DAC Bond

NEW ISSUE BOOK-ENTRY ONLY **RATINGS: See "Ratings" herein.**

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, assuming continuing compliance by the District with various covenants in the Bond Resolution, under existing federal tax law, the interest on the Series 2017 Bonds (a) is excludable from gross income of the holders of the Series 2017 Bonds, except as otherwise described under the caption "TAX EXEMPTION" herein and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of a corporation's alternative minimum taxable income and may be subject to other federal income tax consequences referred to herein under "TAX EXEMPTION." See "TAX EXEMPTION" herein for a general discussion of Bond Counsel's opinion.

$131,785,000
SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SALES TAX REVENUE BONDS, SERIES 2017

Dated: Date of Delivery **Due: October 1, as set forth below**

The School District of Manatee County, Florida (the "District"), acting by and through The School Board of Manatee County, Florida (the "Board"), its governing body, is issuing its Sales Tax Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), in fully registered form without coupons, in denominations of $5,000 and any integral multiple thereof. Interest will be payable semi-annually mailed on each Interest Date (April 1 and October 1 of each year commencing April 1, 2017). Interest on the Series 2017 Bonds will be payable by check or draft of Zions Bank, a division of ZB, National Association, as Paying Agent, mailed to the Holders thereof, and principal of the Series 2017 Bonds will be payable upon presentation, when due, at the designated corporate trust office of the Paying Agent located in Denver, Colorado. Interest payable on the Series 2017 Bonds on any Interest Date will be paid to the Holder in whose name such Series 2017 Bond shall be registered at the close of business on the date which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such Interest Date, or, at the request and expense of such Holder, by bank wire transfer for the account of such Holder. The Series 2017 Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are, or act through, Participants (as defined herein). Purchasers of the Series 2017 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. Ownership by the Beneficial Owners of the Series 2017 Bonds will be initially evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal, interest, and premium, if any, will be made directly to such registered owner which will in turn remit such payments to the Participants for subsequent disbursement to the Beneficial Owners. See "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System of Registration" herein.

The principal of, and interest on, the Series 2017 Bonds are payable solely from and secured by a lien upon and pledge of (i) the proceeds received by the District from the levy and collection of the one-half cent school capital outlay discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes, and (ii) until applied in accordance with the provisions of the Bond Resolution (defined herein), all moneys, including investments thereof, in the funds and accounts established pursuant to the Bond Resolution except for the Unrestricted Revenue Account and the Rebate Fund (collectively, the "Pledged Funds"), on a parity with the District's outstanding Series 2005 Bonds (defined herein) and Series 2012 Bonds (defined herein), except that the Series 2017 Bonds are not secured by the Reserve Account or any subaccount therein other than the Series 2017 Subaccount of the Reserve Account. The Reserve Account Requirement applicable to the Series 2017 Reserve Subaccount is zero ($0.00). For a description of the security and sources of payment for the Series 2017 Bonds, see "SECURITY FOR THE SERIES 2017 BONDS" herein.

The Series 2017 Bonds are being issued for the principal purpose of (i) financing the cost of construction, reconstruction or improvement of school facilities and campuses which have a useful life expectancy of five or more years and any land acquisition, land improvement, design and engineering cost related thereto and for costs of retrofitting and providing for technology implementation including hardware and software for various sites within the District; and (ii) paying certain costs and expenses incurred in connection with the issuance of the Series 2017 Bonds, including the premium for the municipal bond insurance policy.

The scheduled payment of principal and interest on the Series 2017 Bonds, when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2017 Bonds by Assured Guaranty Municipal Corp. (the "Insurer"). For a discussion of the terms and provisions of such policy, including the limitation thereof, see "MUNICIPAL BOND INSURANCE POLICY" herein.

ASSURED GUARANTY MUNICIPAL

THE FULL FAITH AND CREDIT OF THE BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2017 BONDS AND THE HOLDERS WILL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST. THE SERIES 2017 BONDS AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE BOARD, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS.

Certain of the Series 2017 Bonds are subject to optional redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE SERIES 2017 BONDS – Optional Redemption" herein.

The cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of the transaction. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2017 Bonds are offered when, as and if delivered and received by the Underwriters, subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, and certain other conditions. Bryant Miller Olive P.A., Tampa, Florida is acting as Disclosure Counsel to the Board. Certain legal matters will be passed upon for the District by its Counsel, Dye, Deitrich, Petruff & St. Paul, P.L., Bradenton, Florida. Certain legal matters will be passed upon for the Underwriters by their Counsel, Greenberg Traurig, P.A., Miami, Florida. PFM Financial Advisors LLC, Orlando, Florida will act as Financial Advisor to the Board. It is expected that the Series 2017 Bonds, in book-entry only form, will be available through the facilities of DTC for delivery in New York, New York on or about February 23, 2017.

Raymond James

PNC Capital Markets LLC **Wells Fargo Securities**

Dated: February 1, 2017

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

$131,785,000
SALES TAX REVENUE BONDS,
SERIES 2017

$131,785,000 Serial Bonds

Maturity (October 1)	Principal Amount	Interest Rate	Price	Yield	Initial CUSIP Number**
2018	$6,215,000	4.00%	104.487	1.17%	56185PBV4
2019	6,465,000	4.00	106.628	1.40	56185PBW2
2020	6,725,000	5.00	111.789	1.62	56185PBX0
2021	7,060,000	5.00	113.985	1.82	56185PBY8
2022	7,415,000	5.00	115.659	2.03	56185PBZ5
2023	7,785,000	5.00	116.790	2.25	56185PCA9
2024	8,175,000	5.00	117.518	2.46	56185PCB7
2025	8,580,000	5.00	117.637	2.69	56185PCC5
2026	9,010,000	5.00	117.860	2.86	56185PCD3
2027	9,460,000	5.00	117.416*	2.99*	56185PCE1
2028	9,935,000	5.00	116.184*	3.12*	56185PCF8
2029	10,430,000	5.00	115.434*	3.20*	56185PCG6
2030	10,955,000	5.00	114.782*	3.27*	56185PCH4
2031	11,500,000	5.00	114.135*	3.34*	56185PCJ0
2032	12,075,000	5.00	113.583*	3.40*	56185PCK7

* Price and Yield calculated to first optional redemption date of April 1, 2027.

** CUSIP is the registered trademark of American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP data herein is provided for the convenience of reference only. The Board, the Financial Advisor and the Underwriters and their agents take no responsibility for the accuracy of such data.

THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
BRADENTON, FLORIDA

BOARD MEMBERS

Charlie Kennedy, Chair
John A. Colón, Vice Chair
Karen Carpenter, Member
Gina Messenger, Member
David "Watchdog" Miner, Member

DISTRICT OFFICIALS

Dr. Diana Greene – Superintendent of Schools
Rebecca Roberts – Chief Financial Officer
Tammy Taylor – Director of Finance

COUNSEL TO THE BOARD AND THE CORPORATION

Dye, Deitrich, Petruff & St. Paul, P.L.
Bradenton, Florida

BOND COUNSEL

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

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

REGISTRAR AND PAYING AGENT

Zions Bank, a division of ZB, National Association
Denver, Colorado

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This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No dealer, broker, salesman, or other person has been authorized by the District or the Underwriters to give any information or to make any representation with respect to the Series 2017 Bonds other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing.

The information contained in this Official Statement has been obtained from the District, Assured Guaranty Municipal Corp. (the "Insurer"), 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, such information is not to be construed as a representation of the District or the Underwriters. 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 and the Underwriters expressly make no representations that such estimates, assumptions and opinions will be realized or fulfilled.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to, investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. Any information, estimates, assumptions, and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof or the earliest date as of which such information was given.

THE INFORMATION RELATING TO THE INSURER CONTAINED HEREIN HAS BEEN FURNISHED BY THE INSURER. NO REPRESENTATION IS MADE BY THE DISTRICT NOR THE UNDERWRITERS 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. NEITHER THE DISTRICT NOR THE UNDERWRITERS HAVE MADE ANY INVESTIGATION INTO THE FINANCIAL CONDITION OF THE INSURER, AND NO REPRESENTATION IS MADE AS TO THE ABILITY OF THE INSURER TO MEET ITS OBLIGATIONS UNDER THE MUNICIPAL BOND INSURANCE POLICY.

The Insurer makes no representation regarding the Series 2017 Bonds or the advisability of investing in the Series 2017 Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer presented under the heading "MUNICIPAL BOND INSURANCE POLICY" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2017 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE DISTRICT AND THE BOARD, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2017 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE

ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE DISTRICT, THE BOARD, OR THE UNDERWRITERS AND ANY ONE OR MORE OWNERS OF THE SERIES 2017 BONDS.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY, OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT, OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2017 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET," OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE BOARD DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2017 Bonds 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 IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITES.

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OFFICIAL STATEMENT

$131,785,000
SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SALES TAX REVENUE BONDS,
SERIES 2017

INTRODUCTION

General

This Official Statement, including the cover page and the Appendices hereto, is furnished with respect to the sale of $131,785,000 aggregate principal amount of School District of Manatee County, Florida Sales Tax Revenue Bonds, Series 2017 (the "Series 2017 Bonds") being issued by the School District of Manatee County, Florida (the "District").

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2017 Bonds is made only by means of this Official Statement and is subject in all respects to the information contained herein. For a complete description of the terms and conditions of the Series 2017 Bonds, reference is made to the form of Bond Resolution (defined herein) in APPENDIX C of this Official Statement. Unless otherwise indicated, capitalized terms used in this Official Statement shall have the same meaning established in the Bond Resolution. See "APPENDIX C – COPY OF BOND RESOLUTION" herein.

The District

The District is governed by The School Board of Manatee County, Florida (the "Board"), and its geographic boundaries are coterminous with the boundaries of Manatee County, Florida (the "County"). For the Fiscal Year 2016-17, the District has budgeted for 53 schools (comprised of 32 elementary schools, 10 middle schools, six high schools, three alternative education schools, one ESE center, and one post-secondary school (operated at four sites)); 47,890 unweighted full-time equivalent ("FTE") students (6,315 of which are in the 12 charter schools operated in the District); and 6,125 employees. See "SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA" herein.

Authority for Issuance

The Series 2017 Bonds are being issued under the authority of and in full compliance with the Constitution and Statutes of the State of Florida (the "State"), including particularly Section 212.055(6), Florida Statutes, and Chapters 1001, 1011, and 1013, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and the Sales Tax Revenue Bond Resolution authorizing the issuance, from time to time, of the Sales Tax Revenue Bonds duly adopted by the Board on February 18, 2003, as supplemented from time to time, and as particularly supplemented by a Resolution duly adopted by the Board on January 24, 2017 (collectively, the "Bond Resolution"). See "AUTHORIZATION" and "APPENDIX C – COPY OF BOND RESOLUTION" herein.

Plan of Finance

The Series 2017 Bonds are being issued by the District for the principal purpose of (i) financing the cost of construction, reconstruction or improvement of school facilities and campuses which have a useful life expectancy of five or more years and any land acquisition, land improvement, design and engineering cost related thereto and for costs of retrofitting and providing for technology implementation including hardware and software for various sites within the District, and (ii) paying certain costs and expenses incurred in connection with the issuance of the Series 2017 Bonds, including the premium for the municipal bond insurance policy.

Description of the Series 2017 Bonds

Denominations. The Series 2017 Bonds will be issued in denominations of $5,000 or any integral multiples thereof.

Redemption. The Series 2017 Bonds are subject to optional redemption as described herein. See "THE DESCRIPTION OF THE SERIES 2017 BONDS – Optional Redemption" herein.

Registration and Transfers. Transfer of ownership in the Series 2017 Bonds will be effected by The Depository Trust Company, New York, New York ("DTC") book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the Participants (as hereinafter defined) for subsequent disbursement to the Beneficial Owners (as hereinafter defined). Interest on the Series 2017 Bonds is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2017.

For a more complete description of the Series 2017 Bonds and the basic documentation pursuant to which the Series 2017 Bonds are issued, see "DESCRIPTION OF THE SERIES 2017 BONDS" herein.

Sources and Security for Payment of the Series 2017 Bonds

The Series 2017 Bonds are limited and special obligations of the District payable solely from and secured by a lien upon and pledge of (i) the proceeds received by the District from the levy and collection of the one-half cent school capital outlay discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes (the "Sales Tax Revenues"), and (ii) until applied in accordance with the provisions of the Bond Resolution, all moneys, including investments thereof, in the funds and accounts established pursuant to the Bond Resolution except for the Unrestricted Revenue Account and the Rebate Fund (collectively, the "Pledged Funds"), on a parity with the District's Sales Tax Revenue Bonds, Series 2005 (the "Series 2005 Bonds"), currently outstanding in the principal amount of $3,100,000, and the District's Sales Tax Refunding Revenue Bonds, Series 2012 (the "Series 2012 Bonds" and, together with the Series 2005 Bonds, the "Prior Bonds"), currently outstanding in the principal amount of $12,225,000; provided, however, the Series 2017 Bonds are not secured by the Reserve Account or any subaccount therein other than the Series 2017 Subaccount of the Reserve Account. The Reserve Account Requirement applicable to the Series 2017 Reserve Subaccount is zero ($0.00). See "SECURITY FOR THE SERIES 2017 BONDS" herein. The Series 2017 Bonds and the indebtedness evidenced thereby do not constitute a lien upon any property of the Board or District, but constitute a lien only on the Pledged Funds as provided in the Bond Resolution. See "SECURITY FOR THE SERIES 2017 BONDS" herein.

Municipal Bond Insurance

The scheduled payment of the principal and interest on the Series 2017 Bonds when due will be guaranteed under a municipal bond insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2017 Bonds by Assured Guaranty Municipal Corp. (the "Insurer"). See "MUNICIPAL BOND INSURANCE POLICY" herein.

Additional Bonds

Pursuant to the Bond Resolution, the District may issue Additional Bonds on a parity with the Prior Bonds and the Series 2017 Bonds. The Prior Bonds, the Series 2017 Bonds, and any such Additional Bonds are referred to collectively herein as the "Bonds". See "SECURITY FOR THE SERIES 2017 BONDS – Additional Bonds" herein.

Tax Exemption

The legal opinion of Nabors, Giblin & Nickerson, P.A., Bond Counsel, will include an opinion to the effect that under existing laws, regulations, and court decisions assuming continuing compliance by the District with various covenants in the Bond Resolution, under existing federal tax law, the interest on the Series 2017 Bonds (i) is excludable from gross income of the holders of the Series 2017 Bonds, except as otherwise described under the caption "TAX EXEMPTION" herein, and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest, however, will be includable in the calculation of a corporation's alternative minimum taxable income and may be subject to other federal income tax consequences referred to herein under the caption "TAX EXEMPTION" herein. See "APPENDIX D – FORM OF OPINION OF BOND COUNSEL."

Continuing Disclosure

The District has agreed and undertaken for the benefit of the Series 2017 Bondholders, to provide certain financial information and operating data relating to the District and the Series 2017 Bonds on a continuing basis pursuant to Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended. See "CONTINUING DISCLOSURE" herein.

Other Information

This Official Statement speaks only as of its date, and information contained herein is subject to change. Copies of the Bond Resolution and other documents and information are available, upon request and upon payment to the District of a charge for copying, mailing and handling, from the Office of the Chief Financial Officer, 215 Manatee Avenue West, Bradenton, Florida 34205.

For a complete description of the terms and conditions of the Series 2017 Bonds, reference is made to the Bond Resolution, the form of which is included in "APPENDIX C – COPY OF BOND RESOLUTION" attached hereto. The description of the Bond Resolution, the Series 2017 Bonds, and information from reports contained herein do not purport to be comprehensive or definitive.

[Remainder of page intentionally left blank]

AUTHORIZATION

The Series 2017 Bonds are being issued by the District under the authority of and in full compliance with the Constitution and Statutes of the State, including particularly the Act and the Bond Resolution.

The levy and collection of the Sales Tax Revenues was approved by referendum of the voters of the County duly held on March 21, 2002, for the period commencing January 1, 2003, and, unless extended, expiring on December 31, 2017. On November 8, 2016, the extension of the levy and collection of the Sales Tax Revenues was approved by referendum of the voters of the County for the period commencing January 1, 2018, and, unless further extended, expiring on December 31, 2032.

THE SERIES 2017 PROJECT

The project consists of the construction, reconstruction or improvement of school facilities and campuses which have a useful life expectancy of five or more years and any land acquisition, land improvement, design and engineering cost related thereto and for costs of retrofitting and providing for technology implementation including hardware and software for various sites within the District, as set forth in the Ten Year Capital Outlay Plan of the Board, as the same may be amended from time to time, including, but not limited to the following educational facilities: a new high school, new elementary school, new middle school, an elementary school replacement, two elementary school wings, and a high school wing (collectively, the "Series 2017 Project"). The Board will apply the proceeds of the Series 2017 Bonds to the capital improvement program specified in the Sales Tax Resolution, as the same may be amended from time to time.

DESCRIPTION OF THE SERIES 2017 BONDS

General

The Series 2017 Bonds shall be dated the date of their delivery, shall be issued in the form of fully registered bonds in the denominations of $5,000 or any integral multiple thereof. The Series 2017 Bonds will mature on the dates and will bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2017 Bonds shall be payable semi-annually on April 1 and October 1 in each year (each an "Interest Date"), commencing April 1, 2017. Interest on the Series 2017 Bonds will be calculated on the basis of a 360-day year comprised of twelve (12) thirty (30) day months.

Interest on the Series 2017 Bonds will be payable by check or draft of Zions Bank, a division of ZB, National Association, as Paying Agent, made payable and mailed to the Holder in whose name such Series 2017 Bond shall be registered at the close of business on the date which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable Interest Date, or, at the request and expense of such Holder, by bank wire transfer to the account of such Holder. Principal of the Series 2017 Bonds will be payable to the Holder upon presentation, when due, at the designated corporate trust office of the Paying Agent located in Denver, Colorado.

The Series 2017 Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for DTC, which will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are, or act through, Participants (as defined herein). Purchasers of the Series 2017 Bonds

(the "Beneficial Owners") will not receive physical delivery of bond certificates. Ownership by the Beneficial Owners of the Series 2017 Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal, interest and premium, if any, will be made directly to such registered owner which will in turn remit such payments to the Participants for subsequent disbursement to the Beneficial Owners. See "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry Only System of Registration" below.

Book-Entry Only System of Registration

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE BOARD AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE BOARD AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. ACCORDINGLY, THE BOARD AND THE UNDERWRITERS NEITHER MAKE NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

Unless the book-entry system described herein is terminated, DTC, will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued only 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 or more fully registered global bond certificates will be issued for the Series 2017 Bonds, representing in the aggregate the total principal amount of the Series 2017 Bonds and will be deposited with the Paying Agent on behalf of DTC. Individual purchasers of beneficial interests in the Series 2017 Bonds will be made in increments of $5,000 or integral multiples thereof.

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

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership

interest of each actual purchaser of each Series 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds, and DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2017 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

Subject to the policies and procedures of DTC (or any successor securities depository), the District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event Series 2017 Bond certificates will be printed and delivered.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2017 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE SERIES 2017 BONDS OR REGISTERED OWNERS OF THE SERIES 2017 BONDS SHALL MEAN DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2017 BONDS.

The District does not have any responsibility or obligations to the DTC Participants, Indirect Participants or the Beneficial Owners with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Series 2017 Bonds, (B) the delivery to any DTC Participant or any other Person other than a Series 2017 Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Series 2017 Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, Redemption Price, if any, or interest on the Series 2017 Bonds.

NEITHER THE DISTRICT NOR THE PAYING AGENT SHALL HAVE ANY OBLIGATION WITH RESPECT TO ANY DEPOSITORY PARTICIPANT OR BENEFICIAL OWNER OF THE SERIES 2017 BONDS DURING SUCH TIME AS THE SERIES 2017 BONDS ARE REGISTERED IN THE NAME OF A SECURITIES DEPOSITORY PURSUANT TO A BOOK-ENTRY ONLY SYSTEM OF REGISTRATION.

Optional Redemption

The Series 2017 Bonds maturing on or after October 1, 2027 are redeemable prior to their stated dates of maturity, at the option of the District, in whole or in part, on any date on or after April 1, 2027, and, if in part, in such manner of selection of maturities as the District shall deem appropriate and by lot within maturities, at a Redemption Price equal to the principal amount of such Series 2017 Bonds plus accrued interest to the redemption date.

Notice of Redemption

Notice of redemption, which shall specify the Series 2017 Bond or Series 2017 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the District, and (i) shall be filed with the Paying Agent of such Series 2017 Bonds and (ii) shall be mailed first class, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the redemption date to all Holders of Series 2017 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail notice to the Holders of the Series 2017 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Series 2017 Bonds as to which no such failure or defect has occurred.

Each notice of redemption shall state: (1) the CUSIP numbers of all Series 2017 Bonds being redeemed, (2) the original issue date of such Series 2017 Bonds, (3) the maturity date and rate of interest borne by each Series 2017 Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Series 2017 Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Series 2017 Bond, the principal amount) of each Series 2017 Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Series 2017 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2017 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Series 2017 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, and (10) unless sufficient funds have been set aside by the District for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit sufficient money to pay the full Redemption Price of the Series 2017 Bonds to be redeemed; and provided, further, that such notice and the redemption set forth therein may be subject to the satisfaction of one or more additional conditions set forth therein.

Within sixty (60) days after the date of redemption, the Registrar shall give a second notice of redemption by mailing another copy of the redemption notice to the registered Holders of Series 2017 Bonds called for redemption but which have not been presented for payment within thirty (30) days after the date set for redemption.

As long as a book-entry system is used for determining beneficial ownership of Series 2017 Bonds, notice of redemption will only be sent to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners. Any failure of DTC to notify any DTC Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2017 Bonds.

Selection of Series 2017 Bonds to be Redeemed

The Series 2017 Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. The District shall, at least thirty-five (35) days and not more than sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Series 2017 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2017 Bonds of a single maturity, the particular Series 2017 Bonds or portions of Series 2017 Bonds to be redeemed shall be selected not more than sixty (60) days and not less than thirty five (35) days prior to the redemption date by the Registrar from the Outstanding Series 2017 Bonds of the maturity or maturities designated by the District or by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2017 Bonds or portions of Series 2017 Bonds in principal amounts of $5,000 and integral multiples thereof.

If less than all of the Outstanding Series 2017 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the District and Paying Agent (if the Registrar is not the Paying Agent for such Series 2017 Bonds) in writing of the Series 2017 Bonds or portions of Series 2017 Bonds selected for redemption and, in the case of any Series 2017 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Investors should note that while DTC is the registered owner of the Series 2017 Bonds, partial redemptions of the Series 2017 Bonds will be determined in accordance with DTC's procedures. The Board intends that redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Board and the Beneficial Owners of the Series 2017 Bonds be made in accordance with the method of selection of Series 2017 Bonds for a partial redemption described under "DESCRIPTION OF THE SERIES 2017 BONDS - Optional Redemption" above. However, the selection of the Series 2017 Bonds for redemption in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial redemption. The Board can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate redemptions among Beneficial Owners in accordance with the method of selection of Series 2017 Bonds for a partial redemption described above. See "DESCRIPTION OF THE SERIES 2017 BONDS - Optional Redemption" and "- Book-Entry Only System of Registration" above.

Redemption of Portions of Series 2017 Bonds

Any Series 2017 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the District shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 2017 Bond, without service charge, a new Series 2017 Bond or Series 2017 Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2017 Bonds so surrendered.

Payment of Redeemed Series 2017 Bonds

Notice of redemption having been given substantially as aforesaid, the Series 2017 Bonds or portions of Series 2017 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the District shall default in the payment of the Redemption Price) such Series 2017 Bonds or portions of Series 2017 Bonds shall cease to bear interest. Upon surrender of such Series 2017 Bonds for redemption in accordance with said notice, such Series 2017 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Each check or other transfer of funds issued by the Paying Agent to pay the Redemption Price of Series 2017 Bonds being redeemed shall bear the CUSIP number or numbers of such Series 2017 Bonds and identify the payments applicable to each CUSIP number. All Series 2017 Bonds which have been redeemed shall be cancelled by the Registrar and shall not be reissued.

Interchangeability, Negotiability, and Transfer

The Series 2017 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2017 Bonds of the same maturity of any other authorized denominations.

The Series 2017 Bonds issued under the Bond Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in the Bond Resolution and in the

Series 2017 Bonds. So long as any of the Series 2017 Bonds shall remain Outstanding, the District shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2017 Bonds.

Except when registration of the Series 2017 Bonds is being maintained pursuant to a book-entry-only system, the transfer of any Series 2017 Bond shall be registered only upon the books of the District, at the office of the Registrar, under such reasonable regulations as the District may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the registration or transfer of any such Series 2017 Bond, the District shall issue, and cause to be authenticated, in the name of the transferee a new Series 2017 Bond or Series 2017 Bonds of the same aggregate principal amount and maturity as the surrendered Series 2017 Bond. The District, the Registrar, and any Paying Agent or fiduciary of the District may deem and treat the Person in whose name any Outstanding Series 2017 Bond shall be registered upon the books of the District as the absolute owner of such Series 2017 Bond, whether such Series 2017 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Series 2017 Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2017 Bond to the extent of the sum or sums so paid and neither the District nor the Registrar nor any Paying Agent or other fiduciary of the District shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Series 2017 Bonds or the transfer of Series 2017 Bonds shall be registered, the District shall execute and the Registrar shall authenticate and deliver such Series 2017 Bonds in accordance with the provisions of the Bond Resolution. Execution of Series 2017 Bonds by the Chairman and Secretary for purposes of exchanging, replacing or registering the transfer of Series 2017 Bonds may occur at the time of the original delivery of the Series 2017 Bonds. All Series 2017 Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar in safekeeping until directed by the District to be cancelled by the Registrar. For every such exchange or registration of transfer, the District or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense, or other governmental charge required to be paid with respect to such exchange or registration of transfer. The District and the Registrar shall not be obligated to make any such exchange or transfer of the Series 2017 Bonds during the period commencing on the fifteenth (15th) day of the month immediately preceding an Interest Date on the Series 2017 Bonds and ending on such Interest Date.

Series 2017 Bonds Mutilated, Destroyed, Stolen, or Lost

In case any Series 2017 Bond shall become mutilated, or be destroyed, stolen, or lost, the District may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2017 Bond of like tenor as the Series 2017 Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Series 2017 Bond upon surrender and cancellation of such mutilated Series 2017 Bond or in lieu of and substitution for the Series 2017 Bond destroyed, stolen, or lost, and upon the Holder furnishing the District and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District or the Registrar may prescribe and paying such expenses as the District and the Registrar may incur. All Series 2017 Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar. If any of the Series 2017 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2017 Bond, the District may pay the same or cause the Series 2017 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2017 Bonds be lost, stolen, or destroyed, without surrender thereof.

Any such duplicate Series 2017 Bonds issued pursuant to the Bond Resolution shall constitute original contractual obligations on the part of the District whether or not the lost, stolen, or destroyed Series 2017 Bond be at any time found by anyone, and such duplicate Series 2017 Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Series 2017 Bonds issued under the Bond Resolution.

SECURITY FOR THE SERIES 2017 BONDS

General

The payment of the principal of or Redemption Price, if applicable, and interest on the Series 2017 Bonds are secured equally and ratably by a pledge of and lien upon the Pledged Funds, on a parity with the Prior Bonds, except that the Series 2017 Bonds are not secured by the Reserve Account or any subaccount therein other than the Series 2017 Subaccount of the Reserve Account. The Reserve Account Requirement applicable to the Series 2017 Reserve Subaccount is zero ($0.00). See "SECURITY FOR THE SERIES 2017 BONDS – Series 2017 Reserve Funding" herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2017 BONDS AND BONDHOLDERS SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST. THE SERIES 2017 BONDS AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE DISTRICT, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE BOND RESOLUTION.

School Capital Outlay Surtax Funds

General. Chapter 212, Part I, Florida Statutes, as amended, imposes a 6% sales tax on the sales price of tangible personal property sold at retail in the State, subject to certain exemptions therefrom. A similar tax is imposed on the cost price of tangible personal property when the property is not sold, but is used, or stocked for use in the State. The largest single source of tax receipts in the State is the sales and use tax. The largest single source of tax receipts in the State is the sales and use tax.

Section 212.055(6), Florida Statutes, authorizes school boards to impose a discretionary sales surtax of 0.5% to finance, plan, and construct fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of five or more years, and any land acquisition, land improvement, design and engineering costs related thereto, as well as the costs of retrofitting and providing for technology implementation, including hardware and software for various sites within a school district. Pursuant to Section 202.19(5), Florida Statutes, the tax is also imposed against communication services as defined in and provided by Chapter 202, Florida Statutes. Such sales surtax revenues may also be used for the purpose of servicing bond indebtedness to finance projects authorized by Section 212.055(6), Florida Statutes, and any interest accrued thereto may be held in trust to finance such projects. However, neither the sales surtax revenues, nor any interest accrued thereto may be used to pay operational expenses. By

statute, the sales amount above $5,000 on any item of tangible personal property is not subject to the surtax.

The Board duly adopted a resolution on March 4, 2002 (the "Original Sales Tax Resolution"), providing for the levy and imposition of a one-half cent school capital outlay discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes (the "Discretionary Sales Surtax") for fifteen years beginning January 1, 2003, and ending December 31, 2017. On May 21, 2002, the levy of the Discretionary Sales Surtax was approved by a majority of the qualified electorate of the County who voted in the referendum. On June 14, 2016, the Board adopted a resolution (the "Extension Sales Tax Resolution" and, together with the Original Sales Tax Resolution, the "Sales Tax Resolution") providing for the extension of the levy and imposition of the Discretionary Sales Surtax, for fifteen years beginning January 1, 2018, and ending December 31, 2032. On November 8, 2016, the levy of the Discretionary Sales Surtax was approved by a majority of the qualified electorate of the County who voted in the referendum. The proceeds of the Discretionary Sales Surtax received by the Board constitute Sales Tax Revenues for purposes of the Bond Resolution.

The table below provides a history of the distributions of the Sales Tax Revenues to the District for the Fiscal Years 2005-06 through 2015-16 and budgeted collections for Fiscal Year 2016-17.

School District of Manatee County, Florida
Sales Tax Revenues Receipts

Fiscal Year	Sales Tax Revenues
2016-17	$31,265,399[(1)]
2015-16	30,062,884
2014-15	28,209,372
2013-14	26,436,232
2012-13	24,379,569
2011-12	23,269,839
2010-11	21,740,639
2009-10	20,324,150
2008-09	20,893,833
2007-08	22,111,203
2006-07	23,846,026
2005-06	23,843,178

(1) Budgeted. The District has received $11,415,477 of the Sales Tax Revenues for Fiscal Year 2016-17 as of December 23, 2016.

Source: Comprehensive Annual Financial Report of the School District of Manatee County for the Fiscal Year ended June 30, 2016. For Fiscal Year 2016-17, School District of Manatee County, Final Annual Budget 2016-2017.

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The table below shows pro forma debt service coverage for Maximum Annual Debt Service in Fiscal Year 2017-18 and Maximum Annual Debt Service in Fiscal Years 2018-19 through 2032-33 based on the budgeted Sales Tax Revenues for Fiscal Year 2016-17.

School District of Manatee County, Florida
Proforma Debt Service Coverage

Budgeted Sales Tax Revenues for Fiscal Year 2016-17[(1)]	$31,265,399
Maximum Annual Debt Service in Fiscal Year 2017-18	$21,928,368
Debt Service Coverage in Fiscal Year 2017-18	1.43x
Maximum Annual Debt Service in Fiscal Years 2018-19 through 2032-33	$12,553,150
Debt Service Coverage in Fiscal Years 2018-19 through 2032-33	2.49x

(1) School District of Manatee County, Final Annual Budget 2016-2017.

THE AMOUNT OF SALES TAX REVENUES DISTRIBUTED TO THE DISTRICT IS SUBJECT TO INCREASE OR DECREASE DUE TO (I) INCREASES OR DECREASES IN THE DOLLAR VOLUME OF TAXABLE SALES WITHIN THE COUNTY, (II) LEGISLATIVE CHANGES RELATING TO THE SALES SURTAX, WHICH MAY INCLUDE CHANGES IN THE SCOPE OF TAXABLE SALES, AND (III) OTHER FACTORS WHICH MAY BE BEYOND THE CONTROL OF THE DISTRICT OR THE BONDHOLDERS, INCLUDING BUT NOT LIMITED TO THE POTENTIAL FOR INCREASED USE OF ELECTRONIC COMMERCE AND OTHER INTERNET-RELATED SALES ACTIVITY THAT COULD HAVE A MATERIAL ADVERSE IMPACT UPON THE AMOUNT OF SALES TAX REVENUES DISTRIBUTED TO THE DISTRICT.

The District has established a block grant for charter schools whereby, in each year that the Sales Tax Revenues are collected, the District will allocate a portion of the Sales Tax Revenues in an amount equal to the five year running average of the Charter School Public Education Capital Outlay ("PECO") funds passed through the District. It is estimated such amount will equal $1,517,554 for Fiscal Year 2017-18. To be eligible for the grant, a charter school must meet all the requirements to receive Charter School PECO funds pursuant to Section 1013.62, Florida Statutes, and submit a funding request to the District for approval. Use of the funds will be restricted to capital outlay projects that are not fixed in nature, such as security equipment and technology. Charter schools will be prohibited from purchasing or constructing new schools, additions to existing schools, major equipment, or other non-removable assets unless expressly approved by the District. If the grant will be used for new construction, the charter school will be required to meet all requirements established by the Florida Department of Education and the State regulating school construction. In the event the charter school closes, all assets purchased with the grant will revert to the District.

Collection and Administration. Pursuant to Section 212.054, Florida Statutes, the State Department of Revenue (the "DOR") has the responsibility to administer, collect, and enforce all surtaxes, including the Discretionary Sales Surtax. The proceeds of Discretionary Sales Surtax collections are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund is to be established for each county or school board imposing such a surtax. The DOR is authorized to deduct 3% of the total revenue generated for all counties levying a surtax for administrative costs. The amount deducted for administrative costs is required to be used only for those costs solely and directly attributable to the surtax. The total administrative costs are to be prorated among those counties levying

the surtax on the basis of the amount collected for a particular county to the total amount collected for all counties. The DOR is required to submit annually, no later than March 1, a report detailing the expenses and amounts deducted for administrative costs to the President of the Senate, the Speaker of the House of Representatives, and the governing board of each county levying the surtax.

Pursuant to Section 212.15, Florida Statutes, vendors are required to remit sales tax receipts by the twentieth (20th) day of the month immediately following the month of collection. No statute prescribes a deadline for remitting Discretionary Sales Surtax proceeds to the local governing bodies. However, according to the accounting division of the DOR, the DOR consistently remits the Discretionary Sales Surtax proceeds to such local governing bodies by the twenty-fifth (25th) day of the month immediately following receipt by the DOR.

Funds and Accounts

Pursuant to the Bond Resolution, the following funds and accounts were established:

(1) the "School District of Manatee County, Florida Sales Tax Revenue Bonds Revenue Fund" (the "Revenue Fund"), which shall consist of the Restricted Revenue Account and the Unrestricted Revenue Account;

(2) the "School District of Manatee County, Florida Sales Tax Revenue Bonds Debt Service Fund" (the "Debt Service Fund"), which shall consist of the Interest Account, the Principal Account, the Bond Amortization Account, and the Reserve Account;

(3) the "School District of Manatee County, Florida Sales Tax Revenue Bonds Rebate Fund" (the "Rebate Fund"); and

(4) the "School District of Manatee County, Florida Sales Tax Revenue Bonds Construction Fund" (the "Construction Fund").

A Series 2017 Subaccount was established within the Reserve Account in order to secure the Series 2017 Bonds. The Reserve Account Requirement applicable to the Series 2017 Reserve Subaccount is zero ($0.00). See "SECURITY FOR THE SERIES 2017 BONDS – Series 2017 Reserve Funding" herein. A Series 2017 Account of the Construction Fund was also established in order to pay costs of the Series 2017 Project.

The moneys required to be accounted for in the funds, accounts, and subaccounts, established in the Bond Resolution may be deposited in a single, non-exclusive bank account, and funds allocated to the various funds, accounts and subaccounts established in the Bond Resolution may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts.

The designation and establishment of the various funds, accounts, and subaccounts in and by the Bond Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Bond Resolution.

Disposition of Sales Tax Revenues

The Bond Resolution provides that the Board shall promptly deposit the Sales Tax Revenues into the Restricted Revenue Account upon receipt. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the third (3rd) day prior to the end of each month as received by the Board in the following manner and in the following order or priority:

(1) Interest Account. There shall be deposited or credited to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all of the Outstanding Bonds accrued and unpaid and to accrue to the end of the current calendar month (assuming that a year consists of twelve (12) months of thirty (30) days each). All Hedge Receipts shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to be the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Board (a) for deposit with the Paying Agent to pay the interest on the Bonds on or prior to the date the same become due and (b) for the Hedge Payments. The Board shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. Except as provided in paragraph (5) below, no further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Qualified Hedge Agreement Counterparty relating to such Bonds shall be paid to the Qualified Hedge Agreement Counterparty on a parity basis with the aforesaid required payments into the Debt Service Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least twenty-four (24) months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any thirty (30) day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least twenty-four (24) months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(2) Principal Account. Commencing in the month which is one (1) year prior to the first principal payment date (or if the first principal due date is less than one year from the date of issuance of the Bonds, the month immediately following issuance of the Bonds), there shall be deposited or credited to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount on the Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on said Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding principal due date, or if there is no such preceding principal due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the Board for deposit with the Paying Agent to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. The Board shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said Account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such proceeding principal due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner provided in the Bond Resolution, and for no other purpose. The Board shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Board, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established at a price not exceeding par plus accrued interest, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms at a price not exceeding par plus accrued interest. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Board shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Bond Resolution, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Board shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Board from the Restricted Revenue Fund.

(4) Reserve Account. The Board shall next deposit into the Reserve Account a sum which shall not be less than one twelfth (1/12th) of the amount which shall enable the Board to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement in one (1) year from the date of any shortfall, whether such shortfall was caused by decreased market value or withdrawal. On or prior to each principal payment date and Interest Date for the Bonds, moneys in the Reserve Account shall be applied by the Board to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be

surplus moneys in the Reserve Account by reason of (i) investment income, shall be deposited into the Interest Account as provided in the Bond Resolution and (ii) a decrease in the Reserve Account Requirement, such surplus moneys shall be deposited by the Board into the Unrestricted Revenue Account, subject to receiving an opinion of Bond Counsel that such application will not have an adverse effect on the tax-exempt status on the Bonds (other than Taxable Bonds), and otherwise to the Debt Service Fund.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Board shall, on the date of delivery of such Series of Bonds, fund the Reserve Account in an amount at least equal to the Reserve Account Requirement, if so required. Such required amount may be paid in full or in part from the proceeds of such Series of Bonds.

