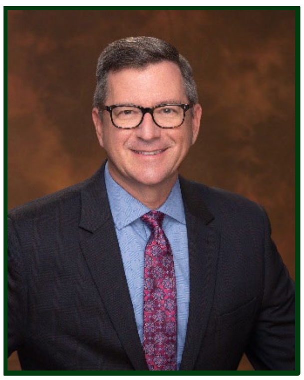
EXHIBIT 4

Public Resources Advisory Group, Inc.

Public Resources Advisory Group, Inc. ("PRAG") is an independent financial, investment and swap advisory firm established in 1985. The firm is organized as an employee owned and managed S corporation.

PRAG provides independent and in-depth financial and investment advisory services to state and local governments, authorities and agencies and is a registered Municipal Advisor with the Securities and Exchange Commission (Municipal Advisor Registration Number 867-00146) and the Municipal Securities Rulemaking Board (MSRB ID K0133).

Headquartered in New York, PRAG has been ranked #2 by volume for eight of the past ten years in advising on the issuance of municipal bonds, according to *Refinitiv*. PRAG served as financial advisor to four of the five largest municipal bonds issuers in the nation in 2022 - the Dormitory Authority of the State of New York, the State of California, the Triborough Bridge & Tunnel Authority, and the New York City Transitional Finance Authority. In Florida PRAG is under contract with the Florida Division of Bond Finance and advises numerous local governments, authorities and special districts.



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Professional Involvement

- Municipal Securities Rulemaking Board, *Member (2023-2026)*
- North American Public Private Partnership Deal of the Year, *Project Finance Magazine*
- North American Real Estate Deal of the Year, *Project Finance Magazine*

Education, Registrations & Certifications

— MBA, Stetson University
— BS (General Honors), University of Miami
— Series 50 (M.A. Representative)
— Series 54 (M.A. Principal)

Wendell Gaertner, Senior Managing Director

Wendell Gaertner is a Senior Managing Director and Shareholder of PRAG. He joined the firm in 2013 and brings 33 years of experience in public finance at the local, regional, state and federal level. Mr. Gaertner manages the firm's Florida office and leads the firm's engagement with the Central Florida Tourism Oversight District.

In addition to providing transactional advice for debt issuances, Mr. Gaertner has also provided strategic financial advisory services including development of long-term financial models, creation of interim funding strategies, and evaluation of public-private partnership opportunities. He has advised clients on financial structures and strategies in connection with general government, utility, economic development projects, real estate projects, transportation, public private partnerships and affordable housing.

He currently advises clients including Hillsborough County, Manatee County, Broward County, Miami-Dade County, the City of Tampa and the State of Louisiana. He also leads the firm's contract with the State of Florida Division of Bond Finance.

Prior to joining PRAG Mr. Gaertner served as an investment banker and financial advisor with Merrill Lynch, Banc of America Securities and Raymond James & Associates.

Mr. Gaertner was recently appointed to a three-year term as a municipal advisor representative on the Municipal Securities Rulemaking Board. He is a registered Series 50, Municipal Advisor Representative and a Series 54, Municipal Advisor Principal. He received a B.S. in Chemistry with General Honors from the University of Miami in Coral Gables and an MBA from Stetson University in DeLand.

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PUBLIC RESOURCES ADVISORY GROUP

MEMORANDUM TO: Glen Gilzean, District Administrator
Central Florida Tourism Oversight District

FROM: Public Resources Advisory Group (PRAG)

SUBJECT: Fund Balance Policy

DATE: October 18, 2023

The purpose of this memorandum is to provide background on the development of our recommendation for the District's Fund Balance Policy adopted by the Board on July 26, 2023.

Upon our engagement as the District's Financial Advisor, we undertook a review of the District's financial policies. We were provided with the following policies relating to the District's general fund financial operations:

- Debt Management Policy approved March 24, 2022;
- Disclosure Policy and Proceeds revised April 1, 2022;
- Post Issuance Compliance Tax-Exempt Bond Policies and Procedures updated April 1, 2022; and,
- Investment Management Policy amended May 20, 2020.

