



# AGENDA REQUEST FORM

## THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

<b>MEETING DATE</b>	Aug 2 2016 10:15AM - Regular School Board Meeting
<b>AGENDA ITEM</b>	OPEN ITEMS
<b>CATEGORY</b>	AA. RESOLUTIONS
<b>DEPARTMENT</b>	Treasurer's Office

<b>Special Order Request</b>	
<input type="radio"/> Yes	<input checked="" type="radio"/> No
<b>Time</b>	
<b>Open Agenda</b>	
<input checked="" type="radio"/> Yes	<input type="radio"/> No

**ITEM No.:**  
AA-1.

**TITLE:**  
Resolution No. 17-03 - Tax Anticipation Notes, Series 2016

**REQUESTED ACTION:**  
Adopt Resolution No. 17-03 Tax Anticipation Notes, Series 2016, which authorizes and provides for the issuance, sale and application of the proceeds of not to exceed \$125,000,000 aggregate principal amount of Tax Anticipation Notes, Series 2016.

**SUMMARY EXPLANATION AND BACKGROUND:**  
Tax Anticipation Notes (TANs) are issued by the District pursuant to Section 1011.13 of the Florida Statutes. TANs are a form of short term borrowing (for a period of less than 1 year) supported by property tax revenues and are issued to overcome an expected General Fund cash flow deficiency during the first half of the current fiscal year. This borrowing occurs because of the timing of the receipts of property taxes compared to the timing of expenditures. Copies of the full attachments are available at the Board Members' Office on the 14th Floor of the K. C. Wright Administration Center and available online via the Broward County Public Schools eAgenda at: <https://webappe.browardschools.com/eagenda/>  
  
See Supporting Docs for the continuation of Summary Explanation and Background.

**SCHOOL BOARD GOALS:**  
 Goal 1: High Quality Instruction   
 Goal 2: Continuous Improvement   
 Goal 3: Effective Communication

**FINANCIAL IMPACT:**  
The District will incur costs of issuance (approximately \$120,000, already budgeted) and will generate interest income of approximately \$95,000 in the current market environment.

**EXHIBITS: (List)**  
(1) Executive Summary TAN Series 2016 (2) Resolution No 17-03 (3) Exhibit A - Form of Note (4) Exhibit B - DTC Blanket Letter (5) Exhibit C - Forms of Official Notice and Summary Notice of Sale (6) Exhibit D - Form of POS (7) Exhibit E - Form of Rule 15c2-12 Certificate (8) Exhibit F - Form of Material Events Notice

**BOARD ACTION:**  
  
**ADOPTED**  
(For Official School Board Records Office Only)

**SOURCE OF ADDITIONAL INFORMATION:**

Name: Ivan Perrone	Phone: 754-321-1980
Name:	Phone:

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**  
**Senior Leader & Title**

I. Benjamin Leong - Chief Financial Officer

Signature  
Benjamin Leong  
7/25/2016, 4:36:31 PM

AUG - 2 2016

Approved In Open Board Meeting On: \_\_\_\_\_  
By: *Rosalind Arguel*  
School Board Chair

July 11, 2016

## **Executive Summary**

### Resolution No. 17-03 Tax Anticipation Notes, Series 2016

August 2, 2016 RSBM

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#### **Summary of Explanation and Background (continued):**

The resolution provides the Board's authorization for the District to enter into agreements necessary to carry out the sale of the Tax Anticipation Notes (TANs), and it includes the Board's covenant to provide sufficient funds in fiscal year 2016-17 to repay the TANs.

The TANs are being sold via competitive bid to ensure the lowest possible net interest cost. Once the sale of the TANs has occurred, this resolution authorizes the Superintendent or his authorized designee to award the sale of the TANs to the bidder offering the lowest bid.

District staff is then authorized to take the necessary steps to close the sale and receive the funds. The authorizing resolution requires net interest cost to be below 1.00 percent. The expected closing date for the TANs will be on or about August 31, 2016.

The District's TANs typically issued in prior years had a maturity (repayment) the following January.

In order to fully optimize the TANs issuance this year, the resolution allows for flexibility to extend to a longer maturity up to June 2017. Based on an analysis of current market conditions, staff is electing to opt for the longer maturity. At the time of pricing, if market conditions are no longer favorable, the shorter maturity of January 2017 will prevail.

**RESOLUTION NO. 17-03**

**A RESOLUTION OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA AUTHORIZING AND PROVIDING FOR THE ISSUANCE, SALE AND APPLICATION OF THE PROCEEDS OF NOT EXCEEDING \$125,000,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA TAX ANTICIPATION NOTES, SERIES 2016 (THE "NOTES") TO PROVIDE INTERIM FUNDS FOR THE PAYMENT OF OPERATING EXPENSES OF THE DISTRICT; PROVIDING FOR A BOOK-ENTRY SYSTEM WITH RESPECT TO THE NOTES; AUTHORIZING A PUBLIC SALE OF THE NOTES; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A MATERIAL EVENTS NOTICE CERTIFICATE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR INCIDENTAL ACTION; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

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

**Section 1. Authority For This Resolution.** This Resolution is adopted pursuant to the provisions of Section 1011.13, Florida Statutes, as amended (the "Act").

**Section 2. Findings.** It is hereby found, determined and declared as follows that:

(a) Pursuant to the Act, the school board of any school district in the State of Florida is authorized to negotiate a current loan for any fiscal year in which school funds are estimated to be insufficient at any time during such fiscal year to pay obligations created by the school board in accordance with the official operating budget of the school district or a tentative budget approved by the school board preliminary to the official operating budget required to be adopted pursuant to Section 1011.02, Florida Statutes.

(b) The School Board of Broward County, Florida (the "Board"), a body corporate under the laws of the State of Florida and the governing body of the School District of Broward County, Florida (the "District"), hereby determines that it is necessary for the benefit of the schools of the District for a current loan to be negotiated to pay obligations which are to be set forth in the tentative budget of the District for the current fiscal year of the District commencing July 1, 2016 and ending June 30, 2017 (the "Current Fiscal Year"), such loan to be retired from (i) the District's gross, real, and tangible personal property ad valorem tax receipts but only to the extent such tax receipts are legally available to be used for operating purposes, and (ii) amounts on deposit in the hereinafter described Sinking Fund (collectively, the "Pledged Revenues"), which are anticipated to be received in accordance with the official budget for said Current Fiscal Year. "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 Statutes, or to pay the principal of and interest on any obligations issued by the Board pursuant to Section 1011.14, Florida Statutes, or otherwise levied pursuant to Section 1011.71(2), Florida Statutes.

(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) The Board hereby further determines that said loan shall be evidenced by the issuance of not exceeding \$125,000,000 of tax anticipation notes of the District to be known as "School District of Broward County, Florida Tax Anticipation Notes, Series 2016" (the "Notes"), the principal of and the interest on which will be payable by their terms not more than twelve (12) months after the issuance of said Notes, and the principal amount of which is less than 80% of the amount estimated by the Board to be included in the operating budget of the District for the Current Fiscal Year to be available from the District tax revenues.

(e) The Board has further determined that the loan to be computed as prescribed by the Act is for an amount not in excess of the amount necessary for the continued operation of the schools in the District, including reasonable reserves.

(f) The principal amount of the Notes will not exceed the maximum anticipated cumulative cash flow deficit (treating as unavailable a reasonable working capital reserve equal to five percent of the District's expenditures paid from current revenues for the prior fiscal year) to be financed by the anticipated Pledged Revenues for the period for which the Pledged Revenues are anticipated and during which the Notes are outstanding.

(g) The Notes shall be payable as to both principal and interest from the Pledged Revenues to be included in and estimated in the operating budget of the District for the Current Fiscal Year to be available, and, if necessary, are additionally payable from, but are not secured by, all legally available funds of the District derived from sources other than ad valorem taxation ("Non-Ad Valorem Funds"). Neither the faith and credit nor the taxing power of the State of Florida (the "State"), Broward County, Florida (the "County") or the District are pledged to the payment of the principal of or the interest on the Notes, except for the Pledged Revenues for the Current Fiscal Year.

(h) It is estimated that the Pledged Revenues herein pledged for payment of the Notes will exceed the amounts necessary to pay the principal of and interest on the Notes when due.

**Section 3. Authorization of Borrowing; Book-Entry System.** Pursuant to the Constitution and laws of the State of Florida, particularly the Act, the Board hereby authorizes the borrowing of money for the purpose of financing the cost of obligations to be incurred in the ordinary operations of the District in the Current Fiscal Year, and hereby authorizes the issuance and sale of not exceeding \$125,000,000 aggregate principal amount of the Notes. The Notes shall be numbered R-1 and upward in registered book-entry-only form as herein provided, shall be dated as of such date, shall mature no later than twelve (12) months from their date of issuance, and shall bear interest at a rate not exceeding the maximum rate permitted by law, as shall be set forth in the bid of the successful bidder for the Notes. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The Notes shall not be subject to redemption prior to maturity. The Notes shall be issued in substantially the form set forth in Exhibit A attached hereto and made a part hereof, with such deletions, changes, revisions or modifications as may be approved by the Superintendent, execution and delivery of the Notes by the Chair or Vice Chair and the Superintendent, as ex officio Secretary of the Board, being conclusive evidence of such approval and that the Notes are issued in accordance with this Resolution.

So long as the District shall maintain a book-entry-only system with respect to the Notes, the following provisions shall apply:

The Notes shall initially be issued in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Notes and so long as the Notes

are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Notes shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interests of its participants ("Direct Participants") and other institutions that clear through or maintain a custodial relationship with a Direct Participant either directly or indirectly ("Indirect Participants"). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Notes ("Beneficial Owners").

Principal and interest at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments to Indirect Participants shall be the responsibility of Direct Participants and payments by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Paying Agent (as hereinafter defined) or the District.

The Notes shall initially be issued in the form of one fully registered Note and shall be held in such form until maturity. Individuals may purchase beneficial interests in the amount of \$5,000 or integral multiples thereof in book-entry-only form, without certificated Notes, through the Direct Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DIRECT PARTICIPANTS AND DIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIVIDUAL PURCHASERS OF BENEFICIAL INTERESTS.

The District has entered into a blanket issuer letter of representations with DTC providing for such a book-entry-only system. A copy of such blanket issuer letter of representations is attached hereto as Exhibit B. Such agreement may be terminated at any time by either DTC or the District. In the event of such termination, the District shall select another securities depository or discontinue such book-entry only system. If the District does not replace DTC, the Registrar (as hereinafter defined) will register and deliver to the Beneficial Owners replacement Notes in the form of fully registered Notes in denominations of \$5,000 or integral multiples thereof, in accordance with instructions from Cede & Co.

The principal of and the interest on the Notes shall be payable in any coin or currency of the United States of America which, at the time of payment thereof is legal tender for the payment of public and private debts.

The District shall deposit and separately account for (in accordance with the provisions of Section 13 hereof) sufficient moneys to pay the principal of and interest on the Notes at their maturity. Such moneys shall be held in the Sinking Fund (hereinafter created) for the benefit of Cede & Co. as registered owner of the Notes in the Sinking Fund (as hereinafter defined) and separately restricted on the books of account of the District, and shall be paid to Cede & Co. at maturity of the Notes.

**Section 4. Execution of Notes.** The Notes shall be executed with the manual or engraved, imprinted, stamped or otherwise reproduced facsimile of the signature of the Chair or Vice Chair of the Board and countersigned by the manual or engraved, imprinted, stamped or otherwise reproduced facsimile of the signature of the Superintendent, as ex officio Secretary of the Board; provided, however, that at least one of the signatures shall be manual, and the seal of the Board shall be imprinted or impressed thereon. In case any officer whose signature shall appear on any Notes shall cease to be such

officer before delivery of such Notes, such signature shall, nevertheless, be valid and sufficient for all purposes as if such officer had remained in office until such delivery, and such Notes may, nevertheless, be issued and delivered as though the person who signed or sealed such Notes had not ceased to be such officer; and alternatively any of such Notes may be executed and sealed on behalf of the District by such officers of the Board who may at the time of the execution of such Notes hold the proper offices on the Board although on the date of issuance of such Notes or on the date of any lawful proceedings taken in connection therewith such persons may not have held such offices.

**Section 5. Notes Mutilated, Destroyed, Stolen or Lost.** In case any of the Notes shall be mutilated, or be destroyed, stolen or lost, the District may, in its discretion, issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Note, upon surrender and cancellation of such mutilated Note, if any, or in lieu of or substitution for the Note, if any, destroyed, stolen or lost, and upon the registered owner furnishing the District proof of its ownership thereof and indemnity satisfactory to the District and complying with such other reasonable regulations and conditions as the District may prescribe and upon payment of such expenses as the District may incur. The Note so surrendered shall be canceled by the District. If the Notes 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 be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Note issued pursuant to this section shall constitute an original, additional contractual obligation of the District whether or not 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 funds, as hereinafter pledged, to the same extent as any other Note issued hereunder.

**Section 6. Public Sale; Award of Notes.** It is hereby found, ascertained, determined and declared by the Board that a public sale of the Notes of the District in the aggregate principal amount of not exceeding \$125,000,000 is in the best interest of the District and is hereby authorized. The Superintendent of Schools or the Chief Financial Officer or the Treasurer of the District is hereby authorized to prepare and publish a summary notice of sale for the Notes, to prepare and distribute an official invitation to bid for the Notes and related documents, and to prepare a Preliminary Official Statement for distribution in connection with such official invitation to bid. The forms of the official notice of sale and summary notice of sale shall be substantially in the forms set forth in Exhibit C, attached hereto. The Notes shall be offered at public sale on a date to be determined in the discretion of the Superintendent of Schools or the Chief Financial Officer or the Treasurer of the District without further authorization from the Board. The Superintendent of Schools or the Chief Financial Officer or the Treasurer of the District is hereby authorized and directed to publish, or cause to be published, the official or summary form of notice of sale in The Bond Buyer, a financial newspaper published and/or of general circulation in the Borough of Manhattan, City and State of New York and, in the discretion of the Superintendent of Schools or the Chief Financial Officer or the Treasurer of the District, in a newspaper of general circulation in the area of the District one time not less than ten (10) days prior to such date of sale. The Board hereby separately authorizes and directs the Chair or Vice Chair, the Superintendent, the Chief Financial Officer, the Treasurer, and the General Counsel to take all actions necessary to consummate such sale, upon the terms and conditions set forth herein and in the official invitation to bid.

The Board and its officers are hereby authorized and directed to take such action as the Board or its officers deem necessary or desirable to obtain a securities rating for the Notes from Moody's Investors Service ("Moody's").

The Superintendent or Chief Financial Officer or the Treasurer, acting separately or with another named officer and in consultation with and upon the advice of one or more of the District's Financial Advisor, General Counsel, and Note Counsel, is authorized to receive bids for the purchase of the Notes and to award the Notes to the lowest responsive bidder, as evidenced by the execution of the Certificate of Award (as hereinafter defined), without further action by the Board.

Characteristics of the Notes or any installment thereof, determined on the basis of the bids and the provisions of this Resolution, shall be set forth in a certificate of the District awarding such Notes (the "Certificate of Award") to the successful purchaser thereof. The Certificate of Award shall be executed by the Superintendent, the Chief Financial Officer or the Treasurer, upon satisfaction of the conditions specified below, without further action by the Board.

This delegation of the District is expressly made subject to the following conditions, the failure of any of which shall render the successful bid voidable at the option of the District. The conditions for execution of the Certificate of Award are:

(a) The form of Certificate of Award shall be approved by Note Counsel to the District;

(b) The net interest cost rate for the Notes, based upon their award to the successful bidder (the "Purchaser"), shall not exceed the interest rate limitation contained in Section 215.84, Florida Statutes.

(c) Prior to award of the Notes to the Purchaser, the District shall receive from the Purchaser a truth-in-bonding statement as required by Sections 218.385(2) and (3), Florida Statutes, and

(d) The Purchaser shall comply with such other conditions as requested by Note Counsel to the District.

**Section 7. Approval of Preliminary Official Statement; Execution of Final Official Statement.** The form of the Preliminary Official Statement attached to this Resolution as Exhibit D is hereby approved, and the Board hereby authorizes the distribution and use of the Preliminary Official Statement in connection with the sale of the Notes. If between the date hereof and the mailing of the Preliminary Official Statement it is necessary to make insertions, modifications and changes to the Preliminary Official Statement, each of the Chair, the Vice Chair, the Superintendent, the Chief Financial Officer and the Treasurer is hereby authorized to approve such insertions, changes and modifications, and each of the Chair, the Vice Chair, the Superintendent, the Chief Financial Officer and the Treasurer is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), in the form as mailed, and in furtherance thereof to execute a certificate evidencing the same substantially in the form attached hereto as Exhibit E.

