.

SECTION 5. INCORPORATION BY REFERENCE. Any or all of the information required herein to be disclosed may be incorporated by reference from other documents, including official statements or debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each document incorporated by reference.

SECTION 6. DISSEMINATION AGENTS. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent. The initial dissemination agent hereunder shall be Digital Assurance Certification LLC.

SECTION 7. TERMINATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon (A) the legal defeasance, or payment in full of all of the Notes, or (B) the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 8. AMENDMENTS. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision may be waived, if such amendment or waiver is supported by an opinion of counsel that is nationally recognized in the area of federal securities laws, to the effect that such amendment or waiver 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.

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any notices of the occurrence of significant events other than those events set forth in Section 2, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to provide notice of the occurrence of a significant event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in its future annual information or notice of occurrence of a significant event.

SECTION 10. OBLIGATED PERSONS. If any person, other than the Issuer, becomes an Obligated Person (as defined in the Rule) relating to the Notes, the Issuer shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

July __, 2026

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

By: ____________________________________
Superintendent of Schools

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Hillsborough County
PUBLIC SCHOOLS
Preparing Students for Life

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA • TAX ANTICIPATION NOTES, SERIES 2026

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