We found these policies to be appropriate, consistent with best practices and subject to regular review by staff and the District Board. We did note that the District did not have a fund balance policy, one of the items that is consistently noted as a best practice for governments. A fund balance policy helps ensure that the government maintains sufficient cash reserves for expected and unexpected contingencies. A fund balance policy also helps maintain consistency in tax rates.

The Governmental Finance Officer's Association has promulgated the following fund balance guidelines for the general fund:

> "Governments should establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for generally accepted accounting principles ("GAAP") and budgetary purposes"[1]

Fund balance is defined as the net position of governmental funds calculated in accordance with GAAP and is the cash reserves of the general fund. The components of the fund balance in the general fund typically include the following categories:

- Non-spendable (prepaids);
- Restricted (bond proceeds, debt service);
- Committed (capital improvements, property appraiser disputes);
- Assigned (for use in current budget); and,
- Unassigned.

A fund balance policy is also considered a credit positive by the rating agencies. In its Credit Opinion of the District dated March 8, 2023, Moody's Investors Service stated that one of the factors that could lead to a downgrade includes a "material decline in reserves". Fitch Ratings, in its report dated March 9, 2023 stated that factors that could lead to negative ratings action include "Failure to maintain solid

[1] Gfoa.org/materials/fund-balance-guidelines-for-the-general-fund

reserves". Standard and Poor's March 3, 2023 credit report stated that alterations to the District's reserve profile could affect their view of the overall financial profile.

While we noted that the District has historically maintained healthy reserves, the reserve level fluctuated over time, and there was no policy guidance as to what level of reserve should be targeted. Without a fund balance policy, there is no defined 'starting point' for budgeting purposes. Most governments use a fund balance policy to set the targeted level of reserves and then build the budget with that target in mind.

The appropriate level for the fund balance depends on the governmental unit's unique circumstances and considerations should include:

- Revenue Volatility and Risk;
- Operating Expense Volatility and Risk; and,
- Risk of Emergencies and Natural Disasters.

The vast majority of the District's general fund revenues are derived from ad valorem taxes with an excellent collection rate but a significant tax payer concentration. Revenue risks include a major decrease in assessed valuations or contested valuations. The District's general operating expenses have been fairly stable with labor and debt service as the major components of operating expenses. Primary expense risks include unexpected increases in the cost or level of operations, unexpected repair or maintenance requirements, emergencies or natural disasters, and state or federal mandates. Notably, many general governments rely on FEMA funding to address natural disaster related costs, but we understand that the District, given its unique tax-payer base, has not historically considered utilizing FEMA funding.

PRAG reviewed multiple fund balance policies for Florida governments. Most generally targeted a fund balance level of approximately 20% of general fund expenditures. Given the nature of the District's revenue base, we determined that a slightly lower level would be appropriate and recommended an unassigned fund balance target of 2 months of operating expenses, which equates to 16.7%.

Our recommended policy was as follows:

Policy

Unassigned Fund Balance. It is the policy of the District that unassigned fund balance in the general fund will be budgeted at a level at least equal to two (2) months of budgeted general funds operating expenditures, or as otherwise required by applicable law.

In addition to this amount maintained as unassigned fund balance, the District should budget and reserve fund balance annually for the following purposes:

Committed Fund Balance. The District shall commit fund balance to provide for the following obligations to the extent these obligations exist in amounts determined annually by the Board:

- Pay-go capital projects for which funds currently on hand are expected to be expended in future years;
- An allowance for ad valorem taxes received by the District but for which tax payers are disputing the valuation; and,
- An allowance for litigation and other professional services not related to the regular operations of the District.

Assigned Fund Balance. The District shall assign additional reserves for the following purposes:

- The amount, if any, budgeted to be transferred for general fund use in the subsequent budget cycle; and
- $2 million to provide funding for emergency situations which could include unexpected infrastructure damage or failure, or costs associated with natural disasters, with such amount subject to increases in future years due to increased costs of replacement due to higher construction costs or an increase in the District's fixed assets.