The Superintendent is hereby authorized to have prepared and each of the Chair or Vice Chair is hereby authorized to execute a final Official Statement and, upon such execution, to deliver the same to the Purchaser for use by it in connection with the sale of the Notes. The Official Statement shall be substantially in the form of the Preliminary Official Statement, with such changes as shall be approved by the Superintendent, the Chief Financial Officer or the Treasurer as necessary to conform the details of the Notes and such other insertions, modifications and changes as may be approved by the Superintendent, the Chief Financial Officer or the Treasurer. The execution and delivery of the Official Statement by the Chair or Vice Chair shall constitute conclusive evidence of the approval thereof. The Board hereby

authorizes the Official Statement and the information contained therein to be used in connection with the offering and sale of the Notes.

**Section 8. Material Events Notice.** The District hereby covenants and agrees that, in order to provide for compliance by the District with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Material Events Notice Certificate to be executed by the Chair or Vice Chair of the Board 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 Material Events Notice Certificate shall be substantially in the form attached hereto as Exhibit F with such changes, amendments, modifications, omissions and additions as shall be approved by the Chair or Vice Chair, each of whom is hereby authorized to execute and deliver such Certificate. Notwithstanding any other provision of this Resolution or the Notes, failure of the District to comply with such Material Events Notice Certificate shall not be considered an event of default under this Resolution or the Notes; provided, however, 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 8 and the Material Events Notice Certificate.

**Section 9. Delivery of the Notes.** Upon payment of the purchase price for the Notes pursuant to the terms hereof, of the official invitation to bid and the Purchaser's official bid form and the fulfillment of the other conditions contained herein and therein there shall be delivered to DTC on account of the Purchaser the properly executed Notes in the form described herein.

**Section 10. Receipt for the Notes.** Upon receipt of such purchase price, a proper receipt therefor shall be executed by the District and by the Purchaser.

**Section 11. Appointment of Registrar and Paying Agent.** The Board shall serve as Registrar and Paying Agent for the Notes.

**Section 12. Covenants and Pledge of Pledged Revenues.** The District covenants with and for the benefit of the holders of the Notes:

(a) That it has adopted a tentative budget and will adopt a final operating budget for the Current Fiscal Year, it will comply with the operating budget for the Current Fiscal Year so adopted and in accordance with Florida law and it will levy District ad valorem taxes as required by law and in compliance with such operating budget.

(b) To the extent necessary to pay when due the principal of and the interest on the Notes, the Pledged Revenues for the Current Fiscal Year are irrevocably pledged to the payment of the Notes.

(c) The interest rate on the Notes will not exceed the interest rate limitation contained in Section 215.84, Florida Statutes.

(d) The Notes have the nature of current obligations in anticipation of budgeted revenues as provided in the Act.

(e) The Pledged Revenues are hereby irrevocably pledged to the payment when due of the principal of and interest on the Notes.



**Section 13. Sinking Fund.** There is hereby established a Sinking Fund to be held by the District as a separate special account for the benefit of the Noteholders (the "Sinking Fund"); 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 Sinking Fund moneys. The Sinking Fund shall be held in trust by the District for the sole benefit of the Noteholders, and the Noteholders are granted an express lien on the moneys and/or investments held in the Sinking Fund. The Noteholders shall have no lien upon any portion of the Pledged Revenues from sources constituting Non-Ad Valorem Funds unless and until such funds are deposited into the Sinking Fund. The District covenants that it shall deposit sufficient moneys or investments legal for District moneys pursuant to the provisions of Sections 1010.53(2) and 218.415, Florida Statutes, as amended from time to time pursuant to Board policy ("Permitted Investments") into the Sinking Fund no later than twenty-one (21) days prior to the maturity date of the Notes, or the first business day thereafter, so that the balance on deposit therein, together with the earnings to be received thereon, if any, will equal the amount of principal and interest becoming due on the Notes at maturity. Funds in the Sinking Fund may be invested only in Permitted Investments which mature on or prior to the maturity date of the Notes. Earnings on investments held in the Sinking Fund shall be retained and reinvested in the Sinking Fund until the amount on deposit in the Sinking Fund, together with the earnings to be received thereon, is equal to the entire principal of and interest on the Notes due at their maturity. Thereafter, such earnings may be withdrawn by the District and used in the District's discretion as provided by law. Realized losses, if any, on investments held in the Sinking Fund shall be restored by the District by deposit of additional moneys into the Sinking Fund on or prior to the maturity date of the Notes.

The District will transfer to Cede & Co. in care of DTC, the amounts so maintained in the Sinking Fund on or prior to the maturity date of the Notes. DTC will use such moneys to retire the Notes as they mature in accordance with the provisions of Section 3 hereof. Any balance in the Sinking Fund shall be released from the restriction described herein upon payment in full of the Notes.

**Section 14. Taxing Power Not Pledged.** No holder of the Notes issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the District, the County or the State or taxation in any form of any real or personal property therein to pay such Notes or the interest thereon except for the Pledged Revenues for the Current Fiscal Year commencing July 1, 2016.

**Section 15. District Budget.** The District, in preparing, approving and adopting its budget controlling or providing for the expenditures of its funds, so long as any principal of or interest on the Notes is outstanding and unpaid, will appropriate, allot and approve, in the manner required by law, from funds of the District derived from sources other than ad valorem taxes (except as provided in Sections 13 and 14 hereof) and legally available therefor, the amounts sufficient to pay the principal of and interest on the Notes.

**Section 16. Application of Note Proceeds.** The proceeds of the sale of the Notes shall initially be applied by the District to pay the costs of preparation and issuance of the Notes, including, but not limited to, rating agency, financial advisory and attorneys' fees, and the cost of preparation and dissemination of the preliminary and final Official Statements for the Notes, to the extent not paid from other legally available funds of the District. 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.

**Section 17. Noteholder Not Affected by Use of Note Proceeds.** The proceeds, including investment proceeds and accrued interest, if any, from the issuance of the Notes (the "Note Proceeds") are not pledged as security for payment of the principal of and interest on the Notes except as provided in

Section 12 hereof and shall be expended by the District to pay the obligations of the District created by the District in accordance with the budget of the District for the Current Fiscal Year. 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 18. Arbitrage Covenants; Tax Exemption.** The District covenants that no investment or use will be made of the proceeds of the Notes herein authorized or the interest thereon which will cause said Notes to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder as such provisions may be applicable to said Notes at the time of such investment or use. The Chair or Vice Chair of the Board, the Superintendent, the Chief Financial Officer and the Treasurer are each hereby separately authorized to execute on behalf of the District an arbitrage certificate in appropriate form to assure the holders of the Notes that the Notes are not arbitrage bonds; such arbitrage certificate shall constitute a representation of the District, and no use of the proceeds of the Notes will be made contrary to the representations therein contained. The District further covenants that so long as the Notes remain outstanding that it will perform all obligations required by law to assure that interest on the Notes remains excludable from gross income for federal income tax purposes.

**Section 19. Further Assurances.** The Board covenants that the provisions of this Resolution do not conflict with or violate any existing resolution of the Board and that no contract or other agreement will be entered into and no action will be taken by which the rights of the holders of the Notes herein authorized might be impaired or diminished. The Board further covenants that it will comply with all of the terms, provisions and conditions required under Florida law and particularly Chapter 1011, Florida Statutes, for the adoption of and compliance with the budget for the Current Fiscal Year and for the assessment of millages and the levying of ad valorem taxes against the appropriate taxable property in the District. The members of the Board and the officers and employees of the District are hereby authorized and directed to do all acts and things required of them by the provisions of this Resolution and the Notes herein authorized for the full, punctual and complete performance of all terms, covenants, provisions and agreements contained in such Notes and this Resolution.

**Section 20. Resolution to Constitute a Contract.** Upon the sale of the Notes hereby authorized, this Resolution will constitute a contract with the holders thereof and such holders may enforce the provisions hereof by appropriate proceedings.

**Section 21. Defeasance.** If at any time the District 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 no longer be 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 in irrevocable trust with a bank or trust company for the sole benefit of the Noteholders of sufficient Permitted Investments or any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance, 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. For purposes of defeasance, “Permitted Investments” shall mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

**Section 22. Modification or Amendment.** Modifications and amendments to this Resolution or any proceeding of the Board amendatory hereof may be made without the consent of

registered holders of the Notes for purposes of clarification, curing any ambiguity or curing, correcting or supplementing any defective provisions (whether because of any inconsistency with any other provisions hereof or otherwise), in such manner as shall not impair the security for or adversely affect the rights of registered holders of the Notes; provided, however, that no material modification or amendment of this Resolution or of any proceeding of the Board amendatory hereof or supplemental hereto, may be made without the consent in writing of registered holders of fifty-one percent (51%) or more in aggregate principal amount of the Notes outstanding; provided further, however, that no modification or amendment shall permit a change in the maturity of the Notes or a reduction of the rate of interest thereon or in the amount of the principal obligation, or affect the covenants of the District provided in this Resolution including without limitation the covenant to pay the principal of and interest on the Notes, or reduce such percentage of registered holders of such Notes required above for such modifications or amendments, without the consent of the registered holders of all such Notes. Copies of all amendments shall be provided to Moody's Investors Service, Inc.

**Section 23. Remedies.** Any Noteholder or any trustee acting for such Noteholders in the manner hereinafter provided, may by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the District or by any officer thereof. The holder or holders of Notes in an aggregate principal amount of not less than twenty-five percent (25%) of Notes then outstanding may, by a duly executed certificate, appoint a trustee for holders of Notes, with authority to represent such holders in any legal proceedings for the enforcement and protection of the rights of such holders. Such certificate shall be executed by such holders or their duly authorized attorneys or representatives and shall be filed with the District.

**Section 24. Additional Acts.** The Chair or Vice Chair, the Superintendent, the Chief Financial Officer and the Treasurer are each authorized and directed to execute and deliver all additional documents, contracts, instruments and certificates, and to take all actions and steps on behalf of the District which are necessary or desirable in connection with the issuance of the Notes and which are not inconsistent with the terms and provisions of this Resolution.

**Section 25. Statutory References.** All statutory references herein shall be to said statutes as they exist on the date of adoption of this Resolution and as they may be from time to time amended or renumbered, including pursuant to the Florida K-20 Education Code, as well as by future legislation, except to the extent contractual commitments would preclude application of a subsequent statutory revision or repeal.

**Section 26. Severability.** If any one or more of the provisions of this Resolution or of the Notes herein authorized shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Notes, but this Resolution and the Notes shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

**Section 27. Repealing Clause.** All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflict, are hereby superseded and repealed.

**Section 28. Open Meeting Findings.** It is hereby found and determined that all official acts of the Board concerning and relating to the adoption of this Resolution and all prior resolutions affecting the District's ability to issue the Notes were taken in an open meeting of the Board and that all

deliberations of the Board that resulted in such official acts were taken in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

[Remainder of Page Intentionally Left Blank]

**Section 29. Effective Date.** This Resolution shall take effect immediately upon its passage.

Adopted this 2<sup>nd</sup> day of August, 2016.

[SEAL]

  
Dr. Rosalind Osgood, Chair  
The School Board of Broward County, Florida

Attest:

  
Robert W. Runcie, Secretary  
The School Board of Broward County, Florida

**EXHIBIT A**

**FORM OF NOTE**

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the District for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA  
TAX ANTICIPATION NOTE  
SERIES 2016**

<u>Number</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>CUSIP No.</u>
R-1	[CLOSING DATE]	[ ]%	[MATURITY DATE]	[ ]

**Registered Owner:** CEDE & CO.

**Principal Amount:** \$[PAR AMOUNT]

FOR VALUE RECEIVED, THE SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA (the "District"), a political subdivision of the State of Florida, does hereby promise to pay to the order of the Registered Owner of this Note the Principal Amount hereof together with interest hereon from the Date of Issue of this Note at the Interest Rate set forth above, computed on the basis of a 360-day year comprised of twelve 30-day months, payable on the Date of Maturity hereof, solely from the sources hereinafter identified, upon presentation and surrender hereof at the principal office of The School Board of Broward County, Florida (the "Board"), which shall serve as paying agent and registrar (the "Paying Agent").

The principal of and interest on this Note are payable in any coin or currency of the United States of America which, at the date of payment hereof, is legal tender for the payment of public and private debts.

This Note is one of a duly authorized issue of Notes of the District designated as its "School District of Broward County, Florida Tax Anticipation Notes, Series 2016" in the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) issued pursuant to the powers granted to the District by the State of Florida under Section 1011.13, Florida Statutes, as amended (the "Act"), and pursuant to a Resolution adopted by the Board, acting as the governing body of the District, on August 2, 2016 (the "Note Resolution"), for the purpose of providing funds to pay obligations incurred by the District in accordance with the official budget of the District for the fiscal year of the District beginning July 1, 2016 and ending June 30, 2017 (the "Current Fiscal Year"). Reference is hereby made to the Note Resolution for the provisions, among others, with respect to the collection and disposition of District ad valorem tax moneys and other legally available revenues of the District for the Current Fiscal Year to be received by the District, and pledged to the payment of principal of and the interest on the Notes, the rights, duties and obligations of the District and the rights of the holder or holders of the Notes. By the acceptance of this Note, the holder hereof assents to all of the provisions of the Note Resolution.

Capitalized terms used, but not defined, in this Note shall have the meanings assigned thereto in the Note Resolution.

This Note shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York (“DTC”), which shall act as securities depository for the Notes, with no physical distribution of Note certificates to be made. Any provisions of the Note Resolution or this Note requiring physical delivery of Notes shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of beneficial ownership interests of its participants (“Direct Participants”) and other institutions that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Notes (the “Beneficial Owners”). Beneficial ownership interests in this Note may be transferred in accordance with the book-entry-only system maintained by DTC.

This Note shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Note is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of principal and interest hereon. Payment to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants shall be the responsibility of Direct Participants and payments by Direct Participants and Indirect Participants to individual beneficial owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Paying Agent or the District.

This Note is a special obligation of the District payable solely from District ad valorem tax receipts levied pursuant to Florida law but only to the extent such tax receipts are legally available to be used for operating purposes and certain interest earnings of the District anticipated in the budget of the District for the Current Fiscal Year for deposit in the Sinking Fund (collectively, “Pledged Revenues”), and, if necessary, are additionally payable from, but not secured by, all legally available revenues of the District derived from sources other than ad valorem taxation which may be deposited by the District in the Sinking Fund. Pursuant to the Note Resolution, the Pledged Revenues to be received by the District from said District tax receipts for such fiscal year of the District in the Sinking Fund are irrevocably pledged to the payment when due of the principal of and interest on this Note.

THIS NOTE AND THE INTEREST THEREON DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF, THE DISTRICT, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE NOTE RESOLUTION. IT IS EXPRESSLY AGREED BY THE REGISTERED OWNER OF THIS NOTE THAT SUCH REGISTERED OWNER SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE BOARD, THE DISTRICT, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, EXCEPT WITH RESPECT TO THE PLEDGED REVENUES, TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THIS NOTE.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution of the State of Florida or the laws thereof to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been done and performed in due and legal time, form and manner as required by law, in full compliance with law.

This Note shall be governed by the laws of the State of Florida, which laws shall be applicable in the interpretation, construction and enforcement hereof.

IN WITNESS WHEREOF, THE SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA has caused this Note to be executed with the manual, engraved, imprinted or stamped facsimile of the signature of the Chair of the Board and by the manual, engraved, imprinted, stamped or otherwise reproduced facsimile signature of the Secretary of the Board, provided, however, that at least one signature shall be manual, and to be sealed by a facsimile of the original seal of the Board, all as of [CLOSING DATE].

[SEAL]

**SCHOOL DISTRICT OF BROWARD  
COUNTY, FLORIDA**

ATTEST:

By: SAMPLE ONLY – DO NOT SIGN  
Dr. Rosalind Osgood, Chair  
The School Board of Broward County, Florida

SAMPLE ONLY – DO NOT SIGN  
Robert W. Runcie, Secretary  
The School Board of Broward County, Florida



EXHIBIT B

DTC BLANKET ISSUER LETTER OF REPRESENTATIONS

Blanket Issuer Letter of Representations  
(To be Completed by Issuer)

THE SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA  
(Name of Issuer)

June 28, 1995  
(Date)

Attention: Underwriting Department — Eligibility  
The Depository Trust Company  
55 Water Street, 50th Floor  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

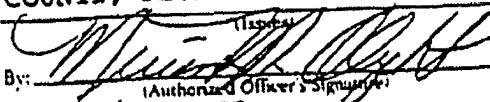
To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

THE SCHOOL DISTRICT OF BROWARD  
COUNTY, FLORIDA

  
By: \_\_\_\_\_  
(Authorized Officer's Signature)  
Chairperson

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: James E. Greaney

## EXHIBIT C

### OFFICIAL NOTICE OF SALE

#### **[\$[POS AMOUNT]]\*** **SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA** **TAX ANTICIPATION NOTES, SERIES 2016**

The School Board of Broward County, Florida (the "Board"), the governing body of the School District of Broward County, Florida (the "District"), invites electronic bids via Parity<sup>®</sup>, subject to the terms and conditions hereof, for the purchase of all and not less than all of the District's \$[POS AMOUNT]\* Tax Anticipation Notes, Series 2016 (the "Notes"). As used herein, the term "bidder" may include a group of bidders who may act through a representative or representatives.