Notwithstanding the foregoing provisions, in lieu or substitution of the required deposits into the Reserve Account, the Board may cause to be deposited into the Reserve Account a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account, if any. The Board may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account upon compliance with the terms of the Bond Resolution. Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any principal payment date or Interest Date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. The issuer providing such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall either be (a) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus" of such category) by each rating agency rating the Bonds secured by such Account, or (b) a commercial bank, insurance company, or other financial institution the obligations payable or guaranteed by which have been assigned a rating by Moody's Investors Service, Inc. ("Moody's), S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), or Fitch Ratings Inc. ("Fitch") in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories); provided, that notwithstanding the foregoing, such insurer or commercial bank must be rated by any rating agency or agencies providing a rating on the Bonds secured by such Reserve Account Insurance Policy or Reserve Account Letter of Credit. See "APPENDIX C -- COPY OF BOND RESOLUTION" for additional requirements of the Reserve Account Insurance Policy and/or Reserve Account Letter of Credit.

Following the payment in full of the Prior Bonds, the Board intends to adopt an amendment to the Bond Resolution revising, among other things, the rating requirements of an issuer of a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit. Such amendment will require, among other things, an issuer of a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit to be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, or the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by at least one of Moody's, S&P, and Fitch (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"), or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating in one of the two highest rating categories by at least one of the Moody's, S&P, and Fitch (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"). Upon receipt of the consents to such amendment from the Insurer or the holders of not less

than a majority in aggregate principal amount of the Series 2017 Bonds then Outstanding under the Bond Resolution, as applicable, and adoption of such amendment by the Board, such amendment will become effective. At this time, the Board cannot predict, if or when, it will receive the requisite consents to such amendment so that such amendment will become effective.

Whenever the amount of cash or securities in the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred to the other Accounts of the Debt Service Fund for the payment of the Bonds.

The Board may also establish a separate subaccount in the Reserve Account for any Series of Bonds and provide a pledge of such subaccount to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount unless otherwise provided by Supplemental Resolution. Moneys shall be deposited to separate subaccounts in the Reserve Account on a pro rata basis. In the event the Board shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in such subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance policy or Reserve Account Letter of Credit. See "SECURITY FOR THE SERIES 2017 BONDS – Series 2017 Reserve Funding" herein.

(5) Annual Funding. There shall be next deposited to the Interest Account, the Principal Account, and the Bond Amortization Account, in that order, sufficient moneys such that the amounts on deposit therein shall equal, respectively, the interest and principal (including any Amortization Installment) next coming due on all outstanding Bonds during the current Bond Year.

(6) Unrestricted Revenue Account. The balance of any moneys after the deposits required by paragraphs (1) through (5) above may be transferred, at the discretion of the Board, to the Unrestricted Revenue Account or any other appropriate fund or account of the Board and may be used for any lawful purpose under the Act, including without limitation, the early redemption of the Bonds. In the event moneys on deposit in the Interest Account, the Principal Account and the Bond Amortization Account on the third day prior to an Interest Date are not sufficient to pay the principal of and interest on the Bonds coming due at such Interest Date, the Board shall transfer moneys from the Unrestricted Revenue Account, if any, to the appropriate Account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

The Board, in its discretion may use moneys in the Principal Account and the Interest Account to purchase Outstanding Bonds coming due on the next principal payment date, provided such purchase does not adversely affect the Board's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased.

Series 2017 Reserve Funding

Pursuant to and in accordance with the Bond Resolution, the District has established the Series 2017 Subaccount in the Reserve Account and established the Reserve Account Requirement with respect

thereto to be equal to zero ($0.00). The Series 2017 Bonds shall not be secured by any other account or subaccount in the Reserve Account.

Construction Fund

The Construction Fund will be used only for payment of the Costs of Projects. Moneys in the Construction Fund, until applied in payment of any item of the Costs of a Project in the manner provided in the Bond Resolution, will be held in trust by the District and are subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders. The Board will establish within the Construction Fund a separate account for each Project (including the Series 2017 Project), the Costs of which are to be paid in whole or in part out of the Construction Fund.

In the Bond Resolution, the District covenants that the acquisition, construction, reconstruction, renovation, and equipping of each Project will be completed without delay and in accordance with sound engineering practices. The District will only make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the Project for which such account was established, except as provided below with respect to any surplus proceeds in a particular account. The District shall keep records of such disbursements and payments and shall retain all such records for six (6) years from the dates of such records. To the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on the Series of Bonds for which such account was established.

The date of completion of acquisition and construction of a Project will be filed by the Superintendent with the Board. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the Costs of such Project, the District will deposit in the following order of priority any balance of moneys remaining in the Construction Fund in (A) any other account established in the Construction Fund for which the Superintendent certifies that there are insufficient moneys to pay the Costs of the Project for which such account was established and (B) such other fund or account established under the Resolution as determined by the District, provided the District has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for purposes of federal income taxation.

Additional Bonds

The Board may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing the Cost of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the District. No such Additional Bonds shall be issued unless (i) no Event of Default (as specified in the Bond Resolution) shall have occurred and be continuing, and (ii) the following conditions are complied with:

(A) Except as otherwise provided in paragraph (C) below, there shall have been obtained and filed with the Board a statement of the Superintendent or his/her designee: (1) stating that he or she has examined the books and records of the Board relating to the Sales Tax Revenues which have been received by the Board for deposit to the Restricted Revenue Account; (2) setting forth the amount of the Sales Tax Revenues which have been received by the Board during any twelve (12) consecutive months designated by the Board within the eighteen (18) months immediately preceding the date of delivery of

such Additional Bonds with respect to which such statement is made; and (3) stating that the amount of the Sales Tax Revenues received during the aforementioned 12-month period equals at least 1.50 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such report of the Superintendent may be partially based upon certification of certain matters related to the calculation of Maximum Annual Debt Service by the Board's financial advisor. For the purpose of determining the Debt Service under paragraph (A) above, the interest rate on Additional Bonds that are proposed to be as Variable Rate Bonds shall be deemed to be the Bond Buyer 20-Year Revenue Bond Index published no more than two weeks prior to the sale of such Additional Bonds.

(B) Additional Bonds shall be deemed to have been issued pursuant to the Bond Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Bond Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Bond Resolution. Except as provided in the Bond Resolution, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the Board shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Additional Bonds pursuant to the Bond Resolution that in the event the principal thereof is accelerated due to such Bonds being held by the Credit Facility Provider, the lien of any accelerated debt due and owning such Credit Facility Provider on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by the Bond Resolution.

(C) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of paragraph (A) above shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions of paragraph (A) above shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph (C).

Books and Records

The Board will keep books and records of the receipt of the Sales Tax Revenues in accordance with generally accepted accounting principles, and any Credit Facility Provider or Holder or Holders of at least $1,000,000 aggregate principal amount of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the District relating thereto.

Receipt of Sales Tax Revenues

The Board covenants to do all things necessary or required on its part by the Act or other applicable provisions of law to maintain the levy, collection, or receipt of the Sales Tax Revenues in the maximum amount provided by law. The Board shall exercise all legally available remedies to enforce such receipt now or hereafter available under law. The District will not take any action or enter into any agreement that shall result in impairing or reducing the level of Sales Tax Revenues received by the District from that level prevailing at the time the District takes such action or enters into such agreement.

No Impairment

The Board covenants in the Bond Resolution that pledging the Pledged Funds in the manner set forth in the Bond Resolution shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution, agreement or other proceedings of the Board.

Investments

Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such Fund or Account. Moneys on deposit in the Reserve Account may be invested and reinvested in Authorized Investments which shall mature not more than (10) ten years from the date of investment. All investments shall be valued at least semi-annually.

Any and all income received by the Board from the investment of moneys in each account of the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Restricted Revenue Account and the Reserve Account (to the extent the amount on deposit therein does not exceed the Reserve Account Requirement) shall be retained in such respective Fund, Account or sub-account; provided that amounts in the Reserve Account (whether from investment of moneys therein or from other sources) in excess of the Reserve Account Requirement shall be transferred to the Interest Account.

MUNICIPAL BOND INSURANCE POLICY

Bond Insurance Policy

Concurrently with the issuance of the Series 2017 Bonds, the Board will obtain a Municipal Bond Insurance Policy for the Series 2017 Bonds (the "Policy") from Assured Guaranty Municipal Corp. ("AGM" or the "Insurer"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2017 Bonds when due as set forth in the form of the Policy included as APPENDIX F to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

The Insurer is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure, and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than the Insurer, is obligated to pay any debts of the Insurer or any claims under any insurance policy issued by the Insurer.

The Insurer's financial strength is rated "AA" (stable outlook) by S&P, "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA"), and "A2" (stable outlook) by Moody's. Each rating of the Insurer should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell, or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of the Insurer in its sole discretion. In addition, the rating agencies may at any time change the Insurer's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings, or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by the Insurer. The Insurer only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by the Insurer on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On July 27, 2016, S&P issued a credit rating report in which it affirmed the Insurer's financial strength rating of "AA" (stable outlook). The Insurer can give no assurance as to any further ratings action that S&P may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on the Insurer. The Insurer can give no assurance as to any further ratings action that Moody's may take.

On December 14, 2016, KBRA issued a financial guaranty surveillance report in which it affirmed the Insurer insurance financial strength rating of "AA+" (stable outlook). The Insurer can give no assurance as to any further ratings action that KBRA may take.

For more information regarding the Insurer's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Capitalization of the Insurer

At September 30, 2016, the Insurer's policyholders' surplus and contingency reserve were approximately $3,891 million and its net unearned premium reserve was approximately $1,378 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of the Insurer, the Insurer's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of the Insurer's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve, and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to the Insurer are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 (filed by AGL with the SEC on May 5, 2016);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016 (filed by AGL with the SEC on August 4, 2016); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016 (filed by AGL with the SEC on November 4, 2016).

All consolidated financial statements of the Insurer and all other information relating to the Insurer included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2017 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding the Insurer included herein under the caption "MUNICIPAL BOND INSURANCE POLICY – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "Insurer Information") shall be modified or superseded to the extent that any subsequently included the Insurer Information (either directly or through incorporation by reference) modifies or supersedes such previously included the Insurer Information. Any Insurer Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. The Insurer makes no representation regarding the Series 2017 Bonds or the advisability of investing in the Series 2017 Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under the heading "MUNICIPAL BOND INSURANCE POLICY."

MUNICIPAL BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Series 2017 Bonds when all or some becomes due, any owner of the Series 2017 Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Series 2017 Bonds by the Board which is recovered by the Board from the bond owner as a voidable preference under

applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Board unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to the Resolution.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Series 2017 Bonds are payable solely from the moneys received pursuant to the Bond Resolution. In the event the Insurer becomes obligated to make payments with respect to the Series 2017 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2017 Bonds or the marketability (liquidity) for the Series 2017 Bonds.

The long-term ratings on the Series 2017 Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Series 2017 Bonds will not be subject to downgrade and such event could adversely affect the market price of the Series 2017 Bonds or the marketability (liquidity) for the Series 2017 Bonds.

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Board nor the Underwriters have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Board to pay principal and interest on the insured Series 2017 Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE POLICY" herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

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ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds to be derived from the sale of the Series 2017 Bonds.

SOURCES:	
Principal Amount of Series 2017 Bonds	$131,785,000.00
Plus Bond Premium	19,260,512.50
Total Sources	$151,045,512.50
USES:	
Deposit to Series 2017 Construction Account	$150,000,000.00
Costs of Issuance[(1)]	1,045,512.50
Total Uses	$151,045,512.50

(1) Includes, without limitation, Underwriters' discount, legal, accounting and financial advisory fees, printing costs, the Policy premium, and other costs associated with the issuance of the Series 2017 Bonds.

DEBT SERVICE SCHEDULE

			Series 2017 Bonds			
Year Ending (October 1)	Series 2005 Bonds	Series 2012 Bonds	Principal Payments	Interest Payments	Total Debt Service	Aggregate Debt Service
2017	$3,225,356	$12,381,480		$3,913,373	$3,913,373	$19,520,209
2018			$6,215,000	6,462,450	12,677,450	12,677,450
2019			6,465,000	6,213,850	12,678,850	12,678,850
2020			6,725,000	5,955,250	12,680,250	12,680,250
2021			7,060,000	5,619,000	12,679,000	12,679,000
2022			7,415,000	5,266,000	12,681,000	12,681,000
2023			7,785,000	4,895,250	12,680,250	12,680,250
2024			8,175,000	4,506,000	12,681,000	12,681,000
2025			8,580,000	4,097,250	12,677,250	12,677,250
2026			9,010,000	3,668,250	12,678,250	12,678,250
2027			9,460,000	3,217,750	12,677,750	12,677,750
2028			9,935,000	2,744,750	12,679,750	12,679,750
2029			10,430,000	2,248,000	12,678,000	12,678,000
2030			10,955,000	1,726,500	12,681,500	12,681,500
2031			11,500,000	1,178,750	12,678,750	12,678,750
2032			12,075,000	603,750	12,678,750	12,678,750
Total	$3,225,356	$12,381,480	$131,785,000	$62,316,173	$194,101,173	$209,708,009

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

The Board is organized under Section 4, Article IX, of the Constitution of State and Chapter 1001, Florida Statutes, and is the governing body of the District. The geographic boundaries of the District are coterminous with those of the County. For the Fiscal Year 2016-17, the District has budgeted for 53 schools (comprised of 32 elementary schools, 10 middle schools, six high schools, three alternative education schools, one ESE center, and one post-secondary school (operated at four sites)); 47,890 unweighted full-time equivalent ("FTE") students (6,315 of which are in the 12 charter schools operated in the District); and 6,125 employees. Management of the schools of the District is independent of County and city governments. The County collects taxes for the Board, but exercises no control over expenditures by the Board.

The Organization and Powers of the Board

The Board is a body corporate existing under the laws of the State. The Board is the governing body of the District, consisting of members elected by districts for overlapping four-year terms. Under existing law, the Board's duties and powers include, but are not limited to, the development of policies and rules for the efficient operation of the District; the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools, establishment and operation of programs for gifted students and for 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 Board also has broad financial responsibilities, including the approval of an annual budget, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls. The annual budget and accounting reports must be filed with the State Department of Education.

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

Name/Office	Term Expires
Charlie Kennedy, Chair	November, 2018
John A. Colón, Vice Chair	November, 2020
Karen Carpenter	November, 2018
Gina Messenger	November, 2020
David "Watchdog" Miner	November, 2020

Superintendent of Schools

The Superintendent of Schools is the chief executive officer and secretary of the District. The Superintendent is appointed for a term of years as negotiated with the Board. The Superintendent oversees operations of the school system, makes policy recommendations to the Board, and performs the duties assigned by law and the regulations of the State Department of Education. The Superintendent also prepares the annual budget for approval by the Board, recommends the tax levy based upon needs illustrated by the budget, recommends debt issuance or borrowing plans of the Board when necessary,

provides recommendations for investment of available funds, and keeps records with respect to all funds and financial transactions of the Board.

Administration

Dr. Diana Greene, Ph.D., Superintendent of Schools – Dr. Diana Greene is the Superintendent of the District. She was appointed to the role of Superintendent on June 9, 2015. Her Oath of Office was officially signed on June 10, 2015. Prior to becoming Superintendent, Dr. Greene served two years as Deputy Superintendent of Instructional Services of the District. Before that, she served in a variety of leadership roles in the School District of Marion County, Florida from 2001 to 2013. In all, Dr. Greene has more than 29 years in education, including experience in senior executive leadership, curriculum development, staff development, school administration, and as a classroom teacher. She earned her Doctorate in Advanced K-12 Education from Capella University in 2006. Dr. Greene has always been an active member of her community and is currently serving as a Board Member for the United Way of Manatee County, Meals on Wheels, and the Manatee Education Foundation.

Rebecca Roberts, Chief Financial Officer – Mrs. Roberts has been the Chief Financial Officer for the District since November 2014 and was previously the Director of Finance. Prior to coming to the District, Mrs. Roberts was the Division Chief – Accounting for the City of Baltimore, Maryland from December 2010 through April 2014. Mrs. Roberts has previous experience in finance, accounting, auditing and operations.

Tammy Taylor, Director of Finance – Ms. Taylor has been the Director of Finance since June 2015 and was previously the Finance Manager for the District since July 2011. She earned an MBA and a Bachelor of Science Degree in Accounting from Florida Metropolitan University. Prior to joining the District, Ms. Taylor worked for the School District of Pasco County, Florida as the Internal Audit and Grants Manager and then the Finance Manager between June 2007 and June 2011. In addition, she worked in Public Transit for HART in Tampa, Florida as a Senior Grants Accountant and as a Staff Auditor for ValienteHernandez CPAs focusing on governmental and non-profit agency audit work.

Academics

The District has budgeted a total of 53 schools operated at 56 school sites consisting of: 32 elementary schools comprised of kindergarten through the grade five, 10 middle schools comprised of grades six through eight, six high schools comprised of grades nine through 12, three alternative education schools, one ESE Center, and one post-secondary school (operated at four sites). The District also has budgeted to manage 12 contract sites, including three Department of Juvenile Justice sites and 12 charter schools.

The District provides standards based programs to serve students of widely varying academic levels, interests and needs. The largest numbers of students are served in the K-12 basic programs. These include programs in reading and language arts, mathematics, science, social studies, the arts, foreign language, technology, and physical education/health.

The focus at the District's elementary schools is to provide a solid foundation in the core academic areas and to introduce students to experiences in the fine arts and technology. The elementary school program emphasizes basic skills including reading, writing, language arts, and mathematics.

Balance curriculum also includes instruction in science, computer literacy, health, social studies, art, music and physical education.

At the middle school level, the academic courses extend the fundamental skills, and students being instructional programs in areas of personal interest. The middle school program begins with middle school curriculum centering on English, math, science, computer literacy and social studies. Students are encouraged to begin developing their strengths and interests through electives such as art, music, foreign languages and vocational exploratory programs.

High school programs are designed to meet the needs of the college bound as well as vocational students. Students who plan to continue their education into college make take a broad range of college preparatory courses as well as advanced placement and honors courses.

Statistical Data

The following table presents a summary of general statistical data regarding the District.

Summary of Statistical Data
Five-Year History

School Year	Number of Schools[(1)]	Number of Classroom Instructors	Unweighted FTE Enrollment	Expenditure per FTE Student
2015-16	54	3,467	47,644	$7,899
2014-15	53	3,193	46,931	7,497
2013-14	53	3,071	45,890	7,175
2012-13	53	2,861	45,150	7,256
2011-12	53	2,875	45,150	7,124

[(1)] Does not include the four operating sites of the Manatee Technical Institute.

Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

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Projected Student Enrollment
School District of Manatee County

School Year	Estimated FTE Enrollment
2016-17	47,890
2017-18	48,917
2018-19	49,229
2019-20	49,690
2020-21	50,264
2021-22	50-706

Source: For School Year 2016-17, School District of Manatee County, Final Annual Budget 2016-2017; For School Years 2017-18 through 2021-22, State of Florida Office of Economic & Demographic Research, Conference Report for Pre-K-12 Enrollment Education Estimating Conference, Florida School District Programs Unweighted Full-Time Equivalent (FTE) Student Enrollment, December 8, 2016.

Employee Relations

During the Fiscal Year 2016-17, the Board has budgeted to employ 6,125 full time employees. The instructional employees, including teachers and paraprofessionals, are represented for collective bargaining and other purposes by the Manatee Education Association (the "MEA"). Support employees, including certain clerical, transportation, food service, and custodial employees, are represented for collective bargaining and other purposes by the American Federation of State County and Municipal Employees (the "AFSCME"). The remaining employees, who are primarily administrators, are not represented by a union and are not subject to a collective bargaining agreement. The collective bargaining agreements for MEA - Parprofessionals and AFSCME expire on June 30, 2017. The Board has been in negotiations with MEA – Teachers on certain items, including both wages and benefits for the current school year. However, the MEA – Teachers declared impasse on November 8, 2016, with formal notification to the Public Employers Relations Commission on November 14, 2016. Both parties will have an opportunity to present their concerns to a special magistrate who will submit recommendations to the Board for its consideration. The special magistrate hearing is scheduled for January 25, 2017. At this time, it is not possible to predict with any certainty the outcome of the special magistrate hearing. State law requires operating under the current contract until a new contract has been negotiated and approved, and prohibits public employees and public employee organizations from participating in a strike against a public employer.

Retirement and Other Post Employment Benefits

Essentially all regular employees of the District are eligible to enroll as members of the Florida Retirement System (the "FRS"). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes, Chapter 112, Part IV, Florida Statutes, Chapter 238, Florida Statutes, and the Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the State Legislature. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (the

"FRS Pension Plan"), a Deferred Retirement Option Program (the "DROP"), a Retirement Health Insurance Subsidy Plan (the "HIS Plan"), and a defined-contribution plan, referred to as the Florida Retirement System Investment Plan (the "Investment Plan"). See "APPENDIX G – THE FLORIDA RETIREMENT SYSTEM" for more information regarding the FRS.

The FRS Plan.

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

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – elected Board members.
- Senior Management Service Class (SMSC) – Members in senior management level positions.

Employees enrolled in the FRS Pension Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Pension Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the FRS Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the FRS Pension Plan may include up to four years of credit for military service toward creditable service. The FRS Pension Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Pension Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participations.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Pension Plan 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 after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for the DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. See "APPENDIX B – THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2016" attached hereto for the percentage value for each year of service credit earned.

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

Contributions. The State Legislature establishes contribution rates for participating employers and employees. Contribution rates during the Fiscal Year 2015-16 were as follows:

	Percent of Gross Salary	
	Employee	Employer[(1)]
FRS, Regular	3.00%	7.26%
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.43
DROP – Applicable to Members from All of the Above Classes	0.00	12.88
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for the DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

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

Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

The District's contributions, including employee contributions, to the FRS Pension Plan for the Fiscal Years 2012-13, 2013-14, 2014-15, and 2015-16 totaled $17,099,418, $21,711,805, $18,600,942, and $21,005,238, respectively, which were equal to the required contributions for each fiscal year.

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Relate to Pensions. At June 30, 2016, the District reported a liability of $71,741,222 for its proportionate share of the FRS Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's contributions for the Fiscal Year 2014-15 relative to the Fiscal Year 2014-15 contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.5554 percent, which was a decrease of 0.0007 percent from its proportionate share of 0.5561 percent measured as of June 30, 2014. Below is a schedule of the District's proportionate share of net pension liability for the FRS Plan:

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District Fiscal Year Ending June 30	Plan Sponsor Measurement Date June 30	District's Portion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Employee Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as Percentage of Total Pension Liability
2016	2015	0.5554%	$71,741,222	$185,990132	38.57%	92.00%
2015	2014	0.5561	33,932,975	183,742,917	18.47	96.09
2014	2013	0.5718	98,428,154	175,279,396	56.16	88.54

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(1) The District implemented GASB 68 for the Fiscal Year 2014-15, including a restatement as of June 30, 2014. Information for prior Fiscal Years is not available.

Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

For the Fiscal Year 2015-16, the District recognized the FRS Pension Plan expense of $4,684,257. In addition, the District reported total deferred outflows of resources in the amount of $25,392,290 and total deferred inflows of resources in the amount of $20,762,537 related to the FRS Pension Plan. The deferred outflows of resources related to pensions, totaling $13,056,836, resulting from District contributions to the FRS Pension Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the Fiscal Year 2016-17. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense in subsequent fiscal years. See "APPENDIX B – THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2016" attached hereto for more detailed information regarding deferred outflows and inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability for the FRS Pension Plan was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2015
Measurement Date:	June 30, 2015
Discount Rate:	7.65%
Long-term expected rate of return, net of investment expense	7.65%
Inflation:	2.60%
Salary Increases:	3.25%, including inflation
Mortality:	Generational RP-200 with Projection Scale BB
Actuarial Cost Method:	Individual Entry Age

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan are based on the results of the most recent experience study completed in 2014 for the period July 1, 2008 through June 30, 2013.

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future

benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by multiple contracted capital market assumptions teams. The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. See "APPENDIX B – THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2016" attached hereto for the target allocation and best estimates of arithmetic real rates of return for each major asset class.

Sensitivity of the District's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's Proportionate Share of the Net Pension Liability	$185,897,731	$71,741,222	$(23,255,745)

Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

The Retirement Health Insurance Subsidy Plan.

Plan Description. The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and provides a monthly subsidy payment to retired members of any State-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a State-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a State-administered retirement system except those individuals who are pension recipients under Sections 121.40, 237.08(18)(a), and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes, or any other special pension or relief act are not eligible for such pension payments. See "APPENDIX G – THE FLORIDA RETIREMENT SYSTEM" for more information regarding the HIS Plan.

Benefits Provided. For the Fiscal Year 2015-16, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered

retirement system must provide proof of health insurance coverage, which may include Medicare. 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, benefits may be reduced or cancelled.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Fiscal Year 2015-16, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statues. The District contributed 100 percent of its statutorily required contributions for the current and preceding three years. The District's contributions to the HIS Plan totaled $3,774,082 for the Fiscal Year 2015-16.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions. At June 30, 2016, the District reported a net pension liability of $72,912,288 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, and update procedures were used to determine liabilities as of July 1, 2015. 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 2014-15 contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.7149 percent, which was a decrease of 0.130 percent from its proportionate share of 0.7019 measured as of June 30, 2014. Below is a schedule of the District's proportionate share of net pension liability for the HIS Plan:

District Fiscal Year Ending June 30	Plan Sponsor Measurement Date June 30	District's Portion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Employee Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as Percentage of Total Pension Liability
2016	2015	0.7149%	$72,912,288	$217,014,659	33.60%	0.50%
2015	2014	0.7019	65,629,435	216,899,444	30.26	0.99
2014	2013	0.7499	65,290,530	200,373,000	32.58	1.78

(1) The District implemented GASB 68 for the Fiscal Year 2014-15, including a restatement as of June 30, 2014. Information for prior Fiscal Years is not available.

Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

For the Fiscal Year 2015-16, the District recognized pension expense of $5,014,469 related to the HIS Plan. In addition, the District reported total deferred outflows of resources in the amount of $10,561,586 and total deferred inflows of resources in the amount of $3,019,495 related to pensions. The deferred outflows of resources related to pensions, totaling $3,774,082, resulting from District contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Fiscal Year 2016-17. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense in subsequent fiscal years. See "APPENDIX B – THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED

JUNE 30, 2016" attached hereto for more detailed information regarding deferred outflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2015
Measurement Date:	June 30, 2015
Discount Rate:	3.80%
Municipal Bond Rate:	3.80%
Inflation:	2.60%
Salary Increases:	3.25%, including inflation
Mortality:	Generational RP-200 with Projection Scale BB
Actuarial Cost Method:	Individual Entry Age

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

Discount Rate. The discount rate used to measure the total pension liability was 3.80 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Long-Term Expected Rate of Return. The HIS Plan is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the pension plan, or assumed asset allocation.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.80 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
District's Proportionate Share of the Net Pension Liability	$83,080,158	$72,912,288	$64,433,810

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Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

The Investment Plan. The District contributes to the Investment Plan, a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the State Board of Administration (the "SBA"). Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Pension Plan. District employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the State Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the Fiscal Year 2015-16 were as follows:

	Percent of Gross Salary	
	Employee	Employer
FRS, Regular	3.00%	7.26%
FRS, Elected County Officers	3.00	42.27
FRS, Senior Management Service	3.00	21.43

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Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the Fiscal Year 2015-16, the information for the amount of forfeitures is unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's FRS Investment Plan pension expense, including employee contributions, totaled $3,241,530 for the Fiscal Year 2015-16.

Other Post Employment Benefits.

Plan Description. The Other Postemployment Benefits Plan (the "OPEB Plan") is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents, may continue to participate in the District's fully insured group health plan. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy. OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through negotiations between the District and respective unions. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you go basis. For Fiscal Year 2015-16 there were 444 retirees receiving other postemployment benefits. The District provided required contributions of $2,630,776 toward the annual OPEB cost, net of retiree contributions totaling $2,956,843, which represents 1.2 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligations. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (the "ARC"), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. The ARC represents a level of funding that is paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the Fiscal Year 2015-16, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation for Postemployment Healthcare Benefits:

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Description	Amount
Normal Cost (service cost for one year)	$520,513
Amortization of Unfunded Actuarial Accrued Liability	498,834
Interest on Normal Cost and Amortization	40,774
Annual Required Contribution	1,060,121
Interest on Net OPEB Obligation	518,387
Adjustment to Annual Required Contribution	(908,434)
Annual OPEB Cost (Expense)	670,074
Contribution Toward the OPEB Cost	(2,630,776)
Decrease in Net OPEB Obligation	(1,960,702)
Net OPEB Obligation, Beginning of Year	12,959,677
NET OPEB Obligation, End of Year	$10,998,975

Source: Comprehensive Annual Financial Report of School District of Manatee County, Florida for the Fiscal Year Ended June 30, 2016.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2016, and the preceding years, were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011-12	$2,009,503	75.86%	$16,297,911
2012-13	1,663,392	111.93	16,885,616
2013-14	1,752,361	160.87	15,032,880
2014-15	780,464	365.64	12,959,677
2015-16	670,074	392.61	10,998,975

Source: Comprehensive Annual Financial Reports of the District School Board of Manatee County, Florida for the Fiscal Years Ended June 30, 2014 and June 30, 2016.

Funded Status and Funding Progress. As of July 1, 2015, the most recent actuarial valuation date, accrued liability for benefits was $7,482,510, and the actuarial value of assets was $0.00, resulting in an unfunded actuarial accrued liability of $7,482,510 and a funded ratio of zero percent. The covered payroll (annual payroll of active participating employees) was $238,019,028 for the Fiscal Year 2014-15, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 3.1%.

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

information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of funding progress is below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll (B-A)/C
07/01/2015	$0.00	$7,482,510	$7,482,510	0.0%	$238,019,028	3.1%
07/01/2014	0.00	9,534,191	9,534,191	0.0	229,970,080	4.1
07/01/2013	0.00	15,061,093	15,061,093	0.0	217,085,489	6.9
07/01/2012	0.00	14,485,189	14,485,189	0.0	219,942,192	6.6

Source: Comprehensive Annual Financial Reports of the District School Board of Manatee County, Florida for the Fiscal Years Ended June 30, 2014 and June 30, 2016.

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

The District's OPEB actuarial valuation as of July 1, 2015 used the projected unit credit actuarial cost method to estimate the unfunded actuarial accrued liability as of June 30, 2016, and to estimate the District's Fiscal Year 2015-16 annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumption included a 4% discount rate. The actuarial assumptions also included a payroll growth rate of 4.25% annually and an annual healthcare cost trend of 7% for preretirement and 8% for postretirement for the Fiscal Year 2015-16, reduced by various decrements each, to an ultimate rate of 5% in the Fiscal Year 2024-25. The investment rate of return and payroll growth rate include a general price inflation of 2.60%. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis.

Early Retirement Plan Payable.

On March 20, 1995, the Board approved the Manatee County School Board One-time Only Retirement Incentive Plan (the "STB Plan"). This plan provided that eligible employees who elected to retire by June 30, 1995, be paid special termination benefits. The STB Plan was offered to members of the instructional and classified bargaining units and administrative personnel who signed an agreement to participate in the STB Plan, who agreed to retire from employment under the provisions of the FRS Pension Plan, and who met certain age and length of service requirements. One hundred fifty-nine (159) employees elected to participate in the STB Plan. Special termination benefits included payment for 100 percent of accrued sick and vacation leave, either a bonus based on 25 percent of the retiree's final year's compensation or an amount to compensate the employee for the FRS early retirement penalty, single coverage for health insurance, and a specified amount of life insurance. The STB Plan provided that the accrued sick and vacation leave, bonus pay, and the FRS early retirement penalty be paid out to the

retirees and to a third-party administrator over a period of five years. The premiums for health insurance are to be paid for a period of eight years, while the premiums for the life insurance are to be paid out over the respective retiree's life. The total paid by the District pursuant to this retirement incentive during the Fiscal Year 2015-16 was $18,223. The District reported a liability of $72,325 in the statement of net position representing the present value of the estimated future payments under the STB Plan.

On May 9, 2011, an On-Time Retirement Incentive Program was approved by the School Board for all Supervisory, Administrative and Managerial personnel ("SAMP") and non-bargaining. Eligible employees received one month of salary (20 days), a 10 year life insurance policy in the amount of $25,000 paid by the District, and three months of retiree single health insurance immediately following resignation. Employees were required to retire or resign no later than December 31, 2011. Twenty (20) employees elected to participate in the program. The total paid by the District pursuant to this retirement incentive during the Fiscal Year 2015-16 was $8,493. The District reported a liability in the amount of $42,465 in the statement of net position representing the present value of the estimated future payments under the program.

On October 22, 2012, an On-Time Retirement Incentive Program was approved by the Board for all SAMP and non-bargaining employees. Eligible employees will receive one month of salary (20 days), a 10 year life insurance policy in the amount of $25,000 paid by the District, and three months of single health insurance immediately following resignation. Employees were required to retire or resign no later than December 31, 2012, with an effective date of no later than July 31, 2013. Nineteen (19) employees elected to participate in the program. The total paid by the District pursuant to this retirement incentive during the Fiscal Year 2015-16 was $8,493. The District reported a liability in the amount of $50,958 in the statement of net position representing the present value of the estimated future payments under the program.

Accounting and Funds

Pursuant to Section 11.45, Florida Statutes, the financial operations of the Board are subject to annual audit. The Board may use independent auditors two out every three fiscal years with the Auditor General's office auditing the financial operations of the Board once every three fiscal years. Audit responsibilities assigned to the Auditor General and/or an independent auditor include the presentation of an annual report on the Board's financial statements, assessment of the adequacy of the Board's control environment, and determination of the Board's compliance with legal requirements.

The accounting practices of the Board are designed to conform to generally accepted accounting principles applicable to governmental units. GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and related GASB pronouncements, created new basic financial statements for reporting the District's financial activities. In addition to fund financial statements, the financial statements include government-wide financial statements prepared on the accrual basis of accounting that split the District's programs between government and business-type activities. For Fiscal Year 2014-15, the organization of such financial statements was generally as follows:

Basis of Presentation

Government-wide Financial Statements – Government-wide financial statements, that is, the statement of net position and the statement of activities, present information about the District as a

whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's capital assets are allocated to appropriate functions, while the remaining depreciation expense not readily associated with a particular function is reported as unallocated.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

Fund Financial Statements – Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

Debt Service – Other Debt Service Fund – to account for and report on the payment of principal, interest, and related costs on the sales tax revenue bond issues, certificate of participation issues, and other debt service issues.

Capital Projects – Section 1011.71(2), Local Capital Improvement Tax Fund – to account for the funds generated by the local capital improvement tax levied under Section 1011.71(2), Florida Statutes.

Capital Project – Other Capital Projects Fund – to account for other capital financial resources such as Sales Tax Proceeds, Impact Fees, Sales Tax Revenue Bonds, etc.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Internal Service Funds – to account for the District's individual self-insurance programs.

- Private-Purpose Trust Fund – to account for financial fees and other moneys for which principal and income benefit individuals or private organizations.

- Agency Funds – to account for resources of the school internal funds which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Property taxes, sales taxes, state education funding, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the District.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums and workers' compensation premiums. Operating expenses include insurance claims and excess coverage premiums.

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

See "APPENDIX B – THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2016" attached hereto.

Budget Process

State law requires the 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 State law, on the application of millage levies to 96 percent of the non-exempt assessed value of property in the County.

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

The 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 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 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 property appraiser. This public hearing usually occurs 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 State Department of Education. After the final budget hearing, the Board must certify the final millage rate to the tax collector, the property appraiser and the State Department of Revenue. The District prepared its tentative Fiscal Year 2016-17 budget which was adopted at a public hearing held on July 26, 2016, and adopted its final budget for Fiscal Year 2016-17 on September 6, 2016.

Auditing System

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

The District formed the Audit Planning and Review committee (the "Audit Committee") on December 20, 2001, in accordance with the Office of Program Policy and Governmental Accountability ("OPPAGA"). The Audit Committee consists of five members. The Office of the Auditor General ("OAG") performs audits every third year. The District engages a private auditing firm to complete the District's audit on years the OAG does not perform the audit. In addition, the Board has an Internal Audit Department, including a Construction Auditor.

General Fund and Capital Projects Funds Operations

The Board's revenues in the general and capital project funds are derived from federal and State appropriations and local sources.

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 "Commissioner"). 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. 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.

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The table below shows the assigned and unassigned fund balances and percentage of General Fund revenues for the Fiscal Years 2009-10 through 2016-17:

Assigned and Unassigned Fund Balance for the District's General Fund

Fiscal Year Ended June 30	Assigned and Unassigned General Fund Balance	Percentage of General Fund Revenues
2010	$9,126,279	3.11%
2011[(1)]	4,974,102	1.65
2012[(2)]	(4,127,328)	(1.40)
2013[(3)]	(8,634,431)	(2.80)
2014	11,066,355	3.32
2015	14,194,958	4.11
2016	13,414,648	3.72
2017[(4)]	12,000,000	3.26

(1) The key factors in the decrease of the District's General Fund balance were unmet revenue projections and reduced transfers into the General Fund from other funds and accounts.
(2) The key factors in the decrease of the District's General Fund balance were errors made in developing the compensation budget, pay cuts incorporated in the original budget that were not made retroactive when approved, and additional positions approved by the Board and various programs and expenditures that were not budgeted due to the District's encumbrance system not working properly. The District has corrected the encumbrance system and built in other monitoring methods to prevent the problem from reoccurring.
(3) The key factors in the decrease of the District's General Fund balance were unmet revenue projections and overspending several functional expenditure categories.
(4) Budgeted figures.

Source: For Fiscal Years 2009-10 through 2015-16, Comprehensive Annual Financial Reports of the School District of Manatee County, Florida for the Fiscal Years Ended June 30, 2010 through 2016. For Fiscal Year 2016-17, School District of Manatee County, Final Annual Budget 2016/2017.