Use and Replenishment. Under certain circumstances, there may be a temporary need to use fund balances to meet a need(s) resulting in noncompliance with minimum funding levels identified in this policy. Examples of these circumstances may include, but are not limited to the following:

- Unanticipated revenue shortfalls due to unforeseen circumstances including a significant and prolonged downward trend in an economic cycle;
- A natural or other disaster of significance;
- New federal and state mandates/legislation; and
- Immediate capital needs.

If such a need is addressed as part of the District's annual budget process, the District Administer will communicate the need to the Board at a Budget Workshop or Public Hearing and will present a plan and timeline to replenish the fund balance to levels consistent with this policy. The plan may include one-time or recurring expenditure reductions, budget surpluses, transfers from other funding sources, etc. The plan of replenishment should not extend beyond a three-year planning horizon.

cc: Kurt Ardaman, District Counsel
Susan Higginbotham, Chief Financial Officer

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PUBLIC RESOURCES ADVISORY GROUP

MEMORANDUM TO:	Glen Gilzean, District Administrator Central Florida Tourism Oversight District (the "District")
FROM:	Public Resources Advisory Group (PRAG)
SUBJECT:	Utility System Overview
DATE:	October 20, 2023

The purpose of this memorandum is to provide an overview of the history of the District's utility system and was requested by Kurt Ardaman. Information used to develop this report included Florida Statutes related to the District, the Annual Report of the Utilities System as of September 30, 2022, various financial statements and official statements of the District, continuing disclosure filings and certain bond transcripts.

The District's enabling legislation, Chapter 67-764, Laws of Florida, Special Acts of 1967, gave the District powers that included the ability to own and operate utilities within the District including reclamation, drainage, irrigation, water and sewer, solid waste, electric and natural gas. These powers were generally maintained in House Bill No. 9-B enacted in 2023.

Disney Ownership and Operation

From 1974 to September 30, 1987 Reedy Creek Utility Corporation ("RCUC"), a wholly owned subsidiary of The Walt Disney Company owned and operated an electric system for the generation and distribution of electric power, facilities for the production and distribution of chilled and hot water, a system of water supply and distribution, a compressed air distribution system, a gas distribution system, and fuel oil storage and distribution facilities. Service was provided to the Walt Disney World Resort, the Crossroads Shopping Center, and hotels located in the Hotel Plaza at Lake Buena Vista.

During this time the District owned the sewer and solid waste system and contracted with RCUS to manage the operation and maintenance of the sewer and solid waste system. The original sewer facilities were developed in 1970.

District Leases and Disney Operates

On October 1, 1987 the District and RCUC entered into an operating lease whereby the District obtained, among other things, a lease for the exclusive use of certain assets of the electric, natural gas, water, chilled water and hot water utility systems. RCUC subsequently changed its name to Reedy Creek Energy Services and the lease is referred to as the "RCES Lease". The RCES Lease was amended in 1990, 1991 and 1997. Payments under the RCES Lease were approximately $5.5 million per year.

On January 1, 1999, the District entered into another lease with the Walt Disney Company ("WDWC Lease") to lease additional assets used for the production of chilled water. The WDWC Lease was in the amount of $700,000 annually and expired on December 31, 2008.

The RCES Lease gave the District the right to purchase the leased assets at any time after October 1, 1997 at fair market value. The WDWC Lease provided the District the same option any time after December 1, 2003. The method for determining fair market value was not publicly disclosed in any bond offering document. It should be noted however, that these bond issues were insured by municipal bond insurers who were rated AAA at that time and disclosure for insured issues was sometimes not as robust as we would expect today.

RCES continued to operate the utility system under a labor services agreement. In its Official Statement dated September 10, 1999, the District stated that contracting operations with RCES allowed the District "to operate and maintain a smaller employment base and utilize RCES management to direct the operation of the facilities".