**GENERAL TERMS.** The Notes will be dated as of their date of issue and will mature on [MATURITY DATE]. The Notes will bear interest at the rate to be designated by the Successful Bidder (as defined below). The Notes are not subject to redemption prior to their stated maturity. The Notes are being issued to provide interim funds for the payment of operating expenses of the District for its fiscal year commencing July 1, 2016 and ending June 30, 2017 (the "Current Fiscal Year") and to pay expenses incurred in issuing the Notes, as more fully described in the Preliminary Official Statement for the Notes under the caption "PURPOSE OF THE NOTES."

**TERMS OF BIDS.** Each bid must specify a single uniform interest rate per annum from the dated date to maturity which shall be expressed as an integral multiple of one-eighth (1/8th) or one-twentieth (1/20th) of one percent. Each bid must be for all and not less than all of the Notes issued. No bid for less than 100% of the principal amount of Notes will be considered. Premiums may be bid. All bids must be unconditional and submitted electronically via Parity<sup>®</sup> in accordance with this Official Notice of Sale. Only bids submitted through Parity<sup>®</sup> will be considered. No facsimile, personal delivery bids, or bids delivered by any other method will be accepted.

**BASIS OF AWARD.** The award, if any, will be made to the bidder (the "Successful Bidder") whose bid results in the lowest net interest cost determined by deduction of any premium from the total interest on all of the Notes from their date of issue to [MATURITY DATE], calculated on a 360-day year basis composed of twelve 30-day months, and who otherwise meets and satisfies the terms and conditions of this Official Notice of Sale. If two or more bids provide the lowest net interest cost, the District shall determine by lot which bid shall be accepted, and such determination shall be final. The District reserves the right to waive any informality or irregularity in any bid and to reject any and all bids.

**RECEIPT OF BIDS.** Sealed bids for the Notes will be received by the District electronically via Parity<sup>®</sup> until 11:00 A.M., Eastern Time, on August 23, 2016, or on such later date as may be established by the District and communicated through Thomson Municipal Market Monitor not less than twenty-four (24) hours prior to the time the bids are to be received.

To the extent any instructions or directions set forth on Parity<sup>®</sup> conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity<sup>®</sup>, potential bidders may contact i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, NY 10018 or telephone (212) 849-5021. The use of Parity<sup>®</sup> shall be at the bidder's risk and expense, and the District

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\* Preliminary, subject to change.

shall have no liability with respect thereto. Only bids submitted through Parity® will be considered. No telephone, facsimile, mail, courier delivery or personal delivery bids will be accepted. To participate, bidders must be a contracted customer of the BiDCOMP Competitive Bidding System (the "System"). If the prospective bidder does not have a contract with the System, call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures.

**GOOD FAITH DEPOSIT.** The Successful Bidder is required to submit a good faith deposit (the "Deposit") in the form of a wire transfer to the District in the amount of one percent (1%) of the principal amount of the Notes, by 3:00 P.M. Eastern Time on the day the Notes are awarded, as instructed by the District or its Financial Advisor.

The Deposit of the Successful Bidder will be retained and deposited with the District until the delivery of the Notes, at which time the Deposit will be applied against the purchase price of the Notes. No interest on the Deposit will accrue to the Successful Bidder. In the event the Successful Bidder fails to honor its accepted bid, the Deposit will be retained by the District as liquidated damages. In the event that the District fails to deliver the Notes to the Successful Bidder, the Deposit shall be immediately delivered by the District to the Successful Bidder, and neither the Successful Bidder, the District nor any other party shall have any further obligation with respect to the Notes.

**AUTHORIZATION, SECURITY AND SOURCE OF PAYMENT FOR THE NOTES.** The Notes are authorized pursuant to the terms of a resolution duly adopted by the Board on August 2, 2016, as the same may be supplemented or amended (the "Resolution"), and pursuant to the authority of Section 1011.13, Florida Statutes. The Notes and the interest thereon are limited obligations of the District payable from and secured by a lien upon and pledge of the ad valorem taxes collected for the benefit of the District during the Current Fiscal Year for operating purposes, excluding ad valorem taxes collected for other purposes, and amounts on deposit in the Sinking Fund created by the Resolution for the Notes (collectively, the "Pledged Funds"), all in the manner and to the extent set forth in the Resolution and described in the Preliminary Official Statement under the heading "SECURITY FOR THE NOTES."

None of the District, Broward County, Florida (the "County"), the State of Florida (the "State"), or any political subdivision thereof will be obligated to pay, except as described above, any sums due on the Notes from any source of taxation, and the full faith and credit of the District, the County, the State, or any political subdivision thereof is not pledged for the payment of such sums due and such sums do not constitute an indebtedness of the District, the County, the State, or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation.

**DISCLOSURE OBLIGATIONS OF THE PURCHASER.** Section 218.38(b)1, Florida Statutes requires that the District file, within 120 days after delivery of the Notes, an information statement with the Division of Bond Finance of the State Board of Administration of the State of Florida (the "Division") containing the following information: (a) the name and address of the managing underwriter, if any, connected with the Notes; (b) the name and address of any attorney or financial consultant who advised the District with respect to the Notes; (c) any fee, bonus or gratuity paid by any underwriter or financial consultant in connection with the Notes to any person not regularly employed or engaged by such underwriter or consultant; and (d) any other fee paid by the District with respect to the Notes, including any fee paid to attorneys or financial consultants. The Successful Bidder will be required to deliver to the District on the date of delivery of the Notes a statement signed by an authorized officer containing the information mentioned in (a) and (c) above with respect to any payment made by the Successful Bidder and to file any disclosure information required by law to be submitted by the Successful Bidder to the Division.

**TRUTH IN BONDING STATEMENT.** The Successful Bidder will be required to fill out a Truth in Bonding Statement in the form attached hereto stating the amount of the total interest to be paid over the life of the Notes, among other matters.

**DELIVERY.** Delivery of the Notes will be made through the facilities of The Depository Trust Company (“DTC”) in New York, New York on or about their date of issue, against payment thereof in immediately available funds without cost to and to the order of the District.

**PURCHASER’S CERTIFICATION REGARDING INITIAL OFFERING PRICE.** In order to provide the District with information required to enable it to comply with certain requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion of interest on the Notes from the gross income of the holders thereof for federal income tax purposes, the Successful Bidder will be required to complete, execute and deliver to the District (on the date of delivery of the Notes) a certificate relating to the manner in which the Notes were offered for sale and the offering price for such Notes, substantially in the form attached hereto. In the event the Successful Bidder will not reoffer the Notes for sale or is unable to sell a substantial amount of the Notes by the date of delivery, such certificate may be modified in a manner approved by the District and Greenberg Traurig, P.A., Miami, Florida, Note Counsel to the District. It will be the responsibility of the Successful Bidder to institute such syndicate or selling group reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

**LEGAL OPINION AND CLOSING CERTIFICATES.** At the time of delivery of the Notes, the District will deliver to the Successful Bidder, at the expense of the District, the approving opinion of Greenberg Traurig, P.A., Miami, Florida, Note Counsel, in substantially the form appearing as Appendix D to the Official Statement, a no-litigation certificate and other customary closing certificates relating to the issuance of the Notes.

**OFFICIAL STATEMENT.** The delivery of the Preliminary Official Statement has been duly authorized by the Board. The Preliminary Official Statement, copies of which may be obtained as described below, is in a form “deemed final” by the District for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”) but is subject to revision, amendment and completion in accordance with the Rule in the final Official Statement. After the sale of the Notes, the District will prepare a final Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Official Statement. The District expects the Successful Bidder to deliver copies of such Official Statement to persons to whom such Bidder initially sells the Notes, to all other members of its bidding syndicate, to the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access (“EMMA”) no later than ten (10) business days following the date of the award. The Successful Bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to such repositories and to acknowledge that the District expects the Successful Bidder to deliver copies of such Official Statement to persons to whom such Successful Bidder initially sells the Notes, to all other members of its bidding syndicate and to EMMA. The Successful Bidder shall also be responsible for compliance with the provisions of the Rule with respect to delivery of copies of the Official Statement to potential customers during the underwriting period. The Successful Bidder will be responsible to the District in all respects for the accuracy and completeness of information provided by such Successful Bidder with respect to such offering.

Upon request, up to 20 copies of the final Official Statement will be provided to the Successful Bidder at the expense of the District within seven (7) business days of the award of the Notes. Additional copies, if needed, will be furnished at the expense of the Successful Bidder.

**CONTINUING DISCLOSURE.** The District agrees in the resolution authorizing the issuance of the Notes, to provide or cause to be provided, in accordance with the requirements of the Rule, timely notice of the occurrence of certain material events with respect to the Notes.

The Successful Bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, in form and substance reasonably satisfactory to the Successful Bidder, evidence that the District has made the continuing disclosure undertaking set forth above in a written certificate for the benefit of the holders of the Notes.

**BOOK-ENTRY SYSTEM AND CUSIP NUMBERS.** The Notes will be issued in fully registered form, without coupons. One Note certificate in the aggregate principal amount of the Notes will be issued to and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Notes, and immobilized in the custody of DTC which will act as securities depository for the Notes. A book-entry only system will be employed by DTC, evidencing beneficial ownership interests in the Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership interests in the Notes effected only through the records of DTC and its participants and indirect participants pursuant to the rules and procedures established by DTC.

It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such numbers on the Notes nor any error with respect thereto shall constitute cause for failure or refusal by the Successful Bidder to accept delivery of and pay for the Notes in accordance with their agreement to purchase the Notes. It is the responsibility of the Successful Bidder to timely obtain and pay for the assignment of such CUSIP numbers.

[Remainder of page intentionally left blank]

**ADDITIONAL INFORMATION.** Copies of the Preliminary Official Statement, the Resolution, and other information may be obtained electronically from [www.munios.com](http://www.munios.com), or from Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, (407) 648-2208 Financial Advisor to the District.

**SCHOOL DISTRICT OF BROWARD  
COUNTY, FLORIDA**

By: SAMPLE ONLY – DO NOT SIGN  
I. Benjamin Leong  
Chief Financial Officer

Dated: \_\_\_\_\_, 2016

**TRUTH-IN-BONDING STATEMENT  
SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA  
\$[PAR AMOUNT]\* TAX ANTICIPATION NOTES,  
SERIES 2016**

The School District of Broward County, Florida (the "District") is proposing to issue \$[PAR AMOUNT]\* Tax Anticipation Notes, Series 2016 (the "Notes") to provide interim funds for the payment of operating expenses of the District for its fiscal year commencing July 1, 2016 and ending June 30, 2017 (the "Current Fiscal Year") and to pay expenses incurred in issuing the Notes, as more fully described in the Preliminary Official Statement for the Notes under the caption "PURPOSE OF THE NOTES."

The Notes are expected to be repaid over a period of \_\_\_ days. At an interest rate of \_\_\_% (insert interest rate), total interest paid over the life of the Notes is estimated to be \$\_\_\_\_\_ (insert interest payment at maturity).

The source of repayment or security for the Notes is the ad valorem tax payments collected for operating purposes of the District during its Current Fiscal Year, excluding ad valorem taxes collected for other purposes, all as more specifically set forth in the Official Notice of Sale. Authorizing this debt or obligation will result in \$\_\_\_\_\_ (insert combined principal and interest payment at maturity) of such revenues not being available for other services or purposes of the District during its Current Fiscal Year.

The foregoing Truth-in-Bonding Statement is prepared pursuant to Sections 218.385(2) and (3), Florida Statutes, for informational purposes only and shall not affect or control the actual terms and conditions of the Notes.

Dated: \_\_\_\_\_, 2016

[UNDERWRITER]

By: SAMPLE ONLY – DO NOT SIGN \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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\* Preliminary, subject to change.

**CERTIFICATE WITH RESPECT TO “ISSUE PRICE”**

[UNDERWRITER], acting on behalf of itself and the syndicate/selling group, if any, created by it as purchaser (the “Purchaser”) of the \$[PAR AMOUNT]\* Tax Anticipation Notes, Series 2016 (the “Notes”) of the School District of Broward County, Florida (the “District”), in order to establish the initial offering price(s) of the Notes for the purpose of determining the “issue price” of the Notes within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, DOES HEREBY CERTIFY, as follows:

1. The Purchaser, as of the date the Notes were awarded to the Purchaser, (a) made a bona fide public offering of the Notes to the General Public at a price equal to \$\_\_\_\_\_ (the “Public Offering Price”), and (b) sold at least 10% of such Notes for cash or to the extent not so sold, reasonably expected, as of the date the Notes were awarded to the Purchaser, to sell such Notes for cash to the General Public at the Public Offering Price.

2. The Purchaser retained and did not reoffer \$\_\_\_\_\_ principal amount of the Notes.

3. The Public Offering Price (with respect to any principal amount of the Notes that was not reoffered, the price bid by the Purchaser to the District) does not exceed the fair market value of the Notes as of the date the Notes were awarded to the Purchaser.

4. For the purpose of this certificate, “General Public” means the general public excluding bond houses, brokers and other intermediaries.

Dated: [Closing Date]

[UNDERWRITER]

By: SAMPLE ONLY – DO NOT SIGN

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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\* Preliminary, subject to change.



**SUMMARY NOTICE OF SALE**

**\$(POS AMOUNT) \***  
**School District of Broward County, Florida**  
**Tax Anticipation Notes, Series 2016**

Electronic bids will be received via Parity® by the School District of Broward County, Florida (the “District”) until 11:00 A.M., Eastern Time on

**August 23, 2016**

(or on such later date as may be established by the District and communicated through Thomson Municipal Market Monitor not less than twenty-four (24) hours prior to the time the bids are to be received, but in no event less than ten (10) days from the date of the Official Notice of Sale) for the purchase of \$(POS AMOUNT)\* aggregate principal amount of School District of Broward County, Florida Tax Anticipation Notes, Series 2016 (the “Notes”). To the extent any instructions or directions set forth on Parity® conflict with the Official Notice of Sale, the terms of the Official Notice of Sale shall prevail. For further information about Parity®, potential bidders may contact i-Deal, LLC at 1359 Broadway, 2nd Floor, New York, New York 10018 or telephone (212) 849-5021. The use of Parity® shall be at the bidder’s risk and expense, and the District shall have no liability with respect thereto.

Only bids submitted through Parity® will be considered. No telephone, facsimile, telegraph, mail, courier delivery or personal delivery bids will be accepted. To participate, bidders must be a contracted customer of the BiDCOMP Competitive Bidding System (the “System”). If the prospective bidder does not have a contract with the System call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures.

The Notes will be dated as of their date of issue, will pay interest only upon their maturity on [MATURITY DATE], and are not subject to redemption prior to their stated date of maturity. The Notes will be issued in fully-registered, book-entry-only form through a program qualified with The Depository Trust Company, New York, New York, as depository; in denominations of \$5,000 each or integral multiples thereof.

The Notes and the interest thereon will be limited obligations of the District, payable from and secured by a pledge of the ad valorem taxes collected for operating purposes of the District during its fiscal year ending June 30, 2016, and amounts on deposit in the sinking fund for the Notes.

Copies of the Preliminary Official Statement, the Resolution, the Official Notice of Sale and the form of opinion of Greenberg Traurig, P.A., Miami, Florida, Note Counsel, may be obtained electronically from [www.munios.com](http://www.munios.com), or from Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, (407) 648-2208 Financial Advisor to the District.

I. Benjamin Leong, Chief Financial Officer  
School District of Broward County, Florida

Dated: [SALE DATE]

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\* Preliminary, subject to change.

**EXHIBIT D**  
**FORM OF PRELIMINARY OFFICIAL STATEMENT**

[Attached]

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST , 2016

**NEW ISSUE  
BOOK-ENTRY-ONLY**

**RATING: Moody's " \_\_\_\_\_"  
See "RATING" herein.**

*In the opinion of Note Counsel, assuming the accuracy of certain representations and certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Notes will be excludable from gross income for federal income tax purposes. Further, interest on the Notes will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. See "TAX EXEMPTION" herein for a description of certain other federal tax consequences of ownership of the Notes. Note Counsel is further of the opinion that the Notes and the income thereon will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX EXEMPTION" herein.*

\$ \_\_\_\_\_ \*  
**School District of Broward County, Florida  
Tax Anticipation Notes, Series 2016**

**Dated: Date of Delivery**

**Due: \_\_\_\_\_, 2017**

The Tax Anticipation Notes, Series 2016 (the "Notes") are being issued by the School District of Broward County, Florida (the "District") to provide interim funds for the payment of operating expenses of the District for its Fiscal Year which commenced July 1, 2016 and ends June 30, 2017 (the "Current Fiscal Year"), in anticipation of the receipt of the ad valorem taxes as herein described.