As required by State law, the Superintendent provided written notification to the Board and the Commissioner that the District's ending fund balance in the General Fund had fallen below the three percent threshold for the Fiscal Year 2010-11. The Superintendent also provided written notification to the Board and the Commissioner of a deficit reported in the General Fund for Fiscal Year 2011-12. Thereafter, the District provided the Commissioner a fiscal recovery plan, incorporating staff reductions, an on-time retirement incentive program, purchase deferrals, and other cost saving measures. This fiscal recovery plan was approved by the Commissioner on October 12, 2012. The Superintendent also provided written notification to the Board and the Commissioner of a deficit reported in the General Fund for Fiscal Year 2012-13, and an updated fiscal recovery plan. This fiscal recovery plan was approved by the Commissioner on March 4, 2014.

Starting late in the Fiscal Year 2012-13 and continuing through the Fiscal Year 2013-14, the District revised and strengthened its budgetary reporting and controls. The District implemented detailed written policies and procedures, including a step-by-step checklist, as a basis for developing and

amending the annual budget and periodic testing to confirm budget projections. In addition, the District implemented an automated resource allocation system to provide real time tracking of employee filled and vacant-funded positions; hired a new budget director and created a budget department charged with implementing budgetary controls, monitoring District expenditures, and ensuring compliance with the District's budget process; and provided more frequent, detailed financial reports by major expenditure function to the Board to better identify potential budget shortfalls.

The tables on the following pages summarize audited results of operations for the general and capital project funds for the Fiscal Year 2011-10 through Fiscal Year 2015-16, and budgeted results of operations for the general fund and capital project funds for Fiscal Year 2016-17.

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School District of Manatee County, Florida
Summary of General Fund Operations*

	Audited					Budget
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Revenues						
Federal Direct	$529,260	$427,453	$578,419	$519,440	$540,494	$525,000
Federal Through State	1,578,453	1,737,586	2,149,971	1,009,037	2,566,281	2,100,000
State	125,627,949	151,163,621	168,865,334	173,407,954	173,060,212	180,980,690
Local	167,507,375	155,019,301	161,439,675	170,352,832	184,262,483	186,747,658
Total Revenues	$295,243,037	$308,347,961	$333,033,399	$345,289,263	$360,429,470	$370,353,348
Expenditures:						
Current-Education						
Instruction	$203,773,468	$209,094,026	$212,519,003	$227,597,408	$242,500,001	$253,738,525
Pupil Personnel Services	14,932,159	14,502,676	13,953,178	16,317,087	16,566,273	16,771,278
Instructional Media Services	3,567,171	3,295,487	3,533,431	4,102,283	4,130,204	4,190,186
Instr./Curr. Development Services	5,956,552	5,422,238	5,263,412	4,950,639	5,100,055	4,442,842
Instructional Staff Training	1,433,644	982,822	669,116	1,357,464	1,532,319	2,099,318
Instruction Related Technology	840,042	781,347	189,028	592,642	46,106	1,130,483
School Board	1,232,796	1,560,043	1,336,453	1,081,500	854,589	823,773
General Administration	1,038,943	1,087,905	1,465,717	1,480,295	1,871,642	1,753,445
School Administration	21,697,413	21,525,805	20,749,962	23,281,908	24,487,130	24,131,143
Facility Services	1,375,664	1,437,398	2,736,542	2,584,210	2,137,361	2,446,308
Fiscal Services	1,741,991	1,764,202	1,881,090	2,049,449	2,104,167	2,152,661
Central Services	5,624,678	6,282,863	5,214,760	6,438,651	12,274,349	12,530,763
Pupil Transportation Services	11,680,550	12,788,467	13,005,822	12,655,960	12,938,379	13,235,250
Operation of Plant	31,525,692	31,463,482	29,471,006	28,364,077	29,216,280	29,601,600
Maintenance of Plant	9,153,073	8,785,541	8,779,822	9,194,873	9,122,054	9,772,313
Administrative Technology Services	4,860,669	4,565,389	4,815,676	5,153,758	6,317,131	6,959,339
Community Services	138,433	116,793	2,674,306	3,524,656	3,796,746	3,316,683
Fixed Capital Outlay:						
Facilities Acquisition & Construction	-	-	-	-	5,500	-
Other Capital Outlay	321,967	1,370,445	575,185	880,603	1,194,501	-
Debt Service						
Interest and Fiscal Charges	763,465	794,061	443,028	227,338	136,086	-
Total Expenditures	$321,658,370	$327,620,990	$329,276,537	$351,834,801	$376,330,873	$389,095,710
Excess (Deficiency) of Revenues over Expenditures	$(26,415,333)	$(19,273,029)	$3,756,862	$(6,545,538)	$(15,901,403)	$(18,742,362)
Other Financing Sources (Uses):						
Proceeds from the Sale of Assets	$148,516	$550,000	$4,350,000	$750,000	$387,397	-
Loss Recoveries	52,841	-	16,700	-	-	-
Operating Transfers In	15,961,228	14,678,633	13,790,876	14,697,127	14,354,974	$14,553,244
Operating Transfers Out	-	-	-	(5,964,820)	-	-
Total Other Financing Sources (Uses):	$16,162,585	$15,228,633	$18,157,576	$9,482,307	$14,742,371	$14,553,244
Net Change in Fund Balance	$(10,252,748)	$(4,044,396)	$21,914,438	$2,936,769	$(1,159,032)	$(4,189,118)

[Table continues on following page]

Beginning Fund Balance	$6,794,087	$(3,458,661)	$(7,503,057)	$14,411,381	$17,348,150	$16,189,118
Nonspendable	460,237	950,536	730,723	743,221	738,001	-
Restricted	208,430	180,838	2,614,303	2,409,971	2,036,469	-
Assigned	-	-	973,008	2,877,127	4,815,340	-
Unassigned	(4,127,328)	(8,634,431)	10,093,347	11,317,831	8,599,308	12,000,000
Total Ending Fund Balance	$(3,458,661)	$(7,503,057)	$14,411,381	$17,348,150	$16,189,118	$12,000,000

*Amounts may not sum due to rounding to the nearest whole dollar.

Sources: For Fiscal Years 2011-12 through 2015-16, Comprehensive Annual Financial Reports of the School District of Manatee County, Florida for the Fiscal Years Ended June 30, 2012 through 2016. For Fiscal Year 2016-17, School District of Manatee County, Final Annual Budget 2016/2017.

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School District of Manatee County, Florida
Summary of Capital Projects Funds Operations*

	Audited					Budget
	FY 2011-2012	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Revenues:						
Federal	-	-	-	-	-	-
State	$1,675,149	$1,629,356	$2,173,576	$2,895,786	$2,455,969	$2,958,112
Local	60,265,786	60,396,803	65,582,255	68,742,016	74,602,059	85,679,900
Total Revenues	$61,940,935	$62,026,159	$67,755,831	$71,637,802	$77,058,028	$88,638,012
Expenditures:						
Current Education:						
Facilities Services	$11,780,223	$5,389,894	$3,386,380	$10,048,594	$13,335,545	$54,493,964
Fixed Capital Outlay:						
Facilities Acquisition and Construction	24,133,040	12,022,264	1,142,320	312,796	3,557,435	12,313,934
Other Capital Outlay	7,257,259	3,199,340	241,857	2,012,576	6,219,632	5,307,073
Debt Service						
Principal	-	91,652	80,413	122,322	122,322	91,652
Interest	-	961	999	12,239	12,604	-
Total Expenditures	$43,170,522	$20,612,459	$4,863,208	$12,466,618	$23,247,538	$72,311,750
Excess (Deficiency) of Revenue Over Expenditures	$18,770,413	$41,413,700	$62,892,623	$59,171,184	$53,810,490	$16,326,262
Other Financing Sources (Uses):						
Capital Lease Agreement	-	-	$429,703	-	$425,826	-
Certificates of Participation Issued	-	-	-	-	-	-
Sale of Bonds	-	-	-	-	-	-
Loss Recoveries	$46,849	$33,075	-	-	-	-
Premiums on Sale of Bonds	-	-	-	-	-	-
Operating Transfer In	-	-	929,166	-	-	-
Operating Transfers Out	(57,328,912)	(53,365,787)	(57,083,414)	$(50,213,085)	(49,722,423)	$(48,699,244)
Total Other Financing Services	$(57,282,063)	$(53,332,712)	$(55,724,545)	$(50,213,085)	$(49,296,597)	$(48,699,244)
Net Change in Fund Balances	$(38,511,650)	$(11,919,012)	$7,168,078	$8,958,099	$4,513,893	$(32,372,981)
Beginning Fund Balance	$62,163,573	$23,651,923	$11,732,911	$18,900,989	$27,859,088	$32,372,981
Ending Fund Balance	$23,651,923	$11,732,911	$18,900,989	$27,859,088	$32,372,981	-

*Amounts may not sum due to rounding to the nearest whole dollar.

Sources: For Fiscal Years 2011-12 through 2015-16, Comprehensive Annual Financial Reports of the School District of Manatee County, Florida for the Fiscal Years Ended June 30, 2012 through 2016. For Fiscal Year 2016-17, School District of Manatee County, Final Annual Budget 2016/2017.

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School District Manatee County, Florida
Direct and Overlapping Governmental Activities Debt
(Unaudited)

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct And Overlapping Debt
School District of Manatee County[1]			
Notes Payable	$ -	100.00%	$ -
Bonds Payable[2]	36,791,000	100.00	36,791,000
Certificates of Participation[2]	174,713,455	100.00	174,713,455
Total Direct Debt	$211,504,455		$211,504,455
Overlapping Debt[3]			
City of Anna Maria	2,622,948	100.00	2,622,948
City of Bradenton	23,514,210	100.00	23,514,210
Town of Longboat Key	1,350,000	100.00	1,350,000
City of Palmetto	4,915,473	100.00	4,915,473
Manatee County	95,137,000	100.00	95,137,000
Total Overlapping Debt	$127,539,631		$127,539,631
Total Direct and Overlapping Debt	$339,044,085		$339,044,085

[1] Amounts as of June 30, 2016.

[2] Amounts exclude premiums and discounts. Amounts also exclude the Series 2017 Bonds.

[3] Information was obtained from the September 30, 2015, financial statements of each respective governmental entity. Since the geographic boundaries of each governmental entity is within the geographic boundaries for which the District services, 100% of the debt has been included.

Sources: Comprehensive Annual Financial Reports of the School District of Manatee County, Florida for the Fiscal Years Ended June 30, 2016.

RECENT CHANGES AFFECTING DISTRICT REVENUES

Class Size Reduction

Amendment 9 to the State Constitution 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 2011 school year. Section 1003.03, Florida Statutes, implements Amendment 9 (together with Amendment 9, 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, the legislation provides that the State shall reduce the FEFP categorical funds and the base student allocation due to such school district for operational purposes. For those school districts that are in compliance with the constitutional amendment additional funds shall be distributed. The additional distribution is calculated by taking 25% of the total funds reduced from those

school districts not in compliance and distributing an amount up to 5% of the base student allocation multiplied by the total district full-time equivalent students. School districts not in compliance are required to submit to the Commissioner 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, the funds remaining after the reallocation to school districts will be reallocated based upon each school district's proportion of the total reduction. However, no district shall have an amount added back that is greater than the amount that was reduced.

The Class Size Legislation also created an "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program," the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding programs for capital outlays and operating expenditures necessary in relation to these 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.

Due to the District's student assignment process, the District is on a school wide average for its schools of choice. As of the October 2015 Survey, the week during which the Department of Education determined compliance with class size maximum for the current school year, the District was in compliance with the requirements of the Class Size Legislation. There can be no assurances that the District will be able to maintain its class size in the manner currently mandated by the Class Size Legislation. While the Class Size Legislation requires that the State Legislature, and not local school districts, is generally responsible for the cost of compliance, there can be no assurance that the State Legislature will provide funds sufficient to meet the ongoing capital, facility and operating needs of the District required by the Class Size Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the ongoing capital, facility and operating needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

Pre-K Programs

The State Constitution provides that every four year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State. Chapter 1002, Part V, Florida Statutes, creates a statewide Voluntary Pre-kindergarten Education Program (together with the Constitutional amendment, the "Pre-K Legislation"). Among other things, the Pre-K Legislation provides eligibility and enrollment requirements, authorizes parents to enroll their children in a school-year pre-kindergarten ("Pre-K") program delivered by a private Pre-K provider, a summer program delivered by a public school or private Pre-K provider or, if offered in a school district that meets class-size reduction requirements, a school year Pre-K program delivered by a public school. The Pre-K Legislation also requires school districts to deliver summer Pre-K programs and permits school districts to deliver school year Pre-K programs. Additionally, the Pre-K Legislation appropriates State funds to finance the Pre-K programs and provides the method for calculating the funds allocated to each Pre-K program provider.

There can be no assurance that the State Legislature will provide funds sufficient to meet the ongoing capital and facility needs of the District required by the Pre-K Legislation. Further, there can be

no assurance that the District will have funds sufficient to meet the ongoing capital and facility needs of the District required by the Pre-K Legislation or that ongoing compliance therewith will not adversely affect other capital needs and operating costs of the District.

Educational Choice

During the State Legislature's 2016 Regular Session, the State Legislature enacted House Bill 7029 ("HB 7029"). Among other things, a parent whose child is not subject to a current expulsion or suspension order may seek enrollment in and transport his or her child to any public school in the State, including a charter school, which has not reached capacity. The school district or charter school shall accept and report the student for purposes of funding through the FEFP. The school district or charter school may provide student transportation at their discretion. HB 7029 requires the capacity determinations of each school district and charter school to be current and identified on their respective school websites. Each school must provide preferential treatment in its controlled open enrollment process to: (1) dependent children of active duty military personnel who moved as a result of military orders, (2) children relocated due to foster care placement in a different school zone, (3) children relocated due to a court ordered change in custody as a result of separation or divorce, or the serious illness or death of a parent, and (4) students residing in the school district. Students residing in the school district may not be displaced by a student from another school district. A student who transfers may remain at the school until the student completes the highest grade level offered. This amendment will apply with the 2017-18 school year.

HB 7029 also revises the method for enforcing compliance with the Class Size Legislation to clarify that for purposes of enforcing compliance, the calculation is based upon the statutory formula used to determine the reduction in class size categorical funding for noncompliance. See "RECENT CHANGES AFFECTING DISTRICT REVENUES – Class Size Reductions" herein. At present, the impact of HB 7029 on the District's finances cannot be accurately ascertained.

Construction Cost Maximums

HB 7029 also imposes sanctions upon a school district that exceeds the cost per student station set forth in Section 1013.64(6), Florida Statutes, unless it is determined that such cost per student station overage is de minimus or due to extraordinary circumstances outside the control of the school district. The sanctions are as follows: (1) the school district is ineligible for allocations from the Public Education Capital Outlay and Debt Service Trust fund for the next three years in which the school district would have received allocations; and (2) the school district is subject to the supervision of a district capital outlay oversight committee comprised of one appointee of the Commissioner who has significant financial management, school facilities construction, or related experience, one appointee of the office of the State Attorney with jurisdiction over the school district, and one appointee of the Chief Financial Officer who is a licensed certified public account. The capital outlay oversight committee is authorized to approve all capital outlay expenditures of the school district for the three fiscal years following the violation. This amendment will apply to new construction initiated by a school district on or after July 1, 2017. At present, the impact of HB 7029 on the District's finances cannot be accurately ascertained.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series 2017 Bonds are subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, whose

approving opinion (a form of which is attached hereto as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL") will be available at the time of delivery of the Series 2017 Bonds. The actual legal opinion to be delivered by Bond Counsel may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date. Certain legal matters will be passed on for the Board by Dye, Deitrich, Petruff & St. Paul, P.L., Bradenton, Florida, Counsel to the Board, and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. Certain legal matters will be passed on for the Underwriters by their Counsel, Greenberg Traurig, P.A., Miami, Florida.

Bond Counsel has not been engaged to, nor has it undertaken to, review the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2017 Bonds; provided, however, that Bond Counsel shall render an opinion to the Underwriters (upon which only they may rely) of the Series 2017 Bonds relating to the accuracy of certain statements contained herein under the heading "TAX EXEMPTION" and certain statements which summarize provisions of certain documents described herein.

INVESTMENT POLICY

Assets of the District are governed by an investment policy adopted by the Board on March 14, 2005, under the provisions of Section 1001.41, Florida Statutes, as amended. Furthermore, the investment of certain assets held under the Bond Resolution are also governed by the terms and provisions of the Bond Resolution.

Pursuant to the District's investment policy, the Superintendent will invest all temporarily idle funds not needed for immediate disbursement to cover School Board obligations in order to maximize investment income. The following are authorized investments under the investment policy:

A. The Florida Local Government Surplus Funds Trust Fund;

B. United States Government Securities;

C. United States Government Agencies;

D. Federal Instrumentalities (United States Government sponsored agencies);

E. Interest Bearing Time Deposit or Saving Accounts;

F. Repurchase Agreements;

G. Commercial Paper;

H. Bankers' Acceptances;

I. States and/or Local Government Taxable and/or Tax-Exempt Debt;

J. Registered Investment Companies (Mutual Funds); and

K. Qualified Purchaser Funds (3(c)(7) funds.

The investment policy described above may be revised by the Board from time to time. The Board is in the process of reviewing and updating all of the Board's policies and procedures, including the investment policy. However, at this time, it is uncertain, what revisions, if any, to the investment policy will be approved by the Board.

CONTINUING DISCLOSURE

The Board has agreed and undertaken for the benefit of Series 2017 Bond holders and in order to assist the Underwriters in complying with the continuing disclosure requirements of Rule 15c12-12 of the Securities Exchange Commission (the "Rule"), to provide certain financial information and operating data relating to the Board, the District and the Series 2017 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Such undertaking shall only apply so long as the Series 2017 Bonds remain Outstanding under the Bond Resolution. The covenant shall also terminate upon the termination of the Rule by legislative, judicial or administrative action. The Annual Report will be filed annually by the Board or its dissemination agent pursuant to the undertaking with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR"), which currently consists of only the Electronic Municipal Market Access ("EMMA") system, as described in the Continuing Disclosure Certificate. The notices of material events will be filed with each NRMSIR. The specific nature of the information to be contained in the Annual Report and the notices of material events, are described in the Continuing Disclosure Certificate. See "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. With respect to the Series 2017 Bonds, no party other than the Board is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule.

Upon a review of the Board's information on file with the EMMA, it was discovered that the Board (i) failed to timely file its audited financial statements for Fiscal Year 2010-11; and (ii) failed to file or failed to file in a timely manner certain notices of material events related to rating changes. The Board intends to fully satisfy all obligations in connection with its present and prior continuing disclosure undertakings in the future. The Board has retained Digital Assurance Certification, LLC, as its dissemination agent.

LITIGATION

Concurrently with the delivery of the Series 2017 Bonds, Counsel to the Board will deliver an opinion which states, among other things, that there is no litigation or other proceedings pending or, to the best knowledge of the District, threatened against the District (i) that seeks to restrain or enjoin the issuance or delivery of the Series 2017 Bonds, or (ii) questioning or affecting the validity of the Series 2017 Bonds or the Bond Resolution or any proceedings of the District with respect to the authorization, sale, execution, or issuance of the Series 2017 Bonds or the transactions contemplated by this Official Statement or the Bond Resolution or any other agreement or instrument to which the District is a party in connection therewith and which is used or contemplated for use in the transactions contemplated by this Official Statement, or (iii) questioning or affecting the creation, organization nor existence of the District, and which would have an adverse effect on the actions taken by the District with respect to the issuance of the Series 2017 Bonds.

The Board experiences claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on its operations or financial condition, but may, in the aggregate, have a material impact thereon. Except as described above, there is no litigation, claim or series of claims currently pending, or, to the best knowledge of the Board, threatened that would or might have a material adverse consequence on the financial condition of the District.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL" attached hereto, the interest on the Series 2017 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not a specific item of tax preference under existing statutes, regulations, rulings and court decisions. However, interest on the Series 2017 Bonds is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on corporations pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the District to comply subsequently to the issuance of the Series 2017 Bonds with certain requirements of the Code, regarding the use, expenditure and investment of Series 2017 Bonds proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2017 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted in the Bond Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2017 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2017 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2017 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2017 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2017 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2017 Bonds. Prospective purchasers of Series 2017 Bonds should be aware that the ownership of Series 2017 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2017 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2017 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2017 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2017 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2017 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX

CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2017 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Series 2017 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2017 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2017 Bonds in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2017 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2017 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2017 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2017 Bonds. For example, proposals have been discussed in connection with deficit spending reduction, job creation and other tax reform efforts that could significantly reduce the benefit of, or otherwise affect the exclusion from gross income of, interest on obligations such as the Series 2017 Bonds. The further introduction or enactment of one or more of such proposals could affect the market price or marketability of the Series 2017 Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2017 Bonds maturing on October 1, 2018 through and including October 1 2032 (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATINGS

S&P is expected to assign a rating of "AA" (stable outlook), to the Series 2017 Bonds, with the understanding that, upon delivery of the Series 2017 Bonds, the Policy will be issued by the Insurer. In

addition, S&P and Fitch have assigned ratings of "A" (stable outlook) and "A-" (stable outlook), respectively, to the Series 2017 Bonds without regard to the Policy.

Such ratings and outlooks reflect only the views of such organizations and any desired explanation of the significance of such ratings and outlooks should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Inc., 25 Broadway, New York, New York 10004; and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating or outlook on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings and outlooks will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings or outlooks may have an adverse effect on the market price of the Series 2017 Bonds.

FINANCIAL ADVISOR

The Board has retained PFM Financial Advisors LLC, Orlando, Florida (the "Financial Advisor"), as financial advisor in connection with the Board's financing plans and with respect to the issuance of the Series 2017 Bonds. 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 this Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2017 Bonds.

UNDERWRITING

The Series 2017 Bonds are being purchased by Raymond James & Associates, Inc. (the "Representative"), as representative of PNC Capital Markets LLC and Wells Fargo Bank, N.A. (together with the Representative, the "Underwriters"). The Series 2017 Bonds are being purchased by the Underwriters at a price of $150,674,275.22 (which represents the par amount of the Series 2017 Bonds plus a bond premium of $19,260,512.50 and less an Underwriters' discount of $371,237.28). The Underwriters' obligations are subject to certain conditions precedent, and it will be obligated to purchase all of the Series 2017 Bonds if any Series 2017 Bonds are purchased. The Series 2017 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2017 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters. The Underwriters have reviewed the information in this Official statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the District in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and

such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the underwriters of the Series 2017 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2017 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2017 Bonds with WFA. WFBNA also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2017 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

John A Colón, the Vice-Chair of the Board, is an employee of WFA. Wells Fargo Bank, National Association conducts its municipal securities sales, trading, and underwriting operations through WFBNA and is one of the underwriters of the Series 2017 Bonds. Mr. Colón has recused himself from the Board's discussion regarding the Series 2017 Bonds, did not participate in the selection of the underwriters of the Series 2017 Bonds, and abstained from the vote on the Resolution authorizing the Series 2017 Bonds. Mr. Colón has no financial interest in any compensation that may be received by WFA in connection with this transaction.

Certain subsidiaries of Wells Fargo & Company (parent company of Wells Fargo Bank, National Association) have provided, from time to time, investment banking services, commercial banking services or advisory services to the Board, for which they have received customary compensation. Wells Fargo & Company or its subsidiaries may, from time to time, engage in transactions with and perform services for the Board in the ordinary course of their respective businesses.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or

private activity bonds issued on behalf of private businesses). The District is not and has not since December 31, 1975, been in default as to principal and interest on its bonds or other debt obligations.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2017 Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Bond Resolution, the Series 2017 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds (including Bond Counsel's approving opinions) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before of after such delivery. See "APPENDIX C -- COPY OF BOND RESOLUTION" attached hereto for a description of events of default and remedies.

CONTINGENT FEES

The District has retained Bond Counsel, Disclosure Counsel, Counsel for the District, the Financial Advisor, and the Underwriters (who in turn retained Underwriters' Counsel) with respect to the authorization, sale, execution and delivery of the Series 2017 Bonds. Payment of the fees of such professionals are each contingent upon the issuance of the Series 2017 Bonds.

FINANCIAL STATEMENTS

The basic financial statements of the Board as of June 30, 2016, and for the year then ended, attached hereto as a portion of "APPENDIX B," have been audited by Auditor General of the State of Florida (the "Auditor"), as set forth in its report dated January 12, 2017.

The Auditor has not participated in the preparation or review of this Official statement and the financial statements are included as a publicly available record. See "APPENDIX B – THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the District 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 Series 2017 Bonds, the security for the payment of the Series 2017 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

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 verbally or in writing is to be construed as a contract with the owners of the Series 2017 Bonds.

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

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the District. At the time of delivery of the Series 2017 Bonds, the undersigned will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Official Statement (except for the information related to Insurer, the Policy, and DTC and its book-entry-only system of registration, as to all of which no opinion will be express), as of its date and as of the date of delivery of the Series 2017 Bonds, contains an 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 therein, in the light of the circumstances under which they were made, not misleading.

THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

By: */s/ Charlie Kennedy*
Chair of The School Board of Manatee County, Florida

By: */s/ Dr. Diana Greene*
Superintendent of Schools, ex-officio Secretary of the Board

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APPENDIX A

GENERAL INFORMATION RELATING TO THE DISTRICT AND MANATEE COUNTY, FLORIDA

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THE FOLLOWING INFORMATION CONCERNING MANATEE COUNTY, FLORIDA (THE "COUNTY") IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE INFORMATION HAS BEEN COMPILED ON BEHALF OF THE DISTRICT AND SUCH COMPILATION INVOLVED COMMUNICATIONS WITH THE VARIOUS SOURCES INDICATED HEREIN. THE INFORMATION IS SUBJECT TO CHANGE, ALTHOUGH EFFORTS HAVE BEEN MADE TO UPDATE THE INFORMATION WHERE PRACTICABLE. CERTAIN OF THE TABLES THAT FOLLOW IN THIS APPENDIX HAVE BEEN DERIVED FROM THE STATISTICAL SECTION OF THE COUNTY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015.

General Information

Manatee County, Florida (the "County"), founded in 1856, encompasses approximately 742 square miles and is located approximately 45 miles south of the City of Tampa, Florida. The County is bounded on the north by Hillsborough County, Florida, on the south by Sarasota County, Florida, on the east by the Hardee County, Florida and DeSoto County, Florida, and on the west by the Gulf of Mexico. The County is located in the Tampa Bay metro region, and encompasses the cities of Anna Maria, Bradenton, Bradenton Beach, Holmes Beach, Longboat Key, Palmetto, and numerous communities in the unincorporated area of the County, such as Lakewood Ranch, Ellenton, and Parrish. The April 2015 population of the County was 349,334 persons. Bradenton, the largest city in the County, is the County Seat.

There are approximately 150 miles of waterfront land in the County, including more than 27 miles of Gulf beaches. Temperatures range from an average low of approximately 50 degrees in January to an average high of approximately 91 degrees in August.

More than half of the County's workforce is employed in local service industries or retail trade. As it has in years past, the agricultural industry continues to employ a large workforce, contributing to the vitality of the local economy. Major crops include citrus, tomatoes, cabbage, watermelon, cucumbers, and green peppers. Beef and dairy production also play a significant role in the County's economy. Manufacturing, agribusiness, and fishing are important parts of the local economy.

County Government

The County is a non-charter county established under the Constitution and the laws of the State of Florida. The Board of County Commissioners is the legislative body for the County and is made up of seven residents elected by County voters; one from each of five districts and two at large. The Board of County Commissioners establishes policy for County departments and appoints the County Administrator who carries out the day-to-day business of the County. In addition to the Board of County Commissioners, voters elect five constitutional officers: Clerk of Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The County provides a full range of services, including: police, health and social services, emergency medical services, water, sewer, garbage and recycling services, mass transportation services, and cultural and recreational programs.

Population

The following table sets forth the population trends in the County and the State of Florida from years 1970 through 2045.

MANATEE COUNTY AND STATE OF FLORIDA
POPULATION TRENDS 1970-2045

Year	Manatee County	Annual Average Percentage Increase	State of Florida	Annual Average Percentage Increase
1970	97,115	--	6,789,443	--
1980	148,442	5.29%	9,746,324	4.36%
1990	211,707	4.25%	12,937,926	3.27%
2000	264,002	2.47%	15,982,378	2.35%
2010	322,833	2.23%	18,801,310	1.76%
2011	325,905	0.95%	18,905,048	0.55%
2012	330,302	1.35%	19,074,434	0.90%
2013	333,880	1.08%	19,259,543	0.97%
2014	335,545	0.50%	19,507,369	1.29%
2015	349,334	4.11%	19,815,183	1.58%
2020	385,670	2.08%	21,372,207	1.57%
2025	418,700	1.71%	22,799,508	1.34%
2030	447,218	1.36%	24,070,978	1.12%
2035	472,660	1.14%	25,212,399	0.95%
2040	496,883	1.02%	26,252,141	0.82%
2045	520,906	0.97%	27,217,568	0.74%

Sources: United States Census Bureau; University of Florida, Bureau of Economic and Business Research, Florida Estimates of Population 2011 through 2015 and Florida Population Studies, Population Projections, Bulletin 175, June 2016.

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Employment

The following chart shows the labor force in the County and the percent of the estimated labor force unemployed from 2006 to July of 2016 for the County, the State of Florida and the United States.

LABOR FORCE
ESTIMATES BY EMPLOYMENT STATUS

				Unemployment Rate		
Year	Labor Force	Employment	Unemployment Number	Manatee County	State	United States
2006	149,208	144,644	4,564	3.1%	3.2%	4.6%
2007	147,550	141,381	6,169	4.2%	4.0%	4.6%
2008	144,269	133,932	10,337	7.2%	6.3%	5.8%
2009	142,403	125,901	16,502	11.6%	10.4%	9.3%
2010	147,572	130,750	16,822	11.4%	11.1%	9.6%
2011	148,173	133,384	14,789	10.0%	10.0%	8.9%
2012	150,844	138,529	12,315	8.2%	8.5%	8.1%
2013	155,402	144,927	10,475	6.7%	7.3%	7.4%
2014	160,960	151,724	9,236	5.7%	6.3%	6.2%
2015	164,481	156,318	8,162	5.0%	5.4%	5.3%
2016[(1)]	165,926	157,909	8,017	4.8%	5.1%	5.1%

[(1)] Not seasonally adjusted.

Source: Florida Department of Economic Opportunity, Labor Market Statistics, Local Area Unemployment Statistics Program, 2006 through 2015 and July 2016.

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The following chart shows the average monthly employment in the various sectors of the labor force in actual numbers of people employed in the County and the average annual wage:

EMPLOYMENT BY SECTOR

Industry Title	Average Monthly Employment	Average Annual Wages
Total, All Industries	**115,252**	**$39,471**
Goods-Producing	**20,753**	**$41,996**
Natural Resources and Mining	*4,795*	*$24,133*
Agriculture, Forestry, Fishing and Hunting	4,788	$24,099
Mining, Quarrying, and Oil and Gas Extraction	--	--
Construction	*7,880*	*$42,455*
Manufacturing	*8,079*	*$52,150*
Durable Goods Manufacturing	5,547	$46,600
Nondurable Goods Manufacturing	2,532	$64,308
Service-Providing	**94,499**	**$38,916**
Trade, Transportation, and Utilities	*25,393*	*$34,573*
Wholesale Trade	3,562	$61,816
Retail Trade	18,221	$27,043
Transportation and Warehousing	3,289	$41,722
Utilities	321	$86,422
Information	*1,134*	*$53,939*
Financial Activities	*5,227*	*$51,228*
Finance and Insurance	2,700	$62,886
Real Estate and Rental and Leasing	2,527	$38,770
Professional and Business Services	*11,229*	*$54,679*
Professional and Technical Services	3,977	$65,815
Management of Companies and Enterprises	1,307	$97,328
Administrative and Waste Services	5,944	$37,849
Education and Health Services	*23,677*	*$44,478*
Educational Services	7,937	$44,043
Health Care and Social Assistance	15,740	$44,697
Leisure and Hospitality	*18,626*	*$23,784*
Arts, Entertainment, and Recreation	4,369	$40,866
Accommodation and Food Services	14,258	$18,551
Other Services	*3,894*	*$28,080*
Other Services, Except Public Administration	3,894	$28,080
Public Administration	*5,272*	*$47,270*
Unclassified	*48*	*$43,209*

Source: Florida Department of Economic Opportunity, Florida Quarterly Census of Employment and Wages by County, Annual NAICS Sector (2015).

The following table reflects the demographic and economic statistics in the County for the last ten fiscal years.

Manatee County, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Per Capita Income in thousands[2]	Personal Income (in thousands)[3]	Median Age[4]	School Enrollment[5]	Unemployment Rate[6]
2006	311,102	$35.3	$10,985,634	43	42,200	2.7%
2007	315,890	37.3	11,782,065	43	42,500	4.2%
2008	323,374	42.3	13,676,780	43	42,500	7.4%
2009	330,201	43.2	14,279,542	43	42,500	12.7%
2010	318,176	42.0	13,352,892	43	43,000	12.6%
2011	324,168	39.2	12,719,935	46	44,175	10.9%
2012	330,862	37.2	12,308,066	46	45,050	9.0%
2013	333,687	40.5	13,514,324	46	45,800	7.2%
2014	337,546	46.7	15,763,398	46	46,800	6.1%
2015	341,405	43.8	14,953,539	46	47,700	5.1%

(1) Bradenton Area Economic Development Corporation
(2) Information from U.S. Bureau of Economic Analysis and estimated from 2006 through 2015 based upon historical growth
(3) Personal income is a calculated amount based on population and per capita personal income.
(4) U.S. Census - new median age is only reported every ten years
(5) School Board of Manatee County
(6) Florida Department of Labor and Employment Security

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2015.

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The following table reflects the principal employers in the County for the fiscal year ended September 30, 2015.

Employer	Type of Business	Employees
Manatee County School Board	Public Education	5,500
Beall's Inc.	Corporate headquarters & distribution	1,924
Manatee County Government	Government	1,795
Manatee Memorial Hospital	Healthcare	1,445
Tropicana Products, Inc.	Orange juice and juice beverages	1,200
Manatee County Sheriff's Dept.	Law Enforcement	1,138
Blake Medical Center	Hospital	1,100
Publix	Grocery store	875
IMG Academies	Boarding School and Training Camp	564
State College of Florida Manatee Sarasota	Education	472

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2015.

Personal Income

The following table reflects the personal per capita income for the periods shown for the County, the State of Florida and the United States.

PERSONAL PER CAPITA INCOME ON A PLACE-OF-RESIDENCE BASIS

Year	Manatee County	State of Florida	United States
2005	$38,090	$36,294	$35,904
2006	40,543	38,812	38,144
2007	41,440	39,945	39,821
2008	39,574	40,018	41,082
2009	36,786	37,479	39,376
2010	38,363	38,718	40,277
2011	40,576	40,538	42,453
2012	39,183	41,249	44,266
2013	39,820	41,309	44,438
2014	40,895	42,736	46,049
2015	43,121	44,429	48,112

Source: U.S. Bureau of Economic Analysis; Personal Income Summary for Manatee County, State of Florida and United States, Updated November 17, 2016.

Property Taxes

The following table reflects the assessed valuations, taxes levied, and taxes collected by the County for the last ten fiscal years.

Manatee County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(Amounts expressed in thousands)

			Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Collection in Subsequent Years	Amount	Percentage of Levy
2015	2014	$178,675	$172,227	96.39%	$ --	$172,227	96.39%
2014	2013	166,094	160,149	96.42	129	160,278	96.50
2013	2012	159,669	154,031	96.47	154	154,185	96.57
2012	2011	162,715	156,857	96.40	282	157,139	96.57
2011	2010	169,938	163,616	96.28	426	164,042	96.53
2010	2009	196,043	188,441	96.12	651	189,092	96.45
2009	2008	213,749	208,502	97.55	917	209,419	97.97
2008	2007	234,771	226,446	96.45	148	226,594	96.52
2007	2006	245,455	236,989	96.55	75	237,064	96.58
2006	2005	203,156	196,309	96.63	61	196,370	96.66

Source: Manatee County, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2015.

Property tax levies, based on assessed values as of January 1st, become due and payable on November 1st of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100 percent of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year. Collections received subsequent to the tax sales are remitted by the Tax Collector directly to the certificate holders. Collections in subsequent years include delinquent taxes received, less refunds issued due to tax roll corrections.

The following table reflects the direct and overlapping property tax millage rates imposed by the County over the last ten years.

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Manatee County, Florida
Direct and Overlapping Property Tax

	Year Taxes Are Payable									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Direct Rates										
County										
Operating										
General Operation Fund	5.4902	5.4750	5.4707	5.4707	5.4791	5.3929	5.3389	5.3143	6.2635	6.3958
Transportation Trust Fund	0.2416	0.2425	0.2446	0.2625	0.2625	0.3487	0.3843	0.4456	0.5666	0.5878
Library Operating Fund	0.2475	0.2485	0.2507	0.2328	0.2244	0.2244	0.2428	0.2061	0.2387	0.2550
Children's Service Fund	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333	0.3333
Debt	0.1200	0.1333	0.1333	0.1303	0.1254	0.1090	0.0956	0.0876	0.1042	0.1344
Total	6.4326	6.4326	6.4326	6.4296	6.4247	6.4083	6.3949	6.3869	7.5063	7.7063
Overlapping Rates[1]										
School Board	7.3760	7.5720	7.5890	7.9600	7.5910	7.5410	7.3720	7.6660	7.6140	7.9330
Tax Districts[2]	0.5274	0.5498	0.5608	0.5608	0.6888	0.6878	0.6832	0.6780	0.7368	0.7569
Unincorporated Municipal Service Tax	0.6109	0.6109	0.6109	0.6109	0.6109	0.6109	0.6109	0.6109	0.7274	0.7274
County Millage Paid by County Taxpayers	14.9469	15.1653	15.1933	15.5613	15.3154	15.2480	15.0610	15.3418	16.5845	17.1236
Ad Valorem Fire Districts										
Cedar Hammock Fire Rescue	1.3000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
East Manatee Fire Rescue	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
Southern Manatee Fire Rescue	1.2061	1.0193	1.0405	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.8000
Total	3.3061	2.8193	2.8405	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.6000
Other[3]	5.2546	5.0546	5.2546	4.6801	4.5446	4.2546	4.2546	4.2546	4.5400	4.7900
Municipalities										
Anna Maria, City of	2.0500	2.0500	2.0500	2.0500	1.7882	1.7882	1.7882	1.7882	2.0000	2.0000
Bradenton Beach, City of	2.3329	2.3329	2.3329	2.1359	2.1539	2.1539	2.2579	2.2579	2.4878	2.4902
Bradenton, City of	5.8976	5.8976	5.4356	5.2002	4.9452	4.2843	4.2843	4.1134	4.7500	4.7500
Holmes Beach, City of	1.7500	1.7500	1.7500	1.7500	1.7500	1.7549	1.5989	1.5989	1.8000	1.9000
Longboat Key, Town of	2.1763	2.1320	1.9436	1.9549	1.9588	2.3236	2.2483	2.1362	2.1316	2.3075
Palmetto, City of	5.7171	5.7171	5.2171	5.1185	4.6662	4.6662	4.6662	4.6662	5.1645	5.1645
Total Direct and Overlapping	43.4315	42.9188	42.0176	41.2509	39.9223	39.2737	38.9594	38.9572	42.2584	43.1258

(1) Overlapping rates are those of local and county governments that apply to property owners within Manatee County. Not all overlapping rates apply to all Manatee County property owners (i.e., the rates for tax districts apply only to the portion of the government's property owner whose property is located within the geographic boundaries of the special district).