Prior to 1987, RCUC was classified as an investor-owned utility and its rates were subject to approval from the Florida Public Service Commission. When the District leased the assets, the utility became a municipally owned utility with full rate-setting authority. While the District still had to comply with certain federal and state laws pertaining to permitting and operations, it no longer had to have its rates approved by the State. In addition, the District could utilize tax-exempt financing for most of the utility system.

Government ownership of a utility generally offer the following benefits:

- No Profit Motive
  - May be negated if governmental owner transfers any utility surplus to general fund
  - The District cannot make such transfers under the terms of the Indenture (closed System)
- Access to Tax-Exempt Funding
  - Tax-exempt Interest
  - Long-term Capital (30+ years depending on the useful life of the asset financed although the District has historically limited the maturity of its debt to 20 years)
- Rate Setting Independence

In November 1987 the District issued its first series of bonds secured by the net revenues of the utility system, $96.840 million of Reedy Creek Improvement District Utilities Revenue Bonds, Series 1987-1. The bonds were authorized by the execution and delivery of a trust indenture between the District and SunTrust Bank, N.A. as trustee. SunTrust exited the corporate trust business and US Bank is currently acting as trustee. The original trust indenture has been supplemented multiple times since then, primarily to accommodate the issuance of additional series of bonds. The latest supplemental trust indenture was the 24th Supplemental Trust Indenture as of July 1, 2021. The original trust indenture along with the 24 supplemental indentures comprises the Indenture which controls the flow of funds of the utility system and incorporates certain pledges and covenants of the District.

While it has been amended through supplemental indentures, the Indenture has not been amended and restated, requiring review of and familiarity with the original and all 24 supplemental indentures to have a complete understanding of the Indenture.

The District's pledge under the Indenture is a combined pledge in which the combined net revenues of the utility system secure the bonds.

The Indenture also limits the ability of the District to dispose of or sell some or all of the assets of the Utility, specifically including:

- Section 7.07 "Sale, Sublease, Demolition, Removal or Encumbrances" requires for the sale of the System or any part therefore to be in accordance with the Indenture.
- The disposition of any property requires that such property is (i) not necessary, (ii) not useful, or (iii) not profitable in the operation of the System.
- A partial sale may be allowed under Trust Indenture by creating a Separate System, but would require findings of no material adverse impact;
    - Section 7.20 "Separate Systems" allows the District to own or operate Separate Systems, but requires the Consulting Engineer to determine that the ownership or operation of such separate system will not have a material adverse impact on the Net Revenues.
    - Section 7.22 "No Competing System"

Paying off all outstanding utility debt in order to release the District from the terms of the Indenture would require approximately $130 million at current interest rates.

In addition to its initial bond issue in 1987 to finance improvements to the system, the District also issued utility revenue bonds for improvements to the leased assets in 1990, 1991 and 1999. All improvements to the leased assets funded by these bond issues were directly owned by District.

District Owns, Disney Operates

On July 29, 2003 the District purchased the assets under the RCES Lease, terminating the RCES Lease. The lease with The Walt Disney Company for the additional chilled water assets expired on December 31, 2008.

The District issued its Utilities Revenue Bonds, Series 2003-1 in the amount of $69.605 million to finance the purchase of the RCES Leased Assets and to finance certain capital improvements. The Official Statement for the Series 2003-1 Bonds did not state the reason for the purchase or the purchase price for the RCES Leased Assets, but we expect additional details could be found in board meeting minutes, the purchase agreement or the bond transcript.

The District continues to own the utility system and has issued bonds periodically to finance improvements to the system or to refund existing bonds for debt service savings.

The District contracts with RCES to provide all operational services for the utility through a Labor Services Agreement. The services provided by RCES include not only operations of the system but also planning, analytical support and oversight to include developing annual and long-term strategic plans, forecasts and budgets including rate setting for approval by the Board.