The Notes and the interest thereon will be limited obligations of the District, payable from and secured by a pledge of the ad valorem taxes levied and collected for the benefit of the District during its Current Fiscal Year for operating purposes (excluding ad valorem taxes collected for other purposes) and amounts on deposit in the Sinking Fund (the "Sinking Fund") (collectively, the "Pledged Revenues"), all as defined and described in Resolution No. 17- authorizing their issuance (the "Resolution") adopted by The School Board of Broward County, Florida (the "Board" or the "School Board") on August 2, 2016. If necessary, the Notes are additionally payable from, but are not secured by, all legally available funds of the District derived from sources other than ad valorem taxation (the "Non-Ad Valorem Funds").

The Notes and the interest thereon do not constitute a general obligation or indebtedness of, or pledge of the faith and credit of, the Board, the District, Broward County, Florida (the "County") or the State of Florida (the "State") within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the Pledged Revenues and, if necessary, the Non-Ad Valorem Funds deposited by the District in the Sinking Fund. 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 for payment of the Notes or the interest thereon, except for the Pledged Revenues for the Current Fiscal Year. The Notes and the obligation evidenced thereby shall not constitute a lien upon any property of or in the District, other than the Pledged Revenues in the manner provided and to the extent described in the Resolution.

The Notes will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("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, the Board, as Registrar and Paying Agent, will make principal and interest payments directly to Cede & Co., as registered owner. DTC will, in turn, remit such payments to its participants for subsequent disbursement to the Beneficial Owners.

The Notes are not subject to redemption prior to their maturity.

<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP No.</u>
____%	____%	_____	_____

ELECTRONIC BIDS ONLY FOR THE NOTES PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE WILL BE RECEIVED BY THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA, UP TO 11:00 A.M. (BUT NO LATER THAN 11:00 A.M.), EASTERN TIME ON \_\_\_\_\_, 2016 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).

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

*The Notes are offered when, as and if delivered subject to the approval of their legality by Greenberg Traurig, P.A., Miami, Florida, Note Counsel. Certain legal matters will be passed on for the District by Barbara Myrick, Esq., General Counsel to the Board. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel to the District. Public Financial Management, Inc., Orlando, Florida, is acting as Financial Advisor to the District. It is expected that the Notes will be available for delivery through DTC in New York, New York on or about \_\_\_\_\_, 2016.*

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_  
\*Preliminary, subject to change.

**SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA  
BOARD MEMBERS**

Dr. Rosalind Osgood, Chair  
Abby M. Freedman, Vice Chair  
Robin Bartleman  
Heather P. Brinkworth  
Patricia Good  
Donna P. Korn  
Laurie Rich Levinson  
Ann Murray  
Nora Rupert

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**DISTRICT OFFICIALS**

**Superintendent of Schools**  
Robert W. Runcie

**Chief Financial Officer**  
I. Benjamin Leong, CPA

**Treasurer**  
Ivan Perrone

**General Counsel**  
Barbara Myrick, Esq.

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**NOTE COUNSEL**

Greenberg Traurig, P.A.  
Miami, Florida

**DISCLOSURE COUNSEL**

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

**FINANCIAL ADVISOR**

Public Financial Management, Inc.  
Orlando, 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, broker, sales representative or other person has been authorized by the District to give any information or make any representations, other than as contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such other information or representations must not be relied upon.

The information contained in this Official Statement has been obtained from the District, the School Board, The Depository Trust Company ("DTC") and other sources that are considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. However, the information related to DTC is not to be construed as a representation of the District, the Board, the Financial Advisor, Note Counsel or Disclosure Counsel and the information related to the District and the Board is not to be construed as a representation of the Financial Advisor or the Underwriter. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the District, the Board, the Financial Advisor and the Underwriter expressly make no representations that such estimates, assumptions and opinions will be realized or fulfilled.

Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the District or the Board since the date hereof or the earliest date as of which such information was given.

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

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

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT, THE 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.

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.

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**APPENDICES**

APPENDIX A:	GENERAL INFORMATION REGARDING BROWARD COUNTY, FLORIDA
APPENDIX B:	EXERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2015
APPENDIX C:	FORM OF NOTE COUNSEL OPINION
APPENDIX D:	AUTHORIZING RESOLUTION
APPENDIX E:	FORM OF MATERIAL EVENTS NOTICE CERTIFICATE

**OFFICIAL STATEMENT**  
§ \_\_\_\_\_\*  
**SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA**  
**TAX ANTICIPATION NOTES, SERIES 2016**

**INTRODUCTORY STATEMENT**

The purpose of this Official Statement, which includes the cover page, inside cover and the appendices hereto, is to provide information concerning the School District of Broward County, Florida (the "District") and its \$ \_\_\_\_\_\* aggregate principal amount of Tax Anticipation Notes, Series 2016 (the "Notes"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Resolution (as defined under "PURPOSE OF THE NOTES" below) included as "APPENDIX D – AUTHORIZING RESOLUTION" hereto.

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

The information contained in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is a disclosure document and does not constitute a contract with the holders of the Notes.

**PURPOSE OF THE NOTES**

The Notes are being issued pursuant to Section 1011.13, Florida Statutes and other applicable provisions of law, and Resolution No. 17-\_\_ of The School Board of Broward County, Florida (the "Board" or the "School Board"), as the governing body of the District, duly adopted on August 2, 2016 (the "Resolution") attached hereto as Appendix D. The proceeds from the sale of the Notes will be used by the District first to pay the costs of preparation and issuance of the Notes, to the extent not paid from other legally available funds of the District. The remaining proceeds from the sale of the Notes will be used by the District to provide interim funds for the payment of lawful current operating expenses of the District incurred during its Fiscal Year which commenced July 1, 2016 and ends June 30, 2017 (the "Current Fiscal Year"), in anticipation of the receipt of the ad valorem taxes levied and collected for operating purposes for the Current Fiscal Year. See "APPENDIX D – AUTHORIZING RESOLUTION."

**SECURITY FOR THE NOTES**

**General**

The Notes and interest thereon will be special, limited obligations of the District, payable solely from and secured by (a) gross, real, and tangible personal property ad valorem tax receipts collected by the Broward County Tax Collector for the benefit of the District during the Current Fiscal Year, but only to the extent such tax receipts are 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

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\* Preliminary, subject to change.

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 Sinking Fund established pursuant to the Resolution (collectively, the "Pledged Revenues"). If necessary, the Notes are additionally payable from, but are not secured by, all legally available funds of the District derived from sources other than ad valorem taxation (the "Non-Ad Valorem Funds").

The Notes and the interest thereon shall not constitute a general obligation or indebtedness of, or pledge of the faith and credit of, the Board, the District, Broward County, Florida (the "County") or of the State of Florida (the "State") within the meaning of any constitutional or statutory provision or limitation. The Notes and the interest thereon are payable from and secured by a pledge of the Pledged Revenues and, if necessary, are additionally payable from, but are not secured by, the Non-Ad Valorem Funds in the manner provided and to the extent described in the Resolution.

NO HOLDER OF ANY 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, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY THEREIN, TO PAY SUCH NOTES OR INTEREST THEREON, EXCEPT FOR THE PLEDGED REVENUES OF THE DISTRICT FOR THE CURRENT FISCAL YEAR. THE NOTES AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF OR IN THE DISTRICT, OTHER THAN THE LEVY WITH RESPECT TO THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT DESCRIBED IN THE RESOLUTION.

### **The Sinking Fund**

Pursuant to the Resolution, the District has established a fund designated the "Sinking Fund." The District will make or cause to be made deposits of the Pledged Revenues and, if necessary, Non-Ad Valorem Funds, into the Sinking Fund to ensure the payment of the principal of and interest on the Notes at maturity.

The Sinking Fund will be held by the District as a separate special account for the benefit of the Noteholders; provided, however, that the cash required to be accounted for therein may be pooled with other moneys of the District so long as adequate accounting records are maintained to reflect and control the restricted purposes of such Sinking Fund money. The moneys and investments in the Sinking Fund will be held in trust by the District for the sole benefit of the Noteholders, and pursuant to the Resolution, the Noteholders are granted an express lien on the money and/or investments held in the Sinking Fund. Noteholders will have no lien upon any portion of the Pledged Revenues from sources constituting Non-Ad Valorem Funds unless and until such funds are deposited into the Sinking Fund.

The District covenants that it will deposit sufficient money or Permitted Investments into the Sinking Fund no later than twenty-one (21) days prior to the maturity date of the Notes, or the first business day thereafter, so that the balance on deposit therein, together with the earnings to be received thereon, if any, will equal the amount of principal and interest becoming due on the Notes at maturity.

Funds in the Sinking Fund may be invested only in Permitted Investments that mature on or prior to the maturity date of the Notes. Earnings on investments held in the Sinking Fund shall be retained and reinvested in the Sinking Fund until the amount on deposit in the Sinking Fund, together with the earnings to be received thereon, is equal to all principal of and interest on the Notes due at their maturity. Thereafter, such earnings may be withdrawn by the District and used in the District's discretion as provided by law. Realized losses, if any, on investments held in the Sinking Fund will be restored by the

District by deposit of additional Pledged Revenues or Non-Ad Valorem Funds into the Sinking Fund on or prior to the maturity date of the Notes.

The proceeds of the Notes, including investment proceeds and accrued interest, if any, 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 obligations created by the District in accordance with its budget for the Current Fiscal Year. The Noteholders will have no responsibility for 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.

#### **Permitted Investments**

The Board is authorized to invest the amount on deposit in the Sinking Fund in investments legal for District moneys as set forth in Sections 1010.53(2) and 218.415, Florida Statutes, from time to time pursuant to Board policy.

#### **Defeasance**

If at any time the District will have paid, or will have made provision for the full payment of, all of the principal of and interest becoming due on the Notes at maturity, then, and in that event, the pledge of and lien on the Pledged Revenues in favor of the holders of the Notes will no longer be in effect and the Notes will no longer be deemed to be outstanding and unpaid for the purposes of the Resolution. For purposes of the preceding sentence, deposit, in irrevocable trust, with the State Board of Administration of Florida or with a bank or trust company for the sole benefit of the Noteholders, of sufficient Permitted Investments or any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance, 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, will constitute provision for payment. For purposes of defeasance, "Permitted Investments" will mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

### **DESCRIPTION OF THE NOTES**

#### **General**

The Notes are authorized to be issued pursuant to Section 1011.13, Florida Statutes and other applicable provisions of law, and the Resolution. The Notes will be dated the date of delivery (currently expected to be \_\_\_\_\_, 2016) and will bear interest from such date at the rate specified on the cover page of this Official Statement, calculated on a 360-day year basis, comprised of twelve 30-day months. Both the principal of and interest on the Notes will be payable at maturity upon presentation and surrender thereof at the principal office of the Board, in its capacity as Registrar and Paying Agent.

The Notes are issuable as fully-registered notes in book-entry-only form and shall initially be issued in the form of one fully registered Note and shall be held in such form until maturity. Individuals may purchase beneficial interests in the amount of \$5,000 or integral multiples thereof in book-entry-only form, without certificated Notes, through the DTC Participants and Indirect Participants. See "DESCRIPTION OF THE NOTES – Book-Entry Provisions" below.

#### **No Redemption**

The Notes are not subject to redemption prior to maturity.

## **Book-Entry Provisions**

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, New York, New York ("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 certificate will be issued for the Notes in the aggregate principal amount of 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 ("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, dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://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 each Note ("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 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 account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 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 documents securing the Notes. For example, Beneficial Owners of the 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 Paying Agent and request that copies of notices are 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 Money Market Instrument (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 with respect to 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 or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent or the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE BOARD NOR THE DISTRICT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE NOTES, (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS UNDER THE TERMS OF THE RESOLUTION, OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS THE NOMINEE OF DTC, AS REGISTERED OWNER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX EXEMPTION" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Neither the Board nor the District can give any assurances that DTC Participants, Indirect Participants or others will distribute payments of debt service on the Notes made to DTC or its nominee

as the registered owner, or any notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service or act in a manner described in this Official Statement.

For every transfer and exchange of beneficial interests in the Notes, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered. In addition, the District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

## **THE SCHOOL DISTRICT AND SCHOOL BOARD OF BROWARD COUNTY**

### **The District**

Established in 1915, the District is organized under Section 4, Article IX of the Constitution of the State of Florida and Chapter 1001, Florida Statutes. The District covers the same geographic area as the County and provides elementary, secondary and vocational educational services to the unincorporated areas of the County and all of the 31 incorporated municipalities within the County, the largest of which is the City of Fort Lauderdale. As of September 14, 2015, the District served approximately 268,836 students (including charter school students) and 175,000 adult students in 238 schools and education centers and 104 charter schools. The District is the County's largest single employer. As of June 30, 2015, the District has approximately 25,708 permanent employees, including over 14,200 classroom instructors.

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

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## Statistical Data

The following tables present a statistical overview of the District's enrollment profiles and data regarding the District's public school facilities.

### Profile of Student Enrollments<sup>(1)</sup>

	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16 <sup>(2)</sup>
Pre-Kindergarten to Grade 3	69,974	69,498	70,023	70,562	69,619
Grades 4-8	84,513	82,531	80,803	80,064	80,192
Grades 9-12	68,921	69,350	68,496	69,393	70,468
Centers	5,906	6,138	5,633	5,330	5,275
Total	<u>229,314</u>	<u>227,517</u>	<u>224,955</u>	<u>225,349</u>	<u>225,554</u>

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2015.

(1) Excludes charter school enrollment.

(2) Demographics and Student Assignments Department: September 14, 2015 student enrollment from TERMS.

### School Facilities<sup>(1)</sup>

	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16 <sup>(2)</sup>
Elementary	141	141	140	137	137
Middle	42	42	40	40	40
High	33	33	32	33	33
Others <sup>(3)</sup>	<u>18</u>	<u>16</u>	<u>17</u>	<u>28</u>	<u>28</u>
Total	<u>234</u>	<u>232</u>	<u>229</u>	<u>238</u>	<u>238</u>

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2015. Adopted Budget for the Fiscal Year ending June 30, 2016.

(1) Excludes charter schools. There were 104 charter schools located within the District for Fiscal Year 2015-16.

(2) 2015-16 District Profile.

(3) Adult/vocational schools, exceptional centers and combination schools which serve multiple levels.

## Accreditation

All non-charter public schools in the District are fully accredited by AdvancEd, formerly the Southern Association of Colleges and Schools ("SACS"). The District is the second largest fully accredited school district in the nation and is Florida's first fully accredited school system since 1962.

## The School Board

The School Board is a public body corporate existing under the laws of the State, particularly Section 1001.40, Florida Statutes, and is the governing body of the District. The School Board consists of nine members, two of whom are elected by countywide vote and seven of whom are elected from single



member districts, for overlapping four-year terms. Under existing statutes, the School Board's duties and powers include the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools and programs for gifted students, handicapped students, including students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

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

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

Name/Office	Initial Term Commencing November	Current Term Expires November
Dr. Rosalind Osgood, Chair	2012	2016
Abby M. Freedman, Vice Chair	2012	2018
Robin Bartleman	2004	2016
Heather P. Brinkworth	2014	2016
Patricia Good	2010	2016
Donna P. Korn	2011	2018
Laurie Rich Levinson	2010	2018
Ann Murray	2008	2018
Nora Rupert	2010	2018

### **Administration**

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

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

**Robert W. Runcie** was sworn in as Superintendent on October 5, 2011 and became the 19<sup>th</sup> permanent leader in the 94-year history of the District. Mr. Runcie began his career as a staff consultant for Arthur Andersen (now Accenture) in 1984. He was the founder and President of Advanced Data Concepts from 1998 to 2003. Mr. Runcie served Chicago Public Schools from 2003 to 2009 as Chief Information Officer, from 2009 to 2011 as Chief Administrative Officer, and his last position there was as Chief Area Instructional Officer. Mr. Runcie is a graduate of the Superintendent's Academy of the Broad Center for the Management of School Systems, 2009. He has a Master's of Management from Kellogg

School of Management, Northwestern University, 1991, and Bachelor of Arts, Economics, Harvard College, Cambridge, Massachusetts, 1984.

*I. Benjamin Leong* became the Comptroller of the District in 1998. In July, 2000, the then Superintendent assigned to Mr. Leong the duties of chief financial officer and in July, 2004, his title was officially changed to Chief Financial Officer. Mr. Leong joined the District as Director of Management/Facility Audits in April, 1995. Prior to joining the District, Mr. Leong was the Auditor General of the New York City School Construction Authority (SCA). The SCA is a public benefit corporation established by the New York State legislature in 1989 to accelerate and improve the building and renovation of New York City public schools. The SCA is one of the largest school construction agencies in the United States. Prior to serving for the SCA, Mr. Leong was appointed Special Assistant to the Chancellor of New York City public schools. As Special Assistant to the Chancellor for financial affairs, Mr. Leong oversaw a \$7.2 billion budget, supervised business operations and organized the restructuring of numerous departments within the central administration. He began his accounting career with a "Big Eight" accounting firm. He has more than twenty years of experience in accounting, auditing and school construction, with clients ranging from Fortune 100 companies to public schools and agencies. Mr. Leong received a Bachelor's Degree from the University of Miami. He is a certified public accountant in Florida and New York.