(2) Includes Southwest Florida Water Management, Mosquito Control and West Coast Inland Navigation districts.

(3) Palm Aire Landscaping Special District and Palms of Terra Ceia Special District.

Source: Manatee County, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2015.

Tourism

Bradenton, the largest municipality in the County, is rich with arts, culture, history, nightlife, and sports. The backdrop of islands in the Gulf of Mexico (e.g., Anna Maria and Longboat Key), white-sand beaches, a multitude of water sports, boating excursions, and fishing piers, and warm weather makes the County a year-round tourist destination.

For sports enthusiasts, the Bradenton area offers more than 40 local golf courses, as well as sports venues, including: Premier Sports Campus, IMG Academy, and GT Bray Park. The County hosts spring training for the Pittsburgh Pirates baseball team at McKechnie Field. Professional football and hockey are located less than an hour away.

Additionally, the County offers a wide variety of cultural experiences, including dining at award winning restaurants, local pubs, or beachside cafes; attending plays and concerts at the Manatee Performing Arts Center; viewing the world's oldest born in captivity manatee at the South Florida Museum; and historical exhibits at the Manatee Village Historical. Festivals, visual and performing arts, and cultural events abound in the County.

The County has over 6,500 rooms available to serve the tourist trade including every type of lodging from luxury beachside resorts to bed and breakfasts to budget-friendly hotels.

Transportation

Three international airports can be found within 50 miles of the County. Sarasota Bradenton International Airport ("SRQ") is ten minutes from downtown Bradenton and provides commercial flights and general aviation services to more than 1.5 million passengers annually. Non-stop, year-round daily flights to Atlanta, Baltimore, Charlotte, Chicago, Cincinnati, New York, and Washington, D.C. are available, while seasonal flights are accessible to Boston, Detroit, Indianapolis, Memphis and Toronto. SRQ is strategically located on the Manatee/Sarasota county line. Further domestic and international air transportation options can be accessed through Tampa International Airport ("TPA") within 47 miles and St. Petersburg-Clearwater International Airport ("PIE") within 36 miles of Bradenton.

Commuters take advantage of a large web of interstate and intrastate highway systems that wind throughout the area, including Interstates 4, 75 and 275; U.S. Highways 41, 19 and 301; and State Routes 62, 64, 70, 675, 684, and 789. The Manatee County Area Transit provides bus, trolley and paratransit services to residents and visitors. Ten fixed bus routes traverse Bradenton, Ellenton, Palmetto, and the county's Gulf Beach communities.

Port Manatee

Port Manatee is one of Florida's largest and fastest growing seaports. Located in the eastern Gulf of Mexico near the entrance to Tampa Bay, Port Manatee is regarded as the closest U.S. deepwater seaport to the Panama Canal, as well as Mexican manufacturing centers, serving bulk, breakbulk, container, heavylift, project, and general cargo customers. Port Manatee handles approximately eight million tons of cargo each year, representing a diverse range of import and export commodities. Primary imports include tropical fruits and vegetables, citrus juices and beverages, forestry products, refined petroleum products, finished phosphate fertilizers, non-ferrous metals, cement and cement clinker, steel,

and project cargo such as power plant and bridge components, heavy machinery and over-sized vehicles. Primary exports include finished phosphate products, citrus juices, construction and road building equipment, used vehicles and power generation units.

As a leading economic engine, Port Manatee adds more than $2.3 billion dollars annually in regional economic impact and supports more than 24,000 jobs.

Port Manatee is a dependent special district created by the Florida Legislature in 1967. The port is governed by the Manatee County Port Authority – a seven-member oversight board which sets policy and oversees major expenditures for the port. Manatee County Port Authority members serve four-year staggered terms with an annual election of officers. While the Manatee County Port Authority is comprised of the same seven members as the elected Board of County Commissioners of the County – each governing body has a separate set of officers and financial accountability. Port Manatee is not a unit of the County government and does not receive ad-valorem tax support from the County.

Port Manatee is located on approximately 1,100 acres with nearly 5,000 acres of green space. It has more than one million square feet of public warehouse and office space, featuring 207,000 square feet of refrigerated space, including 30,000 square feet of freezer space. The port offers 10 berths, each maintained at 40-foot design draft at mean low water and a turning basin of 1,300 feet.

Port Manatee offers highway and interstate connections with 60-miles per hour access to Interstate 75 (I-75) and Interstate 275 (I-275). Trucks leaving Port Manatee reach I-75 and I-275 in less than four minutes via U.S. Highway 41. Operating 24 hours a day to accommodate customer needs, Port Manatee's short line railroad directly connects to the CSX Corp. mainline, which is less than one mile from the port's north gate. Port Manatee features two new switcher engines and nearly seven miles of track, 19 switches, nine crossings and a 300-plus rail car capacity.

APPENDIX B

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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Comprehensive Annual Financial Report

The School District of

Manatee County, Florida

for the Fiscal Year Ended June 30, 2016

School District of Manatee County
Bradenton, Florida

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Comprehensive Annual Financial Report

The School District of Manatee County, Florida

For the Fiscal Year Ended June 30, 2016

Prepared by the
Finance Department

School District of Manatee County
215 Manatee Avenue West
Bradenton, Florida 34205
www.manatee.k12.fl.us

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THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

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SCHOOL BOARD

Charlie Kennedy
Chair

John A. Colón
Vice Chair

Karen Carpenter
Gina Messenger
Dave "Watchdog" Miner

SUPERINTENDENT

Diana Greene, Ph.D.

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SCHOOL DISTRICT OF MANATEE COUNTY

January 24, 2017

Dear Chair, School Board Members, and Citizens of Manatee County:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the School Board of Manatee County, Florida (District) for the fiscal year ended June 30, 2016. State law requires all school districts publish within 9 months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant.

This report consists of management's representations concerning the finances of the District. Responsibility for the accuracy, completeness and fairness of the information presented, including all disclosures, rests with the District's management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect District assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

This report will provide the taxpayers of the School District with financial data in a format enabling them to gain an understanding of the financial affairs and standing of the District.

Independent Audit

The State of Florida Auditor General has independently audited the District's financial statements for the fiscal year ended June 30, 2016. Sections 11.45, and 218.39, Florida Statutes, require an annual audit conducted by independent certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The report on the basic financial statements by the State of Florida Auditor General is included in the Financial Section of the CAFR. The independent auditor concluded there was a reasonable basis for rendering an unmodified opinion that based on the audit and reports of other auditors, the District's financial statements are fairly presented in all material respects, in conformity with GAAP.

The independent audit of the financial statements of the District was part of a broader, Federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also the audited government's internal controls and compliance with the legal requirements with special emphasis on internal controls and legal requirements involving the administration of Federal awards. Information related to this single audit, including the schedule of expenditures of Federal awards, findings and questioned costs, summary of prior audit findings, and the independent auditor's reports on the system of internal control and on compliance with applicable requirements, are included in the single audit section.

The CAFR includes all funds of the District, the Manatee School Board Leasing Corporation (Leasing Corporation), and 11 charter schools, which comprise the reporting entity. The Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. The charter schools are public schools operating under performance contracts with the District. The charter schools are included in the CAFR as discretely presented component units. One charter school, the State College of Florida Collegiate School, operates under another governmental agency and therefore, is not included as a discretely presented component units of the District.

The CAFR is presented in three sections as follows:

1. The Introductory Section, which contains the Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the District.

2. The Financial Section, which includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to the financial statements, and other supplemental information.

   The basic financial statements and notes provide an overview of the District's financial position and operating results. The other supplemental information provides more detailed information relative to the basic financial statements, which includes combining statements for non-major governmental funds, combining statements for each fund type, budget to actual statements for all governmental funds, and combining statements for the discretely presented component units. The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements the letter of transmittal and should be read in conjunction with it.

3. The Statistical Section presents on a multi-year basis, selected social and economic data, financial trends and the fiscal capacity of the District.

Reports and schedules required by *Governmental Auditing Standards* and United States Office of Management and Budget (OMB) follow the three sections identified above.

Profile of the School District

The District and its governing body were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District in accordance with Chapter 1001, Florida Statutes. The District consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Manatee County. The Superintendent of Schools is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and District policies. Section 1010.01, Florida Statutes, requires each school district to prepare and maintain financial records and accounts as prescribed by law and rules of the State Board of Education.

The geographic boundaries of the District are those of Manatee County. The County encompasses a 742 square mile area located in west central Florida and is approximately 45 miles south of the city of Tampa. The County operates under a constitution adopted in 1921 and has a current estimated population of 363,369 persons. Within its borders are six municipalities: City of Anna Maria, Bradenton, Bradenton Beach, Holmes Beach, Palmetto and the Town of Longboat Key.

During the 2015-2016 fiscal year, the District operated 54 schools at 57 school sites; including 33 elementary schools, 10 middle schools, 6 high schools, 3 alternative education schools (including e-TECH Virtual), 1 ESE center, and 1 post-secondary school (operated at 4 school sites). It also managed 12 contract sites; including 3 Department of Juvenile Justice sites, and 12 charter schools. The charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The average age of schools for the District is 43 years. The District reported serving approximately 47,644 unweighted, full-time equivalent students for the 2015-2016 fiscal year and projects it will enroll 47,890 students for the 2016-2017 fiscal year.

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population breaks down as follows: 48.3 percent White not Hispanic, 32.5 percent Hispanic, 13.8 percent Black not Hispanic, 1.9 percent Asian, 3.4 percent Multi Racial, 0.1 percent Native American.

In addition to the various educational programs offered to K-12 students, the District offers services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; programs for special education from age 3 to 21; preschool programs for children from birth through 5 years; programs for eligible homeless or at risk of becoming homeless students; and voluntary pre-kindergarten services.

The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Students from foreign countries have the opportunity to learn communication skills through the District's English Language Learner (ELL) programs, and all citizens can take fee supported courses to increase personal development in various subjects such as computers, photography and personal financial planning.

The District receives a majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with

their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school.

Economic Condition and Outlook

The County is part of the North Port-Bradenton-Sarasota Metropolitan Statistical Area (MSA) that includes Manatee and Sarasota Counties. Since 2010, the population of Manatee County has increased 12.6 percent to approximately 363,369. The Florida Price Level Index prepared for the Florida Department of Education now ranks Manatee County as the 14th out of 67 counties in the State. In the 2003-2004 fiscal year, Manatee County ranked 13th in the State. For the 2015 calendar year, Manatee County's unemployment rate was 5.0 percent.

The County continues to experience rapid growth in the housing market. In fiscal year 2016, housing values increased by 8.57 percent. The average price of a home in Manatee County is $227,000 and expected to rise by 1 percent in fiscal year 2017.

The District recognizes it benefits financially from the growth in new homes as well as the increase in property values. However, coupled with the growth in population, the District anticipates continued growth in the number of students served by District schools.

Major Initiatives and Accomplishments

During the 2015-2016 fiscal year, the District focused on improving school grades. Seventeen of the District's 49 traditional schools received an A or B school grade, including two of the six traditional high schools. With a 2014-2015 graduation rate of 78 percent, the District's graduation rate is equal to the State average and 13.2 percent higher than the rate in 2011.

The District's Maintenance, Operations and Central Distribution teams continue to provide service and support to a growing school district by leveraging best practices to keep the District's schools and facilities in top working order. Plant maintenance and operational costs are consistently below the State average each year. For the 2015-2016 fiscal year the District Operations costs were $3.40 per sq. ft. versus State costs of $3.89 per sq. ft. and District Maintenance costs were $1.10 per sq. ft. versus State costs of $1.34 per sq. ft.

Also, during the 2015-2016 fiscal year, the District selected PeopleSoft as its new Enterprise Resource Planning (ERP) system and quickly began an aggressive implementation plan led by the Information Technology Department. The District anticipates fully implementing the program in the 2017-2018 fiscal year.

The District's Information Technology team also supported and maintained 35,000 devices, 2,000 projectors, 50 telephone systems, 2,000 wireless access points, 3,000 network switches, 300 servers and hundreds of miles of fiber optic cable infrastructure. Their major initiatives included updating the District's instructional technology and supporting computer based testing.

Safety and security remains a top priority for the District. During the 2015-2016 fiscal year, the District began utilizing a notification tool for our schools. Weatherbug provides real time notifications of dangerous weather events to our school personnel based upon the actual coordinates of the weather event, which makes the information far more practical than the county-wide notifications previously relied upon.

In the 2016-2017 fiscal year, the District will also implement CrisisGo - a program that facilitates notification and communication during emergency management events based upon our emergency plans including school lockdowns. This product communicates with our administration and staff to coordinate such events and even initiate the events locally.

Finally, the District worked with Manatee County, and the Cities of Bradenton, Palmetto and Holmes Beach in an effort to increase our School Resource Officer presence on many of our school campuses. The District appreciates the support of local law enforcement in providing this peace of mind to our students, their families and our community at large.

New Governmental Accounting Standards

Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* enhances the transparency and comparability of fair value measurements and disclosures in state and local governments' financial statements. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* addresses accounting and financial reporting for certain external investment pools and pool participants. See note 3 to the financial statements for more information regarding these statements.

Financial Information

The District is responsible for maintaining budgetary controls, and ensuring spending is in compliance with the annual appropriated budget approved by the District. All governmental fund types utilized by the District are included in the annual appropriated budget. The legal level of budgetary control is established at the fund-function-object level for all funds, meaning, this is the level at which expenditures cannot exceed the appropriated amount.

District leadership continues to balance the operational needs of the District, including hiring and retaining highly qualified teachers, with their desire to improve the District's financial health. For the third year, the District ended the year with a fund balance which exceeded the three percent reporting requirement.

Certificate of Excellence in Financial Reporting

The Association of School Business Officials, International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This is the 10th year the District received this prestigious award. In order to be awarded the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. The Certificate of Excellence is valid for a period of one year only. Upon completion of the CAFR this year, the District will once again apply for consideration of this award.

Acknowledgements

The preparation of the CAFR was made possible by the dedicated service of the entire staff of the District's Finance Department. Our sincere appreciation is extended to each member of the department for their contributions in the preparation and completion of this report.

In closing, we would like to thank the members of the District School Board for their leadership that has contributed to the educational accomplishments of the students of Manatee County. We also thank the District's teachers, staff, and the citizens of Manatee County, who have added greatly to the operation of this innovative school system.

Respectfully submitted,

Dr. Diana Greene
Superintendent

Rebecca Roberts
Chief Financial Officer

Tammy Taylor
Director of Finance

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

SCHOOL BOARD MEMBERS

Ms. Karen Carpenter, Chair
Member from District 4
Member since November 2010
Current term expires November 2018

Mr. Charlie Kennedy, Vice Chair
Member from District 2
Member since November 2014
Current term expires November 2018

Mr. John Colón
Member from District 5
Member since September 2015
Current term expires November 2016

Mr. Robert C. Gause
Member from District 1
Member since November 2006
Current term expires November 2016

Mr. Dave "Watchdog" Miner
Member from District 3
Member since November 2012
Current term expires November 2016

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS-APPOINTED

Dr. Diana Greene, Superintendent

Cynthia Saunders, Deputy Superintendent Instruction

Don Hall, Deputy Superintendent Operations

Rebecca Roberts, Chief Financial Officer

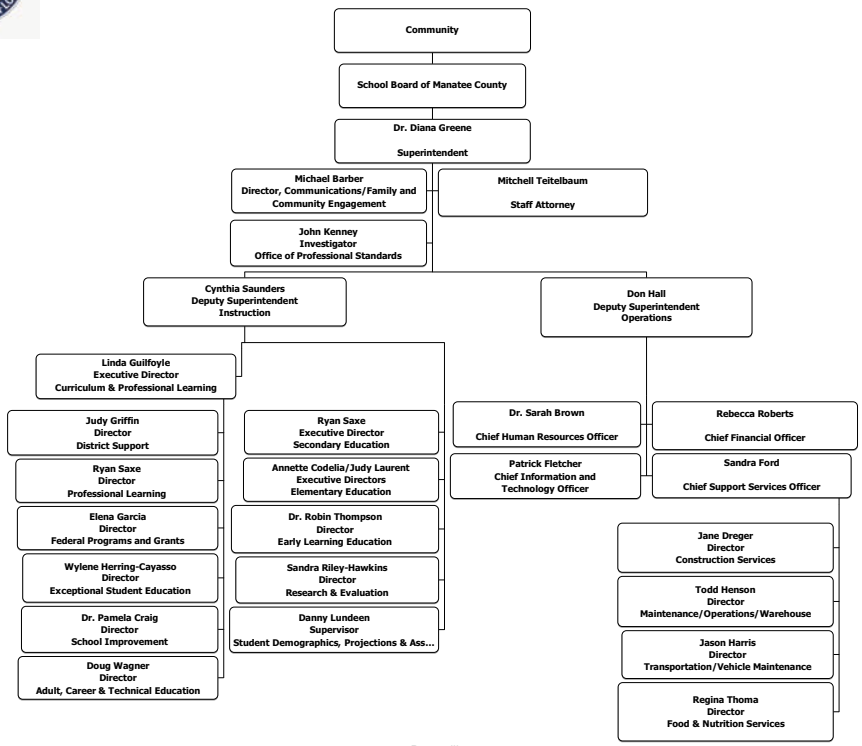
Ryan Saxe, Executive Director, Secondary Education

Tammy Taylor, Director of Finance

Dr. Sarah Brown, Chief Human Resources Officer

Patrick Fletcher, Chief Information & Technology Officer

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ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award is presented to

School District of Manatee County, Florida

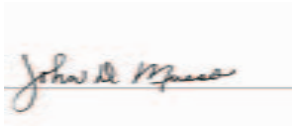
for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2015.

The CAFR has been reviewed and met or exceeded ASBO International's Certificate of Excellence standards.





Brenda R. Burkett, CPA, CSBA, SFO
President



John D. Musso, CAE, RSBA
Executive Director

Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL
STATE OF FLORIDA

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

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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Manatee County District School Board, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 13 percent of the assets and 29 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units' columns. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Manatee County District School Board, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS**, **Other Postemployment Benefits Schedule of Funding Progress**, **Schedule of District's Proportionate Share of Net Pension Liability Florida Retirement System (FRS) Defined Benefit Pension Plan**, **Schedule of District's Proportionate Share of Net Pension Liability Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan**, **Schedule of District Contributions Florida Retirement System (FRS) Defined Benefit Pension Plan**, and **Schedule of District Contributions Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules, and the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
January 12, 2017
Audit Report No. 2017-096

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

The management of the District School Board of Manatee County, Florida (the "District") has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the District's financial activities, (c) identify changes in the District's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2016, by $569,808,725 (net position). Of this amount, $137,002,536 represents a deficit unrestricted net position.

- This deficit in unrestricted net position was due primarily to the District's long-term liabilities and related deferrals for employees at June 30, 2016. Significant liabilities and deferrals included: Other Postemployment Benefits Payable $10,998,975; Compensated Absences Payable $22,273,240; Net Pension Liability $144,653,510; and Deferred Inflows of Resources Related to Pensions $23,782,032.

- The net pension liability was first reported in the prior fiscal year due to the implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The District now includes in the government-wide statements its proportionate share of the net position liability of the FRS cost-sharing plans in which it participates. This proportionate amount represents a share of the present value of projected benefits payments to be provided through the cost-sharing pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the FRS cost-sharing pension plan's fiduciary net position. See note 15 to the financial statements for more information.

- The District's total net position increased by $35,860,641, or 6.72 percent.

- As of the close of the current fiscal year, the District's governmental funds reported combined fund balances of $63,430,381, an increase of $4,370,440 in comparison with the prior fiscal year.

- Fitch Ratings upgraded the District's Issuer Credit rating to A- and assigned a rating on the 2016A Certificates of BBB+. According to the Fitch Ratings report, the credit improvement is evidenced by the District's greater fiscal monitoring and spending controls that resulted in improved reserves consistent with policy levels, providing an adequate cushion to manage through unexpected budgetary challenges.

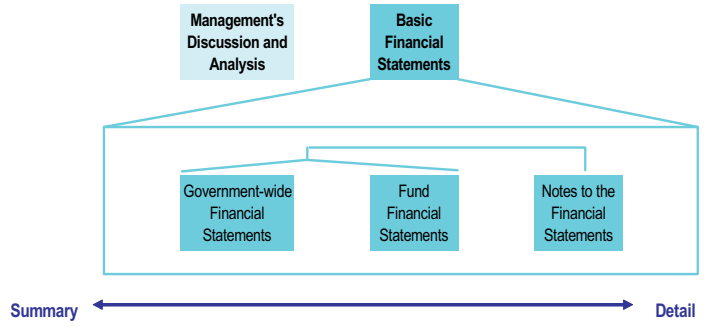
- As of the close of the current fiscal year, the District's assigned and unassigned fund balance for the General fund was $13,414,648 or 3.72 percent of total General fund revenues, which exceeds the 3 percent reporting threshold. The total fund balance was $16,189,118 or 4.49 percent of total general fund revenues.

- The District's total debt decreased by $24,824,848.

Overview of the Financial Statements

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

The government-wide financial statements provide both long-term and short-term information about the District's overall financial status. The subsequent statements are fund financial statements that focus on individual parts of the District and provide greater detail of the District's operations than the government-wide statements. Additionally the basic financial statements include notes, which explain some of the information in the statements and provide more detailed data. The illustration below shows how the various parts of the financial section are arranged and relate to one another.



SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position provides information about the District's financial position, its assets, liabilities, and deferred inflows/outflows of resources, using an economic resources measurement focus. Assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, equals net position, which is a measure of the District's financial health. The statement of activities presents information about the change in the District's net position, the results of operations, during the current fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

Both of the above government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the District include such functions as instruction, student support services, administration, student transportation, maintenance, and other items. The District does not report any business-type activities.

The government-wide financial statements include not only the District itself (known as the primary government), but also 11 charter schools for which the District is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Manatee School Board Leasing Corporation (Leasing Corporation), although legally separate, was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the District and Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 17 through 19 of this report.

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

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

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

The District maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund. The General Fund, one debt service fund (Other Debt Service Fund) and two capital projects funds (Section 1011.71(2), F.S. Local Capital Improvement Tax Fund and Other Capital Projects Fund) are considered to be major funds and are presented in the same manner. Data from the other 7 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with this budget on pages 30 through 33 of this report.

The basic governmental fund financial statements can be found on pages 20 through 27 of this report.

Proprietary Funds. The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses the internal service fund to account for its self-insurance programs; Health and Casualty/Liability. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail. The proprietary fund financial statements provide separate information for the District's self-insurance programs. The two internal service funds are combined in a single, aggregated presentation in the proprietary fund financial statements.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Individual fund data for the internal service funds is provided in the form of combining statements on pages 34 through 36 of this report.

Fiduciary Funds. Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring the assets reported in these funds are used only for their intended purposes. The basic fiduciary fund financial statements can be found on pages 37 and 38 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 through 85 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide other postemployment benefits to its employees and supplementary information concerning the District's proportionate share of net pension liability and contributions to the defined benefit pension plan. The required supplementary information can be found on pages 87 through 89 of this report.

Other Supplemental Information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 91 through 141 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $569,808,725 at the close of the current fiscal year.

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

Net Position, End of Year
Governmental Activities

	6/30/2016	6/30/2015
Current and other assets	$ 129,922,418	$ 118,516,967
Capital assets, net	867,878,296	879,849,524
Total assets	997,800,714	998,366,491
Deferred charges on refunding	2,651,425	1,322,121
Deferred outflows related to pensions	35,953,876	24,518,273
Total deferred outflows of resources	38,605,301	25,840,394
Total assets and deferred outflows of resources	$ 1,036,406,015	$ 1,024,206,885
Current and other liabilities	43,093,648	39,651,548
Long-term liabilities, current	37,599,718	33,378,768
Long-term liabilities, noncurrent	362,109,396	352,658,765
Total Liabilities	442,802,762	425,689,081
Deferred revenue	12,496	-
Deferred inflows related to pensions	23,782,032	64,569,720
Total deferred inflows of resources	23,794,528	64,569,720
Total liabilities and deferred inflows of resources	$ 466,597,290	$ 490,258,801
Net Position (Deficit)		
Net Investment in Capital Assets	660,374,668	644,883,556
Restricted	46,436,593	41,177,665
Unrestricted	(137,002,536)	(152,113,137)
Total net position	$ 569,808,725	$ 533,948,084
Total liabilities, deferred inflows of resources, and net position	$ 1,036,406,015	$ 1,024,206,885

An additional portion of the District's net position, $46,436,593, represents resources that are subject to external restrictions on how they may be used. At the close of the current fiscal year, the District is able to report positive balances in net position except for a negative $137,002,536 in unrestricted net position.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2016, and June 30, 2015, are as follows:

	Governmental Activities	
	June 30, 2016	June 30, 2015
Revenues:		
Program Revenues:		
Charges for Services	$ 13,850,464	$ 13,013,678
Operating Grants and Contributions	21,630,789	19,851,990
Capital Grants and Contributions	1,857,788	1,849,548
General Revenues:		
Property Taxes Levied for Operational Purposes	170,841,398	158,614,689
Property Taxes Levied for Capital Projects	44,435,342	40,494,409
Sales Taxes	30,062,884	28,209,372
Florida Education Finance Program	106,171,607	105,901,217
Grants and Contributions, not Restricted to Specific Programs	104,649,976	104,296,621
Unrestricted Interest Earnings	706,695	354,605
Miscellaneous	4,874,338	5,404,855
Total Revenues	499,081,281	477,990,984
Functions/Program Expenses:		
Instruction	252,033,744	242,559,984
Student Support Services	18,028,665	17,897,004
Instructional Media Services	3,905,835	4,167,346
Instruction and Curriculum Development Services	10,570,509	8,883,331
Instructional Staff Training Services	5,430,234	5,877,894
Instruction-Related Technology	46,919	592,642
School Board	817,629	1,052,935
General Administration	2,785,198	2,532,599
School Administration	23,274,561	22,225,141
Facilities Services	37,922,654	35,818,641
Fiscal Services	1,977,509	2,018,689
Food Services	25,710,911	23,945,709
Central Services	11,960,112	6,279,091
Student Transportation Services	12,495,737	12,471,794
Operation of Plant	28,634,346	28,032,655
Maintenance of Plant	8,888,260	9,069,078
Administrative Technology Services	6,022,660	4,977,450
Community Services	3,649,393	3,443,556
Unallocated Interest on Long-Term Debt	9,042,582	10,627,676
Unallocated Depreciation/Amortization	23,182	18,803
Total Expenses	463,220,640	442,492,018
Increase in Net Position	35,860,641	35,498,966
Net Position, Beginning	533,948,084	647,581,408
Adjustment to Beginning Net Position	-	(149,132,290)
Net Position, Ending	$ 569,808,725	$ 533,948,084

Governmental Activities. Governmental activities increased the District's net position by $35,860,641. The key elements in the difference between the two fiscal years were increases in property tax values for both operational and capital purposes, and operating grants and contributions revenue due to additional revenue earned by food services.

Financial Analysis of the Government's Funds

Major Governmental Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $8,599,308 while total fund balance was $16,189,118. At June 30, 2016, the District's assigned and unassigned fund balance for the General Fund was $13,414,648 or 3.72 percent of total General Fund revenues, while total fund balance was $16,189,118 or 4.49 percent of total General Fund revenues. The remainder of fund balance is not available for new spending because it is (1) nonspendable in the form of inventory amounts, $738,001 and (2) restricted for specific State categorical programs and grants, $2,036,469.

The fund balance of the District's General Fund decreased by $1,159,032 during the current fiscal year due to unforeseen expenditures such as legal settlements and additional contracted services for Exceptional Student Education. The District continues to manage cost through improved operational efficiencies and strict cost containment measures.

The Debt Service - Other Debt Service Fund is used to account for the payment of principal, interest, and related costs on the sales tax bond issues, certificates of participation issues and other debt issues. This fund ended with a fund balance restricted for debt service of $1,791,183, the fund balance increased during the current fiscal year by $190,139. The increase in fund balance was a result of QZAB principal and interest set aside for future payments.

The Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund is used to account for the funds generated by the local capital improvement tax levied under Section 1011.71(2), Florida Statutes. The restricted fund balance at year end was $15,106,196. This was an increase of $3,989,133 over the prior fiscal year's fund balance of $11,117,063. The increase in fund balance is attributed to growth in tax collections.

The Capital Projects - Other Capital Projects Fund is used to account for the financial resources generated by various sources. Included in this fund were sales tax revenues and other miscellaneous capital outlay funded projects. The fund balance for this fund at the current fiscal year end, which was restricted for capital projects, was $16,395,737. The fund balance increased during the current fiscal year by $141,413. The increase in fund balance is primarily due to an increase in local sales tax collections.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Proprietary Funds. The District's proprietary fund financial statements provide the same type of information found in the government-wide financial statements. Net position at the end of the current fiscal year for the District's Self-Insurance programs was $14,764,444. The total increase in the District's self-insurance program's net position was $5,445,072. A critical component of this increase was the District providing an additional contribution of $4.9 million to the Health Insurance Fund to provide an affordable health insurance program for its employees and to ensure the fund remained self-sufficient.

General Fund Budgetary Highlights

The District's original budget is prepared in accordance with Florida Statutes and is based on the modified accrual basis of accounting, which is the same basis as is used to account for actual transactions. The most significant budgeted fund is the General Fund.

During the current fiscal year, the District amended its General Fund budget several times. The original budget projected a $3,348,150 decrease in fund balance with an ending fund balance of $14,000,000; however, the District's final budget projected a decrease of $965,622 and an ending fund balance of $16,382,528. At fiscal year-end, the District's actual ending fund balance was $16,189,118 a decrease of $1,159,032. The variance between the original budgeted expenditures and actual amounts was due to strict cost containment and salary/benefit savings due to attrition and vacancies.

The variance between the final General Fund budgeted revenues and actuals, is primarily due to the net result of adjustments in State funding, and lower than anticipated receipt of school taxes. In addition, revenues from other local sources, such as local grants, and printing charges, fell short of mid-year forecasts. The District's actual expenditures were $4.1 million less than budgeted. The most significant area of reduction was in the instructional function, $1.8 million less than budgeted. The budget variances by function may be found on page 30.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for the governmental activities as of June 30, 2016, totals $867,878,296 (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures and equipment; motor vehicles; property under capital lease; audio-visual materials; and computer software. The total decrease in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was $11,971,228 or approximately 1.36 percent.

The decrease in net capital assets is primarily due to depreciation of $23.9 million, offset by acquisitions of $12 million.

Capital Assets
(net of depreciation)

	Governmental Activities	
	June 30, 2016	June 30, 2015
Land	$ 46,527,066	$ 47,519,167
Improvements Other Than Buildings	8,850,580	9,664,867
Buildings and Fixed Equipment	793,410,586	807,451,678
Furniture, Fixtures, and Equipment	9,040,981	8,620,793
Motor Vehicles	6,521,926	4,955,173
Property Under Capital Lease	654,116	329,439
Audio-Visual Materials and Computer Software	2,873,041	1,308,407
Total	$ 867,878,296	$ 879,849,524

Additional information on the District's capital assets can be found in Note 4 of the Notes to the Financial Statements.

Long-Term Debt. At the end of the current fiscal year, the District had total debt principal outstanding of $212,065,245.

Long-term Debt

	Governmental Activities	
	June 30, 2016	June 30, 2015
Bonds Payable	$ 36,791,000	$ 52,694,000
Capital Leases Payable	560,791	257,638
Certificates of Participation	174,713,454	183,938,455
Total	$ 212,065,245	$ 236,890,093

Additional information on the District's long-term debt can be found in Notes 6 through 10 of the Notes to the Financial Statements.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Fiscal Year 2017 Budget and Economic Factors

The District's primary source of General Fund discretionary operating revenue is District School Taxes derived from local Ad Valorem taxes. Revenue from local taxes is expected to increase by 2.5 percent or $4.3 million over the current fiscal year. The increase is attributed to the growth in new homes in Manatee County and an increase in property values related to a strong housing market. This increase in taxable value was offset by a decrease in the required local effort mileage rate, from 5.019 in the current fiscal year to 4.672 in the next fiscal year, as established by the Florida Department of Revenue.

Florida Education Finance Program (FEFP) provides funding to Florida schools districts based upon student enrollment (FTE). Enrollment is projected to increase by 190 students or 0.4 percent un-weighted FTE. FEFP funding for the current fiscal year increased by $1.9 million or 1.7 percent. The largest portion of this increase was in categories restricted for specific purposes.

Overall, General Fund operating revenues are projected to increase by 2.2 percent from the prior fiscal year.

Salaries are the largest operating expenditure of the District accounting for 56 percent of the operating budget or $211 million.

Employees of the District and their families have the opportunity to participate in various benefit plans offered by the District including the District's self-insured health insurance program. The costs to provide the health insurance benefits are expected to exceed $36 million or 9.5 percent of the operating budget.

Heath care costs are rising nationally. The District's costs for medical claims rose by 9.9 percent over the prior fiscal year. During the current fiscal year, the District successfully implemented measures to control the costs of prescriptions, reducing claims by 2 percent over the prior fiscal year. The District implemented wellness related programs and plans to achieve additional savings related to these programs in the coming years.

The District relies upon capital funding from District School Taxes (Ad Valorem) and a half-cent sales tax approved by referendum in 2002, to maintain, construct and/or purchase District facilities, equipment and technology.

District Capital School Taxes are anticipated to be $3,140,793 higher in the next fiscal year, over the current fiscal year. Sales tax receipts are also expected to increase by $1,202,515. The current half-cent sales tax referendum was extended in November 2016 by voters and is scheduled to expire in December 2032.