Historically, the contract was approved on an annual basis, however on February 8, 2023 the current contract was Amended and Restated. The Amended and Restated Labor Services Agreement extended the term through September 30, 2032 and, among other things, provided greater specificity in the services RCES provides. On February 22, 2023 the Agreement was amended again to clarify the District's obligation to provide RCES with vehicles and buildings and equipment to perform its services.

While the Amended and Restated Labor Services Agreement has provision for early termination contained in Section 3.4, it appears that the earliest allowable early termination date available to the District under the agreement is October 1, 2032.

Currently the District has $139.136 million in outstanding utility revenue debt. Of the outstanding debt, $51.365 million consists of publicly traded securities issued in 2013 and 2018 and mature in 2038. The remaining $87.771 million consist of a 2021 bank loan with multiple series from Truist Bank. Sixty-two percent (62%) of the District's utility debt is tax-exempt and the remaining 38%, representing $52.805 million, is taxable. The District's taxable debt is generally associated with the chilled or hot water systems which are utilized by a single party (The Walt Disney Company) and are therefore not eligible to be funded with tax-exempt debt. The District's taxable debt matures by October 1, 2028.

The District's utility bonds are rated "A-" with Stable Outlook by Standard and Poor's, "A" with Stable Outlook by Fitch and "A1" with Stable Outlook by Moody's.

cc: Kurt Ardaman, District Counsel
Susan Higginbotham, Chief Financial Officer

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PUBLIC RESOURCES ADVISORY GROUP

MEMORANDUM TO: Glen Gilzean, District Administrator
Central Florida Tourism Oversight District (the "District")

FROM: Public Resources Advisory Group ("PRAG")

SUBJECT: Utility System Historical Documentation

DATE: October 31, 2023

As a follow-up to our memorandum "Utility System Overview" dated October 20, 2023, Kurt Ardaman requested a list of documentation that could provide more detailed information on the rationale and thought process behind the evolution of the District's Utility System which began 36 years ago in 1987.

We believe the following information would be helpful in understanding the process. We hope this information is available in the District's files and records.

Contracts and Agreements

- Agreements between the District and Reedy Creek Utility Corporation ("RCUC") concerning the operation of the District's sewer and solid waste utility by RCUC from 1974-1987.
- Operating Lease as of October 1, 1987 between the District and RCUC (or Reedy Creek Energy Services - "RCES") for the lease of utility assets including amendments in 1990, 1991 and 1997.
- Lease for chilled water assets as of January 1, 1999 between the District and The Walt Disney Company.
- Purchase agreement on or about July 29, 2003 between the District and RCES for the purchase of the assets under the RCES Lease
- Labor Services Agreements between the District and RCES from 1987-2005.
- Resolutions approving or amending Leases or Purchases of assets from RCUC, RCES or The Walt Disney Company, especially in 1987, 1999 and 2003

Financial Statements for the periods before and after significant operational changes

- FY1986
- FY1987
- FY1988
- FY1998
- FY1999
- FY2000
- FY2002
- FY2003
- FY2004

Annual Report of the Utilities System

- Each annual report prepared by the consulting engineer from 1988 through 2017.

Utility Bond Transcripts

- $96.840 million of Reedy Creek Improvement District Utilities Revenue Bonds, Series 1987-1 (first issuance of utilities revenue bonds).
- $69.605 million of Reedy Creek Improvement District Utilities Revenue Bonds, Series 2003-1 (financing the purchase of leased assets).

Miscellaneous Reports

- All third -party valuation reports associated with the lease or purchase of assets from RCUC, RCES or The Walt Disney Company particularly in 1987, 1999 and 2003.

The review of this initial round of information could lead us to request additional information. Once the District has determined that it has any of the information listed above, PRAG would be happy to come to the District's offices to review this information in person to assess its relevance before the District incurs the time and cost of making any copies.

cc: Kurt Ardaman, District Counsel
Susan Higginbotham, Chief Financial Officer