*Ivan Perrone* joined the District in 2006 as Treasury Manager, responsible for the day-to-day operation of the Treasurer's Office ensuring adequate cash liquidity in order to match liabilities and invest surplus funds to anticipated cash flow needs. The Superintendent appointed Mr. Perrone to the position of Acting Treasurer in 2013 and to the position of Treasurer in May 2015, where he is now responsible for the management of the District's cash and investment portfolio, in addition to banking and debt administration functions. Prior to joining the District, Mr. Perrone was a Financial Analyst for Siemens Real Estate in Boca Raton, Florida. Prior to Siemens, Mr. Perrone was Controller for the City of North Lauderdale, Florida. Mr. Perrone was both a Financial Analyst I (supporting Canada Technologies) and a Financial Systems Analyst (supporting American Express Technologies) during his time at American Express, Florida. Prior to American Express, Mr. Perrone was the Interim Treasurer for the City of Tamarac, Florida. Mr. Perrone received a Bachelor of Business Administration Degree from Pace University, New York. He is a member of Government Finance Officers Association (GFOA) and the Florida Government Finance Officers Association (FGFOA), South Florida Government Finance Officers and City Clerks Association (SFGFOCCA) and Association of Public Treasurers of the United States and Canada (APTUSC).

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## Employee Relations

### General

As of August 17, 2015, the Board employed approximately 25,493 persons (full and part-time), the majority of which are represented by collective bargaining agents. The employee groups, bargaining agents/meet and confer groups and the current union contract expiration dates are set forth in the table below:

<u>Employee Group</u>	<u>Bargaining Agents/ Meet and Confer Groups</u>	<u>Contract Expiration*</u>	<u>Status of Negotiations</u>
Teachers	Broward Teachers Union ("BTU") – Teachers Contract	August 15, 2016	Ratification Pending for 2015- 2016 School Year
Education Support Professionals	BTU – Educational Support Professionals	June 30, 2016	Settled for 2015- 2016 School Year
Technical Support Professionals	BTU – Technical Support Professionals	June 30, 2018	Settled for 2015- 2016 School Year
Clerical	Federation of Public Employees ("FOPE")	June 30, 2016	Settled for 2015- 2016 School Year
Maintenance, Facilities, Transportation, Security Specialists, Campus Monitors	FOPE	June 30, 2016	Settled for 2015- 2016 School Year
Food Service	FOPE	August 15, 2016	Settled for 2015- 2016 School Year
SIU Investigators	Police Benevolent Association	June 30, 2016	Settled for 2015- 2016 School Year
Clerical Confidential	Confidential Office Personnel Association	N/A	Settled for 2015- 2016 School Year
Assistant Principals and Principals	Broward Principals and Assistants Association	N/A	Settled for 2015- 2016 School Year
Educational Support and Management Administrators	Educational Support & Management Association of Broward, Inc.	N/A	Settled for 2015- 2016 School Year

\* Note: When a contract has expired, Florida law requires operating under the expired contract until a new contract has been negotiated and approved.

Source: The District.

### High School Schedules Arbitration

In an effort to comply with class size reduction requirements (see "recent governmental actions affecting district revenues – Constitutional Amendments Relating to Class Size Reduction and Pre-Kindergarten Legislation" herein), the District implemented a uniform, seven period class schedule for all high schools commencing in the 2012-2013 school year. On June 7, 2012, the Broward Teachers Union ("BTU") filed a grievance ("June 7, Grievance") with the Employee Relations Department ("ERD"), pursuant to the provisions of its collective bargaining agreement ("CBA"), claiming that the procedure utilized in changing the high school class schedules violated the CBA. An arbitrator was chosen by the parties and the grievance was heard by the arbitrator on April 18, 2013. On June 17, 2013, the arbitrator

ruled that the process outlined in the CBA as to the manner in which a new schedule was to be implemented at the high schools, was violated, and ordered the District, for the 2013-2014 school year, to go back to the same schedule that was in place during the 2011-2012 school year. The BTU filed a motion to confirm the award and the District filed a motion to vacate the award in the Seventeenth Judicial Circuit in and for Broward County.

#### Sixth Period Arbitration

The BTU filed a second grievance with the ERD on June 26, 2012 complaining that the assignment of high school teachers to teach six periods a day also violated its CBA ("June 26, Grievance"). The BTU requested that the teachers be compensated for this additional period. Prior to the 2012-2013 school year, teachers would teach between three, four, or five periods a day depending on the schedule being used at the teacher's school, and would volunteer to teach an extra period. The CBA had no definition for what constituted a normal teaching load. During contract negotiations, the BTU and the School Board agreed to modify the CBA to include a definition for a "normal teaching load" which was defined as a daily average not to exceed 300 minutes. On May 22, 2013, a hearing was held before an arbitrator chosen by the parties, to determine if the School Board had violated the CBA by assigning teachers to teach six periods, and if so, whether the teachers were owed additional compensation. On August 15, 2013, the arbitrator entered an order sustaining the grievance and stating that the high school teachers who taught a sixth period day during the 2012-2013 school year were entitled to compensation for the extra period at their hourly rate of pay.

On November 26, 2013, the District and the BTU reached a settlement of the disputes, arbitration awards and litigation pertaining to the June 7, Grievance and the June 26, Grievance. This agreement provides for the hourly compensation for high school teachers who taught a sixth period during the 2012-2013 school year for approximately \$22.4 million including benefits. It also provides for hourly compensation through October 31, 2013 for high school teachers who taught a sixth period in the 2013-2014 school year for approximately \$8 million including benefits. The \$30.4 million, including benefits, will be paid over a five-year period. Beginning November 1, 2013 teachers assigned to teach a sixth period received an additional \$2,000 for the remainder of the 2013-2014 school year. In 2014-2015, they received a supplement of \$2,500, and in 2015-2016, they are receiving a supplement of \$2,600 above their current salary. Both parties agreed to terminate all legal proceedings in this matter. At the end of the 2013-2014 school year, the remaining balance of approximately \$21.9 million (to be paid over the next four years), has been recorded as a liability in the School Board's financial statement of net position and as an expense in the School Board's financial statement of net activities.

#### **Florida Retirement System**

The District participates in the Florida Retirement System ("FRS"), a cost sharing, multiple-employer, public employee retirement system, which covers substantially all regular employees of the District. Beginning in 2002, the FRS became one system with two primary plans, a defined benefit pension plan (the "FRS Pension Plan") and a defined contribution plan known as the Public Employee Optional Retirement Program (the "FRS Investment Plan"). FRS membership is required for all employees filling a regularly established position in a State agency, district school board, county, State university or State community college. Some municipalities, special districts, charter schools and metropolitan planning organizations also choose to participate in the FRS; however, participation is generally irrevocable after the entity elects to participate.

*The information relating to the FRS contained herein has been obtained from the FRS Annual Reports which are available by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by phoning (850) 488-5706. No representation is made by the Board as to the*

*accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.*

There are five general classes of membership in the FRS: (1) Senior Management Service Class ("SMSC") members which include, among others, senior management level positions in State and local governments (including school districts) and assistant state attorneys, prosecutors and public defenders; (2) Special Risk Class which includes, among others, positions such as law enforcement officers, firefighters, correctional officers, emergency medical technicians and paramedics; (3) Special Risk Administrative Support Class which include, among others, non-special risk law enforcement, firefighting, emergency medical care or correctional administrative support positions within a FRS special risk-employing agency; (4) Elected Officers' Class ("EOC") which includes members who are elected State and city officers and the elected officers of cities and special districts that choose to place their officials in this class; and (5) Regular Class members includes members that do not qualify for membership in the other classes.

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans. The Department of Management Services, Division of Retirement administers the FRS Pension Plan and the Florida State Board of Administration (the "SBA") invests the assets of the FRS Pension Plan held in the FRS Trust Fund. Administration costs of the FRS Pension Plan are funded through investment earnings of the FRS Trust Fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

The SBA administers the FRS Investment Plan, a defined contribution plan available to eligible FRS members as an alternative to the FRS Pension Plan. Retirement benefits are based upon the value of the member's account upon retirement. Regardless of membership class, FRS Investment Plan contributions vest after one year of service. A member vests immediately in all employee contributions paid to the FRS Investment Plan. If a member elects to transfer amounts from the FRS Pension Plan to that member's FRS Investment Plan account, the member must meet the six-year vesting requirement for any such transferred funds and associated earnings. The FRS Investment Plan is funded by employer contributions that are based on salary. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Administration costs of the FRS Investment Plan are funded through a 0.03% employer contribution and forfeited benefits. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

Since July 1, 2001, the FRS Pension Plan has provided for vesting of benefits after six years of creditable service. Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2001, through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the various plan requirements applicable to each class of membership. Regardless of class, a member may take early retirement any time after vesting within 20 years of normal retirement age; however, there is a five percent benefit reduction for each year prior to normal retirement age.

Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a cost-of-living adjustment. If the member was initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Effective July 1, 2011, all members of FRS were required to contribute 3% of their gross compensation toward their retirement. In addition, the legislation reduced the required employer contribution rates for each membership class and subclass of the FRS.

Additional legislative changes that only apply to employees who initially enroll on or after July 1, 2011, include: (1) the average final compensation upon which retirement benefits are calculated are based on the eight highest (formerly five highest) fiscal years of compensation prior to retirement; (2) the DROP (as defined herein) is maintained but the interest accrual rate is reduced from 6.5% to 1.3%; (3) the normal retirement age is increased from 62 to 65; and (4) the years of creditable service is increased from 30 to 33 and the vesting period is increased to eight years (formerly six).

Subject to provisions of Section 121.091, Florida Statutes, the Defined Retirement Option Program (the "DROP") permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months while the member's benefits accumulate in the FRS Trust Fund. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. As of June 30, 2015, the FRS Trust Fund projected \$3,119,220,775 in accumulated benefits and interest for 34,829 current and prior participants in the DROP.

The Retiree Health Insurance Subsidy ("HIS") Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. Beginning July 1, 2002, 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 \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Beginning July 1, 2014, the contribution rate was 1.26% of payroll pursuant to Section 112.363, Florida Statutes. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years and any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. As of June 30, 2015, the balance of legally required reserves for all defined benefit pension plans was \$148,454,681,903. Such funds are reserved to provide for total current and future benefits, refunds and administration of the FRS Pension Plan.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions, including employee contributions for the Fiscal Years ended June 30, 2014 and June 30, 2015, totaled \$123.5 million and \$128.9 million, respectively, which were equal to the required contributions for each Fiscal Year. This includes the HIS Program and Investment Plan contributions.

As a participating employer in the Florida Retirement System, the District implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment to GASB Statement No. 68)*, effective for fiscal years beginning after June 15, 2014. The implementation of these Statements requires the District to record a liability for its proportionate share of the net pension liabilities of the Florida Retirement System plans.

The scope of GASB Statements Nos. 68 and 71 address accounting and financial reporting for pensions that are provided to employees of state and local governmental employers that meet certain characteristics. These Statements establish standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expense/expenditures. For defined benefit pensions such as the Florida Retirement System plans, GASB Statements Nos. 68 and 71 identify methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Pursuant to these Statements, the District is required to record a liability for its proportionate share of pension liabilities as reported by the Florida Retirement System plans. While these Statements require recognition and disclosure of the unfunded pension liability, there is no requirement that such liability be funded. Accordingly, a deficit in unrestricted net position should not be considered, solely, as evidence of financial difficulties. The adoption of GASB Statements Nos. 68 and 71 resulted in a material increase in the District's liabilities and a material decrease in the District's net position. The beginning net position of the District at July 1, 2014 was decreased by \$854.6 million due to adoption of the Statements. The District's proportionate share of the net pension liabilities of the Florida Retirement System Pension Plan totaled \$190.8 million at June 30, 2015. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined an actuarial valuation as of that July 1, 2014. The District's proportion of the net pension liability was based on the District's Fiscal Year 2014-15 contributions relative to the Fiscal Year 2013-14 contributions of all participating members. At June 30, 2014, the District's proportion was 3.13%, which was a decrease of 0.0121% from its proportion measured as of June 30, 2013.

As of June 30, 2015, the District reported a net pension liability of \$380.5 million for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the pension plan's fiduciary net position available to pay that amount.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportionate share of the net pension liability was based on the District's Fiscal Year 2014-15 contributions relative to the total Fiscal Year 2013-14 contributions of all participating members. As of June 30, 2014, the District's proportionate share was 4.06%, which was a decrease of 0.017% from its proportionate share measured as of June 30, 2013. See APPENDIX B hereto, including the Management's Discussion and Analysis, Notes 1, Q, and 16 to the Basic Financial Statements and the Required Supplementary Information, for additional information relating to the District's implementation of GASB Statements Nos. 68 and 71.

### **Other Post-Employment Benefits**

In addition to its contributions under the State's retirement plan described above, the District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes. As with all governmental entities offering similar plans, the District is required to comply with Governmental Accounting Standard Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* ("GASB 45").

In Fiscal Year 2008, the District implemented GASB 45 for certain postemployment benefits, including continued coverage for the retiree and dependents in the medical/prescription plans as well as participation in the dental group plan sponsored by the District. In addition, retirees are eligible to continue the employer-sponsored term life insurance policy provided by the District. GASB 45's basic concept is to more fully disclose the costs of employment by requiring governmental units to recognize the cost of an employee's OPEB during the period of service in their financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. As defined in GASB 45, a significant expense recognizing the past and future costs of providing OPEB benefits is required to be recorded annually. The requirement of GASB 45 was implemented prospectively, with the actuarially determined liability of \$142.6 million at January 1, 2015 being amortized over the remaining period of 23 years.

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. For Fiscal Year 2014-2015, approximately 977 retirees of the District received post-employment benefits. For such Fiscal Year, the District provided required employer contributions toward the annual OPEB cost in the amount of \$5,180,654. The pay-as-you-go method of funding OPEB allows the District to continue to pay only the current OPEB costs each Fiscal Year, but will produce a growing unfunded actuarial liability for the future. The net OPEB obligation was \$72,010,425 at the end of Fiscal Year 2014-2015.

The OPEB cost is calculated based on the Annual Required Contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The following is a summary of changes for the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for the Fiscal Year ended June 30, 2015 (in thousands):



	<u>FY 2015</u>
Annual Required Contribution (ARC)	
Normal Cost	\$ 7,007
Amortization of Unfunded Actuarial Accrued Liability	<u>6,309</u>
Total ARC	\$ 13,316
Interest on Net OPEB Obligation	2,255
Adjustment to ARC	<u>(2,801)</u>
Annual OPEB Cost (Expense)	12,770
Less: Contributions Made	<u>(5,181)</u>
Net OPEB Obligation Increase	7,589
Net OPEB Obligation, Beginning of Year	<u>64,422</u>
Net OPEB Obligation, End of Year	<u>\$ 72,011</u>

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Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2015.

For additional information, see Note 15 of "APPENDIX B - EXCERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2015."

**Indebtedness**

Set forth below is selected information regarding outstanding debt of the District. For more detailed financial information concerning the District, see "APPENDIX B – EXERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2015."

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**School District of Broward County, Florida - Outstanding Long-Term Debt  
As of June 30, 2016 (Unaudited)**

<u>Description</u>	<u>Principal Amount Outstanding<sup>(4)</sup></u>
<b>Self-Supporting State Bonds:<sup>(1)</sup></b>	
State Board of Education Capital Outlay Bonds, Series 2006-A	\$ 150,000
State Board of Education Capital Outlay Bonds, Series 2008-A	3,985,000
State Board of Education Capital Outlay Bonds, Series 2009-A (New Money)	920,000
State Board of Education Capital Outlay Bonds, Series 2009-A (Refunding)	935,000
State Board of Education Capital Outlay Bonds, Series 2010-A (Refunding)	4,765,000
State Board of Education Capital Outlay Bonds, Series 2011-A (Refunding)	4,740,000
State Board of Education Capital Outlay Bonds, Series 2014-B (Refunding)	<u>3,112,000</u>
Sub-Total State Board Bonds	<u>\$18,607,000</u>
<b>General Obligation Bonds <sup>(2)</sup></b>	
Series 2016A Bonds	<u>\$151,840,000</u>
Sub-Total General Obligation Bonds	<u>\$151,840,000</u>
<b>Certificates of Participation:<sup>(3)</sup></b>	
Series 2004A Certificates	\$8,290,000
Series 2004B Certificates	14,440,000
Series 2004 Certificates (QZAB)	266,000
Series 2006B Certificates	65,000,000
Series 2007A Certificates	10,610,000
Series 2008A Certificates	27,380,000
Series 2009A Certificates (Build America Bonds)	63,910,000
Series 2009A Certificates (QSCB)	36,293,000
Series 2010A Certificates (QSCB)	51,645,000
Series 2011A Certificates	171,425,000
Series 2012A Certificates	251,115,000
Series 2012B Certificates	44,535,000
Series 2014A Certificates	113,825,000
Series 2015A Certificates	252,360,000
Series 2015B Certificates	170,805,000
Series 2016A Certificates	198,205,000
Series 2016B Certificates	<u>18,735,000</u>
Sub-Total Certificates of Participation	<u>1,498,839,000</u>
<b>TOTAL LONG-TERM DEBT OUTSTANDING</b>	<u><b>\$1,669,286,000</b></u>

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

<sup>(2)</sup> The issuance of the general obligation bonds was approved by the qualified electors of the District at a referendum held on November 4, 2014. The bonds are secured by a lien and a pledge of proceeds of the levy and collection of ad valorem school district taxes on all taxable real and personal property, excluding homestead exemption as required by Florida law, without limitation as to rate or amount.