Requests for Information

This report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Manatee County Schools, 215 Manatee Avenue West, Bradenton, Florida 34205 or http://www.manateeschools.net/pages/SDMC/Departments/District_Support_Services/Finance/Contacts

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	$ 97,031,808	$ 5,501,334
Cash and Cash Equivalents with Fiscal Agent	16,408,053	-
Investments	145,863	-
Accounts Receivable	838,952	201,196
Due from Related Parties	-	52,390
Due from Other Agencies	6,976,397	464,771
Deposits Receivable	-	5,835
Inventories	1,038,388	-
Prepaid Items	-	151,477
Other Assets	-	29,028
Restricted Assets:		
Restricted Cash and Cash Equivalents	-	1,083,341
Restricted Investments	7,482,957	-
Capital Assets:		
Non-depreciable	46,527,066	3,673,594
Depreciable (Net)	821,351,230	30,778,624
Total Assets	997,800,714	41,941,590
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	2,651,425	-
Pensions	35,953,876	2,599,967
Total Deferred Outflows of Resources	38,605,301	2,599,967
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,036,406,015	$ 44,541,557
LIABILITIES		
Salaries and Wages Payable	$ 19,008,200	$ 1,502,153
Payroll Deductions and Withholdings Payable	743,617	-
Accounts Payable	3,578,391	2,126,800
Claims Payable	3,649,657	-
Construction Contracts Payable	794,368	-
Construction Contracts Payable - Retainage	110,076	-
Sales Tax Payable	4,005	-
Due to Other Agencies	17,173	-
Matured Debt Payable	11,305,000	-
Matured Interest Payable	3,597,695	-
Accrued Interest Payable	285,466	-
Unearned Revenue	-	52,617
Long-Term Liabilities:		
Portion Due or Payable Within One Year:		
Notes Payable	-	541,846
Capital Leases Payable	166,945	303,133
Bonds Payable	16,251,000	492,877
Certificates of Participation Payable	11,980,000	-
Early Retirement Plan Payable	31,682	-
Estimated Insurance Claims Payable	2,994,000	-
Pension Liability	2,676,091	-
Compensated Absences Payable	3,500,000	8,032
Portion Due or Payable After One Year:		
Notes Payable	-	4,728,781
Capital Leases Payable	393,846	12,955,929
Bonds Payable	21,048,860	12,923,437
Certificates of Participation Payable	162,870,075	-
Early Retirement Plan Payable	134,066	-
Estimated Insurance Claims Payable	5,912,915	-
Other Postemployment Benefits Payable	10,998,975	-
Pension Liability	141,977,419	1,984,726
Compensated Absences Payable	18,773,240	99,453
Total Liabilities	442,802,762	37,719,784
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	12,496	-
Pensions	23,782,032	577,427
Total Deferred Inflows of Resources	23,794,528	577,427
NET POSITION		
Net Investment in Capital Assets	660,374,668	3,461,465
Restricted for:		
State Required Carryover Programs	1,780,584	-
Food Service	7,138,240	-
Debt Service	7,444,576	-
Capital Projects	29,817,308	-
Other Purposes	255,885	1,083,341
Unrestricted	(137,002,536)	1,699,540
Total Net Position	569,808,725	6,244,346
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,036,406,015	$ 44,541,557

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units
Primary Government:						
Governmental Activities:						
Instruction	$ 252,033,744	$ 2,605,921	$ -	$ -	$ (249,427,823)	$ -
Student Support Services	18,028,665	-	-	-	(18,028,665)	-
Instructional Media Services	3,905,835	-	-	-	(3,905,835)	-
Instruction and Curriculum Development Services	10,570,509	-	-	-	(10,570,509)	-
Instructional Staff Training Services	5,430,234	-	-	-	(5,430,234)	-
Instruction-Related Technology	46,919	-	-	-	(46,919)	-
School Board	817,629	-	-	-	(817,629)	-
General Administration	2,785,198	-	-	-	(2,785,198)	-
School Administration	23,274,561	-	-	-	(23,274,561)	-
Facilities Services	37,922,654	-	-	411,893	(37,510,761)	-
Fiscal Services	1,977,509	-	-	-	(1,977,509)	-
Food Services	25,710,911	5,040,973	21,630,789	-	960,851	-
Central Services	11,960,112	782	-	-	(11,959,330)	-
Student Transportation Services	12,495,737	998,630	-	-	(11,497,107)	-
Operation of Plant	28,634,346	-	-	-	(28,634,346)	-
Maintenance of Plant	8,888,260	740,035	-	-	(8,148,225)	-
Administrative Technology Services	6,022,660	-	-	-	(6,022,660)	-
Community Services	3,649,393	4,464,123	-	-	814,730	-
Unallocated Interest on Long-Term Debt	9,042,582	-	-	1,445,895	(7,596,687)	-
Unallocated Depreciation/Amortization*	23,182	-	-	-	(23,182)	-
Total Governmental Activities	463,220,640	13,850,464	21,630,789	1,857,788	(425,881,599)	-
Total Primary Government	$ 463,220,640	$ 13,850,464	$ 21,630,789	$ 1,857,788	(425,881,599)	-
Component Units:						
Charter Schools	$ 45,528,138	$ 1,239,072	$ 2,812,575	$ 1,017,666	-	(40,458,825)
General Revenues:						
Taxes:						
Property Taxes, Levied for Operational Purposes					170,841,398	-
Property Taxes, Levied for Capital Projects					44,435,342	-
Sales Taxes					30,062,884	-
Grants and Contributions, not Restricted to Specific Programs					210,821,583	41,413,625
Unrestricted Investment Earnings					706,695	68
Miscellaneous					4,486,941	271,723
Gain on Disposal of Capital Assets					387,397	-
Total General Revenues					461,742,240	41,685,416
Changes in Net Position					35,860,641	1,226,591
Net Position - Beginning					533,948,084	5,024,413
Adjustment to Beginning Net Position (Note 1)					-	(6,658)
Restated Net Position - Beginning					533,948,084	5,017,755
Net Position - Ending					$ 569,808,725	$ 6,244,346

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

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General Fund	Debt Service: Other Debt Service Fund	Capital Projects: Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects: Other Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 31,382,445	$ -	$ 16,115,608	$ 14,470,930	$ 7,697,494	$ 69,666,477
Cash and Cash Equivalents with Fiscal Agent	-	16,408,053	-	-	-	16,408,053
Investments	-	-		-	145,863	145,863
Accounts Receivable	556,265	-	-	-	277,648	833,913
Due from Other Funds	3,843,643	-	-	-	-	3,843,643
Due from Other Agencies	1,228,569	-	14,513	2,929,324	2,803,991	6,976,397
Inventories	738,001	-	-	-	300,387	1,038,388
Restricted Investments	-	1,791,183	-	-	5,691,774	7,482,957
					16,917,157	106,395,691
TOTAL ASSETS	$ 37,748,923	$ 18,199,236	$ 16,130,121	$ 17,400,254		
					$ 16,917,157	$ 106,395,691
LIABILITIES						
Liabilities:						
Salaries and Wages Payable	$ 19,008,200	$ -	$ -	$ -		
Payroll Deductions and Withholdings Payable	743,617	-	-	-		
Accounts Payable	1,786,810	-	737,561	386,437	$ -	$ 19,008,200
Construction Contracts Payable	-	-	238,434	555,934	-	743,617
Construction Contracts Payable - Retainage	-	-	47,930	62,146	618,229	3,529,037
Sales Tax Payable	4,005	-	-	-	-	794,368
Due to Other Funds	-	1,505,358	-	-	-	110,076
Due to Other Agencies	17,173	-	-	-	-	4,005
Matured Debt Payable	-	11,305,000	-	-	2,338,285	3,843,643
Matured Interest Payable	-	3,597,695	-	-	-	17,173
					-	11,305,000
Total Liabilities	21,559,805	16,408,053	1,023,925	1,004,517	-	3,597,695
					2,956,514	42,952,814
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue	-	-	-	-		
Total Deferred Inflows of Resources	-	-	-	-	12,496	12,496
					12,496	12,496
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	21,559,805	16,408,053	1,023,925	1,004,517		
					2,969,010	42,965,310
FUND BALANCES						
Nonspendable						
Inventories	738,001	-	-	-		
Restricted					-	738,001
State Required Carryover Programs	1,780,584	-	-	-		
Food Services	-	-	-	-	-	1,780,584
Debt Service	-	1,791,183	-	-	7,138,240	7,138,240
Capital Projects	-	-	15,106,196	16,395,737	5,938,859	7,730,042
Grants	255,885	-	-	-	871,048	32,372,981
Assigned					-	255,885
School and Local Programs	4,815,340	-	-	-		
Unassigned	8,599,308	-	-	-	-	4,815,340
Total Fund Balances	16,189,118	1,791,183	15,106,196	16,395,737	-	8,599,308
					13,948,147	63,430,381
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 37,748,923	$ 18,199,236	$ 16,130,121	$ 17,400,254		
					$ 16,917,157	$ 106,395,691

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

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2016

Total Fund Balance - Governmental Funds		$ 63,430,381
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		867,878,296
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.		(285,466)
The difference between the acquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements, but is not reported in the governmental funds.		2,651,425
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		14,764,444
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Obligations Under Capital Lease	$ (560,791)	
Bonds Payable	(37,299,860)	
Certificates of Participation Payable	(174,850,075)	
Early Retirement Plan Payable	(165,748)	
Other Postemployment Benefits Payable	(10,998,975)	
Compensated Absences Payable	(22,273,240)	(246,148,689)
On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the District's proportionate share of the net pension liability of the cost-sharing defined benefit pension plans in which the District participates is reported as a noncurrent liability. Additionally, deferred outflows of resources and deferred inflows of resources related to pensions are also reported in accordance with GASB Statement No. 68.		
Net Pension Liability	$ (144,653,510)	
Deferred outflows of resources related to pensions	35,953,876	
Deferred inflows of resources related to pensions	(23,782,032)	(132,481,666)
Total Net Position - Governmental Activities		$ 569,808,725

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

	General Fund	Debt Service: Other Debt Service Fund	Capital Projects: Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Capital Projects: Other Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Federal Direct Sources:						
Reserve Officers Training Corps (ROTC)	$ 539,649	$ -	$ -	$ -	$ -	$ 539,649
Other Federal Direct Sources	845	-	-	-	2,287,891	2,288,736
Miscellaneous Federal Direct	-	-	-	-	1,024,430	1,024,430
Total Federal Direct Sources	540,494	-	-	-	3,312,321	3,852,815
Federal Through State and Local Sources:						
Vocational Education Acts	30,000	-	-	-	802,832	832,832
Medicaid	2,536,281	-	-	-	-	2,536,281
Race-to-the-Top	-	-	-	-	62,265	62,265
Food Service	-	-	-	-	21,325,633	21,325,633
Other Federal Through State Sources	-	-	-	-	29,173,138	29,173,138
Total Federal Through State and Local Sources	2,566,281	-	-	-	51,363,868	53,930,149
State Sources:						
Florida Education Finance Program	106,171,607	-	-	-	-	106,171,607
Categorical/Earmarked Programs	65,620,096	-	-	-	-	65,620,096
CO&DS Withheld for Bond Administrative Expenses	28,183	-	-	-	-	28,183
CO&DS Withheld for SBE/COBI Bond	-	-	-	-	1,445,620	1,445,620
CO&DS Distribution	-	-	-	-	383,710	383,710
Public Education Capital Outlay	-	-	-	-	740,035	740,035
Charter School Capital Outlay	-	-	-	1,215,646	-	1,215,646
Other State Sources	1,240,326	-	-	116,578	305,431	1,662,335
Total State Sources	173,060,212	-	-	1,332,224	2,874,796	177,267,232
Local Sources:						
Ad Valorem Taxes	170,841,398	-	44,435,342	-	-	215,276,740
Sales Taxes	-	-	-	30,062,884	-	30,062,884
Food Service	-	-	-	-	5,040,973	5,040,973
Interest Income	390,504	47,234	-	28,194	94,684	560,616
Impact Fees	-	-	-	47,644	-	47,644
Net Increase in Fair Value of Investments	-	447	-	-	145,632	146,079
Other Local Sources	13,030,581	-	22,977	4,026	147,458	13,205,042
Total Local Sources	184,262,483	47,681	44,458,319	30,142,748	5,428,747	264,339,978
Total Revenues	$ 360,429,470	$ 47,681	$ 44,458,319	$ 31,474,972	$ 62,979,732	$ 499,390,174

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

		Debt Service	Capital Projects			
	General Fund	Other Debt Service Fund	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund	Other Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
(Continued)						
EXPENDITURES						
Current:						
Instruction	$ 242,500,001	$ -	$ -	$ -	$ 18,212,411	$ 260,712,412
Student Support Services	16,566,273	-	-	-	2,378,161	18,944,434
Instructional Media Services	4,130,204	-	-	-	7,916	4,138,120
Instruction and Curriculum Development Services	5,100,055	-	-	-	6,100,955	11,201,010
Instructional Staff Training Services	1,532,319	-	-	-	3,961,371	5,493,690
Instruction-Related Technology	46,106	-	-	-	813	46,919
School Board	854,589	-	-	-	598	855,187
General Administration	1,871,642	-	-	-	1,121,499	2,993,141
School Administration	24,487,130	-	-	-	84,429	24,571,559
Facilities Services	2,137,361	-	9,750,255	3,585,290	-	15,472,906
Fiscal Services	2,104,167	-	-	-	43,708	2,147,875
Food Services	-	-	-	-	25,719,583	25,719,583
Central Services	12,274,349	-	-	-	76,195	12,350,544
Student Transportation Services	12,938,379	-	-	-	108,274	13,046,653
Operation of Plant	29,216,280	-	-	-	1,398	29,217,678
Maintenance of Plant	9,122,054	-	-	-	-	9,122,054
Administrative Technology Services	6,317,131	-	-	-	-	6,317,131
Community Services	3,796,746	-	-	-	-	3,796,746
Capital Outlay:						
Facilities Acquisition and Construction	5,500	-	1,702,633	1,854,802	105,164	3,668,099
Other Capital Outlay	1,194,501	-	6,219,632	-	1,569,377	8,983,510
Debt Service:						
Principal	-	26,080,000	39,236	83,086	1,128,000	27,330,322
Interest and Fiscal Charges	136,086	8,423,288	2,683	8,566	1,366,695	9,937,318
Total Expenditures	376,330,873	34,503,288	17,714,439	5,531,744	61,986,547	496,066,891
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,901,403)	(34,455,607)	26,743,880	25,943,228	993,185	3,323,283
OTHER FINANCING SOURCES (USES)						
Inception of Capital Leases	-	-	425,826	-	-	425,826
Refunding Certificates of Participation	-	38,470,000	-	-	-	38,470,000
Payments to Refunded COP Escrow Agent	-	(38,236,066)	-	-	-	(38,236,066)
Proceeds from Sale of Capital Assets	387,397	-	-	-	-	387,397
Transfers In	14,354,974	34,411,812	-	-	955,637	49,722,423
Transfers Out	-	-	(23,180,573)	(25,801,815)	(740,035)	(49,722,423)
Total Other Financing Sources (Uses)	14,742,371	34,645,746	(22,754,747)	(25,801,815)	215,602	1,047,157
Net Change in Fund Balances	(1,159,032)	190,139	3,989,133	141,413	1,208,787	4,370,440
Fund Balances, Beginning	17,348,150	1,601,044	11,117,063	16,254,324	12,739,360	59,059,941
Fund Balances, Ending	$ 16,189,118	$ 1,791,183	$ 15,106,196	$ 16,395,737	$ 13,948,147	$ 63,430,381

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

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balances - Governmental Funds		$ 4,370,440
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.		
Capital Outlay	$ 12,645,827	
Less Depreciation Expense	(23,920,765)	(11,274,938)
Donated capital assets are reported as revenues on the Statement of Activities, however, they do not provide current financial resources and are not reported as revenues in the governmental funds.		324,531
In the government funds, the costs of capital assets was recognized as an expenditure in the year purchased. Thus the change in net position differs from the change in fund balances by the undepreciated cost of the disposed assets.		(1,020,821)
Capital lease proceeds provide current financial resources to the governmental funds, but issuance of capital leases increase long-term liabilities in the the Statement of Net Position.		(425,826)
Proceeds of refunding debt are reported as other financing sources in the governmental funds, while payments to the escrow agent for advance-refunding of outstanding debt are shown as other financing uses. Government-wide statements are affected only to the extent these amounts differ. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Payment to Escrow Agent for Refunding Debt	$ 38,236,066	
Refunding Certificates of Participation	(38,470,000)	
Principal Payments on Bonds	15,903,000	
Principal Payments on Certificates of Participation	11,305,000	
Principal Payments on Capital Leases	122,673	27,096,739
Expenses in the Statement of Activities that do not require the use of current financial resources are not reported in the governmental funds.		
Amortization of Deferred Cost of Refunding	$ (516,762)	
Amortization of Discount on Debt	(42,349)	
Amortization of Premium on Debt	1,347,058	
Decrease in Accrued Interest Payable	106,437	
Decrease in Other Postemployment Benefits Payable	1,960,702	
Decrease in Compensated Absences Payable	1,340,025	
Decrease in Early Retirement Plan Payable	18,141	4,213,252
Governmental funds report contributions to defined benefit pension plans as expenditures, However, in the Statement of Activities, the amount contributed to defined benefit pension plans reduces future net pension liability and is reported as part of deferred outflows of resources.		16,830,918
In the Statement of Activities, pension expense is recorded for the District's proportionate share of collective pension expense of the cost-sharing defined benefit plans in which the District participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68.		(9,698,726)
Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The change in net position of internal service funds is reported with governmental activities.		
Internal Service Funds - Change in Net Position		5,445,072
Change in Net Position - Governmental Activities		$ 35,860,641

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2016

	General Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	$ 525,000	$ 539,649	$ 539,649	$ -
Other Federal Direct Sources	-	-	845	845
Total Federal Direct Sources	525,000	539,649	540,494	845
Federal Through State and Local Sources:				
Vocational Education Acts	-	30,000	30,000	-
Medicaid	1,600,000	2,536,281	2,536,281	-
Total Federal Through State and Local Sources	1,600,000	2,566,281	2,566,281	-
State Sources:				
Florida Education Finance Program	111,109,144	106,171,607	106,171,607	-
Categorical/Earmarked Programs	67,725,259	66,120,054	65,620,096	(499,958)
CO&DS Withheld for Administrative Expenses	22,000	22,000	28,183	6,183
Other State Sources	325,000	1,555,755	1,240,326	(315,429)
Total State Sources	179,181,403	173,869,416	173,060,212	(809,204)
Local Sources:				
Ad Valorem Taxes	171,063,856	171,063,856	170,841,398	(222,458)
Interest Income	35,000	390,504	390,504	-
Other Local Sources	12,075,502	15,719,480	13,030,581	(2,688,899)
Total Local Sources	183,174,358	187,173,840	184,262,483	(2,911,357)
Total Revenues	364,480,761	364,149,186	360,429,470	(3,719,716)

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2016

	General Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
(Continued)				
EXPENDITURES				
Current:				
Instruction:				
Salaries	$ 143,061,992	$ 138,598,565	$ 138,193,020	$ 405,545
Employee Benefits	43,455,375	42,749,413	42,622,952	126,461
Purchased Services	49,015,241	50,496,797	50,389,473	107,324
Energy Services	-	33,564	2,844	30,720
Materials and Supplies	12,807,901	6,825,569	6,044,292	781,277
Capital Outlay	1,203,058	967,235	678,893	288,342
Other Expenses	3,551,239	4,609,609	4,568,527	41,082
Total Instruction	253,094,806	244,280,752	242,500,001	1,780,751
Student Support Services:				
Salaries	12,951,903	12,160,719	12,100,015	60,704
Employee Benefits	4,173,204	3,869,975	3,848,268	21,707
Purchased Services	95,143	90,464	90,248	216
Materials and Supplies	122,782	79,194	72,652	6,542
Capital Outlay	11,634	32,497	27,278	5,219
Other Expenses	49,162	427,812	427,812	-
Total Student Support Services	17,403,828	16,660,661	16,566,273	94,388
Instructional Media Services:				
Salaries	3,204,067	3,100,565	3,088,516	12,049
Employee Benefits	1,025,731	902,925	902,731	194
Purchased Services	188,605	170,231	64,862	105,369
Materials and Supplies	11,843	8,460	7,908	552
Capital Outlay	38,920	99,335	60,893	38,442
Other Expenses	1,375	5,294	5,294	-
Total Instructional Media Services	4,470,541	4,286,810	4,130,204	156,606
Instruction and Curriculum Development Services:				
Salaries	3,285,490	3,718,151	3,713,587	4,564
Employee Benefits	1,097,276	1,159,723	1,159,650	73
Purchased Services	222,392	167,640	137,784	29,856
Materials and Supplies	53,937	36,377	33,248	3,129
Capital Outlay	5,974	32,124	32,099	25
Other Expenses	123,771	23,687	23,687	-
Total Instruction and Curriculum Development Services	4,788,840	5,137,702	5,100,055	37,647
Instructional Staff Training Services:				
Salaries	1,170,264	916,829	910,962	5,867
Employee Benefits	333,634	248,514	248,179	335
Purchased Services	209,316	254,373	194,003	60,370
Materials and Supplies	68,094	153,264	73,705	79,559
Capital Outlay	32,000	-	-	-
Other Expenses	203,254	120,987	105,470	15,517
Total Instructional Staff Training Services	2,016,562	1,693,967	1,532,319	161,648
Instruction-Related Technology:				
Purchased Services	-	19,560	5,327	14,233
Capital Outlay	-	181,650	40,779	140,871
Total Instruction-Related Technology	-	201,210	46,106	155,104

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2016

	General Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
(Continued)				
School Board:				
Salaries	$ 234,174	$ 229,019	$ 229,019	$ -
Employee Benefits	276,411	199,412	199,412	-
Purchased Services	476,970	398,720	397,520	1,200
Materials and Supplies	4,300	1,376	1,376	-
Other Expenses	29,000	27,262	27,262	-
Total School Board	1,020,855	855,789	854,589	1,200
General Administration:				
Salaries	907,806	1,002,762	1,002,762	-
Employee Benefits	296,217	345,412	345,412	-
Purchased Services	560,303	487,397	485,589	1,808
Materials and Supplies	12,075	4,878	1,328	3,550
Capital Outlay	-	1,850	1,850	-
Other Expenses	46,580	43,328	34,701	8,627
Total General Administration	1,822,981	1,885,627	1,871,642	13,985
School Administration:				
Salaries	16,716,780	17,766,844	17,766,810	34
Employee Benefits	5,394,973	5,450,703	5,450,652	51
Purchased Services	237,620	376,805	372,365	4,440
Materials and Supplies	72,809	64,754	59,993	4,761
Capital Outlay	59,970	73,089	49,852	23,237
Other Expenses	335,902	787,486	787,458	28
Total School Administration	22,818,054	24,519,681	24,487,130	32,551
Facilities Services:				
Salaries	621,888	594,018	594,018	-
Employee Benefits	202,922	212,324	212,324	-
Purchased Services	1,931,600	1,321,488	1,321,488	-
Materials and Supplies	2,500	2,095	2,095	-
Capital Outlay	2,500	5,440	5,440	-
Other Expenses	4,500	1,996	1,996	-
Total Facilities Services	2,765,910	2,137,361	2,137,361	-
Fiscal Services:				
Salaries	1,481,598	1,385,514	1,385,514	-
Employee Benefits	483,445	512,761	512,761	-
Purchased Services	540,576	182,770	182,770	-
Materials and Supplies	16,600	10,643	10,643	-
Capital Outlay	8,550	584	584	-
Other Expenses	9,393	11,895	11,895	-
Total Fiscal Services	2,540,162	2,104,167	2,104,167	-
Central Services:				
Salaries	4,477,777	4,104,218	4,104,218	-
Employee Benefits	1,346,106	1,290,167	1,290,121	46
Purchased Services	2,958,841	1,247,205	1,220,736	26,469
Materials and Supplies	286,949	588,430	588,430	-
Capital Outlay	29,460	29,569	29,569	-
Other Expenses	217,627	5,041,275	5,041,275	-
Total Central Services	9,316,760	12,300,864	12,274,349	26,515
Student Transportation Services:				
Salaries	5,967,103	6,902,993	6,786,102	116,891
Employee Benefits	1,947,066	2,494,406	2,492,013	2,393
Purchased Services	1,458,066	1,693,484	1,693,484	-
Energy Services	1,651,474	961,444	961,444	-
Materials and Supplies	659,635	824,334	823,926	408
Capital Outlay	5,833	2,046	2,046	-
Other Expenses	314,469	197,192	179,364	17,828
Total Student Transportation Services	12,003,646	13,075,899	12,938,379	137,520

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2016

	General Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
(Continued)				
Operation of Plant:				
Salaries	$ 8,195,857	$ 8,381,528	$ 8,351,511	$ 30,017
Employee Benefits	2,651,420	2,946,877	2,941,517	5,360
Purchased Services	6,572,449	5,692,002	5,691,135	867
Energy Services	10,237,276	11,325,784	11,325,784	-
Materials and Supplies	718,869	827,700	779,573	48,127
Capital Outlay	42,474	54,589	48,761	5,828
Other Expenses	159,110	77,999	77,999	-
Total Operation of Plant	28,577,455	29,306,479	29,216,280	90,199
Maintenance of Plant:				
Salaries	4,322,412	4,416,875	4,416,875	-
Employee Benefits	1,410,403	1,478,561	1,478,561	-
Purchased Services	2,821,568	1,863,602	1,786,773	76,829
Energy Services	300,000	177,157	177,157	-
Materials and Supplies	1,065,595	1,223,623	1,222,819	804
Capital Outlay	30,034	38,540	38,540	-
Other Expenses	35,139	1,329	1,329	-
Total Maintenance of Plant	9,985,151	9,199,687	9,122,054	77,633
Administrative Technology Services:				
Salaries	3,544,410	3,528,041	3,528,041	-
Employee Benefits	1,156,541	1,049,290	1,049,290	-
Purchased Services	1,343,630	1,599,097	1,599,097	-
Materials and Supplies	258,443	106,431	106,431	-
Capital Outlay	6,000	30,001	29,979	22
Other Expenses	80,000	4,293	4,293	-
Total Administrative Technology Services	6,389,024	6,317,153	6,317,131	22
Community Services:				
Salaries	2,689,336	2,745,094	2,745,094	-
Employee Benefits	68,043	485,473	485,393	80
Purchased Services	166,555	112,660	112,660	-
Materials and Supplies	59,500	22,361	22,361	-
Capital Outlay	3,725	10,289	10,289	-
Other Expenses	117,729	422,649	420,949	1,700
Total Community Services	3,104,888	3,798,526	3,796,746	1,780
Capital Outlay:				
Facilities Acquisition and Construction	-	5,500	5,500	-
Other Capital Outlay	938,173	2,521,561	1,194,501	1,327,060
Total Capital Outlay	938,173	2,527,061	1,200,001	1,327,060
Debt Service:				
Interest and Fiscal Charges	-	136,086	136,086	-
Total Debt Service	-	136,086	136,086	-
Total Expenditures	383,057,636	380,425,482	376,330,873	4,094,609
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,576,875)	(16,276,296)	(15,901,403)	374,893
OTHER FINANCING SOURCES				
Proceeds from Sale of Capital Assets	-	387,397	387,397	-
Transfers In	15,228,725	14,923,277	14,354,974	(568,303)
Total Other Financing Sources	15,228,725	15,310,674	14,742,371	(568,303)
Net Change in Fund Balance	(3,348,150)	(965,622)	(1,159,032)	(193,410)
Fund Balance, Beginning	17,348,150	17,348,150	17,348,150	-
Fund Balance, Ending	$ 14,000,000	$ 16,382,528	$ 16,189,118	$ (193,410)

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 27,365,331
Accounts Receivable	5,039
Total Assets	27,370,370
LIABILITIES	
Current Liabilities:	
Accounts Payable	49,354
Claims Payable	3,649,657
Estimated Insurance Claims Payable	2,994,000
Total Current Liabilities	6,693,011
Long-Term Liabilities:	
Estimated Insurance Claims Payable	5,912,915
Total Liabilities	12,605,926
NET POSITION	
Unrestricted	14,764,444
Total Net Position	$ 14,764,444

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2016

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium Revenues	$ 55,048,450
Other Operating Revenues	203,579
Total Operating Revenues	55,252,029
OPERATING EXPENSES	
Salaries	567,528
Employee Benefits	315,153
Purchased Services	2,972,077
Materials and Supplies	4,655
Capital Outlay	4,181
Insurance Claims	44,734,247
Insurance Premiums	555,285
Other Expenses	653,831
Total Operating Expenses	49,806,957
Operating Income (Loss)	5,445,072
Change in Net Position	5,445,072
Total Net Position, Beginning	9,319,372
Total Net Position, Ending	$ 14,764,444

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2016

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Premiums	$ 55,050,352
Cash Received from Other Operating Revenues	203,579
Cash Payments to Suppliers for Goods and Services	(2,750,620)
Cash Payments to Employees for Services	(882,681)
Cash Payments for Insurance Claims	(46,705,341)
Cash Payment for Premiums and Other Fees	(1,206,577)
Net Cash Provided (Used) by Operating Activities	3,708,712
Net Change in Cash	3,708,712
Cash and Cash Equivalents, Beginning	23,656,619
Cash and Cash Equivalents, Ending	$ 27,365,331
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ 5,445,072
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	1,902
Increase (Decrease) in Accounts Payable	(153,986)
Increase (Decrease) in Claims Payable	386,818
Increase (Decrease) in Estimated Insurance Claims Payable	(1,971,094)
Total Adjustments	(1,736,360)
Net Cash Provided (Used) by Operating Activities	$ 3,708,712

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

	Fiduciary Funds	
	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 105,296	$ 5,990,178
Investments	-	483,459
Total Assets	105,296	$ 6,473,637
LIABILITIES		
Accounts Payable	15,660	$ -
Internal Accounts Payable	-	6,473,637
Total Liabilities	15,660	$ 6,473,637
NET POSITION		
Held in Trust for Scholarships and Other Purposes	$ 89,636	

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

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2016

	Private-Purpose Trust Funds
ADDITIONS	
Contributions:	
Gifts, Grants, and Bequests	$ 3,737
Financial Aid Fees	180,423
Total Additions	184,160
DEDUCTIONS	
Purchased Services	464
Materials and Supplies	6,136
Scholarships	98,663
Total Deductions	105,263
Change in Net Position	78,897
Net Position, July 1, 2015	10,739
Net Position, June 30, 2016	$ 89,636

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➢ ***Reporting Entity***

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

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

Based on the application of these criteria, the following component units are included within the School Board's reporting entity:

Blended Component Unit. The Manatee County School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 7. Due to the substantive economic relationship between the School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units. The component units' columns in the basic financial statements include the financial data of the District's other component units. Manatee School of Arts and Sciences, Inc.; Renaissance Arts and Education, Inc., d/b/a Manatee School for the Arts; The Lee Foundation Inc., d/b/a Manatee Charter School; Oasis Middle School, Inc.; Palmetto Charter School, Inc.; Team Success A School of Excellence, Inc.; Just for Girls Academy, Inc., Visible Men Academy, Inc., and William Monroe Rowlett Academy for Arts & Communication, Inc., are charter schools and separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. Imagine – Manatee County, LLC, d/b/a Imagine Charter School at North Manatee and Imagine – East Manatee County, LLC, d/b/a Imagine School at Lakewood Ranch are organized as limited liability corporations pursuant to Chapter 608, Florida Statutes, the Florida Limited Liability Company Act, and Section 1002.23, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Manatee County District School Board. The charter schools are considered to be component units of the District because the District is financially

accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to provide specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools and the District is responsible for the operation, control, and supervision of public schools within the District. The financial data reported on the accompanying financial statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2016. Audits of the charter schools' financial statements for the fiscal year ended June 30, 2016, were conducted by independent certified public accountants and are filed in the District's administrative offices at 215 Manatee Avenue West, Bradenton, Florida 34205.

Related Organizations. One charter school, the State College of Florida Collegiate School, operates under another governmental agency and therefore, is not included as a discretely presented component unit of the District. The school operates under a charter approved by their sponsor, the Manatee County District School Board.

The beginning net position of the component units decreased by $6,658 from $5,024,413 to $5,017,755 due to the following: The beginning net position of one charter school decreased by $63,961 due to a payroll accrual that was not previously recorded and another charter school increased its beginning net position by $57,303 due to the recognition of income relating to prior periods.

- ***Basis of Presentation* – *Government-wide Financial Statements***

Government-wide financial statements, i.e., the statement of net position and the statement of activities, present information about the District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense associated with the District's capital assets are allocated to appropriate functions, while the remaining depreciation expense not readily associated with a particular function is reported as unallocated.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The effects of interfund activity have been eliminated from the government-wide financial statements except for interfund services provided and used.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

- ***Basis of Presentation* – *Fund Financial Statements***

Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

Debt Service – Other Debt Service Fund – to account for and report on the payment of principal, interest, and related costs on the sales tax revenue bond issues, certificate of participation issues, and other debt service issues.

Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund – to account for the funds generated by the local capital improvement tax levied under Section 1011.71(2), Florida Statutes.

Capital Projects – Other Capital Projects Fund – to account for other capital financial resources such as Sales Tax Proceeds, Impact Fees, Sales Tax Revenue Bonds, Certificates of Participation, etc.

Additionally, the District reports the following proprietary and fiduciary fund types:

Internal Service Funds – to account for the District's individual self-insurance programs.

Private-Purpose Trust Funds – to account for financial fees and other moneys for which principal and income benefit individuals or private organizations.

Agency Funds – to account for resources of the school internal funds which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

During the course of operations the District has activity between funds for various purposes. Temporary loans between funds are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the preparation of the government-wide financial statements.

- ***Measurement Focus and Basis of Accounting***

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Property taxes, sales taxes, State education funding, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the District.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums and workers' compensation premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

- ***Deposits and Investments***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less, except that short-term investments in the agency funds are not considered to be cash equivalents. Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by the Federal Depository Insurance Corporation, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Investments consist of amounts placed in the State Board of Administration (SBA) debt service accounts for investment of debt service money with SBA for participation in Florida PRIME investment pool created by Section 218.405, Florida Statutes; and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than in the underlying investments. These investments are reported at fair value, which is amortized cost.

Investments made locally consist of money market funds, commercial paper, a United States Treasury bond, United States Treasury notes, a United States Treasury bill, and United States Treasury State and Local Government Services - Certificates of Indebtedness, and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

- ***Receivables***

All receivables are deemed collectable by the District. Therefore, the District does not report an allowance for doubtful accounts.

- ***Inventories***

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

- ***Capital Assets***

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those

costing more than $1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value at the date of donation. Land and buildings acquired or constructed prior to July 1, 1967, are stated at estimated historical cost. Land acquired prior to July 1, 1967, is valued at 1974 assessed values (Manatee County Property Appraiser's report of assessed values dated August 23, 1975). Buildings acquired prior to July 1, 1967, are valued at their "depreciated value" (estimated replacement costs, multiplied by the percent of remaining estimated life) at June 30, 1978. Improvements other than buildings (parking lots, sidewalks, fences, etc.) include assets acquired subsequent to July 1, 1979.

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

Description	Estimated Useful Lives
Improvements Other Than Buildings	10 - 35 years
Buildings and Fixed Equipment	10 - 60 years
Furniture, Fixtures, and Equipment	3 - 15 years
Motor Vehicles	5 - 10 years
Property Under Capital Lease	5 - 7 years
Audio-Visual Materials	3 - 7 years
Computer Software	5 years

Current year information relative to changes in capital assets is described in Note 4.

- ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position reports a separate financial statement element for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has two items that qualify for reporting in this category, the deferred charges on refunding and the deferred outflows related to pensions, both reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.* The deferred outflows related to pensions will be recognized as either pension expense or a reduction

in the net pension liability in future reporting years. The deferred outflows of resources related to pensions are discussed in a subsequent note.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has one significant item that qualifies for reporting as deferred inflows of resources. This item is the deferred inflows related to pensions which are reported in the government-wide statement of net position. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows of resources related to pensions are discussed in a subsequent note.

- ***Long-Term Liabilities***

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

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued and premiums are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

Changes in long-term liabilities for the current year are reported in Note 10.

- ***Pensions/Net Pension Liability***

In the government-wide financial statements, net pension liability represents the District's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing pension plan's fiduciary net position.

The District participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by Florida Division of Retirement (collectively, FRS/HIS).

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the FRS/HIS and additions to/deductions from FRS/HIS's fiduciary net position have been determined on the same basis as they are reported by FRS/HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- ***Fund Balance/Net Position***

Fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows, as applicable:

Nonspendable: Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation, constitutional provisions, or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed: Fund balances are reported as committed for amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The District reported no committed fund balances at June 30, 2016.

Assigned: Fund balances are reported as assigned when amounts are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are designated by the Superintendent.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The General Fund is the only fund that may report a positive unassigned fund. When expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it is necessary to report a negative unassigned fund balance.

In addition, the District has adopted Board Policy 7.17 which provides at least 3 percent of total budgeted annual operating revenues of the General Fund shall be reserved for contingency purposes. The reserve for contingency is defined as the assigned and unassigned fund balance and the unassigned portion shall be controlled solely by the Board.

Net position represents the difference between assets and liabilities in the government-wide and proprietary fund financial statements. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the

acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation, constitutional provisions, or through external restrictions imposed by creditors, grantors, laws or regulations. All net position not reported as net investment in capital assets or restricted net position are reported as unrestricted net position.

When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For the unrestricted amount of fund balance, it is the District's policy to use fund balance in the following order:

- Assigned
- Unassigned

- ***State Revenue Sources***

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (FDOE) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the FDOE. The FDOE performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of 5 months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The FDOE may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

A schedule of revenue from State sources for the current year is presented in Note 13.

- ***District Property Taxes***

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

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

The School Board adopted the 2015 tax levy on September 8, 2015. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Manatee County Tax Collector at fiscal year-end but not yet remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued, and no delinquent tax revenue is recorded.

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

- ***Capital Outlay Surtax***

In May 2002, the voters of Manatee County approved a one-half cent discretionary sales surtax on sales in the County for 15 years, effective January 1, 2003, to pay construction, reconstruction or improvements of school facilities and related costs, land acquisitions, improvements and related costs, and costs for retrofitting and providing for technology implementation, including hardware and software for the various sites within the District in accordance with Section 212.055(6), Florida Statutes.

- ***Educational Impact Fees***

The District receives educational impact fees based on an ordinance adopted by the Manatee County Board of County Commissioners on May 7, 2002. This ordinance was amended in May 2009, when Ordinance 09-36, Section 3, suspended the levy for a two-year period commencing July 27, 2009, and ending July 27, 2011. The Ordinance was amended again, suspending impact fees through July 27, 2015. Recently, Manatee County Ordinance 16-03 was adopted, reinstating the impact fee schedule effective April 18, 2016. The fees collected by the County and each municipality within the County for most residential construction are based on an interlocal agreement. The fees shall be used solely for the purpose of paying the capital costs of educational facilities needed to increase the capacity of the school system in order to accommodate the increased demand on the District which is reasonably attributable to new residential construction, and shall not be used for any expenditure that would be classified as operational

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

expenses, routine maintenance or repairs. The authorized uses include, but are not limited to, land acquisition, site improvement, construction costs, furniture and equipment, and payment of principal and interest for indebtedness.

- ***Federal Revenue Sources***

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

- ***Use of Estimates***

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

- ***Budgetary Information***

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

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

3. CASH AND INVESTMENTS

As of June 30, 2016, the District has the following investments and maturities:

Investment	Maturities	Fair Value
State Board of Administration (SBA):		
Florida PRIME (1), (9)	39 Day Average	$ 18,896,130
Debt Service Accounts	6 Months	145,863
Money Market Funds:		
Dreyfus Cash Management - Institutional Shares (1)	45 Day Average	3,524,995
Fidelity Institutional Treasury Portfolio Class I (2)	45 Day Average	2,946,980
Fidelity Institutional Treasury Portfolio Class III (1), (3)	47 Day Average	33
Fidelity Institutional Government Portfolio (4)	47 Day Average	720
Fidelity Institutional Prime Portfolio (5)	14 Day Average	2,564,934
PFM Funds Prime Series - Institutional Class Shares (1)	35 Day Average	3,543,930
Florida Education Investment Trust Fund (FEITF) (1)	41 Day Average	4,064,721
Florida Fixed Income Trust (FIT) (1)	40 Day Average	59,333,069
United States Treasury Bond (6)	8/15/2029	186,671
United States Treasury Notes (6)	9/30/2016	4,953,963
United States Treasury Bill (7)	7/21/2016	1,009,899
United States Treasury State and Local Government Services - Certificates of Indebtedness (6)	10/1/2029	548,967
Commercial Paper (8)	12/20/2016	779,782
Total Investments		$ 102,500,657

(1) Investments are reported as cash equivalents.
(2) At June 30, 2016, investments are held under trust agreeements in connection with the Series 2004A Qualified Zone Academy Bonds ($839) and the Certificates of Participation, Series 2007 ($2,946,141). Of this amount, $2,946,141 is reported as cash and cash equivalents. (See Note 7).
(3) At June 30, 2016, investments are held under trust agreeements in connection with the Certificates of Participation, Series 2008A, Refunding. (See Note 7).
(4) At June 30, 2016, investments are held under trust agreeements in connection with the Series 2005 Qualified Zone Academy Bonds ($663) and the Certificates of Participation, Series 2009A ($57). Of this amount, $57 is reported as cash and cash equivalents. (See Note 7).
(5) At June 30, 2016, investments are held under trust agreeements in connection with the Series 2010A Qualified School Construction Bonds ($2,173) and the Certificates of Participation, Series 2011A ($2,555,674) and 2015 ($7,087). Of this amount, $2,562,761 is reported as cash and cash equivalents. (See Note 7).
(6) At June 30, 2016, investments are held under trust agreements in connection with the Series 2010A Qualified School Construction Bonds. (See Note 7).
(7) At June 30, 2016, investments are held under trust agreeements in connection with the Series 2004A Qualified Zone Academy Bonds. (See Note 7).
(8) At June 30, 2016, investments are held under trust agreeements in connection with the Series 2005 Qualified Zone Academy Bonds. (See Note 7).
(9) At June 30, 2016, investments held by the Agency Funds in Florida PRIME totaling $101,859 are not considered cash equivalents.