<sup>(3)</sup> Subject to annual appropriation.

<sup>(4)</sup> Rounded to nearest thousand.

Source: The School District of Broward County, Florida.

## **Budgetary Process**

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

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

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

A public hearing and adoption of the final budget and tax millage are required within 80 days, but not earlier than 65 days, after the taxable property certification by the County Property Appraiser. This public hearing usually occurs early in September.

In no event may the millage rate adopted at the final budget hearing exceed the millage rate adopted at the tentative budget hearing unless each taxpayer within the District is sent notice by mail of the taxes under the tentative adopted millage rate and the taxes under the higher rate to be adopted at the final budget hearing. The final budget is submitted to the Department of Education of the State of Florida. After the final budget hearing, the School Board must certify the final millage rate to the County Tax Collector, the County Property Appraiser and the State Department of Revenue.

## **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 March 11, 2016, the Florida Legislature adopted a State budget for Fiscal Year 2016-17 providing for an increase of approximately \$458.2 million in K-12 public schools funding, reflecting a per-pupil increase of \$71 over the current year to \$7,178. Approximately 15.8% of such increase, or \$72.8 million, would come from local property taxes, with the remaining 84.2% or \$385.4 million, from State revenues. Based on the final budget, the District expects an increase of approximately \$44.8 million in funds over fiscal year 2015-16.

## General Fund Revenue Sources

### General

The District derives its operating income from a variety of federal, State and local sources. The major categories of income sources for the operating funds of the District are briefly described below.

### State Sources

*Florida Education Finance Program.* The major portion of the District's State support is distributed under the provisions of the Florida Education Finance Program (FEFP), which was enacted by the State Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent ("FTE") student basis and through a formula that takes into account: (i) varying program costs; (ii) cost differentials between districts; (iii) differences in per-student costs due to the density of student population; and (iv) the required level of local support (the "Required Local Effort"). Program cost factors are determined by the State Legislature each year. The amount of FEFP funds disbursed by the State is adjusted five times during each year to reflect changes in FTE and in other variables comprising the formula, as well as to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in each county. To participate in FEFP funding, the District must levy a minimum millage for operating purposes, which is set by the State Department of Education. See "REVENUE SOURCES OF THE DISTRICT – Local Sources – Ad Valorem Taxes" herein. The District's FEFP receipts for Fiscal Year 2013-2014 were, based on the above formula, approximately \$1.3 billion, were approximately \$1.4 billion for Fiscal Year 2014-2015 and were budgeted to be \$1.5 billion in Fiscal Year 2015-2016, which amounts include the Required Local Effort millage (as described below under " - Local Sources").

*FEFP Categorical Programs.* 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 funds available therefrom require actual appropriation by the School Board for the purposes for which they were provided.

Total State categorical aid for class size reduction was \$296.3 million for Fiscal Year 2013-2014, was \$300.1 million for Fiscal Year 2014-2015 and was budgeted to be \$304.0 million for Fiscal Year 2015-2016.

*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 \$2.7 million in Discretionary Lottery revenues and \$11.8 million in Florida School Recognition revenue for Fiscal Year 2013-2014, \$1.0 million in Discretionary Lottery revenues and \$12.1 million in Florida School Recognition revenue for Fiscal Year 2014-2015 and was budgeted to receive \$1.0 million in Discretionary Lottery revenues and \$12.1 million in Florida School Recognition revenue for Fiscal Year 2015-2016.

*Other State Revenues.* The District also receives State educational funding from a variety of miscellaneous State programs, the largest of which is Workforce Development. The District received approximately \$73.0 million for Workforce Development in Fiscal Year 2013-2014, \$71.5 million for Fiscal Year 2014-2015 and was budgeted to receive approximately \$70.9 million for Fiscal Year 2015-2016.

#### Local Sources

*Ad Valorem Taxes.* Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition to ad valorem taxes, the District also 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 operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property value). Chapter 1011, Florida Statutes further limits the non-voted millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State of Florida Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the State Legislature and certified by the Commissioner of the State Department of Education and is referred to herein as the "Required Local Effort." In addition to such Required Local Effort millage, the District will levy a Prior Period Funding Adjustment Millage as required by Section 1011.62(4)(e), Florida Statutes. Such Prior Period millage is levied when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage.

In addition to the Required Local Effort, school districts are authorized to levy a non-voted current operating "discretionary millage" not to exceed an amount established annually by the State Legislature, currently 0.748 mills. Under the foregoing provisions, the District levied a total operating millage of 5.938 mills for Fiscal Year 2014-2015 and 5.703 for Fiscal Year 2015-2016. The District's millage rate for operating purposes is tentatively budgeted to be \_\_\_\_\_mills for Fiscal Year 2016-2017. See "AD VALOREM TAX PROCEDURES– Historical Millages" herein.

Ad Valorem Tax Revenue collections for operating levies for Fiscal Year 2014-2015 were \$864.7 million, are estimated to be \$\_\_\_\_\_million for Fiscal Year 2015-2016 and tentatively budgeted revenues for Fiscal Year 2016-2017 are estimated to be \$\_\_\_\_\_million.

Budgeted revenues from ad valorem taxes are based on applying millage levies to 96% of the non-exempt assessed valuation of real and personal property within the County. See "AD VALOREM TAX PROCEDURES" herein.

#### Federal Sources

The District receives certain federal monies, both directly and through the State, substantially all of which are restricted for specific programs. Direct federal revenue sources were approximately \$2.2 million in Fiscal Year 2013-2014, \$2.0 million in Fiscal Year 2014-2015 and were budgeted to be \$2.0 million in Fiscal Year 2015-2016. Federal funds through the State totaled \$11.3 million in Fiscal Year 2013-2014, \$13.7 million in Fiscal Year 2014-2015 and were budgeted to be \$10.4 million in Fiscal Year 2015-2016.

The following table summarizes the revenues, expenditures and changes in fund balances for the General Fund for the Fiscal Years ended June 30, 2013 through June 30, 2015 (audited); June 30, 2016 (budgeted) and June 30, 2017 (tentatively budgeted).

**School District of Broward County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund**  
**(In Thousands)**  
**For the Fiscal Years Ended June 30**

	Audited			Budget	Tentatively Budgeted
	2013	2014	2015	2016	2017
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Ad Valorem Taxes	\$781,871	\$814,054	\$864,701	\$901,618	
Interest Income And Other	48,520	75,703	53,647	58,295	
Total Local Sources	<u>830,391</u>	<u>889,757</u>	<u>918,348</u>	<u>959,913</u>	
<b>State Sources:</b>					
Florida Education Finance Program	553,397	626,111	628,202	675,028	
Other	385,738	386,665	389,308	391,343	
Total State Sources	<u>939,135</u>	<u>1,012,776</u>	<u>1,017,510</u>	<u>1,066,371</u>	
<b>Federal Sources:</b>					
Other	15,355	13,471	15,781	12,406	
Total Federal Sources	<u>15,355</u>	<u>13,471</u>	<u>15,781</u>	<u>12,406</u>	
<b>Total Revenues</b>	<u>1,784,881</u>	<u>1,916,004</u>	<u>1,951,639</u>	<u>2,038,690</u>	
<b>EXPENDITURES:</b>					
Instructional Services	1,195,519	1,302,872	1,310,145	1,379,711	
Instructional Support Services	155,566	168,223	174,822	176,355	
Pupil Transportation Services	83,684	81,671	80,650	81,102	
Operation and Maintenance	224,067	221,440	233,692	236,914	
School Administration	121,465	127,315	129,070	130,042	
General Administration	70,116	71,296	64,656	97,517	
Debt Service	131	144	124	126	
<b>Total Expenditures</b>	<u>1,850,548</u>	<u>1,972,961</u>	<u>1,993,159</u>	<u>2,101,767</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,667)</u>	<u>(56,957)</u>	<u>(41,520)</u>	<u>(63,077)</u>	
<b>OTHER FINANCING SOURCES</b>					
Loss Revenues	51	-	-	-	
Capital Lease	-	-	-	-	
Operating Transfers In	76,540	127,022	64,993	71,600	
Operating Transfers Out	<u>(5,192)</u>	<u>(8,163)</u>	<u>(6,821)</u>	<u>(5,062)</u>	
<b>Total Other Financing Sources</b>	<u>71,399</u>	<u>118,859</u>	<u>58,172</u>	<u>66,538</u>	
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>5,732</u>	<u>61,902</u>	<u>16,652</u>	<u>3,461</u>	
<b>Fund Balances, Beginning of Year</b>	<u>77,146</u>	<u>82,878</u>	<u>144,780</u>	<u>161,768</u>	
<b>Fund Balances, End of Year</b>	<u>\$82,878</u>	<u>\$144,780</u>	<u>\$161,432</u>	<u>\$165,229</u>	

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2015; 2015-16 Budget and 2016-2017 Tentative Budget.

## **General Fund Legislation**

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school district's General Fund 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 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 a 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 2014-15, the District's General Fund balance not classified as restricted, committed or nonspendable was 4.23% of General Fund Revenues. For Fiscal Year 2015-16, the District's General Fund balance not classified as restricted, committed or nonspendable was budgeted to be 5.03% of General Fund Revenues and for Fiscal Year 2016-2017 is tentatively budgeted to be % of General Fund Revenues.

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**The School Board of Broward County, Florida**  
**Actual General Fund Cash Flow**  
**Fiscal Year 2015-2016**  
**(in thousands)**



**The School Board of Broward County, Florida**  
**Projected General Fund Cash Flow**  
**Fiscal Year 2016-2017**  
**(in thousands)**

## AD VALOREM TAX PROCEDURES

### Property Assessment

Florida law requires that all real and personal property be assessed at its just or fair market value. No ad valorem taxes may be levied by the State upon real estate or tangible personal property. Such taxes may be levied only by counties, school districts, municipalities and certain special districts. Railroad properties are centrally assessed at the State level.

Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary, and governmental. In addition, there are special exemptions for widows, hospitals, homesteads, homes for the aged, disabled veterans, deployed military personnel, surviving spouses of veterans and low income seniors. The "homestead exemption" exempts from ad valorem taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis, when such owner has filed for and received a homestead exemption and provides for an additional exemption of up to \$25,000 on the assessed valuation of homestead property greater than \$50,000 from all ad valorem taxes other than school district levies. Agricultural land, non-commercial recreational land, inventory, and livestock are assessed at less than 100% of fair market value.

By voter referendum held on November 2, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) 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. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after 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, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. The amendment is known as the "Save Our Homes" amendment. The effective date of the amendment was January 5, 1993 and, pursuant to a ruling by the Supreme Court of the State of Florida it began to affect homestead property valuations commencing January 1, 1995 with 1994 assessed values being the base year for determining compliance.

In the November 7, 2006 general election, the voters of Florida approved amendments to the State Constitution, which provide for an increase in the homestead (ad valorem tax) exemption to \$50,000 from \$25,000 for certain low-income seniors effective January 1, 2007 and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans effective December 7, 2006, respectively. See also, " - Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes" below.

In the November 4, 2008 general election, the voters of the State approved amendments to the State Constitution providing the Florida Legislature with authority to enact exemptions or special assessment protections for certain types of property subject to ad valorem taxation including exemptions for conservation lands and residential wind damage resistance and renewable energy source improvements, and restrictions on the assessment of working waterfront properties. Thereafter, legislation was enacted which creates an exemption for land used exclusively for conservation purposes.

Such exemption applies to property tax assessments made on or after January 1, 2011 (Fiscal Year 2011-12 for school districts).

### **Procedure for Property Assessment**

The Property Appraiser of Broward County (the "Property Appraiser") determines property valuation on real and tangible personal property as of January 1 of each year. The Property Appraiser determines the valuation of all real and personal property by July 1 of each year and notifies the County, the District, each municipality, and each other legally constituted special taxing district as to its just valuation, notes 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. Each taxing body must advertise its budget, stating the proposed millage and hold public hearings on such budgets. Final budgets are determined by each taxing body, and the millage is certified to the Property Appraiser by October 1.

Concurrently, the Property Appraiser notifies each property owner of the proposed valuation and the proposed millage on such property. If the individual property owner believes that his or her property has not been appraised at fair market value, the owner may file a petition with the Broward County Value Adjustment Board (the "Adjustment Board"). The Adjustment Board currently consists of two members of the County Commission of the County, one member of the School Board, a citizen member who is a homestead property owner living in the County and a citizen member appointed by the School Board who owns a business within the District. The Adjustment Board appoints independent special magistrates (real estate appraisers or attorneys) who hold public hearings on such petitions and determine whether adjustments to the valuations made by the Property Appraiser should be made, if such valuations were found not to be fair and at market value. The decision of the Adjustment Board may be appealed to the Circuit Court. The Adjustment Board must certify its decision with regard to all petitions and certify to the Property Appraiser the valuation to be used. These changes are then made to the final tax roll.

Section 194.014, Florida Statutes, requires that taxpayers 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 properties that will have a petition pending on or after the delinquency date (normally April 1). The statute further provides that a taxpayer's failure to make the required partial payment before the delinquency date (normally April 1) will result in the denial of the taxpayer's petition.

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 he certifies 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, so that all ad valorem taxes are collected by the County Tax Collector and distributed to the various taxing bodies. See " - Assessed Value of Taxable Property" below for a table of assessed valuations.

### **Setting the Millage**

The Property Appraiser assesses and the County Tax Collector collects all ad valorem taxes within the County. While one tax bill emanates from the County, the bill represents ad valorem taxes levied by the County, the District, municipalities and other taxing authorities.

The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property

value). Section 1011.71, Florida Statutes, as amended, 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 appropriation of FEFP funds for current operations must levy the millage certified by the Commissioner of the State of Florida Department of Education as the "required local effort," which is set each year by the State Legislature. For Fiscal Year 2015-2016, the District's required local effort millage was 4.925 mills and is tentatively budgeted to be \_\_\_\_\_ mills for Fiscal Year 2016-2017. In addition to the "required local effort," school districts are entitled to levy up to 0.748 mills as non-voted current operating discretionary millage and up to 1.500 mills for capital outlay and maintenance of school facilities. However, the District may levy up to 0.25 mills for capital outlay and maintenance of school facilities in lieu of operating discretionary millage. The District levied 0.748 mills for operating discretionary millage and 1.500 mills for capital outlay and maintenance millage in Fiscal Year 2015-2016. The District is tentatively budgeted to levy [0.748 mills for operating discretionary millage and 1.500 mills] for capital outlay and maintenance millage in Fiscal Year 2016-2017.

The millage limitations are applicable to non-voted taxes levied for operational and capital outlay and maintenance purposes. The millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property values within the taxing authority's respective jurisdiction. Revenues derived from ad valorem property taxes are budgeted, as required by Florida law, on the application of millage levies to 96% of the non-exempt assessed valuation of property in the County. Ad valorem taxes are not levied in excess of actual budget requirements.

The District is tentatively budgeted to levy a millage of \_\_\_\_\_ mills against the cap of 10 mills for the 2016-2017 Fiscal Year for general operations (inclusive of [0.748] mills of operating discretionary millage). In addition, the District, for the same period and under the same cap, is tentatively budgeted to levy a tax of [1.500] mills for capital outlay. The main local source of such capital outlay funds is the tax receipts collected pursuant to the capital improvement tax authorized and levied pursuant to Section 1011.71(2), Florida Statutes (the "Capital Improvement Tax"), for capital outlay and maintenance purposes. The Capital Improvement Tax is an ad valorem tax levied by the District upon the taxable real and personal property located in the County up to the maximum amount of 1.500 mills. See "Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes – Reduction in Capital Improvement Tax Levy." These taxes are not pledged as security for the Notes. The total non-voted millage for the 2016-2017 Fiscal Year is tentatively budgeted to be \_\_\_\_\_ mills. See " - Truth in Millage Bill" below.

### **Truth in Millage Bill**

The 1980 Florida Legislature enacted the Truth in Millage Bill (the "Trim Bill") requiring that only legislative bodies, including school districts, fix the millage rate, and requiring that all property be assessed at 100% of just value.

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

**School District of Broward County, Florida  
Tax Millage Rates**

	2012-13	2013-14	2014-15	2015-16	2016-17*
<u>General Fund:</u>					
Required Local Effort	5.208	5.232	5.190	4.995	
Discretionary Operating	<u>0.748</u>	<u>0.748</u>	<u>0.748</u>	<u>0.748</u>	
Sub Total	<u>5.956</u>	<u>5.980</u>	<u>5.938</u>	<u>5.703</u>	
Debt Service	0.000	0.000	0.000	0.071	
Capital Improvement	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	
Total	<u>7.456</u>	<u>7.480</u>	<u>7.438</u>	<u>7.274</u>	

\* Tentatively budgeted figures.  
Source: The District.

**Procedures for Tax Collection and Distribution**

All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the tax roll is certified and delivered to the County Tax Collector. The County Tax Collector mails a notice to each property owner on the tax roll for the taxes levied by the County, the District, municipalities within the County and other taxing authorities. 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 in the month of March are without discount. All unpaid taxes on real and personal 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 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.

On or before June 1 or the 60th day after the date of delinquency, whichever is later, the County Tax Collector must advertise once each week for three weeks and must sell tax certificates on all real property with 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. Florida 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. 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.

Section 197.016(2), Florida Statutes, requires the County Tax Collector 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.

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## Assessed Value of Taxable Property

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

### Broward County, Florida Net Assessed Value of Taxable Property Ten Fiscal Years Ending June 30, 2015 (in Thousands)

Fiscal Year Ended June 30	Assessed Value <sup>(1)</sup>		Exemptions <sup>(2)</sup>		Net Assessed Value
	Real Property	Personal Property	Real Property	Personal Property	
2008	\$255,456,494	\$7,983,385	\$86,564,782	\$104,821	\$176,770,276
2009	239,733,615	7,993,405	70,349,768	160,322	177,216,930
2010	202,144,709	7,955,487	50,824,776	189,290	159,086,130
2011	171,869,596	7,732,226	40,219,956	187,099	139,194,767
2012	169,479,765	7,421,889	41,083,095	196,897	135,621,662
2013	168,965,812	7,367,500	39,660,644	201,407	136,471,261
2014	178,153,457	7,645,682	42,807,958	948,264	142,042,917
2015	198,141,803	7,700,685	51,306,429	996,305	153,539,754
2016 <sup>(3)</sup>	215,978,129	7,973,241	58,202,007	1,066,596	164,682,766
2017 <sup>(4)</sup>					

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

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

(3) Based on July 1, 2015 valuation of Broward County Property Appraiser prior to adjustments on appeal from taxpayers.

(4) Based on July 1, 2016 valuation of Broward County Property Appraiser prior to adjustments on appeal from taxpayers.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2015, citing Broward County Property Appraiser. 2016 data provided by the District.

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**Ad Valorem Tax Levies and Collections**

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

**School District of Broward County, Florida  
Property Tax Levies and Collections  
(in Thousands)**

Fiscal Year Ended June 30	Total Tax Levy	Less Adjustments		Net Tax Levy	Total Tax Collections Through June 30	Percent of Total Tax Collections To Net Tax Levy
		Deductions <sup>(1)</sup>	Discounts <sup>(2)</sup>			
2013	\$1,017,528	\$3,890	\$35,072	\$978,566	\$978,812	100.03%
2014	1,062,480	3,845	36,865	1,021,770	1,018,330	99.66
2015	1,142,028	11,382	39,633	1,091,013	1,083,193	99.28
2016	1,149,986					
2017	<sup>(3)</sup>	N/A	N/A	N/A	N/A	N/A

N/A = Not Available.

<sup>(1)</sup> Deductions reflecting adjustments by Value Adjustment Board. See " – Procedures for Property Assessment" above.

<sup>(2)</sup> Reflects discounts for early payment. See " – Procedures for Tax Collection and Distribution" above.

<sup>(3)</sup> Tentatively Budgeted figure.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2015, citing Broward County Tax Collector. 2016 and 2017 data provided by the District.

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## Principal Taxpayers

The following table sets forth the Principal Property Tax Payers in Broward County, Florida in 2015 and 2006:

Taxpayer	2015			2006		
	Tax Levy <sup>(1)</sup>	Rank	Percent of Total Aggregate Tax Levy	Tax Levy <sup>(1)</sup>	Rank	Percent of Total Aggregate Tax Levy
Florida Power & Light Co	\$37,533	1	1.11%	\$30,632	1	0.94%
Sunrise Mills Ltd Prtnr	9,154	2	0.27	8,586	3	0.26
Wal-Mart Stores East LP	8,260	3	0.24	2,676	7	0.08
Bellsouth Telecommunications Inc	7,118	4	0.21	12,745	2	0.39
Diplomat Properties Ltd Prtnr	4,666	5	0.14	7,204	4	0.22
Arium Resort LLC	4,352	6	0.13	-	-	-
Sunbeam Dev Corp	3,899	7	0.11	-	-	-
Sunbeam Properties Inc	3,655	8	0.11	-	-	-
JRA HHF Venture LLC	2,761	9	0.08	-	-	-
Camden Summit Partnership LP	2,699	10	0.08	-	-	-
WCI Communities	-	-	-	5,185	5	0.16
Palm Vacation Group	-	-	-	2,866	6	0.09
Cocowalk Dev. Inc	-	-	-	2,649	8	0.08
Marriott Ownership Resorts, Inc.	-	-	-	2,482	9	0.08
Northwestern Mutual Life Ins. Co.	-	-	-	2,432	10	0.07
<b>Total Principal Taxpayers</b>	<b>84,097</b>		<b>2.48%</b>	<b>77,457</b>		<b>2.37%</b>
<b>All Other Taxpayers</b>	<b>3,310,449</b>		<b>97.52%</b>	<b>3,196,692</b>		<b>97.63%</b>
<b>Total Aggregate Tax Levy</b>	<b>\$3,394,546</b>		<b>100.00%</b>	<b>\$3,274,149</b>		<b>100.00%</b>

<sup>(1)</sup> Includes Tax Levy from all taxing jurisdictions within Broward County.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2015.

## Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes

Several amendments to the Florida Constitution affecting ad valorem taxes have been approved by voters in the recent past including the following.

*Constitutional amendments related to ad valorem exemptions.* On January 29, 2008, in a special election held in conjunction with Florida's presidential primary, the requisite number of voters approved amendments to the State Constitution exempting certain portions of a property's assessed value from

taxation. The amendments were effective beginning with the 2008 tax year (2008-2009 fiscal year for local governments). The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional exemption for the assessed value of homestead property between \$50,000 and \$75,000, thus doubling the existing homestead exemption for property with an assessed value equal to or greater than \$75,000. See "AD VALOREM TAX PROCEDURES - Property Assessment" for a description of the homestead exemption. **This exemption does not apply to school district taxes.**

2. Permits owners of homestead property to transfer their Save Our Homes benefit (up to \$500,000) to a new homestead property purchased within two 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. As discussed under "AD VALOREM TAX PROCEDURES - Property Assessment," the Save Our Homes amendment generally limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of 3% or the annual rate of inflation. **This exemption applies to all taxes, including school district taxes.**

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax. **This limitation applies to all taxes, including school district taxes.**

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10 year period, subject to extension by an affirmative vote of electors. **This limitation does not apply to school district taxes.**

From time to time over the last few years, the Save Our Homes assessment cap and portability provision described above have been subject to legal challenge. The plaintiffs in such cases have generally argued that the Save Our Homes assessment cap constitutes an unlawful residency requirement for tax benefits on substantially similar property, in violation of the State Constitution's Equal Protection provisions and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution and that the portability provision simply extends the unconstitutionality of the tax shelters granted to long-term homeowners by Save Our Homes. The courts in each case have rejected such constitutional arguments and upheld the constitutionality of such provisions. However, there is no assurance that any future challenges to such provisions will not be successful. Any potential impact on the District or its finances as a result of such challenges cannot be ascertained at this time.

Exemption for Deployed Military Personnel. In the November 2010 general election, voters approved a constitutional amendment which provides an additional homestead exemption for deployed military personnel. The exemption equals the percentage of days during the prior calendar year that the military homeowner was deployed outside of the United States in support of military operations designated by the legislature. This constitutional amendment took effect on January 1, 2011.

Reduction in Capital Improvement Tax Levy. In 2008, Section 1011.71, Florida Statutes, was amended to reduce the maximum millage rate that school districts could levy for capital outlay and maintenance purposes (referred to in this Official Statement as the Capital Improvement Tax) from 2.0 mills to 1.75 mills commencing in Fiscal Year 2008-09. In conjunction with such reduction, the State's Commissioner of Education increased the amount of the required local effort for each school district in

the State, which resulted in a shift of the millage (and associated tax revenues) from capital outlay and maintenance purposes to operational purposes. However, if the revenues generated from the reduced Capital Improvement Tax levy 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.

Section 1011.71, Florida Statutes, was amended in the 2009, 2010 and 2011 legislative sessions to provide for the following: (i) a reduction of the maximum Capital Improvement Tax levy from 1.75 mills to 1.50 mills; (ii) a waiver of the three-fourths limit on use of proceeds from the Capital Improvement Tax for lease-purchase agreements entered into before June 30, 2009, for the 2009-10 Fiscal Year (however, see "Legislation Waiving 75% Limitation on use of Capital Improvement Tax" below for information regarding an amendment to this provision); (iii) if the revenue from 1.50 mills is insufficient to make the payments due under a lease-purchase agreement entered into prior to June 30, 2009, or to meet other critical fixed capital outlay needs, authorization for school districts to levy up to 0.25 mills for capital improvement needs in lieu of an equivalent amount of the discretionary mills for operations as provided in the State General Appropriation Act; and (iv) authorization for school boards, by a super majority vote, to levy an optional 0.25 mills for critical capital outlay needs or for critical operating needs. The authorization to levy the millage described in clause (iv) hereof expired on June 30, 2011.

Legislation Waiving 75% Limitation on use of Capital Improvement Tax. Section 1011.71, Florida Statutes, was further amended in 2012 to indefinitely allow a waiver of the three-fourths limit on the use of proceeds from the Capital Improvement Tax for lease-purchase agreements entered into before June 30, 2009. Previously, such waiver was only authorized for the 2009-10 Fiscal Year (as described in clause (ii) of the preceding paragraph). Such provision became effective on July 1, 2012.

Other Constitutional Amendments Affecting Ad Valorem Taxation. During the 2011 regular legislative session, the legislature passed Senate Joint Resolution 592 ("SJR 592"). SJR 592 allows totally or partially disabled veterans who were not Florida residents at the time of entering military service to qualify for the combat-related disabled veteran's ad valorem tax discount on homestead property. The amendment became effective January 1, 2013.

During the 2012 regular legislative session, the legislature passed House Joint Resolution 93 ("HJR 93"). HJR 93 allows the State Legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. 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. The amendment became effective January 1, 2013.

Also during the 2012 regular legislative session, the legislature passed House Joint Resolution 169 ("HJR 169") allowing the State Legislature by general law to permit counties and municipalities, by ordinance, to grant an additional homestead tax exemption equal to the assessed value of homestead property to certain low income seniors. To be eligible for the additional homestead exemption the county or municipality must have granted the exemption by ordinance; the property must have a just value of less than \$250,000; the owner must have title to the property and maintained his or her permanent residence thereon for at least 25 years; the owner must be age 65 years or older; and the owner's annual household income must be less than \$27,300. The additional homestead tax exemption authorized by HJR 169 would not apply to school property taxes.

Each of the above described amendments was approved by the voters on November 6, 2012. At present, the impact of the amendments on the District's finances has been minimal. However, 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's finances.

During its 2013 Regular Session, the Florida Legislature passed Senate Bill 1830 ("SB 1830"), which was signed into law by the Governor and creates a number of changes affecting ad valorem taxation which became effective as of July 1, 2013. First, SB 1830 provides long-term lessees the ability to retain their homestead exemption and related assessment limitations and exemptions in certain instances and extends the time for property owners to appeal value adjustment board decisions on transfers of assessment limitations to conform with general court filing time frames. Second, SB 1830 inserts the term "algaculture" in the definition of "agricultural purpose" and inserts the term "aquacultural crops" in the provision specifying the valuation of certain annual agricultural crops, nonbearing fruit trees and nursery stock. Third, SB 1830 allows for an automatic renewal for assessment reductions related to certain additions to homestead properties used as living quarters for a parent or grandparent and aligns related appeal and penalty provisions to those for other homestead exemptions. Fourth, SB 1830 deletes a statutory requirement that the owner of Florida real property permanently reside upon on such property in order to qualify for a homestead exemption. This change conforms the statute at issue with the Florida Constitution by allowing non-resident owners of property to claim a homestead exemption if a person legally or naturally dependent upon the owner permanently resides on such property. Fifth, SB 1830 clarifies a drafting error regarding the property tax exemptions counties and cities may provide for certain low income persons age 65 and older. Sixth, SB 1830 removes a residency requirement that a senior disabled veteran must have been a Florida resident at the time they entered the service to qualify for certain property tax exemptions. Seventh, SB 1830 repeals the ability for limited liability partnerships with a general partner that is a charitable 501(c)(3) organization to qualify for the affordable housing property tax exemption. Finally, SB 1830 exempts from property taxes property used exclusively for educational purposes when the entities that own the property and the educational facility are owned by the same natural persons.

Also during the Florida Legislature's 2013 Regular Session, the Florida Legislature passed House Bill 277 ("HB 277"), which was signed into law by the Governor. HB 277 provides that certain renewable energy devices are exempt from being considered when calculating the assessed value of residential property. HB 277 only applies to devices installed on or after January 1, 2013. HB 277 took effect on July 1, 2013.

Also during the Florida Legislature's 2013 Regular Session, the Florida Legislature passed House Bill 1193 ("HB 1193"), which was signed into law by the Governor. HB 1193 eliminated three ways in which the property appraiser had authority to reclassify agricultural land as non-agricultural land. Additionally, HB 1193 relieves the value adjustment board ("VAB") of the authority to review the property appraisers. HB 1193 applies retroactively to January 1, 2013.

During the Florida Legislature's 2014 Regular Session, the Florida Legislature passed House Bill 5003 which allows school districts a onetime 75% Prior Period Funding Adjustment Millage ("PPFAM") for the prior tax roll year that has not been finalized due to a delay in the VAB process. The purpose of the PPFAM is to permit school districts to levy a millage for the shortfall in property taxes that occurs when the initial property value used by the State to fund the school districts is more than the finalized tax roll which has been reduced by the VAB process and decreased the collection of property taxes. Since the Broward County Value Adjustment Board was still working on processing adjustments for the 2013 tax roll, the District was able to levy in Fiscal Year 2014-2015 the 2013 PPFAM at 75% of the 2012 PPFAM without having to wait another year for the tax roll to be finalized. This change allowed the District to collect a significant portion of the 2013 tax shortfall in Fiscal Year 2014-2015. In its 2015 Regular Session, the Florida Legislature extended the one-time 75% PPFAM for the 2014 tax roll that had not been finalized due to a delay in the VAB process, which allowed the District to collect a significant

portion of the 2014 tax roll shortfall in Fiscal Year 2015-16. In the 2016 legislative session, the Florida Legislature passed legislation making this change permanent in order to allow the PPFAM levy for years in which the VAB has not finalized the tax roll.

### **Other Proposals Affecting Ad Valorem Taxation and District Finances**

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation 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, require school districts to share a portion of their Capital Improvement Tax revenues with charter schools in such school district or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the current legislative session or in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

## **RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES**

### **General**

In recent years, there have been numerous amendments to the Constitution of the State of Florida affecting ad valorem property taxes and District finances in general. At present, the impact of the amendments summarized below and elsewhere herein on the District's finances has not been significant. However, 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 – Recent Legislative Initiatives and Constitutional Amendments Affecting Ad Valorem Taxes" for a discussion of recent amendments to the Florida Constitution affecting ad valorem tax revenues.

### **Constitutional Amendments Relating to Class Size Reduction**

Article IX of the State Constitution was amended in 2002 by Amendment 9, which requires that the State Legislature provide funding for sufficient classrooms so that class sizes can 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, collectively are referred to herein as the "Class Size Legislation."

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12. Compliance is determined on a period-by-period basis. In the event a school district is not in compliance with such requirements (based on October student enrollment), the legislation provides that the State shall reduce the class size funding, which can be adjusted for good cause. For those school districts that are in compliance with the constitutional amendment, a reallocation bonus of up to 5% of the base student allocation shall be distributed. 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. If the district submits the certified plan by the required deadline, 75% of the funds remaining after the reallocation to school districts will be reallocated based upon each school district's proportion of the total reduction.