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A reconciliation of cash and investments as shown in the statement of net position follows:

	Total
Cash on Hand and Carrying Amount of Deposits	$ 14,247,896
Deposit in Transit – Cash and Cash Equivalents with Fiscal Agent	10,899,061
Carrying Amount of Investments	102,500,657
	$ 127,647,614

	Government-wide	Fiduciary	Total
Cash and Cash Equivalents	$ 97,031,808	$ 6,095,474	$ 103,127,282
Cash and Cash Equivalents with Fiscal Agent	16,408,053	-	16,408,053
Investments	145,863	483,459	629,322
Restricted Investments	7,482,957	-	7,482,957
	$ 121,068,681	$ 6,578,933	$ 127,647,614

Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. In the absence of a formal investment policy that limits its investment choices, the District invests its idle funds, in accordance with Section 218.415(17), Florida Statutes.
- Florida PRIME, the money market funds, FEITF, and FIT use a weighted average days to maturity. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.
- For Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." As of June 30, 2016, there were no redemption fees or maximum transaction amounts,

or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk

- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In the absence of a formal investment policy that limits its investment choices, the District invests its idle funds, in accordance with Section 218.415(17), Florida Statutes which limits investments to: (1) the SBA's Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes; (2) Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency; (3) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; (4) Direct obligations of the U.S. Treasury. In the absence of a formal investment policy that limits its credit risk, the District invests its idle funds, in accordance with Section 218.415(17), Florida Statutes.
- The District's investments in the SBA Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the SBA for managing interest rate risk and credit risk for this account. Disclosures for the Debt Service Accounts are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.
- The District's investment in Florida PRIME is rated AAAm by Standard & Poor's.
- The District's investments in the following money market funds, Dreyfus Cash Management - Institutional Shares, Fidelity Institutional Treasury Portfolio Class I, Fidelity Institutional Treasury Portfolio Class III, Fidelity Institutional Government Portfolio, Fidelity Institutional Prime Portfolio, and PFM Funds Prime Series – Institutional Class Shares are rated AAAm by Standard & Poor's.
- The FEITF was rated AAAm by Standard & Poor's.
- The Florida FIT was rated AAf by Standard &Poor's.
- Commercial paper was rated P-1 short term by Moody's Investors Service.

Custodial Credit Risk

- Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and (1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; (2) if in book-entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of

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business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or (3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District does not have a formal investment policy that addresses custodial credit risk.

Concentration of Credit Risk

- Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a formal investment policy that limits the amount the District may invest in any one issuer.
- Investments of $779,782 in commercial paper and $1,009,899 in a United States Treasury Bill are 0.8 and 1.0 percent of the District's total investments and 4.3 and 5.5 percent of the investments in the Debt Service - Other Debt Service Fund, respectively. These investments are made pursuant to agreements with Qualified Zone Academy Bonds paying agents (see Note 7).

Fair Value Disclosures

- The District implemented GASB Statement No. 72, *Fair Value Measurement and Application*, to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.
  - Level 1 inputs are quoted prices in active markets for identical assets;
  - Level 2 inputs are significant other observable inputs; and
  - Level 3 inputs are significant unobservable inputs.

  The District's investments other than Florida Prime, FEITF, Florida FIT and the money market funds are Level 1 inputs and measured at their fair value level as of June 30, 2016. Florida PRIME, FEITF, Florida FIT, and the money market funds are measured at net asset value.

4. *CHANGES IN CAPITAL ASSETS*

Changes in capital assets are presented in the table below:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	$ 47,519,167	$ 12,500	$ 1,004,601	$ 46,527,066
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	23,512,680	341,216	-	23,853,896
Buildings and Fixed Equipment	1,055,826,745	3,581,577	279,945	1,059,128,377
Furniture, Fixtures, and Equipment	66,401,731	3,441,438	4,959,265	64,883,904
Motor Vehicles	23,615,360	2,929,937	1,375,721	25,169,576
Property Under Capital Lease	429,703	425,826	-	855,529
Audio-Visual Materials	229,742	-	70,485	159,257
Computer Software	3,910,003	2,237,864	210,117	5,937,750
Total Capital Assets Being Depreciated	1,173,925,964	12,957,858	6,895,533	1,179,988,289
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	13,847,813	1,155,503	-	15,003,316
Buildings and Fixed Equipment	248,375,067	17,616,096	273,372	265,717,791
Furniture, Fixtures, and Equipment	57,780,938	3,011,603	4,949,618	55,842,923
Motor Vehicles	18,660,187	1,363,184	1,375,721	18,647,650
Property Under Capital Lease	100,264	101,149	-	201,413
Audio-Visual Materials	229,742	-	70,485	159,257
Computer Software	2,601,596	673,230	210,117	3,064,709
Total Accumulated Depreciation	341,595,607	23,920,765	6,879,313	358,637,059
Total Capital Assets Being Depreciated, Net	832,330,357	(10,962,907)	16,220	821,351,230
Governmental Activities Capital Assets, Net	$ 879,849,524	$ (10,950,407)	$ 1,020,821	$ 867,878,296

Depreciation expense was charged to functions as follows:

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Governmental Activities:	Amount
Instruction	$ 664,280
Student Support Services	2,171
Instructional Media Services	43,744
Instruction and Curriculum Development Services	32,887
Instructional Staff Training Services	111,332
School Administration	6,621
Facilities Services	22,485,720
Fiscal Services	375
Food Services	405,579
Central Services	11,106
Student Transportation Services	7,294
Operation of Plant	32,837
Maintenance of Plant	65,022
Administrative Technology Services	28,615
Unallocated	23,182
Total Depreciation Expense - Governmental Activities	$ 23,920,765

5. *CHANGES IN SHORT-TERM DEBT*

The following is a schedule of changes in short-term debt:

Note proceeds were used to pay operating expenses of the District prior to receipt of budgeted revenues.

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
GOVERNMENTAL ACTIVITIES				
Tax Anticipation Note, Series 2015, issued August 26, 2015, with an interest rate of 0.68 percent, and a maturity date of March 15, 2016	$ -	$ 30,000,000	$ 30,000,000	$ -

6. *OBLIGATION UNDER CAPITAL LEASES*

The class and amount of property acquired under capital leases is as follows:

Asset Descrption	Asset Balance
Computer & Office Equipment	$855,529

The amortization of assets recorded under capital leases is included with depreciation expense in the accompanying financial statements.

Future minimum capital lease obligations and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year Ending June 30		Total	Principal	Interest
	2017	$ 184,171	$ 166,945	$ 17,226
	2018	184,171	172,433	11,738
	2019	92,519	86,448	6,071
	2020	92,519	89,256	3,263
	2021	46,260	45,709	551
Total Minimum Lease Payments		599,640	$ 560,791	$ 38,849
Less Interest		(38,849)		
Present Value of Minimum Payments		$ 560,791		

The stated interest rates range from 3.17 percent to 3.33 percent.

7. CERTIFICATES OF PARTICIPATION

The District entered into a master financing arrangement on July 9, 1996. The financing arrangement is characterized as a lease-purchase agreement, with the Manatee School Board Leasing Corporation (Leasing Corporation) whereby the District has secured financing of various educational facilities in the total amount of $244,805,000. Except for the Qualified Zone Academy Bond (QZAB) and Qualified School Bond (QSCB) Certificates which are discussed below, the financing was accomplished through the issuance of Certificates of Participation,Series 2007 for $60,040,000; Series 2008A for $59,380,000; Series 2009A for $47,065,000, Series 2011A for $39,850,000, and Series 2015 for $38,470,000 to be repaid from the proceeds of rents paid by the District.

Certificates of Participation payable at June 30, 2016, are as follows:

	Amount Issued	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004, QZAB	$ 1,306,000	$ 1,306,000	(1)	2018
Series 2005, QZAB	1,327,455	1,327,455	(1)	2021
Series 2007	60,040,000	8,820,000	4.000 - 5.000	2019
Series 2008A, Refunding	59,380,000	25,940,000	4.000 - 4.250	2021
Series 2009A	47,065,000	42,125,000	4.000 - 5.125	2029
Series 2010A, QSCB	21,600,000	19,920,000	(1)	2029
Series 2011A	39,850,000	39,850,000	4.500 - 5.625	2031
Series 2015, Refunding	38,470,000	35,424,999	2.920	2027
Total Certificates of Participation	$269,038,455	$ 174,713,454		

Note (1): Interest on QZAB and QSCB certificates is paid by the Federal government to the purchasers of the certificates in the form of tax credits.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of $10 per year for each of the Series 2007, 2008A, 2009A, 2011A, and 2015 Certificates. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District through a master lease-purchase agreement. The master lease-purchase agreement is automatically renewable each fiscal year through July 1, 2031. If the District fails to renew the ground leases and to provide for the rent payments, the District may be required to surrender the sites included under the ground lease agreements, together with the improvements thereon, to the Trustee for the benefit of the securers of the Certificates.

The District has the following ground leases at June 30, 2016:

	Ground Lease	
Certificates of Participation	Commencement Date	Term Date
Series 2004, QZAB	July 22, 2004	July 21, 2018
Series 2005, QZAB	December 20, 2005	December 20, 2021
Series 2007	May 1, 2007	July 1, 2019
Series 2008A, Refunding	February 1, 2008	July 1, 2021
Series 2009A	May 1, 2009	June 30, 2029
Series 2010A, QSCB	October 1, 2010	October 1, 2029
Series 2011A	May 1, 2011	July 1, 2031
Series 2015, Refunding	December 15, 2015	July 1, 2027

On July 22, 2004, and December 20, 2005, the District entered into financing arrangements (School Board of Manatee County, Florida Master Lease Program, Series 2004-QZAB and Series 2005-QZAB, respectively) characterized as lease-purchase agreements with the Leasing Corporation. These agreements were structured to qualify as "Qualified Zone Academy Bonds" pursuant to Section 1397E of the Internal Revenue Code, as amended. There is no interest cost to the District for borrowing moneys under this program. Interest on the Series 2004-QZAB and Series 2005-QZAB is paid by the Federal government in the form of annual tax credits to the banks or other eligible financial institutions that hold the certificates. Mandatory annual deposits, for the Series 2004-QZAB, of $78,455 are made to a sinking fund account with a paying agent beginning July 21, 2005, and ending July 21, 2018. Mandatory annual deposits, for the Series 2005-QZAB, of $67,616 are made to a sinking fund account with a paying agent beginning December 20, 2006, and ending December 20, 2021. Such deposits are held and accumulated by the paying agent to be applied solely to the payments due under the leases on the final rental payment date.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created a new category of direct subsidy debt for school districts known as QSCBs. The QSCB does not represent incremental Federal funding; it must be repaid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of $10 per year. The initial term of the lease for the Series 2010A-QSCB is 19 years commencing October 29, 2010. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the certificates.

For the Series 2010A-QSCB, the principal portion of the basic lease payment, $19,920,000, is due on October 1, 2029. The interest portion of the basic lease payments is due each April 1 and October 1, commencing April 1, 2011. The sinking fund payments are made by the District with respect to the Series 2010A-QSCB and are deposited by the Trustee into the Series 2010 Sinking Fund Account pursuant to the Trust Agreement. Such funds are invested in investment securities in accordance with the Trust Agreement. The District may offset sinking fund payments with the interest earnings on amounts in the Series 2010 Sinking Fund Account, provided that the sinking fund payments will be funded at a rate not more rapid than equal, annual installments in an aggregate amount not in excess of the principal component due at maturity. Sinking fund payments on deposit in the Series 2010 Sinking Fund Account will be retained therein until transferred to the Series 2010 Lease Payment Account and applied to the payment of the $19,920,000 principal component due on the Series 2010 Certificates at maturity (October 1, 2029) or upon earlier prepayment.

The District properties included in the various ground leases are as follows**:**

Series 2007 Certificates of Participation
Annie Lucy Williams Elementary School

Daughtrey Elementary School
King Middle School
Palmetto Elementary School
Manatee Technical Institute – Public Safety Academy
Manatee Technical Institute – Fire Academy
Sea Breeze Elementary School
Myakka Elementary School

Series 2008A Certificates of Participation – Refunds 1998 Series
Bayshore High School
Carlos Haile Middle School
Lakewood Ranch High School

Series 2009A Certificates of Participation
G. D. Rogers Garden Elementary
Transportation and Maintenance Facility
Palmetto High School Auditorium
Myakka Elementary School

Series 2004-QZAB Certificates of Participation
Daughtrey Elementary School
Manatee Elementary School

Series 2005-QZAB Certificates of Participation
Manatee Elementary School
Orange Ridge/Bullock Elementary School
Oneco Elementary School
Palm View Elementary School

Series 2010A-QSCB Certificates of Participation
Manatee High School (Davis Building project)

Series 2011A Certificates of Participation
Manatee Technical Institute

Series 2015 Certificates of Participation – Refunds Series 2005A and Partially Refunds Series 2007
Anna Maria Elementary School
King Middle School

The lease payments are payable by the District, semiannually, on July 1 and January 1. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30	Total	Principal	Interest
2017	$ 18,662,466	$ 11,980,000	$ 6,682,466
2018	17,536,578	11,315,000	6,221,578
2019	18,583,367	12,821,000	5,762,367
2020	17,272,471	11,995,000	5,277,471
2021	17,274,617	12,470,000	4,804,617
2022-2026	68,399,210	50,822,454	17,576,756
2027-2031	68,988,344	63,310,000	5,678,344
Total Minimum Lease Payments	$226,717,053	174,713,454	$52,003,599
Add: Unamortized Premium		688,412	
Less: Unamortized Discount		(551,791)	
Total Certificates of Participation		$ 174,850,075	

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8. BONDS PAYABLE

Bonds payable at June 30, 2016, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Issued Amount
State School Bonds:				
Series 2006A	$ 1,025,000	4.0 - 4.625	2026	$ 1,605,000
Series 2009A	1,130,000	4.0 - 5.0	2029	1,815,000
Series 2010A-Refunding	415,000	4.0 - 5.0	2022	600,000
Series 2010A	1,375,000	3.5 - 5.0	2030	1,725,000
Series 2011A-Refunding	500,000	3.0 - 5.0	2023	640,000
Series 2014B-Refunding	1,976,000	2.0 - 5.0	2020	2,769,000
Total State School Bonds	6,421,000			9,154,000
District Revenue Bonds:				
Series 2005, Sales Tax	6,075,000	5.00	2018	30,000,000
Series 2012, Sales Tax - Refunding	24,295,000	1.28	2018	49,490,000
Total District Revenue Bonds	30,370,000			79,490,000
Total Minimum Bond Payments	36,791,000			
Add: Unamortized Premium on Debt	512,813			
Less: Unamortized Discount on Debt	(3,953)			
Total Bonds Payable	$ 37,299,860			

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

- ***State School Bonds***

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

➢ ***District Revenue Bonds***

The Sales Tax Revenue Bonds, Series 2005, are authorized by the Constitution and Laws of Florida, including particularly Chapter 1001, Florida Statutes, Chapter 212, Florida Statutes, and other applicable provisions of law, and the Sales Tax Revenue Bond Resolution authorizing the issuance of the bonds duly adopted by the Board on February 18, 2003, as supplemented by a Resolution duly adopted by the Board on November 14, 2005. The issuance of the bonds was approved by referendum of the voters of Manatee County duly held on May 21, 2002. The bonds were validated and confirmed by a final judgment of the Twelfth Judicial Circuit in and for Manatee County, Florida, entered on June 5, 2003. The bonds are secured by a prior lien upon and pledge of the proceeds received by the District from the levy and collection of a one-half cent discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes. The School Board issued Sales Tax Revenue Bonds, Series 2005 in the amount of $30,000,000 on December 19, 2005. Proceeds of the bonds were used to finance the cost of acquisition, construction, and installation of, and renovation to, certain capital improvements and educational facilities.

The District issued Sales Tax Revenue Refunding Bonds, Series 2012 on April 3, 2012, in the amount of $49,490,000. The bonds were issued to advance refund the District's outstanding Sales Tax Revenue Bonds, Series 2003 maturing on October 1, 2014, through and including October 1, 2017, and pay certain costs and expenses associated with the issuance of the Series 2012 bonds.

The sales tax collections began on January 1, 2003, and will be in place for 15 years. The sales tax was projected to generate at least $235,660,684, or 119.24 percent of the principal and interest payments over the 15 years of the bonds. During the 2015-2016 fiscal year, the District recognized sales tax revenues totaling $30,062,884 and expended $15,472,740 (51.5 percent) of these revenues for debt service directly collateralized by these revenues. The total amount of pledged revenue for the Sales Tax Revenue bonds at June 30, 2016, totals $30,932,268.

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Annual requirements to amortize all bonded debt outstanding as of June 30, 2016, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2017	$ 1,496,500	$ 1,206,000	$ 290,500
2018	1,499,763	1,269,000	230,763
2019	678,875	511,000	167,875
2020	619,325	475,000	144,325
2021	524,956	400,000	124,956
2022-2026	2,104,319	1,730,000	374,319
2027-2030	908,825	830,000	78,825
Total State School Bonds	7,832,563	6,421,000	1,411,563
District Revenue Bonds:			
2017	15,466,350	15,045,000	421,350
2018	15,465,918	15,325,000	140,918
Total District Revenue Bonds	30,932,268	30,370,000	562,268
Total	$ 38,764,831	$ 36,791,000	$ 1,973,831

9. DEFEASED DEBT

On December 16, 2015, the Board entered into an agreement to refund all of the outstanding District's Certificates of Participation, Series 2005A and a portion of the District's Certificates of Participation, Series 2007. The refundings were accomplished through the issuance and direct placement of $38,470,000 of Certificates of Participation, Refunding Series 2015 with an interest rate of 2.92 percent. At the time of closing, the District contributed $894,500 into escrow for the refunding arrangement. The principal and additional contribution was used to current refund $5,955,000, the total principal amount of the District's Certificates of Participation, Series 2005A, and advance refund $30,435,000, partial principal amount for the District's Certificates of Participation, Series 2007.

The net proceeds and additional contribution of $39,364,500 less payments of $233,934 in underwriting fees and other issuance costs were placed in an irrevocable trust to provide for the principal and interest payments on the Certificates of Participation, Series 2005A, maturing on July 1, 2016, and to call all outstanding Certificates of Participation, Series 2005A, maturing after July 1, 2016, on January 20, 2016, and to call all of the outstanding Certificates of Participation, Series 2007, maturing July 1, 2020, through July 1, 2027, on July 1, 2017.

As a result, $5,955,000 of the Certificates of Participation, Series 2005A was defeased and $30,435,000 of the Certificates of Participation, Series 2007, is considered to be in-substance

defeased and the liability for these certificates has been removed from the government-wide financial statements.

The Series 2015, Refunding Certificates of Participation were issued to reduce the total debt service over the next 11 years by $2,975,219 and to obtain an economic gain (difference between the present value of the debt service payment on the old and new debt) of $2,524,447.

10. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance July 1,2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
GOVERNMENTAL ACTIVITIES					
Obligations Under Capital Leases	$ 257,638	$ 425,826	$ 122,673	$ 560,791	$ 166,945
Bonds Payable	52,694,000	-	15,903,000	36,791,000	16,251,000
Plus: Premium on Bonds	622,505	-	109,692	512,813	-
Less: Discount on Bonds	(4,369)	-	(416)	(3,953)	-
Total Bonds Payable	53,312,136	-	16,012,276	37,299,860	16,251,000
Certificates of Participation Payable	183,938,455	38,470,000	47,695,001	174,713,454	11,980,000
Plus: Premium on COP's	1,925,778	-	1,237,366	688,412	-
Less: Discount on COP's	(593,724)	-	(41,933)	(551,791)	-
Total Certificates of Participation Payble	185,270,509	38,470,000	48,890,434	174,850,075	11,980,000
Early Retirement Plan Payable	183,889	17,068	35,209	165,748	31,682
Estimated Insurance Claims Payable	10,878,009	44,734,247	46,705,341	8,906,915	2,994,000
Other Postemployment Benefits Payable	12,959,677	670,074	2,630,776	10,998,975	-
Net Pension Liability	99,562,410	93,391,405	48,300,305	144,653,510	2,676,091
Compensated Absences Payable	23,613,265	489,813	1,829,838	22,273,240	3,500,000
Total Governmental Activities	$ 386,037,533	$178,198,433	$164,526,852	$399,709,114	$37,599,718

For the governmental activities, compensated absences, early retirement plan benefits, net pension liability, and other postemployment benefits payable are generally liquidated with resources of the General Fund. The estimated insurance claims payable are generally liquidated with resources of the internal service funds.

11. ENCUMBRANCES

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

The following is a schedule of encumbrances at June 30, 2016:

Major Funds				
General	Capital Projects - Section 1011.71(2), F.S., Local Capital Improvement Tax	Capital Projects - Other Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
$ 2,054,668	$ 12,929,950	$ 14,444,544	$ 483,333	$ 29,912,495

12. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund Receivables	Interfund Payables
Major:		
General	$ 3,843,643	$ -
Debt Service:		
Other Debt Service	-	1,505,358
Other Nonmajor Governmental	-	2,338,285
Total	$ 3,843,643	$ 3,843,643

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purposes for which the moneys were received in the funding providing the advancement. All amounts are expected to be repaid within the 2016-2017 fiscal year.

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

Funds	Interfund	
	Transfers In	Transfers Out
Governmental Funds:		
Major Funds:		
General	$ 14,354,974	$ -
Debt Service:		
Other Debt Service	34,411,812	-
Capital Projects:		
Section 1011.71(2), F.S., Local Capital Improvement Tax	-	23,180,573
Other Capital Projects	-	25,801,815
Other Nonmajor	955,637	740,035
Total	$ 49,722,423	$ 49,722,423

The transfers into the General Fund from the Capital Projects – Other Capital Projects Fund, Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund, and Other Nonmajor Funds were for capital outlay to charter schools, reimbursing the General Fund for maintenance, repairs and equipment costs, and payment of premiums for property and casualty insurance.

The other transfers from Capital Projects – Other Capital Projects Fund and Capital Projects – Section 1011.71(2), F.S., Local Capital Improvement Tax Fund to the Debt Service – Other Debt Service Fund and Other Nonmajor Funds were made for debt service payments.

13. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2015-2016 fiscal year:

Source	Amount
Florida Education Finance Program	$ 106,171,607
Categorical Educational Programs:	
Class Size Reduction/Operating Funds	51,956,172
Workforce Development	9,307,856
Motor Vehicle License Tax (Capital Outlay & Debt Service)	1,857,513
Charter School Capital Outlay	1,215,646
Gross Receipt Tax (Public Education Capital Outlay)	740,035
Mobile Home License Tax	340,752
Workforce Education Performance Incentive	316,772
Food Service Supplement	305,156
Miscellaneous	5,055,723
Total	$ 177,267,232

Accounting policies relating to certain State revenue sources are described in Note 1.

14. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2015 tax roll for the 2015-2016 fiscal year:

GENERAL FUND	Millage	Taxes Levied
Nonvoted School Tax:		
Required Local Effort	5.019	$ 153,811,489
Basic Discretionary Local Effort	0.748	22,923,093
CAPITAL PROJECTS - SECTION 1011.71(2), F.S., LOCAL CAPITAL IMPROVEMENT TAX FUND		
Nonvoted Tax:		
Local Capital Improvements	1.500	45,968,822
Total	7.267	$ 222,703,404

15. PENSION OBLIGATIONS

Florida Retirement System (FRS) – Defined Benefit Pension Plans

General Information about the FRS

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

Essentially all regular employees of the District are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement. The comprehensive annual financial report of the FRS is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site:
(http://www.dms.myflorida.com/workforce_operations/retirement/publications).

The District's FRS and HIS pension expense totaled $9,698,726 for the fiscal year ended June 30, 2016.

FRS Pension Plan

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

Regular Class – Members of the FRS who do not qualify for membership in the other classes.
Senior Management Service Class (SMSC) – Members in senior management level positions.
Elected County Officers (EOC) – Elected School Board members.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Pension Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00

Pension benefits of certain retirees and annuitants are increased each July 1 by a cost-of-living adjustment. As provided in Section 121.101, Florida Statutes, if the member is 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 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. Terms of the benefits provided by the FRS Pension Plan may be amended only by the Florida Legislature with a change in the Statutes governing the Plan.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. The District's employer and employee contribution rates are established in Section 121.71, Florida Statutes. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the Plan actuary but set by the Legislature.

Statutes require any unfunded actuarial liability be amortized over 30 plan years. Contribution rates during the 2015-2016 fiscal year were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
Florida Retirement System, Regular	3.00	7.26
Florida Retirement System, Elected County Officers	3.00	42.27
Florida Retirement System, Senior Management Service	3.00	21.43
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	12.88
Florida Retirement System, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

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

The District's contributions to the FRS Pension Plan totaled $13,056,836 for the fiscal year ended June 30, 2016.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of $71,741,222 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-2015 fiscal year contributions relative to the total 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.5554 percent, which was a decrease of 0.0007 percent from its proportionate share of 0.5561 percent measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of $4,684,257 for the FRS Pension Plan.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,573,749	$ 1,701,483
Change in assumptions	4,761,705	-
Net difference between projected and actual earnings on pension plan investments	-	17,130,603
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,930,451
District contributions subsequent to the measurement date	13,056,836	-
Total	$ 25,392,290	$ 20,762,537

The deferred outflows of resources related to pensions totaling $13,056,836 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported for the FRS Pension Plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2017	$ (6,039,519)
2018	(6,039,519)
2019	(6,039,519)
2020	8,093,764
2021	1,278,277
Thereafter	319,433
Total	$ (8,427,083)

Actuarial Assumptions. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Valuation date	July 1, 2015
Measurement date	June 30, 2015
Discount rate	7.65 percent
Long-term expected rate of return, net of investment expense	7.65 percent
Municipal bond rate	N/A
Inflation	2.60 percent
Salary increases, including inflation	3.25 percent
Mortality	Generational RP-2000 With Projection Scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions that determined the total pension liability of the FRS Pension Plan are based on the results of the most recent experience study completed in 2014 for the period July 1, 2008 through June 30, 2013.

The following changes in actuarial assumptions occurred in 2015:

- FRS Pension Plan: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60 percent, the real payroll growth assumption remained at 0.65 percent, and the overall payroll growth rate assumption remained at 3.25 percent. The long-term expected rate of return remained at 7.65 percent.

Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension was 7.65 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the

discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by multiple contracted capital market assumptions teams. The table below shows resulting assumptions for each of the asset classes in which the plan was invested based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.2%	3.1%	1.7%
Fixed Income	18%	4.8%	4.7%	4.7%
Global Equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic Investments	12%	6.7%	6.1%	11.4%
Total	100%			
Assumed Inflation - Mean		2.6%		1.9%

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.65 percent. Also presented is what the District's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65 percent) or 1 percentage point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District's proportionate share of the FRS Pension Plan net pension liability	$185,897,731	$71,741,222	$(23,255,745)

Pension Plan Fiduciary Net Position. Detailed information about FRS Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site:
(http://www.dms.myflorida.com/workforce_operations/retirement/publications).

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Plan Description. The HIS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and provides a monthly subsidy payment to retired members of any State-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a State-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a State-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a), and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a State-administered retirement system when he or she terminates employment with all employers participating in the FRS and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the FRS, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes.

Benefits Provided. The benefit of the HIS Pension Plan is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. 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, benefits may be reduced or canceled.

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For the fiscal year ended June 30, 2016, 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. Terms of the benefits provided by the Plan may be amended only by the Florida Legislature with a change in the Statutes governing the Plan.

Contributions. The HIS Pension Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2016, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The District contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Pension Plan contributions are deposited in a separate trust fund from which HIS payments are authorized.

The District's contributions to the HIS Pension Plan totaled $3,774,082 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a net pension liability of $72,912,288 for its proportionate share of the HIS Pension 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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, and update procedures were used to determine liabilities as of July 1, 2015. The District's proportionate share of the net pension liability was based on the District's 2014-2015 fiscal year contributions relative to the total 2014-2015 fiscal year contributions of all participating members. At June 30, 2015, the District's proportionate share was 0.7149 percent, which was a decrease of 0.0130 percent from its proportionate share of 0.7019 measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of $5,014,469 for the HIS Pension Plan. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ 5,736,294	$ -
Net difference between projected and actual earnings on pension plan investments	39,469	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,011,741	3,019,495
District contributions subsequent to the measurement dat	3,774,082	-
Total	$ 10,561,586	$ 3,019,495

The deferred outflows of resources related to pensions totaling $3,774,082 resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported for the HIS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2017	$ 878,205
2018	878,206
2019	878,206
2020	870,182
2021	866,332
Thereafter	(603,122)
Total	$ 3,768,009

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date.

Valuation date	July 1, 2015
Measurement date	June 30, 2015
Discount rate	3.80 percent
Long-term expected rate of return, net of investment expense	N/A
Municipal bond rate	3.80 percent
Inflation	2.60 percent
Salary increases, including inflation	3.25 percent
Mortality	Generational RP-2000 With Projection Scale BB
Actuarial cost method	Individual Entry Age

While an experience study had not been completed for the HIS Pension Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience student for the FRS Plan. The following changes in actuarial assumptions occurred in 2015:

- HIS Pension Plan: The municipal rate used to determining total pension liability was decreased from 4.29 percent to 3.8 percent.

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

Long-Term Expected Rate of Return. As stated above, the HIS Pension Plan is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the pension plan, or assumed asset allocation.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.8 percent.

Also presented is what the District's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.8 percent) or 1 percentage point higher (4.8 percent) than the current rate:

	1% Decrease (2.8%)	Current Discount Rate (3.8%)	1% Increase (4.8%)
District's proportionate share of the HIS Pension Plan net pension liability	$83,080,158	$72,912,288	$64,433,810

Pension Plan Fiduciary Net Position. Detailed information about HIS Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Comprehensive Annual Financial Report. The comprehensive annual financial report of the FRS is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division's Web site: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Florida Retirement System (FRS) Investment Plan

The District contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. District employees already participating in DROP are not eligible to participate in this program.

Service retirement benefits are based upon the value of the member's account upon retirement. Employer and employee contributions, including amounts contributed to individual member's accounts are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the Investment Plan members' accounts during the 2015-2016 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the District.

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

The District's FRS Investment Plan pension expense (not including the 1.66 percent HIS Program Contributions or employee contributions) totaled $2,328,790 for the fiscal year ended June 30, 2016.

Payables to Pension Plan

Included in the amounts reported as Salaries and Wages Payable is $3,735,334 payable to the FRS. The amount is for required contributions based on the June 2016 payroll not remitted to the pension plans until July 2016 and is reported in the General Fund as well as in the governmental activities column on the statement of net position.

The amount included both employee contributions withheld in the month of June as well as the required employer contributions on June payroll, for all FRS related plans, as follows:

Payable to Pension Plan:	Employee Withholding Contributions	Employer Benefit Contributions	Total Payable to Pension Plan
Defined Benefits Plans:			
FRS Pension Plan	$ 790,870	$ 2,321,070	$ 3,111,940
HIS Pension Plan	-	41,799	41,799
Defined Contribution Plans:			
FRS Investment Plan	163,634	417,961	581,595
Total	$ 954,504	$ 2,780,830	$ 3,735,334

16. *OTHER POSTEMPLOYMENT BENEFITS PAYABLE*

Plan Description. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District, and eligible dependents, may continue to participate in the District's health and hospitalization plan for medical and prescription coverage. The District subsidizes the premium rates paid by the retirees by allowing them to participate in the OPEB Plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The rates paid by retirees eligible for Medicare are reduced by the Medicare premium. The OPEB Plan does not issue a stand-alone report and is not included in the report of a public employee retirement system or another entity.

Funding Policy

Plan contribution requirements of the District and OPEB Plan members are established and may be amended through negotiations between the District and respective unions. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation. For the 2015-2016 fiscal year, 444 retirees received postemployment health care benefits. The District provided required contributions of $2,630,776 toward annual OPEB costs, net of retiree contributions totaling $2,956,843, which represents 1.2 percent of covered payroll.

Annual OPEB Cost and Net OPEB Obligations. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.* The ARC represents a level of funding that is paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

The following table shows the District's annual OPEB, the amount actually contributed to the OPEB Plan, and changes in the District's net OPEB obligation:

Description	Amount
Normal Cost (service cost for one year)	$ 520,513
Amortization of Unfunded Actuarial Accrued Liability	498,834
Interest on Normal Cost and Amorization	40,774
Annual Required Contribution	1,060,121
Interest on Net OPEB Obligation	518,387
Adjustment to Annual Required Contribution	(908,434)
Annual OPEB Cost (Expense)	670,074
Contribution Toward the OPEB Cost	(2,630,776)
Decrease in Net OPEB Obligation	(1,960,702)
Net OPEB Obligation, Beginning of Year	12,959,677
Net OPEB Obligation, End of Year	$ 10,998,975

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2016, and the two preceding fiscal years were as follows:

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	Obligation
June 30, 2014	1,752,361	160.87%	15,032,880
June 30, 2015	780,464	365.64%	12,959,677
June 30, 2016	670,074	392.61%	10,998,975

Funded Status and Funding Progress. As of July 1, 2015, the most recent valuation date, the funded status of the plan is as follows:

Actuarial Accrued Liability (a)	$	7,482,510
Actuarial Value of Plan Assets (b)		-
Unfunded Actuarial Accrued Liability (c)=(a-b)	$	7,482,510
Funded Ratio (b/a)		0.00%
Covered Payroll (Active Plan Members) (d)	$	238,019,028
UAAL as a Percentage of Covered Payroll (c/d)		3.1%

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

Actuarial Methods and Assumptions. Projection of benefits for financial reporting purposes are based on the substantive OPEB Plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation as of July 1, 2015, used the entry age normal cost actuarial method to estimate the unfunded actuarial accrued liability as of June 30, 2016, and estimate the District's 2015-2016 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent discount rate. The actuarial assumptions also included a payroll growth rate of 4.25 percent annually, and an annual healthcare cost trend rate of 7 percent for preretirement and 8 percent for postretirement for the fiscal year ending June 30, 2016, reduced by various decrements each year, to an ultimate rate of 5 percent in the 2024-2025 fiscal year. The investment rate of return and payroll growth rate include a general price inflation of 2.6 percent. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

17. EARLY RETIREMENT PLAN PAYABLE

On March 20, 1995, the School Board approved the Manatee County School Board One-time Only Retirement Incentive Plan (Plan). This plan provided that eligible employees who elected to retire by June 30, 1995, be paid special termination benefits. The Plan was offered to members of the instructional and classified bargaining units and administrative personnel who signed an agreement to participate in the Plan, who agreed to retire from employment under the provisions of the Florida Retirement System (FRS), and who met certain age and length of service requirements. One hundred fifty-nine (159) employees elected to participate in the Plan. Special termination benefits included payment for 100 percent of accrued sick and vacation leave, either a bonus based on 25 percent of the retiree's final year's compensation or an amount to compensate the employee for the FRS early retirement penalty, single coverage for health insurance, and a specified amount of life insurance. The Plan provided that the accrued sick and vacation leave, bonus pay, and the FRS early retirement penalty be paid out to the retirees and to a third-party administrator over a period of 5 years. The premiums for health insurance are to be paid for a period of 8 years, while the premiums for the life insurance are to be paid out over the respective retiree's life. The total paid by the District pursuant to this retirement incentive during the 2015-2016 fiscal year was $18,223. The District reported a liability of $72,325 in the statement of net position representing the present value of the estimated future payments under the Plan.

On May 9, 2011, an On-Time Retirement Incentive Program was approved by the School Board for all Supervisory, Administrative and Managerial personnel (SAMP) and non-bargaining employees. Eligible employees received 1 month of salary (20 days), a 10 year life insurance policy in the amount of $25,000 paid by the District, and 3 months of retiree single health insurance immediately following resignation. Employees were required to retire or resign no later than December 31, 2011. Twenty (20) employees elected to participate in the program. The total paid by the District pursuant to this retirement incentive during the 2015-2016 fiscal year was $8,493. The District reported a liability in the amount of $42,465 in the statement of net position representing the present value of the estimated future payments under the program.

On October 22, 2012, an On-Time Retirement Incentive Program was approved by the School Board for all Supervisory, Administrative and Managerial personnel (SAMP) and non-bargaining employees. Eligible employees will receive 1 month of salary (20 days), a 10 year life insurance policy in the amount of $25,000 paid by the District, and 3 months of single health insurance immediately following resignation. Employees were required to retire or resign no later than December 31, 2012, with an effective date of no later than July 31, 2013. Nineteen (19) employees elected to participate in the program. The total paid by the District pursuant to this retirement incentive during the 2015-2016 fiscal year was $8,493. The District reported a liability in the amount of $50,958 in the statement of net position representing the present value of the estimated future payments under the program.

18. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, and general liability coverage are being provided on a

self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of property claim amounts above the self-insured retention amount (currently $250,000 for property excluding named storm, wind/hail and flood damages. Named windstorm deductible is 5 percent of replacement value per building, per occurrence for wind and hail damages with $1,000,000 minimum, and $1,000,000 for automobile and general liability). The District has contracted with an insurance administrator, Johns Eastern Company to administer these self-insurance programs, including the processing, investigating, and payment of claims.

A third-party administrator, Florida Blue, Inc., administers the District's health and hospitalization insurance program. In plan year 2015, the District paid $36.05 per employee per month administrative fees. Beginning in January 2016, the District paid $37.85 per employee per month if participating on one of the available plans. The payment agreement with Florida Blue provides for liability limits based on fixed rates and average numbers of insured employees and dependents. In 2015, there was a $450,000 specific stop loss deductible and an aggregating specific deductible of $100,000 including medical and pharmacy, with an unlimited lifetime maximum per covered member, while maintaining the annual benefit maximum per covered member of $3,000,000 to provide protection to the District. In 2016, the stop loss coverage remained the same. To remain in compliance with health care reform and the Patient Protection and Affordable Care Act, there are no longer lifetime maximums included in the Florida Blue plans.

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

A liability in the amount of $8,906,915 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2016. The estimated insurance claims payable for the workers' compensation/property/liability programs of $5,912,915 was determined using the actuarial central estimate on a discounted basis (based on actuary report dated June 30, 2016). The discounted basis recognized the expected rate of return on investments held in the Internal Service Fund using a discount rate of 4 percent. The estimated insurance claims payable for the self-insured health insurance program is $2,994,000, including medical and pharmacy claims. This figure was not discounted and was calculated according to Actuarial Standards of Practice No. 5.

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

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2014-2015	$ 10,754,137	$ 32,663,944	$ (32,540,072)	$ 10,878,009
2015-2016	10,878,009	44,734,247	(46,705,341)	8,906,915

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

19. ***LITIGATION***

The District has a self-insured retention and may become contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. Management believes that any liability arising from such claims should not materially affect the District's financial position.

20. ***OTHER LOSS CONTINGENCIES***

The District received financial assistance from Federal and State agencies in the form of grants and appropriations. The disbursement of funds received under these programs generally requires compliance with specified terms and conditions and is subject to final determination by the applicable Federal and State agencies. Any disallowed claims could become a liability of the General Fund or other applicable funds.