The Class Size Legislation also created the "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 programs 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 the average class size at all schools. 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. Excluding charter schools, the District is at 100% compliance with the class size requirements for Fiscal Year 2015-16 based on the average class size at choice schools. The District continues to increase the percent compliant in each class, period by period, each year. 90.7% of all classes in every period met state requirements in Fiscal Year 2015-16. In meeting the average class size at 100% in all of the District choice schools and increasing the percent met class by class, the District does not expect any financial penalties for Fiscal Year 2015-16 related to Class Size Legislation compliance.

### **Reading Mandate**

The 2012 Legislature mandated that all elementary schools which are determined to be among the lowest 100 schools in the State for reading performance must provide an additional hour of reading instruction beyond the normal school day. For Fiscal Year 2013-2014, the State did not provide an increase to the \$5 million in Reading and Supplemental Academic Instruction categorical funds that were provided in Fiscal Year 2012-2013. For Fiscal Year 2015-2016, the additional hour of reading instruction beyond the normal school day must be provided to schools that are determined to be among the lowest 300 schools in the State for reading performance. With the recent release of school grades, the State has determined that 30 traditional schools and 1 charter school fall into the lowest 300 designation. The cost of implementing an additional hour of reading at the 31 schools is \$9 million. The District has redirected \$4 million to cover the funding shortfall.

### **LITIGATION**

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

The District is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, the General Counsel/Risk Management Administration to the Board believes that there are substantial defenses to such litigation and 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.

For a discussion relating to disputes concerning the Broward Teachers Union and the District relating to changes in high school schedules see "THE SCHOOL DISTRICT AND THE SCHOOL BOARD OF BROWARD COUNTY - Employee Relations" herein.

## **TAX EXEMPTION**

[To be reviewed by Note Counsel]

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

In the opinion of Note Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Notes will be excludable from gross income for federal income tax purposes. Furthermore, interest on the Notes will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Note Counsel are further of the opinion that the Notes and the income thereon will not be subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Note Counsel will express no opinion as to any other tax consequences regarding the Notes. Prospective purchasers of the Notes should consult their own tax advisors as to the status of interest on the Notes under the tax laws of any state other than Florida.

Except as described above, Note Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Notes, or the ownership or disposition of the Notes. Prospective purchasers of Notes should be aware that the ownership of Notes may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Notes, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15 percent of certain items, including the interest on the Notes, (iii) the inclusion of the interest on the Notes in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Notes in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Notes in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Notes. Prospective purchasers of the Notes should consult their own tax advisors as to the impact of these other tax consequences.

Note Counsels' opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Note Counsel as of the date hereof. Note Counsel assume no duty to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to Note Counsels' attention, or to reflect any changes in law that may thereafter occur or

become effective. Moreover, Note Counsels' opinions are not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Note Counsels' professional judgment based on their review of existing law, and in reliance on the representations and covenants that they deem relevant to such opinions.

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

### **Tax Treatment of Note Premium**

The Notes were offered at a price in excess of the principal amount thereof. Under the Code, the excess of the cost basis of a note over the amount payable at maturity or earlier call date is generally characterized as "bond premium." For federal income tax purposes, a portion of the bond premium on the Notes in each taxable year will reduce the cost basis of the owner thereof (i.e., be amortized), but may not be deducted. The amount of amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date (or over a shorter permitted compounding interval selected by the owner. Special rules apply in the case of an owner who holds a Note as inventory, stock in trade or for sale to customers in the ordinary course of business.

Owners of Notes should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the annual amount of amortizable bond premium, the treatment of such bond premium upon the sale or other disposition of Notes and with respect to the state and local tax consequences of owning and disposing of Notes.

### **APPROVAL OF LEGALITY**

Legal matters incident to the authorization and issuance of the Notes are subject to the legal opinions of Greenberg Traurig, P.A., Miami, Florida, Note Counsel. Copies of such opinions will be available at the time of delivery of the Notes. Certain legal matters will be passed upon for the District by Barbara Myrick, Esq., General Counsel.

The form of the proposed opinion is attached to this Official Statement as "APPENDIX C - FORM OF NOTE COUNSEL OPINION." The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Note Counsel have reviewed or express any opinion concerning any of the matters referenced in the opinion subsequent to its date.

### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that full and fair disclosure is made of any bonds or other debt obligations of the District that have been in default



as to payment of principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which the District served only as a conduit issuer). The District is not and has not been since December 31, 1975, in default as to payment of principal and interest on its bonds or other debt obligations.

### **FORWARD LOOKING STATEMENTS**

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

### **RATING**

Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond rating of "\_\_\_\_\_" to the Notes as set forth on the cover page hereof. Such rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's at the following address: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

### **FINANCIAL ADVISOR**

Public Financial Management, Inc., Orlando, Florida, is serving as Financial Advisor (the "Financial Advisor") to the District. The Financial Advisor assisted in matters relating to the planning, structuring, execution and delivery of the Notes and provided other advice. The Financial Advisor did not engage in any underwriting activities with regard to the sale of the Notes. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### **NOTEHOLDERS' RISKS**

The Notes are limited obligations of the District payable solely from the Pledged Revenues, and to the extent necessary, Non-Ad Valorem Funds, only in the manner and to the extent provided in the Resolution and described herein, and are not secured by the full faith and 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 Current 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 and Non-Ad Valorem Funds to provide for payment of the Notes, and there can be no assurance that the Pledged Revenues and Non-Ad Valorem Funds will be adequate to provide for payment of the Notes and the interest thereon.

In particular, the adequacy of the Pledged Revenues and Non-Ad Valorem Funds 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 the 2015-16 Fiscal Year, (2) the percentage of collection of ad valorem taxes for the Current 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 Fiscal Year, and (4) the absence of the need for extraordinary, unforeseen expenditures during the Current 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.

### **UNDERWRITING**

The Notes are being purchased by \_\_\_\_\_, as the winning bidder of the competitive public sale of the Notes (the "Underwriter") at an aggregate purchase price of \$ \_\_\_\_\_ (which represents the \$ \_\_\_\_\_ principal amount of the Notes plus a note premium of \$ \_\_\_\_\_, minus an underwriting discount of \$ \_\_\_\_\_). The offer of the Underwriter to purchase the Notes provides for the purchase of all of the Notes if any are purchased. The Notes may be reoffered and sold by the Underwriter to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers at prices that are lower than the stated public offering price. After the initial public offering, the Underwriter may change the offering price from time to time.

### **CONTINUING DISCLOSURE**

On the date of issuance of the Notes, the District will execute a Material Events Notice Certificate in the form attached hereto as "Appendix E - Form of Material Events Notice Certificate" pursuant to which the District will agree, for the benefit of the holders of the Notes, to provide notice of the occurrence of certain enumerated events in accordance with the provisions of, and to the degree necessary to comply with, Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Because the Notes have a stated maturity of 18 months or less, the District is exempt from the continuing disclosure requirements of the Rule.

Pursuant to the Material Events Notice Certificate, the District will provide in a timely manner not in excess of ten (10) business days after the occurrence of the event to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access (EMMA), notice of the occurrence of any of the following events with respect to the Notes: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions or events affecting the tax-exempt status of the Notes; (g) modification of rights of registered owners of the Notes, if material; (h) Note calls, if material; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or a similar event of the District; (m) events relating to mergers,

consolidations or acquisitions of an obligated person with respect to the Notes, if material; (n) appointment of successor or additional trustee, if material; and (o) tender offers. Such obligation of the District will remain in effect, subject to the following sentence, so long as the Notes are outstanding in accordance with their terms. The intent of the District's undertaking in the Material Events Notice Certificate is to provide notice of material events described in the Rule and, accordingly, the District reserves the right to modify its obligations under the Material Events Notice Certificate so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of the notice the District has agreed to provide pursuant to the Material Events Notice Certificate, the obligation of the District to provide such information also shall cease immediately.

Although the District is exempt from the continuing disclosure requirements of the Rule with respect to the Notes, the District, acting through the Board as its governing body, has entered into continuing disclosure undertakings in connection with the issuance of other obligations under which it is an obligated person. The District is current in all of its electronic filings with the MSRB of Annual Reports and other financial information required by the Rule in connection with such other undertakings. However, in the previous five (5) year period prior to the date of this Official Statement, the District failed to file certain updates of financial information in its prior offering statements that were not contained in three (3) of its five (5) most recent CAFRs (Fiscal Years 2011, 2012 and 2013) but were required to be filed by its continuing disclosure undertakings. All of such updated financial information was filed on January 15, 2014.

The District is current in its required filings of material events notices with respect to such other undertakings, although in the previous five years the District did not file all material events notices of rating changes related to downgrades of municipal bond insurers insuring certain of the District's outstanding obligations under certificates of participation. The District intends to fully comply with all current and future continuing disclosure undertakings. In furtherance thereof, as of January 9, 2014, the District engaged DAC as its dissemination agent in order to ensure ongoing and future compliance with its obligations under the Rule.

Such obligation of the District to provide notice of material events described in the second paragraph of this heading will remain in effect, subject to the following paragraph, so long as the Notes are outstanding in accordance with their terms.

The intent of the District's undertaking in the Material Events Notice Certificate is to provide notice of material events described in the Rule. Accordingly, the District reserves the right to modify its obligations under the Material Events Notice Certificate so long as any such modification is made in a manner consistent with the Rule. Furthermore to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of the notice the District has agreed to provide pursuant to the Material Events Notice Certificate, the obligation of the District to provide such information also shall cease immediately.

#### **MISCELLANEOUS**

The information contained in this Official Statement has been compiled from sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District or the Board from the date hereof.

This 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 made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Notes.

The references, excerpts, and summaries of all documents, statutes, and information concerning the District, the Notes and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Notes, the security for the payment of the Notes and the rights and obligations of the owners thereof and to each such statute, report or instrument.

The Appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

Further information regarding the District is available upon request from Ivan Perrone, Treasurer, 600 Southeast Third Avenue, 2nd Floor, Fort Lauderdale, Florida 33301, Telephone (754) 321-1980, or during the offering period for the Notes, from Public Financial Management, Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, (407) 648-2208, Financial Advisor to the District.

[Remainder of page intentionally left blank]

**AUTHORIZATION OF OFFICIAL STATEMENT**

This Official Statement has been duly authorized by the authority of the Board. Concurrently with the delivery of the Notes, the Board will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Official Statement (other than the information related to DTC or its book-entry system of registration and the information contained under the heading "TAX EXEMPTION," as to which no opinion will be expressed), as of its date and as of the date of delivery of the Notes, contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading.

**SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA**

By: SAMPLE ONLY – DO NOT SIGN  
Dr. Rosalind Osgood, Chair, The School Board of Broward County, Florida

By: SAMPLE ONLY – DO NOT SIGN  
Robert W. Runcie, Superintendent of Schools and Secretary to The School Board of Broward County, Florida

**APPENDIX A**

**GENERAL INFORMATION REGARDING BROWARD COUNTY, FLORIDA**

**APPENDIX B**

**EXCERPTED PAGES FROM THE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT OF  
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**APPENDIX C**

**FORM OF NOTE COUNSEL OPINION**



**APPENDIX D**

**AUTHORIZING RESOLUTION**

**APPENDIX E**

**FORM OF MATERIAL EVENTS NOTICE CERTIFICATE**

**EXHIBIT E**

**\$(POS AMOUNT)\*  
School District of Broward County, Florida  
Tax Anticipation Notes, Series 2016**

**RULE 15c2-12 CERTIFICATE**

The undersigned hereby certifies and represents that he is the duly appointed Treasurer of the School District of Broward County, Florida (the "District") and is authorized to execute and deliver this Certificate, and further certifies on behalf of the District as follows:

1. This Certificate is delivered to enable the District to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of \$(POS AMOUNT)\* aggregate principal amount of Tax Anticipation Notes, Series 2016 referred to above (the "Notes").

2. In connection with the offering and sale of the Notes, there has been prepared a Preliminary Official Statement, dated the date hereof, setting forth information concerning the Notes and the District (the "Preliminary Official Statement").

3. As used herein, "Permitted Omissions" shall mean the offering price, interest rate, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Purchaser and other terms of the Notes depending on such matters.

4. The undersigned hereby deems the Preliminary Official Statement "final" as of its date, within the meaning of the Rule, except for the Permitted Omissions, and the information therein is accurate and complete except for the Permitted Omissions.

**IN WITNESS WHEREOF**, the undersigned has hereunto set his hand on [POS DATE].

**SCHOOL DISTRICT OF BROWARD  
COUNTY, FLORIDA**

SAMPLE ONLY – DO NOT SIGN  
Ivan Perrone, Treasurer

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\* Preliminary, subject to change.

## EXHIBIT F

### MATERIAL EVENTS NOTICE CERTIFICATE

This Material Events Notice Certificate is executed and delivered by the School District of Broward County, Florida (the "District") in connection with the issuance by the District of its \$[PAR AMOUNT] Tax Anticipation Notes, Series 2016 (the "Notes"). The Notes are being issued pursuant to a Resolution adopted by The School Board of Broward County, Florida (the "Board"), acting as the governing body of the District, on August 2, 2016 (the "Note Resolution"). The District covenants and agrees as follows:

**SECTION 1. Purpose of the Material Events Notice Certificate.** This Material Events Notice Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with the Rule defined below.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Note Resolution and in the Notes, which apply to any capitalized term used in this Material Events Notice Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" 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 Notes for federal income tax purposes.

"Dissemination Agent" shall mean the Board, or any successor Dissemination Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Material Events Notice Certificate.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Participating Underwriter" shall mean the original purchaser of the Notes required to comply with the Rule in connection with the offering of the Notes.

"Rule" shall mean Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

### **SECTION 3. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 3, the District shall give, or cause to be given in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB at <http://emma.msrb.org>, notice of the occurrence of any of the following events with respect to the Notes:

- (1) Principal and interest payment delinquencies,

- (2) Non-payment related defaults under the Note Resolution,
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties,
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties,
- (5) Substitution of the credit or liquidity providers or their failure to perform,
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Notes or other material events affecting the tax-exempt status of the Notes,
- (7) Modifications to rights of Noteholders,
- (8) Optional, contingent or unscheduled Note calls,
- (9) Defeasances,
- (10) Release, substitution or sale of property securing repayment of the Notes,
- (11) Rating changes, and
- (12) Bankruptcy, insolvency, receivership or similar event of the District or an obligated person.

**Note to subsection (a)(12) of this Section 3:** For the purposes of the event described in subsection (a)(12) of this Section 3, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (13) The consummation of a merger, consolidation or acquisition of an obligated person or the sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material, and

(15) Tender offers.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, under subsections (a) (1), (3), (4), (5), (6), (9), (11), (12) and (15), the District shall file a notice of such event with the MSRB at <http://emma.msrb.org> in a timely manner not in excess of ten business days after the occurrence of the event.

(c) If the District determines that knowledge of the occurrence of a Listed Event under subsections (a) (2), (7), (8), (10), (13) and (14) would be material under applicable federal securities laws, the District shall file a notice of such event with the MSRB at <http://emma.msrb.org> in a timely manner not in excess of ten (10) business days after the occurrence of the event.

**SECTION 4. Termination of Reporting Obligation.** The District's obligations under this Material Events Notice Certificate shall terminate upon the legal defeasance or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the District shall give notice of such termination in the same manner as for a Listed Event under Section 3(a).

**SECTION 5. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Material Events Notice Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Material Events Notice Certificate.

**SECTION 6. Amendment; Waiver.** Notwithstanding any other provision of this Material Events Notice Certificate, the District may amend this Material Events Notice Certificate, and any provision of this Material Events Notice Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized securities law counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Notes in the same manner as provided in the Note Resolution for amendments to the Note Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized securities law counsel, materially impair the interests of the Holders or Beneficial Owners of the Notes.

In the event of any amendment or waiver of a provision of this Material Events Notice Certificate, the District shall describe such amendment in a notice of such change given in the same manner as for a Listed Event under Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver.

**SECTION 7. Additional Information.** Nothing in this Material Events Notice Certificate shall be deemed to prevent the District from disseminating any other information, using the means of

dissemination set forth in this Material Events Notice Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Material Events Notice Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Material Events Notice Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

**SECTION 8. Default.** In the event of a failure of the District to comply with any provision of this Material Events Notice Certificate any Holder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Material Events Notice Certificate. A default under this Material Events Notice Certificate shall not be deemed an event of default with respect to the Note Resolution or the Notes, and the sole remedy under this Material Events Notice Certificate in the event of any failure of the District to comply with this Material Events Notice Certificate shall be an action to compel performance.

**SECTION 9. Beneficiaries.** This Material Events Notice Certificate shall inure solely to the benefit of the District, the Board, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

[Remainder of page intentionally left blank]

Date: [Closing Date]

**SCHOOL DISTRICT OF BROWARD COUNTY,  
FLORIDA**

By: SAMPLE ONLY – DO NOT SIGN  
Dr. Rosalind Osgood, Chair  
The School Board of Broward County, Florida