21. SUBSEQUENT EVENTS

The District successfully priced $36,780,000 Refunding Certificates of Participation, Series 2016A (the "2016A Certificates") with a closing date of October 27, 2016. The 2016A Certificates were issued to refinance a portion of the District's Certificates of Participation, Series 2009A, at historically low interest rates.

The District was able to achieve net present value debt service savings of $3.5 million.

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b) (1)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [b-a/c]
7/1/2015	$ -	$ 7,482,510	$ 7,482,510	0.00%	$ 238,019,028	3.1%
7/1/2014	-	9,534,191	9,534,191	0.00%	229,970,080	4.1%
7/1/2013	-	15,061,093	15,061,093	0.00%	217,085,489	6.9%

(1) The District's OPEB actuarial valuation used the entry age normal cost actuarial method to estimate the actuarial accrued liablility.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of District's Proportionate Share of Net Pension Liability
Florida Retirement System (FRS) Defined Benefit Pension Plan

District Fiscal Year Ending June 30,	Plan Sponsor Measurement Date June 30,	District's Proportion of the FRS Net Pension Liability	District's Proportionate Share of the FRS Net Pension Liability	District's Covered Employee Payroll	District's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2016	2015	0.5554%	$ 71,741,222	$ 185,990,132	38.57%	92.00%
2015	2014	0.5561%	33,932,975	183,742,917	18.47%	96.09%
2014	2013	0.5718%	98,428,154	175,279,396	56.16%	88.54%

Notes:
1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
2) There were no changes in assumptions for FRS.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of District's Proportionate Share of Net Pension Liability
Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

District Fiscal Year Ending June 30,	Plan Sponsor Measurement Date June 30,	District's Proportion of the HIS Net Pension Liability	District's Proportionate Share of the HIS Net Pension Liability	District's Covered Employee Payroll	District's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2016	2015	0.7149%	$72,912,288	$ 217,014,659	33.60%	0.50%
2015	2014	0.7019%	65,629,435	216,899,444	30.26%	0.99%
2014	2013	0.7499%	65,290,530	200,373,000	32.58%	1.78%

Notes:
1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
2) Changes in Assumptions: The municipal rate used to determine total pension liability decreased from 4.29 percent to 3.80 percent.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of District Contributions
Florida Retirement System (FRS) Defined Benefit Pension Plan

District Fiscal Year Ending June 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	$13,056,836	$13,056,836	-	$194,024,689	6.73%
2015	13,541,853	13,541,853	-	183,742,917	7.37%
2014	12,181,918	12,181,918	-	175,279,396	6.95%

Notes:
1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
2) There were no changes in assumptions for FRS.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of District Contributions
Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

District Fiscal Year Ending June 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	District's Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
2016	$ 3,774,082	$ 3,774,082	-	$ 227,455,559	1.66%
2015	2,732,933	2,732,933	-	216,899,444	1.26%
2014	2,404,476	2,404,476	-	200,373,000	1.20%

Notes:
1) The District implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015, including a restatement as of June 30, 2014. Information for prior years is not available.
2) Changes in Assumptions: The municipal rate used to determine total pension liability decreased from 4.29 percent to 3.80 percent.

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Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, Federal government, and other local and private sources that are required to finance designated activities. Activities included within the fund are as follows:

ARRA Economic Stimulus Fund - To account for the financial resources received through the American Recovery and Reinvestment Act.

Food Services Fund - To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Federal Contracted Programs Fund - To account for and report on activities of various Federal programs according to the specifications and requirements of each funding source.

Debt Service Funds

The Debt Service Funds account for the payment of principal and interest on long-term debt.

ARRA Economic Stimulus Fund - To account for the accumulation of resources for and the payment of sinking fund interest and related costs on the Certificates of Participation, Series 2010A Qualified School Construction Bonds.

State Board of Education Bonds Fund - To account for and report on the payment of principal, interest, and related costs of the school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are:

Public Education Capital Outlay Fund - To account for and report on funds received from the State for the construction and maintenance of schools.

Capital Outlay & Debt Service Fund - To account for and report on the excess dollars received through the State's Capital Outlay and Debt Service program used for construction and maintenance of schools.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

		Special Revenue Funds			
	Total Nonmajor Governmental Funds	Total Nonmajor Special Revenue Funds	ARRA Economic Stimulus Fund	Food Services Fund	Federal Contracted Programs Fund
ASSETS					
Cash and Cash Equivalents	$ 7,697,494	$ 6,725,224	$ 17	$ 6,725,207	$ -
Investments	145,863	-	-	-	-
Accounts Receivable	277,648	277,648	-	276,070	1,578
Due from Other Agencies	2,803,991	2,791,495	-	-	2,791,495
Inventories	300,387	300,387	-	300,387	-
Restricted Investments	5,691,774	-	-	-	-
			-		
Total Assets	$ 16,917,157	$ 10,094,754	$ 17	$ 7,301,664	$ 2,793,073
LIABILITIES					
Liabilities:					
Accounts Payable	$ 618,229	$ 618,229	$ 17	$ 163,424	$ 454,788
Due to Other Funds	2,338,285	2,338,285	-	-	2,338,285
Total Liabilities	2,956,514	2,956,514	17	163,424	2,793,073
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	12,496	-	-	-	-
Total Deferred Inflows of Resources	12,496	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,969,010	2,956,514	17	163,424	2,793,073
FUND BALANCES					
Restricted					
Food Services	7,138,240	7,138,240	-	7,138,240	-
Debt Service	5,938,859	-	-	-	-
Capital Projects	871,048	-	-	-	-
Total Fund Balances	13,948,147	7,138,240	-	7,138,240	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 16,917,157	$ 10,094,754	$ 17	$ 7,301,664	$ 2,793,073

	Debt Service Funds			Capital Projects Funds		
	Total Nonmajor Debt Service Funds	ARRA Economic Stimulus Fund	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay Fund	Capital Outlay & Debt Service Fund
ASSETS						
Cash and Cash Equivalents	$ 101,222	$ 101,222	$ -	$ 871,048	$ -	$ 871,048
Investments	145,863	-	145,863	-	-	-
Accounts Receivable	-	-	-	-	-	-
Due from Other Agencies	-	-	-	12,496	-	12,496
Inventories	-	-	-	-	-	-
Restricted Investments	5,691,774	5,691,774	-	-	-	-
Total Assets	$ 5,938,859	$ 5,792,996	$ 145,863	$ 883,544	$ -	$ 883,544
LIABILITIES						
Liabilities:						
Accounts Payable	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue	-	-	-	12,496	-	12,496
Total Deferred Inflows of Resources	-	-	-	12,496	-	12,496
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	-	-	12,496	-	12,496
FUND BALANCES						
Restricted						
Food Services	-	-	-	-	-	-
Debt Service	5,938,859	5,792,996	145,863	-	-	-
Capital Projects	-	-	-	871,048	-	871,048
Total Fund Balances	5,938,859	5,792,996	145,863	871,048	-	871,048
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,938,859	$ 5,792,996	$ 145,863	$ 883,544	$ -	$ 883,544

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

		Special Revenue Funds			
	Total Nonmajor Governmental Funds	Total Nonmajor Special Revenue Funds	ARRA Economic Stimulus Fund	Food Services Fund	Federal Contracted Programs Fund
REVENUES					
Federal Direct Sources:					
Other Federal Direct Sources	$ 2,287,891	$ 2,287,891	$ -	$ -	$ 2,287,891
Miscellaneous Federal Direct	1,024,430	89,390	-	-	89,390
Total Federal Direct Sources	3,312,321	2,377,281	-	-	2,377,281
Federal Through State and Local Sources:					
Vocational Education Acts	802,832	802,832	-	-	802,832
Race-to-the-Top	62,265	62,265	62,265	-	-
Food Service	21,325,633	21,325,633	-	21,325,633	-
Other Federal Through State Sources	29,173,138	29,173,138	-	-	29,173,138
Total Federal Through State and Local Sources	51,363,868	51,363,868	62,265	21,325,633	29,975,970
State Sources:					
CO&DS Withheld for SBE/COBI Bond	1,445,620	-	-	-	-
CO&DS Distribution	383,710	-	-	-	-
Public Education Capital Outlay	740,035	-	-	-	-
Other State Sources	305,431	305,156	-	305,156	-
Total State Sources	2,874,796	305,156	-	305,156	-
Local Sources:					
Food Service	5,040,973	5,040,973	-	5,040,973	-
Interest Income	94,684	32,310	-	32,310	-
Net Increase in Fair Value of Investments	145,632	-	-	-	-
Other Local Sources	147,458	147,458	-	147,458	-
Total Local Sources	5,428,747	5,220,741	-	5,220,741	-
Total Revenues	$ 62,979,732	$ 59,267,046	$ 62,265	$ 26,851,530	$ 32,353,251

	Debt Service Funds			Capital Projects Funds		
	Total Nonmajor Debt Service Funds	ARRA Economic Stimulus Fund	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay Fund	Capital Outlay & Debt Service Fund
	$ -	$ -	$ -	$ -	$ -	$ -
	935,040	935,040	-	-	-	-
	935,040	935,040	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,445,620	-	1,445,620	-	-	-
	-	-	-	383,710	-	383,710
	-	-	-	740,035	740,035	-
	275	-	275	-	-	-
	1,445,895	-	1,445,895	1,123,745	740,035	383,710
	-	-	-	-	-	-
	-	-	-	-	-	-
	61,382	61,382	-	992	-	992
	145,632	145,632	-	-	-	-
	-	-	-	-	-	-
	207,014	207,014	-	992	-	992
	$ 2,587,949	$ 1,142,054	$ 1,445,895	$ 1,124,737	$ 740,035	$ 384,702

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2016

		Special Revenue Funds			
	Total Nonmajor Governmental Funds	Total Nonmajor Special Revenue Funds	ARRA Economic Stimulus Fund	Food Services Fund	Federal Contracted Programs Fund
EXPENDITURES					
Current:					
Instruction	$ 18,212,411	$ 18,212,411	$ -	$ -	$ 18,212,411
Student Support Services	2,378,161	2,378,161	-	-	2,378,161
Instructional Media Services	7,916	7,916	-	-	7,916
Instruction and Curriculum Development Services	6,100,955	6,100,955	-	-	6,100,955
Instructional Staff Training Services	3,961,371	3,961,371	62,265	-	3,899,106
Instructional-Related Technology	813	813	-	-	813
School Board	598	598	-	-	598
General Administration	1,121,499	1,121,499	-	-	1,121,499
School Administration	84,429	84,429	-	-	84,429
Fiscal Services	43,708	43,708	-	-	43,708
Food Services	25,719,583	25,719,583	-	25,719,583	-
Central Services	76,195	76,195	-	-	76,195
Student Transportation Services	108,274	108,274	-	-	108,274
Operation of Plant	1,398	1,398	-	-	1,398
Capital Outlay:					
Facilities Acquisition and Construction	105,164	105,164	-	105,164	-
Other Capital Outlay	1,569,377	1,569,377	-	1,251,589	317,788
Debt Service:					
Principal	1,128,000	-	-	-	-
Interest and Fiscal Charges	1,366,695	-	-	-	-
Total Expenditures	61,986,547	59,491,852	62,265	27,076,336	32,353,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	993,185	(224,806)	-	(224,806)	-
OTHER FINANCING SOURCES (USES)					
Transfers In	955,637	-	-	-	-
Transfers Out	(740,035)	-	-	-	-
Total Other Financing Sources (Uses)	215,602	-	-	-	-
Net Change in Fund Balances	1,208,787	(224,806)	-	(224,806)	-
Fund Balances, Beginning	12,739,360	7,363,046	-	7,363,046	-
Fund Balances, Ending	$ 13,948,147	$ 7,138,240	$ -	$ 7,138,240	$ -

	Debt Service Funds			Capital Projects Funds		
	Total Nonmajor Debt Service Funds	ARRA Economic Stimulus Fund	State Board of Education Bonds Fund	Total Nonmajor Capital Projects Funds	Public Education Capital Outlay Fund	Capital Outlay & Debt Service Fund
	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,128,000	-	1,128,000	-	-	-
	1,365,340	1,007,711	357,629	1,355	-	1,355
	2,493,340	1,007,711	1,485,629	1,355	-	1,355
	94,609	134,343	(39,734)	1,123,382	740,035	383,347
	955,637	955,637	-	-	-	-
	-	-	-	(740,035)	(740,035)	-
	955,637	955,637	-	(740,035)	(740,035)	-
	1,050,246	1,089,980	(39,734)	383,347	-	383,347
	4,888,613	4,703,016	185,597	487,701	-	487,701
	$ 5,938,859	$ 5,792,996	$ 145,863	$ 871,048	$ -	$ 871,048

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Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, Federal government, and other local and private sources that are required to finance designated activities. Activities within the funds are as follows:

Nonmajor Special Revenue Funds

ARRA Economic Stimulus Fund - To account for the financial resources received through the American Recovery and Reinvestment Act.

Food Services Fund - To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Federal Contracted Programs Fund - To account for and report on activities of various Federal programs according to the specifications and requirements of each funding source.



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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - ARRA ECONOMIC STIMULUS FUND
For the Fiscal Year Ended June 30, 2016

	ARRA Economic Stimulus Fund			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Federal Through State and Local Sources:				
Race-to-the-Top	$ 74,384	$ 74,384	$ 62,265	$ (12,119)
Total Revenues	74,384	74,384	62,265	(12,119)
EXPENDITURES				
Current:				
Instruction:				
Capital Outlay	32	32	-	32
Total Instruction	32	32	-	32
Instructional Staff Training Services:				
Salaries	15,000	15,000	11,307	3,693
Employee Benefits	2,333	2,333	1,058	1,275
Purchased Services	49,900	49,900	49,900	-
Materials & Supplies	2,110	2,110	-	2,110
Capital Outlay	5,009	5,009	-	5,009
Other Expenses	-	-	-	-
Total Instructional Staff Training Services	74,352	74,352	62,265	12,087
Total Expenditures	74,384	74,384	62,265	12,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - FOOD SERVICES FUND
For the Fiscal Year Ended June 30, 2016

	Food Services Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Federal Through State Sources:				
Food Service	$ 24,692,426	$ 25,025,876	$ 21,325,633	$ (3,700,243)
Total Federal Through State Sources	24,692,426	25,025,876	21,325,633	(3,700,243)
State Sources:				
Other State Sources	276,610	276,610	305,156	28,546
Total State Sources	276,610	276,610	305,156	28,546
Local Sources:				
Food Service	5,821,752	5,821,752	5,040,973	(780,779)
Interest Income	-	-	32,310	32,310
Other Local Sources	113,400	113,400	147,458	34,058
Total Local Sources	5,935,152	5,935,152	5,220,741	(714,411)
Total Revenues	30,904,188	31,237,638	26,851,530	(4,386,108)
EXPENDITURES				
Current:				
Food Services:				
Salaries	6,814,423	6,926,340	6,099,444	826,896
Employees Benefits	2,509,090	2,524,176	2,060,936	463,240
Purchased Services	529,620	575,875	228,063	347,812
Energy Services	450,349	452,183	462,236	(10,053)
Materials and Supplies	18,536,032	18,279,725	13,801,534	4,478,191
Capital Outlay	385,000	1,174,095	1,275,440	(101,345)
Other Expenses	824,674	826,064	1,791,930	(965,866)
Total Food Services	30,049,188	30,758,458	25,719,583	5,038,875
Capital Outlay:				
Facilities Acquisition and Construction	-	-	105,164	(105,164)
Other Capital Outlay	855,000	1,579,180	1,251,589	327,591
Total Capital Outlay	855,000	1,579,180	1,356,753	222,427
Total Expenditures	30,904,188	32,337,638	27,076,336	5,261,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,100,000)	(224,806)	875,194
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,000,000)	-	-	-
Total Other Financing Sources (Uses)	(1,000,000)	-	-	-
Net Change in Fund Balance	(1,000,000)	(1,100,000)	(224,806)	875,194
Fund Balance, Beginning	7,363,046	7,363,046	7,363,046	-
Fund Balance, Ending	$ 6,363,046	$ 6,263,046	$ 7,138,240	$ 875,194

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - FEDERAL CONTRACTED PROGRAMS FUND
For the Fiscal Year Ended June 30, 2016

	Federal Contracted Programs Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Federal Direct Sources:				
Other Federal Direct Sources	$ 9,295	$ 2,429,290	$ 2,287,891	$ (141,399)
Miscellaneous Federal Direct Sources	-	102,712	89,390	(13,322)
Total Federal Direct Sources	9,295	2,532,002	2,377,281	(154,721)
Federal Through State and Local Sources:				
Vocational Education Acts	-	817,030	802,832	(14,198)
Adult Migrant Education	-	342,114	341,303	(811)
Adult General Education	-	96,506	96,506	-
English Literacy and Civics Education	-	514,893	514,893	-
Language Instructruction Title III	-	1,209,265	808,467	(400,798)
Twenty-First Century Schools	-	186,248	73,677	(112,571)
Special Education Cluster	10,470,116	11,227,795	10,650,127	(577,668)
Teacher/Principal Training & Recruiting	-	-	23,387	23,387
Title I Grants to Local Educational Agencies	13,719,330	20,227,083	14,733,975	(5,493,108)
Other Federal Through State and Local Sources	1,406,477	4,612,420	1,930,803	(2,681,617)
Total Federal Through State and Local Sources	25,595,923	39,233,354	29,975,970	(9,257,384)
Total Revenues	25,605,218	41,765,356	32,353,251	(9,412,105)
EXPENDITURES				
Current:				
Instruction:				
Salaries	5,139,054	7,596,192	6,539,869	1,056,323
Employees Benefits	3,074,020	2,531,899	2,004,719	527,180
Purchased Services	11,283,853	5,520,412	5,043,540	476,872
Materials and Supplies	1,283,647	2,265,732	1,320,356	945,376
Capital Outlay	500,000	1,025,088	871,925	153,163
Other Expenses	59,295	2,609,772	2,432,002	177,770
Total Instruction	21,339,869	21,549,095	18,212,411	3,336,684
Student Support Services:				
Salaries	-	1,768,043	1,648,061	119,982
Employees Benefits	-	662,761	557,694	105,067
Purchased Services	-	89,509	52,246	37,263
Materials and Supplies	116,000	219,319	116,769	102,550
Capital Outlay	-	9,209	294	8,915
Other Expenses	-	3,412	3,097	315
Total Student Support Services	116,000	2,752,253	2,378,161	374,092

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - FEDERAL CONTRACTED PROGRAMS FUND
For the Fiscal Year Ended June 30, 2016

	Federal Contracted Programs Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
EXPENDITURES				
Current (continued)				
Instructional Media Services:				
Capital Outlay	$ -	$ 7,916	$ 7,916	$ -
Total Instructional Media Services	-	7,916	7,916	-
Instruction and Curriculum Development:				
Salaries	2,254,912	4,903,728	4,536,313	367,415
Employees Benefits	53,074	1,712,021	1,337,192	374,829
Purchased Services	5,000	234,274	187,227	47,047
Energy Services	-	1,050	-	1,050
Materials and Supplies	99,956	29,319	20,617	8,702
Capital Outlay	-	35,653	19,521	16,132
Other Expenses	-	488	85	403
Total Instruction and Curriculum Development	2,412,942	6,916,533	6,100,955	815,578
Instructional Staff Training Services:				
Salaries	568,297	3,559,625	2,281,969	1,277,656
Employees Benefits	217,111	1,369,576	625,574	744,002
Purchased Services	353,200	1,177,637	626,310	551,327
Materials and Supplies	75,847	583,886	162,085	421,801
Capital Outlay	-	15,300	-	15,300
Other Expenses	86,902	950,085	203,168	746,917
Total Instructional Staff Training Services	1,301,357	7,656,109	3,899,106	3,757,003
Instruction Related Technology				
Capital Outlay	-	828	813	15
Total Instruction Related Technology	-	828	813	15
School Board:				
Purchased Services	-	431	393	38
Other Expenses	-	205	205	-
Total School Board	-	636	598	38
General Administration:				
Other Expenses	372,897	1,610,819	1,121,499	489,320
Total General Administration	372,897	1,610,819	1,121,499	489,320
School Administration:				
Salaries	-	79,448	72,745	6,703
Benefits	-	7,274	5,688	1,586
Purchased Services	-	698	651	47
Capital Outlay	-	2,388	2,020	368
Other Expenses	-	3,325	3,325	-
Total School Administration	-	93,133	84,429	8,704

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE - FEDERAL CONTRACTED PROGRAMS FUND
For the Fiscal Year Ended June 30, 2016

	Federal Contracted Programs Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
EXPENDITURES				
Current (continued)				
Fiscal Services:				
Salaries	$ -	$ 46,882	$ 37,219	$ 9,663
Employees Benefits	-	16,560	6,489	10,071
Total Fiscal Services	-	63,442	43,708	19,734
Central Services:				
Salaries	44,818	135,931	56,902	79,029
Employees Benefits	17,335	51,668	17,172	34,496
Purchased Services	-	46,920	200	46,720
Materials and Supplies	-	37,105	-	37,105
Capital Outlay	-	5,000	-	5,000
Other Expenses		16,921	1,921	15,000
Total Central Services	62,153	293,545	76,195	217,350
Student Transportation Services:				
Purchased Services	-	840	140	700
Other Expenses	-	298,888	108,134	190,754
Total Student Transportation Services	-	299,728	108,274	191,454
Operation of Plant:				
Purchased Services	-	1,398	1,398	-
Total Operation of Plant	-	1,398	1,398	-
Capital Outlay:				
Other Capital Outlay	-	519,921	317,788	202,133
Total Capital Outlay	-	519,921	317,788	202,133
Total Expenditures	25,605,218	41,765,356	32,353,251	9,412,105
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -

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Debt Service Funds

The Debt Service Funds are used to account for the payment of principal and interest on long-term debt.

Major Debt Service Funds

Other Debt Service Fund - To account for and report on the payment of principal, interest, and related costs on the sales tax bond issues, certificates of participation issues, and other debt issues.

Nonmajor Debt Service Funds

ARRA Economic Stimulus Fund - To account for the accumulation of resources for and the payment of sinking fund interest and related costs on the Certificates of Participation, Series 2010A Qualified School Construction Bonds.

State Board of Education Bonds Fund - To account for and report on the payment of principal, interest, and related costs on the school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE - OTHER DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2016

	Other Debt Service Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Local Sources:				
Interest Income	$ -	$ 47,234	$ 47,234	$ -
Net Increase (Decrease) in Fair Value of Investments	-	447	447	-
Total Local Sources	-	47,681	47,681	-
Total Revenues	-	47,681	47,681	-
EXPENDITURES				
Debt Service:				
Principal	26,086,071	26,226,071	26,080,000	146,071
Interest and Fiscal Charges	8,494,929	8,423,288	8,423,288	-
Total Expenditures	34,581,000	34,649,359	34,503,288	146,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,581,000)	(34,601,678)	(34,455,607)	146,071
OTHER FINANCING SOURCES (USES)				
Refunding Certificates of Participation	-	38,470,000	38,470,000	-
Payments to Refunded COP Escrow Agent	-	(38,236,066)	(38,236,066)	-
Transfers In	34,581,000	34,411,812	34,411,812	-
Total Other Financing Sources	34,581,000	34,645,746	34,645,746	-
Net Change in Fund Balance	-	44,068	190,139	146,071
Fund Balance, Beginning	1,601,044	1,601,044	1,601,044	-
Fund Balance, Ending	$ 1,601,044	$ 1,645,112	$ 1,791,183	$ 146,071

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE - ARRA ECONOMIC STIMULUS FUND
For the Fiscal Year Ended June 30, 2016

	ARRA Economic Stimulus Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Federal Direct Sources:				
Miscellaneous Federal Direct	$ -	$ 935,040	$ 935,040	$ -
Total Federal Direct Sources	-	935,040	935,040	-
Local Sources:				
Interest Income	-	61,382	61,382	-
Net Increase (Decrease) in Fair Value of Investments		145,632	145,632	-
Total Local Sources	-	207,014	207,014	-
Total Revenues	-	1,142,054	1,142,054	-
EXPENDITURES				
Debt Service:				
Principal	1,031,842	882,966	-	882,966
Interest and Fiscal Charges	2,158	1,007,711	1,007,711	-
Total Expenditures	1,034,000	1,890,677	1,007,711	882,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,034,000)	(748,623)	134,343	882,966
OTHER FINANCING SOURCES				
Transfers In	1,034,000	955,637	955,637	-
Total Other Financing Sources	1,034,000	955,637	955,637	-
Net Change in Fund Balance	-	207,014	1,089,980	882,966
Fund Balance, Beginning	4,703,016	4,703,016	4,703,016	-
Fund Balance, Ending	$ 4,703,016	$ 4,910,030	$ 5,792,996	$ 882,966

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE - STATE BOARD OF EDUCATION BONDS FUND
For the Fiscal Year Ended June 30, 2016

	State Board of Education Bonds Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
State Sources:				
CO&DS Withheld for SBE/COBI Bond	$ 1,502,793	$ 1,445,620	$ 1,445,620	$ -
Other State Sources	-	275	275	-
Total State Sources	1,502,793	1,445,895	1,445,895	-
Total Revenues	1,502,793	1,445,895	1,445,895	-
EXPENDITURES				
Debt Service:				
Principal	1,128,000	1,128,000	1,128,000	-
Interest and Fiscal Charges	374,793	357,629	357,629	-
Total Expenditures	1,502,793	1,485,629	1,485,629	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(39,734)	(39,734)	-
Net Change in Fund Balance	-	(39,734)	(39,734)	-
Fund Balance, Beginning	185,597	185,597	185,597	-
Fund Balance, Ending	$ 185,597	$ 145,863	$ 145,863	$ -

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Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing buildings, or major renovation projects. Specific funding sources included herein are:

Major Capital Projects Funds

Section 1011.71(2), F.S., Local Capital Improvement Tax Fund - To account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on revenue anticipation notes and certificates of participation.

Other Capital Projects Fund - To account for and report on funds received from various sources designated for construction remodeling and renovation, expansion of schools and ancillary facilities, and maintenance of schools. Those various sources include sales tax funds collected through a voter approved sales tax referendum; funds received through the issuance of certificates of participation; impact fees levied by the county and city which are transferred to the District through an interlocal agreement; and local capital improvement funds not required to be accounted for separately.

Nonmajor Capital Projects Funds

Public Education Capital Outlay Fund - To account for and report on funds received from the State for the construction and maintenance of schools.

Capital Outlay & Debt Service Fund - To account for and report on the excess dollars received through the State's Capital Outlay & Debt Service program used for construction and maintenance of schools.

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - SECTION 1011.71(2), F.S., LOCAL CAPITAL IMPROVEMENT TAX FUND
For the Fiscal Year Ended June 30, 2016

	Section 1011.71(2), F.S., Local Capital Improvement Tax Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Local Sources:				
Ad Valorem Taxes	$ 43,026,404	$ 44,435,342	$ 44,435,342	$ -
Other Local Sources	-	22,977	22,977	-
Total Local Sources	43,026,404	44,458,319	44,458,319	-
Total Revenues	43,026,404	44,458,319	44,458,319	-
EXPENDITURES				
Current:				
Facilities Services				
Furniture, Fixtures, and Equipment	4,532,282	4,107,524	3,980,620	126,904
Improvements Other Than Buildings	-	15,621	11,590	4,031
Remodeling and Renovations	3,739,660	10,139,459	5,654,128	4,485,331
Computer Software	-	103,917	103,917	-
Total Facilities Services	8,271,942	14,366,521	9,750,255	4,616,266
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	19,485,573	1,867,182	161,657	1,705,525
Land	-	-	-	-
Improvements Other Than Buildings	-	409,633	71,221	338,412
Remodeling and Renovations	-	1,934,420	1,469,755	464,665
Total Facilities Acquisition and Construction	19,485,573	4,211,235	1,702,633	2,508,602
Other Capital Outlay:				
Furniture, Fixtures, and Equipment	794,512	1,839,954	1,319,744	520,210
Motor Vehicles	3,000,000	2,929,454	2,759,882	169,572
Computer Software	200,000	8,758,122	2,140,006	6,618,116
Total Other Capital Outlay	3,994,512	13,527,530	6,219,632	7,307,898
Debt Service:				
Principal	-	125,485	39,236	86,249
Interest	-	21,561	2,683	18,878
Total Debt Service	-	147,046	41,919	105,127
Total Expenditures	31,752,027	32,252,332	17,714,439	14,537,893
Excess of Revenues Over Expenditures	11,274,377	12,205,987	26,743,880	14,537,893
OTHER FINANCING SOURCES (USES)				
Inception of Capital Leases	-	425,826	425,826	-
Transfers Out	(22,391,440)	(23,748,876)	(23,180,573)	568,303
Total Other Financing Sources (Uses)	(22,391,440)	(23,323,050)	(22,754,747)	568,303
Net Change in Fund Balance	(11,117,063)	(11,117,063)	3,989,133	15,106,196
Fund Balance, Beginning	11,117,063	11,117,063	11,117,063	-
Fund Balance, Ending	$ -	$ -	$ 15,106,196	$ 15,106,196

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - OTHER CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2016

	Other Capital Projects Fund			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
State Sources:				
Charter School Capital Outlay	$ 1,800,000	$ 1,215,646	$ 1,215,646	$ -
Other State Sources	75,000	116,578	116,578	-
Total State Sources	1,875,000	1,332,224	1,332,224	-
Local Sources:				
Sales Taxes	29,337,747	30,062,884	30,062,884	-
Interest Income	-	28,194	28,194	-
Impact Fees	-	47,644	47,644	-
Other Local Sources	-	4,026	4,026	-
Total Local Sources	29,337,747	30,142,748	30,142,748	-
Total Revenues	31,212,747	31,474,972	31,474,972	-
EXPENDITURES				
Current:				
Facilities Services:				
Furniture, Fixtures, and Equipment	-	3,505,198	3,230,344	274,854
Remodeling and Renovations	-	233,663	67,724	165,939
Computer Software	450,000	455,107	287,222	167,885
Total Facilities Services	450,000	4,193,968	3,585,290	608,678
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	19,537,715	14,318,830	-	14,318,830
Land	-	50,000	12,500	37,500
Remodeling and Renovations	-	2,581,236	1,842,302	738,934
Total Facilities Acquisition and Construction	19,537,715	16,950,066	1,854,802	15,095,264
Other Capital Outlay:				
Furniture, Fixtures, and Equipment	280,454	299,692	-	299,692
Computer Software	395,000	392,103	-	392,103
Total Other Capital Outlay	675,454	691,795	-	691,795
Debt Service:				
Principal	83,086	83,086	83,086	-
Interest	8,566	8,566	8,566	-
Total Debt Service	91,652	91,652	91,652	-
Total Expenditures	20,754,821	21,927,481	5,531,744	16,395,737
Excess of Revenues Over Expenditures	10,457,926	9,547,491	25,943,228	16,395,737
OTHER FINANCING SOURCES (USES)				
Transfers Out	(26,712,250)	(25,801,815)	(25,801,815)	-
Total Other Financing Sources (Uses)	(26,712,250)	(25,801,815)	(25,801,815)	-
Net Change in Fund Balance	(16,254,324)	(16,254,324)	141,413	16,395,737
Fund Balance, Beginning	16,254,324	16,254,324	16,254,324	-
Fund Balance, Ending	$ -	$ -	$ 16,395,737	$ 16,395,737

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - PUBLIC EDUCATION CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2016

	Public Education Capital Outlay Fund			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
State Sources:				
Public Education Capital Outlay	$ 740,035	$ 740,035	$ 740,035	$ -
Total State Sources	740,035	740,035	740,035	-
Local Sources:				
Interest Income	-	-	-	-
Total Local Sources	-	-	-	-
Total Revenues	740,035	740,035	740,035	-
EXPENDITURES				
Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	-	-	-	-
Total Facilities Acquisition and Construction	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	740,035	740,035	740,035	-
OTHER FINANCING USES				
Transfers Out	(740,035)	(740,035)	(740,035)	-
Total Other Financing Uses	(740,035)	(740,035)	(740,035)	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ -	$ -	$ -

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS - CAPITAL OUTLAY & DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2016

	Capital Outlay & Debt Service Fund			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
State Sources:				
CO&DS Distribution	$ 271,408	$ 378,160	$ 383,710	$ 5,550
Other State Sources	-	5,550		(5,550)
Total State Sources	271,408	383,710	383,710	-
Local Sources:				
Interest Income	-	992	992	-
Total Local Sources	-	992	992	-
Total Revenues	271,408	384,702	384,702	-
EXPENDITURES				
Capital Outlay:				
Facilities Acquisition & Construction:				
Buildings and Fixed Equipment	759,109	871,048	-	871,048
Total Facilities Acquisition & Construction	759,109	871,048	-	871,048
Debt Service:				
Interest and Fiscal Charges	-	1,355	1,355	-
Total Debt Service	-	1,355	1,355	-
Total Expenditures	759,109	872,403	1,355	871,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	(487,701)	(487,701)	383,347	871,048
Net Change in Fund Balance	(487,701)	(487,701)	383,347	871,048
Fund Balance, Beginning	487,701	487,701	487,701	-
Fund Balance, Ending	$ -	$ -	$ 871,048	$ 871,048

Internal Service Funds

Internal Service Funds are nonmajor proprietary funds reported as governmental activities. They are used to account for the self-insurance activities of the school district. The following funds are included in the Internal Service Funds:

Self Insurance - Health and Life - To account for and report on funds received for and used to pay for healthcare and life insurance claims under the District's self-insured health and life program.

Self Insurance - Casualty, Liability, and Workers' Compensation - To account for and report on funds received for and used to pay for claims under the District's self-insured property, casualty, liability, and workers' compensation program.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2016
(With Comparative Totals for June 30, 2015)

	Governmental Activities			
	Proprietary Funds - Internal Service Funds			
	Self-Insurance		Totals	
	Health and Life	Casualty, Liability, etc	2016	2015
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 16,232,761	$ 11,132,570	$ 27,365,331	$ 23,656,619
Accounts Receivable	5,039	-	5,039	6,941
Total Assets	16,237,800	11,132,570	27,370,370	23,663,560
LIABILITIES				
Current Liabilities:				
Accounts Payable	240	49,114	49,354	203,340
Claims Payable	3,649,657	-	3,649,657	3,262,839
Estimated Insurance Claims Payable	2,994,000	-	2,994,000	2,696,000
Total Current Liabilities	6,643,897	49,114	6,693,011	6,162,179
Long-Term Liabilities:				
Estimated Insurance Claims Payable	-	5,912,915	5,912,915	8,182,009
Total Liabilities	6,643,897	5,962,029	12,605,926	14,344,188
NET POSITION				
Unrestricted	$ 9,593,903	$ 5,170,541	$ 14,764,444	$ 9,319,372

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	Governmental Activities			
	Proprietary Funds - Internal Service Funds			
	Self-Insurance		Totals	
	Health and Life	Casualty, Liability, etc	2016	2015
OPERATING REVENUES				
Premium Revenues	$ 50,300,280	$ 4,748,170	$ 55,048,450	$ 45,574,935
Other Operating Revenues	203,577	2	203,579	41,377
Total Operating Revenues	50,503,857	4,748,172	55,252,029	45,616,312
OPERATING EXPENSES				
Salaries	378,966	188,562	567,528	400,485
Employee Benefits	251,274	63,879	315,153	118,313
Purchased Services	2,972,077	-	2,972,077	2,650,538
Materials & Supplies	4,655	-	4,655	17,920
Capital Outlay	4,181	-	4,181	-
Insurance Claims	44,592,234	142,013	44,734,247	43,967,603
Insurance Premiums	555,285	-	555,285	528,489
Other Expenses	342,948	310,883	653,831	716,491
Total Operating Expenses	49,101,620	705,337	49,806,957	48,399,839
Operating Income (Loss)	1,402,237	4,042,835	5,445,072	(2,783,527)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	5,964,820
Total Other Financing Sources (Uses)	-	-	-	5,964,820
Change in Net Position	1,402,237	4,042,835	5,445,072	3,181,293
Total Net Position, Beginning	8,191,666	1,127,706	9,319,372	6,138,079
Total Net Position, Ending	$ 9,593,903	$ 5,170,541	$ 14,764,444	$ 9,319,372

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)

	Governmental Activities			
	Proprietary Funds - Internal Service Funds			
	Self-Insurance		Totals	
	Health and Life	Casualty, Liability, etc	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Premiums	$ 50,302,182	$ 4,748,170	$ 55,050,352	$ 45,916,123
Cash Received from Other Operating Revenues	203,577	2	203,579	41,377
Cash Payments to Suppliers for Goods and Services	(2,750,620)	-	(2,750,620)	(3,050,613)
Cash Payments to Employees for Services	(630,240)	(252,441)	(882,681)	(518,798)
Cash Payments for Insurance Claims	(44,294,234)	(2,411,107)	(46,705,341)	(45,621,647)
Cash Payments for Premiums and Other Fees	(898,233)	(308,344)	(1,206,577)	(862,826)
Net Cash Provided (Used) by Operating Activities	1,932,432	1,776,280	3,708,712	(4,096,384)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Loan Repayments from Other Funds	-	-	-	21,788,183
Transfers from Other Funds	-	-	-	5,964,820
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	27,753,003
Net Change in Cash	1,932,432	1,776,280	3,708,712	23,656,619
Cash and Cash Equivalents, Beginning	14,300,329	9,356,290	23,656,619	-
Cash and Cash Equivalents, Ending	$ 16,232,761	$ 11,132,570	$ 27,365,331	$ 23,656,619
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ 1,402,237	$ 4,042,835	$ 5,445,072	$ (2,783,527)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	1,902	-	1,902	341,188
Increase (Decrease) in Accounts Payable	(156,525)	2,539	(153,986)	(1,777,917)
Increase (Decrease) in Claims Payable	386,818	-	386,818	-
Increase (Decrease) in Estimated Insurance Claims Payable	298,000	(2,269,094)	(1,971,094)	123,872
Total Adjustments	530,195	(2,266,555)	(1,736,360)	(1,312,857)
Net Cash Provided (Used) by Operating Activities	$ 1,932,432	$ 1,776,280	$ 3,708,712	$ (4,096,384)

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District on behalf of outside related organizations or on behalf of other funds within the District.

The Private-Purpose Trust Fund serves to account for financial aid trust fund fees and other moneys for which principal and income benefit individuals or private organizations. They include:

The Donations Trust Fund accounts for employee and public donations held by the District to be used to assist homeless students enrolled in Manatee County schools.

The Financial Aid Fee Trust Fund accounts for the collection of financial aid fees at Manatee Technical Institute. These fees provide scholarships for students meeting the criteria for the award.

Agency Funds are used to account for resources held by the District in a trustee capacity or as an agent for individuals or private organizations. These resources include student and club activity funds that are held in trust for student, athletic, class, and club activities, and other resources held in trust. The District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

	Total Private-Purpose Trust Funds	Donations Trust Fund	Financial Aid Fee Trust Fund
ASSETS			
Cash and Cash Equivalents	$ 105,296	$ 8,005	$ 97,291
Total Assets	105,296	8,005	97,291
LIABILITIES			
Accounts Payable	15,660	192	15,468
Total Liabilities	15,660	192	15,468
NET POSITION			
Held in Trust for Scholarships and Other Purposes	$ 89,636	$ 7,813	$ 81,823

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2016

	Total Private-Purpose Trust Funds	Donations Trust Fund	Financial Aid Fee Trust Fund
Additions:			
Contributions:			
Gifts, Grants, and Bequests	$ 3,737	$ 3,737	$ -
Financial Aid Fees	180,423	-	180,423
Total Additions	184,160	3,737	180,423
Deductions:			
Purchased Services	464	464	-
Materials and Supplies	6,136	6,136	-
Scholarships	98,663	63	98,600
Total Deductions	105,263	6,663	98,600
Changes in Net Position	78,897	(2,926)	81,823
Net Position July 1, 2015	10,739	10,739	-
Net Position, June 30, 2016	$ 89,636	$ 7,813	$ 81,823

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2016

	Student and Club Activities Funds			
	June 30, 2015	Additions	Deletions	June 30, 2016
Assets				
Cash and Cash Equivalents	$ 5,184,885	$ 14,622,212	$ 13,816,919	$ 5,990,178
Investments	483,294	165	-	483,459
Total Assets	$ 5,668,179	$ 14,622,377	$ 13,816,919	$ 6,473,637
Liabilities				
Internal Accounts Payable	$ 5,668,179	$ 14,622,377	$ 13,816,919	$ 6,473,637
Total Liabilities	$ 5,668,179	$ 14,622,377	$ 13,816,919	$ 6,473,637

Discretely Presented Component Units

The component units' columns in the basic financial statements, pages 17 through 19, include the financial data of the District's discretely presented component units.

Nonmajor Discretely Presented Component Units

Manatee School of Arts and Sciences, Inc.; Renaissance Arts and Education, Inc., d/b/a Manatee School for the Arts; The Lee Foundation, Inc, d/b/a Manatee Charter School; Oasis Middle School, Inc.; Palmetto Charter School, Inc.; Team Success A School of Excellence, Inc.; Just for Girls Academy, Inc., Visible Men Academy, Inc., and William Monroe Rowlett Academy for Arts & Communication, Inc. are charter schools and separate not-for-profit corporations organized pursuant to Chapter 617, F.S., the Florida Not For Profit Corporation Act, and Section 1002.33, F.S.. Imagine – Manatee County, LLC, d/b/a Imagine Charter School at North Manatee and Imagine - East Manatee County, LLC, d/b/a Imagine School at Lakewood Ranch are organized as a limited liability corporations pursuant to Chapter 608, F.S., the Florida Limited Liability Company Act, and Section 1002.23, F.S. The charter schools operate under charters approved by their sponsor, the Manatee County District School Board. The charter schools are considered to be component units of the District because the District is financially accountable for the charter schools as the District established the charter schools by approval of the charter, which is tantamount to the initial appointment of the charter schools, and there is the potential for the charter schools to provide specific financial burdens on the District. In addition, pursuant to the Florida Constitution, the charter schools are public schools, and the District is responsible for the operation, control, and supervision of public schools within the District.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2016

	Imagine School at Lakewood Ranch	Imagine Charter School at North Manatee	Just for Girls Academy, Inc.	Manatee Charter School	Manatee School for the Arts	Manatee School of Arts and Sciences, Inc.
ASSETS						
Cash and Cash Equivalents	$ 178,223	$ 214,519	$ 50,206	$ 666,951	$ 1,311,159	$ 173,365
Accounts Receivable	451	-	1,707	2,475	-	-
Due from Related Parties	-	14,847	5,789	31,754	-	-
Due from Other Agencies	10,407	7,015	-	170,680	59,536	5,040
Deposits Receivable	-	-	-	5,485	-	-
Prepaid Items	3,000	-	-	24,614	24,503	-
Other Assets	2,720	2,000	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	1,083,341	-
Capital Assets (net of acculumulated Depreciation):						
Land	-	-	-	-	2,926,815	250,252
Buildings and Fixed Equipment	-	-	-	11,328,838	13,592,488	1,094,937
Furniture, Fixtures, and Equipment	5,960	14,568	26,705	139,508	315,448	43,367
Motor Vehicles	81,652	16,757	-	-	-	-
Computer software	-	-	-	91,095	-	-
Other Capital Assets	-	-	-	-	-	-
Total Assets	282,413	269,706	84,407	12,461,400	19,313,290	1,566,961
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 282,413	$ 269,706	$ 84,407	$ 12,461,400	$ 19,313,290	$ 1,566,961
LIABILITIES						
Salaries and Wages Payable	$ 128,917	$ 165,557	$ 6,192	$ 218,830	$ 911,218	$ 57,557
Accounts Payable	60,677	70,402	9,868	653,029	284,774	3,012
Unearned Revenue	-	-	52,617	-	-	-
Long-Term Liabilities:						
Portion Due or Payable Within One Year:						
Notes Payable	149,228	47,220	-	-	46,653	43,867
Bonds Payable	-	-	-	-	492,877	-
Capital Leases Payable	58,133		-	245,000	-	-
Compensated Absences Payable	-	-	1,123	6,909	-	-
Portion Due or Payable After One Year:						
Notes Payable	1,353	-	699,316	-	673,758	387,737
Bonds Payable	-	-	-	-	12,923,437	-
Capital Leases Payable	-	-	-	12,955,929	-	-
Compensated Absences Payable	-	-	-	2,303	-	-
Net Pension Liability	-	-	-	-	-	-
Total Liabilities	398,308	283,179	769,116	14,082,000	15,332,717	492,173
DEFERRED INFLOWS OF RESOURCES						
Pensions	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	398,308	283,179	769,116	14,082,000	15,332,717	492,173
NET POSITION						
Net Investment in Capital Assets	87,612	31,325	26,705	(1,641,488)	2,698,026	956,952
Restricted for:						
Other Purposes	-	-	-	-	1,083,341	-
Unrestricted	(203,507)	(44,798)	(711,414)	20,888	199,206	117,836
Total Net Position - Component Units	(115,895)	(13,473)	(684,709)	(1,620,600)	3,980,573	1,074,788
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 282,413	$ 269,706	$ 84,407	$ 12,461,400	$ 19,313,290	$ 1,566,961

	Oasis Middle School, Inc.	Palmetto Charter School, Inc.	Team Success A School of Excellence, Inc.	Visible Men Academy, Inc	William Monroe Rowlett Academy for Arts & Communication, Inc.	Total Component Units
ASSETS						
Cash and Cash Equivalents	$ 131,677	$ 339,198	$ 572,599	$ 219,620	$ 1,643,817	$ 5,501,334
Accounts Receivable	-	9,636	-	3,701	183,226	201,196
Due from Related Parties	-	-	-	-	-	52,390
Due from Other Agencies	73,140	-	125,052	-	13,901	464,771
Deposits Receivable	-	350	-	-	-	5,835
Prepaid Items	-	18,189	12,300	19,958	48,913	151,477
Other Assets	1,379	-	-	-	22,929	29,028
Restricted Cash and Cash Equivalents	-	-	-	-	-	1,083,341
Capital Assets (net of acculumulated Depreciation):						
Land	-	400,000	-	96,527	-	3,673,594
Buildings and Fixed Equipment	-	3,145,059	-	-	-	29,161,322
Furniture, Fixtures, and Equipment	-	89,687	27,463	125,746	253,368	1,041,820
Motor Vehicles	131,021	-	4,357	-	-	233,787
Computer software	-	-	-	-	-	91,095
Other Capital Assets	-	54,588	10,705	140,387	44,920	250,600
Total Assets	337,217	4,056,707	752,476	605,939	2,211,074	41,941,590
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	-	-	-	-	2,599,967	2,599,967
Total Deferred Outflows of Resources	-	-	-	-	2,599,967	2,599,967
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 337,217	$ 4,056,707	$ 752,476	$ 605,939	$ 4,811,041	$ 44,541,557
LIABILITIES						
Salaries and Wages Payable	$ -	$ -	$ -	$ 13,882	$ -	$ 1,502,153
Accounts Payable	50,817	124,185	214,008	59,423	596,605	2,126,800
Unearned Revenue	-	-	-	-	-	52,617
Long-Term Liabilities:						
Portion Due or Payable Within One Year:						
Notes Payable	18,664	236,214	-	-	-	541,846
Bonds Payable	-	-	-	-	-	492,877
Capital Leases Payable	-	-	-	-	-	303,133
Compensated Absences Payable	-	-	-	-	-	8,032
Portion Due or Payable After One Year:						
Notes Payable	72,301	2,894,316	-	-	-	4,728,781
Bonds Payable	-	-	-	-	-	12,923,437
Capital Leases Payable	-	-	-	-	-	12,955,929
Compensated Absences Payable	-	-	-	-	97,150	99,453
Net Pension Liability	-	-	-	-	1,984,726	1,984,726
Total Liabilities	141,782	3,254,715	214,008	73,305	2,678,481	37,719,784
DEFERRED INFLOWS OF RESOURCES						
Pensions	-	-	-	-	577,427	577,427
Total Deferred Inflows of Resources	-	-	-	-	577,427	577,427
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	141,782	3,254,715	214,008	73,305	3,255,908	38,297,211
NET POSITION						
Net Investment in Capital Assets	40,056	558,804	42,525	362,660	298,288	3,461,465
Restricted for:						
Other Purposes	-	-	-	-	-	1,083,341
Unrestricted	155,379	243,188	495,943	169,974	1,256,845	1,699,540
Total Net Position - Component Units	195,435	801,992	538,468	532,634	1,555,133	6,244,346
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 337,217	$ 4,056,707	$ 752,476	$ 605,939	$ 4,811,041	$ 44,541,557

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Component Units: Total Component Units
Charter Schools					
Governmental Activities:					
Instruction	$ 22,466,825	$ 118,814	$ 1,021,190	$ -	$ (21,326,821)
Student Support Services	778,820	-	122,038	-	(656,782)
Instructional Media Services	77,925	-	-	-	(77,925)
Instruction and Curriculum Development Services	135,717	-	-	-	(135,717)
Instructional Staff Training Services	775,688	-	12,867	-	(762,821)
Instruction-Related Technology	124,181	-	-	-	(124,181)
School Board	207,308	-	-	-	(207,308)
General Administration	1,025,925	-	-	-	(1,025,925)
School Administration	5,981,336	-	3,495	-	(5,977,841)
Facilities Services	312,302	-	-	-	(312,302)
Fiscal Services	906,044	-	-	-	(906,044)
Food Services	1,654,624	561,025	1,234,198	-	140,599
Central Services	31,764	-	3,922	-	(27,842)
Student Transportation Services	1,156,681	-	16,878	-	(1,139,803)
Operation of Plant	5,783,917	18,740	193,887	266,776	(5,304,514)
Maintenance of Plant	311,090	-	-	-	(311,090)
Community Services	1,356,658	540,493	204,100	-	(612,065)
Unallocated Interest on Long-Term Debt	1,669,254	-	-	750,890	(918,364)
Unallocated Depreciation/Amortization	772,079	-	-	-	(772,079)
Total Component Units	$ 45,528,138	$ 1,239,072	$ 2,812,575	$ 1,017,666	(40,458,825)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					41,413,625
Unrestricted Investment Earnings					68
Miscellaneous					271,723
Total General Revenues					41,685,416
Changes in Net Position					1,226,591
Net Position - Beginning					5,024,413
Adjustment to Beginning Net Position					(6,658)
Restated Net Position - Beginning					5,017,755
Net Position - Ending					$ 6,244,346

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Imagine - East Manatee County, LLC - d/b/a Imagine School at Lakewood Ranch

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Imagine School at Lakewood Ranch
Charter School					
Governmental Activities:					
Instruction	$ 1,416,027	$ 75,200	$ 98,798	$ -	$ (1,242,029)
Student Support Services	17,985	-	-	-	(17,985)
Instructional Media Services	5,056	-	-	-	(5,056)
Instruction and Curriculum Development Services	52,892	-	-	-	(52,892)
Instructional Staff Training Services	5,094	-	-	-	(5,094)
School Board	12,000	-	-	-	(12,000)
General Administration	353,069	-	-	-	(353,069)
School Administration	275,675	-	-	-	(275,675)
Fiscal Services	74,540	-	-	-	(74,540)
Food Services	43,827	584	-	-	(43,243)
Central Services	454	-	-	-	(454)
Student Transportation Services	96,685	-	-	-	(96,685)
Operation of Plant	1,091,810	18,740	-	57,084	(1,015,986)
Maintenance of Plant	37,137	-	-	-	(37,137)
Community Services	79,259	79,261	20,829	-	20,831
Unallocated Interest on Long-Term Debt	2,622	-	-	-	(2,622)
Total Charter School	$ 3,564,132	$ 173,785	$ 119,627	$ 57,084	(3,213,636)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					3,212,967
Total General Revenues					3,212,967
Changes in Net Position					(669)
Net Position - Beginning					(115,226)
Net Position - Ending					$ (115,895)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Imagine - Manatee County, LLC d/b/a Imagine Charter School at North Manatee

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Imagine Charter School at North Manatee
Charter School					
Governmental Activities:					
Instruction	$ 1,847,333	$ 43,614	$ 95,231	$ -	$ (1,708,488)
Student Support Services	19,592	-	-	-	(19,592)
Instructional Media Services	9,455	-	-	-	(9,455)
Instruction and Curriculum Development Services	44,193	-	-	-	(44,193)
Instructional Staff Training Services	100	-	-	-	(100)
Instruction-Related Technology	36,157	-	-	-	(36,157)
School Board	11,500	-	-	-	(11,500)
School Administration	862,481	-	-	-	(862,481)
Food Services	53,851	-	-	-	(53,851)
Central Services	1,549	-	-	-	(1,549)
Student Transportation Services	165,339	-	-	-	(165,339)
Operation of Plant	993,864	-		74,460	(919,404)
Maintenance of Plant	10,160	-	-	-	(10,160)
Community Services	42,790	29,191	-	-	(13,599)
Unallocated Interest on Long-Term Debt	972	-	-	-	(972)
Total Charter School	$ 4,099,336	$ 72,805	$ 95,231	$ 74,460	(3,856,840)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					3,857,410
Total General Revenues					3,857,410
Changes in Net Position					570
Net Position - Beginning					(14,043)
Net Position - Ending					$ (13,473)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Just for Girls Academy, Inc.

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Just for Girls Academy, Inc.
Charter School					
Governmental Activities:					
Instruction	$ 448,592	$ -	$ -	$ -	$ (448,592)
Student Support Services	31,579	-	-	-	(31,579)
Instruction and Curriculum Development Services	23,611	-	-	-	(23,611)
Instructional Staff Training Services	1,368	-	-	-	(1,368)
General Administration	15,053	-	-	-	(15,053)
School Administration	212,180	-	-	-	(212,180)
Food Services	35,366	-	-	-	(35,366)
Student Transportation Services	38,039	-	16,878	-	(21,161)
Operation of Plant	87,238	-	-	-	(87,238)
Maintenance of Plant	9,183	-	-	-	(9,183)
Community Services	3,218	2,454	-	-	(764)
Unallocated Interest on Long-Term Debt	12,747	-	-	-	(12,747)
Total Charter School	$ 918,174	$ 2,454	$ 16,878	$ -	(898,842)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					842,484
Miscellaneous					1,666
Total General Revenues					844,150
Changes in Net Position					(54,692)
Net Position - Beginning					(630,017)
Net Position - Ending					$ (684,709)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

The Lee Foundation, Inc. - d/b/a Manatee Charter School

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Manatee Charter School
Charter School					
Governmental Activities:					
Instruction	$ 2,708,531	$ -	$ 167,871	$ -	$ (2,540,660)
Student Support Services	250,757	-	117,555	-	(133,202)
Instruction and Curriculum Development Services	1,435	-	-	-	(1,435)
Instructional Staff Training Services	17,596	-	10,392	-	(7,204)
Instruction-Related Technology	81,119	-	-	-	(81,119)
School Board	23,847	-	-	-	(23,847)
School Administration	359,110	-	3,495	-	(355,615)
Fiscal Services	574,554	-	-	-	(574,554)
Food Services	356,327	230	356,327	-	230
Central Services	27,587	-	3,922	-	(23,665)
Operation of Plant	831,410	-	140,174	-	(691,236)
Maintenance of Plant	151,174	-	-	-	(151,174)
Community Services	69,320	83,317	15,678	-	29,675
Unallocated Interest on Long-Term Debt	876,310	-	-	110,064	(766,246)
Total Charter School	$ 6,329,077	$ 83,547	$ 815,414	$ 110,064	(5,320,052)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					4,951,577
Miscellaneous					85,786
Total General Revenues					5,037,363
Changes in Net Position					(282,689)
Net Position - Beginning					(1,337,911)
Net Position - Ending					$ (1,620,600)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Renaissance Arts and Education, Inc. d/b/a Manatee School for the Arts

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Manatee School for the Arts
Charter School					
Governmental Activities:					
Instruction	$ 6,418,959	$ -	$ 29,896	$ -	$ (6,389,063)
Instructional Staff Training Services	669,625	-	-	-	(669,625)
School Board	15,000	-	-	-	(15,000)
School Administration	1,645,886	-	-	-	(1,645,886)
Facilities Services	232,077	-	-	-	(232,077)
Fiscal Services	162,033	-	-	-	(162,033)
Food Services	494,360	209,384	537,574	-	252,598
Student Transportation Services	380,952	-	-	-	(380,952)
Operation of Plant	1,184,922	-	-	-	(1,184,922)
Maintenance of Plant	64,143	-	-	-	(64,143)
Community Services	321,783	-	-	-	(321,783)
Unallocated Interest on Long-Term Debt	752,203	-	-	640,826	(111,377)
Unallocated Depreciation/Amortization	732,070	-	-	-	(732,070)
Total Charter School	$ 13,074,013	$ 209,384	$ 567,470	$ 640,826	(11,656,333)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					12,172,516
Miscellaneous					41,894
Total General Revenues					12,214,410
Changes in Net Position					558,077
Net Position - Beginning					3,422,496
Net Position - Ending					$ 3,980,573

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Manatee School of Arts and Sciences, Inc.

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Manatee School of Arts and Sciences, Inc.
Charter School					
Governmental Activities:					
Instruction	$ 610,860	$ -	$ -	$ -	$ (610,860)
Student Support Services	222	-	-	-	(222)
School Board	33,400	-	-	-	(33,400)
General Administration	13,367	-	-	-	(13,367)
School Administration	287,920	-	-	-	(287,920)
Operation of Plant	105,255	-	-	-	(105,255)
Maintenance of Plant	34,227	-	-	-	(34,227)
Community Services	18,276	-	24,950	-	6,674
Unallocated Interest on Long-Term	20,786	-	-	-	(20,786)
Total Charter School	$ 1,124,313	$ -	$ 24,950	$ -	(1,099,363)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					1,003,492
Unrestricted Investment Earnings					68
Miscellaneous					3,395
Total General Revenues					1,006,955
Changes in Net Position					(92,408)
Net Position - Beginning					1,231,157
Adjustment to Beginning Net Position					(63,961)
Restated Net Position					1,167,196
Net Position - Ending					$ 1,074,788

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Oasis Middle School, Inc.

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Oasis Middle School, Inc.
Charter School					
Governmental Activities:					
Instruction	$ 286,153	$ -	$ 72,931	$ -	$ (213,222)
Instructional Staff Training Services	2,475	-	2,475	-	-
School Board	2,500	-	-	-	(2,500)
General Administration	35,458	-	-	-	(35,458)
School Administration	169,727	-	-	-	(169,727)
Fiscal Services	36,942	-	-	-	(36,942)
Food Services	2,162	-	-	-	(2,162)
Student Transportation Services	67,723	-	-	-	(67,723)
Operation of Plant	165,993	-	-	17,719	(148,274)
Unallocated Interest on Long-Term Debt	3,614	-	-	-	(3,614)
Total Charter School	$ 772,747	$ -	$ 75,406	$ 17,719	(679,622)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					716,838
Total General Revenues					716,838
Changes in Net Position					37,216
Net Position - Beginning					158,219
Net Position - Ending					$ 195,435

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Palmetto Charter School, Inc.

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Palmetto Charter School, Inc.
Charter School					
Governmental Activities:					
Instruction	$ 1,385,716	$ -	$ 68,131	$ -	$ (1,317,585)
Instructional Staff Training Services	44,333	-	-	-	(44,333)
School Administration	392,209	-	-	-	(392,209)
Operation of Plant	219,911	-	53,713	-	(166,198)
Community Services	542,182	-	142,643	-	(399,539)
Total Charter School	$ 2,584,351	$ -	$ 264,487	$ -	(2,319,864)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					2,423,188
Miscellaneous					56
Total General Revenues					2,423,244
Changes in Net Position					103,380
Net Position - Beginning					698,612
Net Position - Ending					$ 801,992

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Team Success A School of Excellence, Inc.

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Team Success A School of Excellence, Inc.
Charter School					
Governmental Activities:					
Instruction	$ 1,778,680	$ -	$ 437,687	$ -	$ (1,340,993)
Student Support Services	92,236	-	-	-	(92,236)
Instructional Staff Training Services	21,704	-	-	-	(21,704)
School Board	29,324	-	-	-	(29,324)
General Administration	406,451	-	-	-	(406,451)
School Administration	729,199	-	-	-	(729,199)
Food Services	340,297	-	340,297	-	-
Student Transportation Services	229,796	-	-	-	(229,796)
Operation of Plant	578,156	-	-	117,513	(460,643)
Total Charter School	$ 4,205,843	$ -	$ 777,984	$ 117,513	(3,310,346)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					3,423,716
Miscellaneous					138,926
Total General Revenues					3,562,642
Changes in Net Position					252,296
Net Position - Beginning					228,869
Adjustment to Beginning Net Position					57,303
Restated Net Position					286,172
Net Position - Ending					$ 538,468

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

Visible Men Academy, Inc.

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Visible Men Academy, Inc.
Charter School					
Governmental Activities:					
Instruction	$ 652,720	$ -	$ 50,645	$ -	$ (602,075)
Student Support Services	37,106	-	4,483	-	(32,623)
Instruction and Curriculum Development Services	13,586	-	-	-	(13,586)
Instructional Staff Training Services	1,700	-	-	-	(1,700)
Instruction-Related Technology	6,905	-	-	-	(6,905)
School Board	79,737	-		-	(79,737)
General Administration	94,532	-	-	-	(94,532)
School Administration	482,692	-	-	-	(482,692)
Facilities Services	80,225	-	-	-	(80,225)
Fiscal Services	23,650	-	-	-	(23,650)
Food Services	7,768	-	-	-	(7,768)
Student Transportation Services	42,362	-	-	-	(42,362)
Operation of Plant	96,510	-	-	-	(96,510)
Maintenance of Plant	5,066	-	-	-	(5,066)
Community Services	41,305	28,746	-	-	(12,559)
Unallocated Depreciation/Amortization	40,009	-	-	-	(40,009)
Total Charter School	$ 1,705,873	$ 28,746	$ 55,128	$ -	(1,621,999)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					1,772,371
Total General Revenues					1,772,371
Changes in Net Position					150,372
Net Position - Beginning					382,262
Net Position - Ending					$ 532,634

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2016

William Monroe Rowlett Academy for Arts & Communication, Inc.

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	William Rowlett Academy for Arts & Communication, Inc.
Charter School					
Governmental Activities:					
Instruction	$ 4,913,254	$ -	$ -	$ -	$ (4,913,254)
Student Support Services	329,343	-	-	-	(329,343)
Instructional Media Services	63,414	-	-	-	(63,414)
Instructional Staff Training Services	11,693	-	-	-	(11,693)
General Administration	107,995	-	-	-	(107,995)
School Administration	564,257	-	-	-	(564,257)
Fiscal Services	34,325	-	-	-	(34,325)
Food Services	320,666	350,827	-	-	30,161
Central Services	2,174	-	-	-	(2,174)
Student Transportation Services	135,785	-	-	-	(135,785)
Operation of Plant	428,848	-	-	-	(428,848)
Community Services	238,525	317,524	-	-	78,999
Total Charter School	$ 7,150,279	$ 668,351	$ -	$ -	(6,481,928)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					7,037,066
Total General Revenues					7,037,066
Changes in Net Position					555,138
Net Position - Beginning					999,995
Net Position - Ending					$ 1,555,133

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STATISTICAL SECTION

This part of the School District of Manatee County, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the School Board's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	144
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	159
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. The District has no legal debt limit, and therefore, legal debt limit information is not reported in these schedules.	164
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	168
Operating Information These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	172

Schedule 1

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ended									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Governmental Activities:										
Net Investment in Capital Assets	$ 564,850,302	$ 540,827,793	$ 542,234,867	$ 598,189,854	$ 574,859,168	$ 608,851,265	$ 637,582,482	$ 639,460,250	$ 644,883,556	$ 660,374,668
Restricted	38,519,106	109,184,785	110,691,910	53,837,379	68,753,892	30,090,248	15,682,746	29,316,956	41,177,665	46,436,593
Unrestricted	(15,231,065)	(28,295,870)	(27,993,105)	(36,055,631)	(40,236,705)	(44,109,394)	(46,887,580)	(21,195,798)	(152,113,137)	(137,002,536)
Total Primary Government Net Position	$ 588,138,343	$ 621,716,708	$ 624,933,672	$ 615,971,602	$ 603,376,355	$ 594,832,119	$ 606,377,648	$ 647,581,408	$ 533,948,084	$ 569,808,725

Note: The District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 68 effective for fiscal year ended June 30, 2015. Fiscal years prior to 2015 have not been restated for implementation of GASB 68.

Source: District Records

Schedule 2

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ended									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Expenses:										
Governmental Activities:										
Instruction	$ 221,849,718	$ 238,345,151	$ 219,685,974	$ 227,896,238	$ 247,356,445	$ 226,021,959	$ 226,022,460	$ 224,645,414	$ 242,559,984	$ 252,033,744
Student Support Services	17,532,693	18,670,481	19,661,450	19,566,581	19,906,521	17,989,995	17,401,246	18,180,242	17,897,004	18,028,665
Instructional Media Services	4,691,559	5,088,865	4,263,047	4,294,490	4,203,610	3,701,822	3,239,160	3,519,549	4,167,346	3,905,835
Instruction and Curriculum Development Services	9,724,070	12,329,216	13,209,407	12,223,936	11,231,694	10,190,268	8,842,606	9,231,904	8,883,331	10,570,509
Instructional Staff Training Services	5,856,116	6,047,145	7,467,812	5,961,289	6,073,391	3,808,332	3,379,849	4,957,065	5,877,894	5,430,234
Instruction-Related Technology	255,573	252,955	238,996	239,234	182,746	859,652	778,574	186,190	592,642	46,919
School Board	1,284,241	1,176,248	1,611,989	1,844,674	1,749,074	1,244,023	1,405,121	1,244,180	1,052,935	817,629
General Administration	2,329,264	2,515,075	2,450,984	3,540,863	3,034,769	2,082,634	1,858,188	2,425,875	2,532,599	2,785,198
School Administration	21,779,267	24,931,621	22,515,531	22,998,836	22,818,648	21,426,987	21,194,566	20,488,409	22,225,141	23,274,561
Facilities Services	49,695,337	60,909,395	56,830,405	51,188,083	42,914,299	38,884,100	30,060,205	30,104,598	35,818,641	37,922,654
Fiscal Services	2,070,627	2,016,354	1,640,390	1,716,416	1,936,651	1,715,338	1,837,224	1,914,647	2,018,689	1,977,509
Food Services	16,494,463	18,146,293	18,811,871	19,380,697	19,269,688	21,970,133	21,952,880	22,715,726	23,945,709	25,710,911
Central Services	11,245,155	9,794,146	8,436,082	8,611,562	6,471,184	5,716,118	6,482,263	5,335,331	6,279,091	11,960,112
Student Transportation Services	13,289,402	13,780,622	12,748,497	12,403,970	12,950,943	13,210,461	12,883,165	12,718,714	12,471,794	12,495,737
Operation of Plant	28,254,827	30,272,405	30,196,638	30,312,714	32,222,865	31,374,384	31,042,205	28,774,914	28,032,655	28,634,346
Maintenance of Plant	10,533,432	11,104,447	10,205,766	10,112,521	10,293,274	9,378,100	8,761,931	8,594,159	9,069,078	8,888,260
Administrative Technology Services	3,967,204	4,567,348	4,160,451	4,486,653	4,910,841	4,864,844	4,496,417	4,743,166	4,977,450	6,022,660
Community Services	105,089	104,816	127,106	123,293	92,845	135,928	89,943	2,676,475	3,443,556	3,649,393
Unallocated Interest on Long-Term Debt	11,782,360	13,216,574	13,287,894	13,879,177	13,654,444	15,022,534	13,218,507	11,664,723	10,627,676	9,042,582
Unallocated Depreciation/Amortization	635,995	473,342	390,424	422,746	418,428	454,266	447,606	37,285	18,803	23,182
Total Governmental Activities	433,376,392	473,742,499	447,940,714	451,203,973	461,692,360	430,051,878	415,394,116	414,158,566	442,492,018	463,220,640
Program Revenues:										
Governmental Activities:										
Charges for Services										
Food Services	6,664,590	6,846,579	6,509,638	6,337,488	6,227,467	6,308,381	6,016,084	5,596,217	4,993,388	5,040,973
Other	2,506,054	2,075,260	2,630,203	2,547,495	3,265,604	3,302,555	3,328,715	6,477,087	8,020,290	8,809,491
Operating Grants and Contributions	45,026,309	46,742,641	50,406,042	13,950,219	16,894,768	16,007,243	16,664,882	18,649,998	19,851,990	21,630,789
Capital Grants and Contributions	64,151,342	51,561,304	14,843,772	9,012,298	2,054,111	1,847,788	1,819,463	1,793,458	1,849,548	1,857,788
Total Primary Government Program Revenues	118,348,295	107,225,784	74,389,655	31,847,500	28,441,950	27,465,967	27,829,144	32,516,760	34,715,216	37,339,041
Net (Expense)/Revenue										
Total Primary Government Net Expense	$ (315,028,097)	$ (366,516,715)	$ (373,551,059)	$ (419,356,473)	$ (433,250,410)	$ (402,585,911)	$ (387,564,972)	$ (381,641,806)	$ (407,776,802)	$ (425,881,599)

Source: District Records

Schedule 3

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ended									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Net (Expense)/Revenue										
Total Primary Government Net Expense	$ (315,028,097)	$ (366,516,715)	$ (373,551,059)	$ (419,356,473)	$ (433,250,410)	$ (402,585,911)	$ (387,564,972)	$ (381,641,806)	$ (407,776,802)	$ (425,881,599)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes, Levied for Operational Purposes[a]	166,157,662	187,478,752	181,976,481	177,473,980	162,116,389	158,832,404	146,608,480	151,957,182	158,614,689	170,841,398
Property Taxes, Levied for Capital Projects[a]	59,200,459	66,177,539	56,713,964	44,092,922	32,016,130	36,873,095	36,129,914	36,369,098	40,494,409	44,435,342
Local Sales Taxes	23,846,026	22,111,203	20,893,833	20,324,150	21,740,639	23,269,839	23,520,704	28,815,045	28,209,372	30,062,884
Grants and Contributions Not Restricted	116,512,349	112,261,731	110,325,158	105,172,480	199,491,581	169,035,116	186,166,826	203,720,310	210,197,838	210,821,583
Unrestricted Investment Earnings	11,508,924	6,576,019	2,426,306	1,172,808	402,194	820,672	838,465	77,687	354,605	706,695
Miscellaneous	8,920,791	5,489,836	4,432,281	7,132,082	4,888,230	5,210,549	5,846,112	4,189,884	5,404,855	4,486,941
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	946,211	-	387,397
Total Primary Government	386,146,211	400,095,080	376,768,023	355,368,422	420,655,163	394,041,675	399,110,501	426,075,417	443,275,768	461,742,240
Changes in Net Position										
Total Primary Government	$ 71,118,114	$ 33,578,365	$ 3,216,964	$ (63,988,051)	$ (12,595,247)	$ (8,544,236)	$ 11,545,529	$ 44,433,611	$ 35,498,966	$ 35,860,641

Notes: [a] Changes in property tax revenues are a product of underlying changes in property values and tax rates. See schedules 8-11.

Source: District Records

Schedule 4

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ended									
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
General Fund										
Reserved for:										
Encumbrances	$ 1,103,879	$ 998,738	$ 1,056,920	$ 1,128,208	$ -	$ -	$ -	$ -	$ -	$ -
State Categorical Programs	640,817	1,344,442	405,126	163,742	-	-	-	-	-	-
Inventory	435,949	452,003	389,949	452,212	-	-	-	-	-	-
Unreserved	9,739,387	5,271,028	9,539,198	9,126,279	-	-	-	-	-	-
Nonspendable (b)										
Prepaid Items	-	-	-	-	444,302	-	-	-	-	-
Inventories	-	-	-	-	1,243,529	460,237	731,800	708,654	743,221	738,001
SBA Fund B	-	-	-	-	-	-	218,736	22,069	-	-
Restricted (b)										
State Required Carryover Programs	-	-	-	-	132,154	208,430	180,838	1,513,821	1,488,150	1,780,584
Capital Projects	-	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	1,100,482	921,821	255,885
Assigned (b)										
School and Local Programs	-	-	-	-	1,579,405	-	-	973,008	2,877,127	4,815,340
Unassigned (b)	-	-	-	-	3,394,697	(4,127,328)	(8,634,431)	10,093,347	11,317,831	8,599,308
Total General Fund	$ 11,920,032	$ 8,066,211	$ 11,391,193	$ 10,870,441	$ 6,794,087	$ (3,458,661)	$ (7,503,057)	$ 14,411,381	$ 17,348,150	$ 16,189,118
All Other Governmental Funds										
Reserved for:										
Retirement of Long-Term Debt	$ 602,289	334,671	303,701	966,159	-	-	-	-	-	-
Encumbrances	59,371,857	36,894,486	58,249,500	33,842,561	-	-	-	-	-	-
Inventory	801,606	1,022,004	990,048	833,259	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	988,090	196,385	581,638	1,445,589	-	-	-	-	-	-
Debt Service Funds	-	415,159	104,202	-	-	-	-	-	-	-
Capital Projects Funds	74,276,592	89,375,089	51,160,267	16,175,978	-	-	-	-	-	-
Nonspendable (b)										
Inventories	-	-	-	-	947,940	880,242	866,360	317,889	246,630	-
SBA Fund B	-	-	-	-	-	-	164,793	37,041	-	-
Restricted (b)										
Food Services	-	-	-	-	3,626,011	3,685,910	3,929,626	6,212,882	7,116,416	7,138,240
Debt Service	-	-	-	-	1,252,749	2,543,985	3,847,802	5,360,215	6,489,657	7,730,042
Capital Projects	-	-	-	-	62,163,573	23,651,923	11,574,021	18,865,645	27,859,088	32,372,981
Total All Other Governmental Funds (a)	$ 136,040,434	$ 128,237,794	$ 111,389,356	$ 53,263,546	$ 67,990,273	$ 30,762,060	$ 20,382,602	$ 30,793,672	$ 41,711,791	$ 47,241,263

[a] The fluctuations in total fund balances are primarily due to the timing of debt issues.
[b] The District implemented the provision of Governmental Accounting Standards Board Statement 54 effective for fiscal year ended June 30, 2011.

Source: District Records

Schedule 5

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal Direct Sources:										
Reserve Officers Training Corps (ROTC)	$ 455,488	$ 386,704	$ 584,553	$ 498,590	$ 517,394	$ 525,000	$ 424,278	$ 575,779	$ 514,685	$ 539,649
Other Federal Direct Sources	998,086	713,796	1,739,763	2,701,383	3,148,898	2,921,474	906,606	2,721,640	2,604,138	2,288,736
Miscellaneous Federal Direct	905,907	837,810	1,231,406	2,244,740	2,632,457	2,735,989	3,429,073	1,264,155	967,799	1,024,430
Total Federal Direct Sources	2,359,481	1,938,310	3,555,722	5,444,713	6,298,749	6,182,463	4,759,957	4,561,574	4,086,622	3,852,815
Federal Through State and Local Sources:										
Vocational Education Acts	-	-	-	-	-	25,000	684,975	564,511	703,142	832,832
Food Service	8,695,675	9,132,986	10,229,554	12,665,849	13,721,739	14,721,101	15,278,644	16,695,907	18,269,983	19,572,394
Donated Foods and Cash in Lieu of Donated Foods	900,148	1,174,641	1,351,818	903,545	1,128,392	993,350	1,090,670	1,652,487	1,287,600	1,753,239
Race-to-the-Top	-	-	-	-	-	-	1,539,748	2,706,282	676,404	62,265
Medicaid	863,411	1,066,344	974,792	1,276,151	1,486,611	1,534,140	1,522,142	1,929,923	967,992	2,536,281
Other Federal Through State Sources	24,972,946	26,301,294	27,095,351	47,230,382	62,378,234	34,215,413	25,078,676	23,118,259	28,550,136	29,173,138
Other Federal Through Local Sources	109,256	-	36,239	130,014	65,000	18,766	1,500	-	-	-
Total Federal Through State and Local Sources	35,541,436	37,675,265	39,687,754	62,205,941	78,779,976	51,507,770	45,196,355	46,667,369	50,455,257	53,930,149
State Sources:										
Florida Education Finance Program (FEFP)	66,329,251	49,911,307	48,051,211	47,989,579	68,140,035	63,116,735	87,122,510	103,880,937	105,901,217	106,171,607
Workforce Development	7,166,296	7,407,866	6,962,946	6,408,904	6,331,219	8,684,743	8,742,656	9,296,931	9,563,822	9,624,628
Categorical	47,809,622	55,015,719	56,703,677	46,634,670	48,861,260	49,293,600	51,067,872	51,316,301	52,625,677	51,956,172
District Discretionary Lottery Funds	1,639,289	2,027,702	1,048,407	119,325	165,092	145,378	-	462,613	170,525	-
School Recognition	2,327,456	1,493,932	2,139,904	1,720,415	1,177,618	1,670,141	2,095,390	1,501,341	2,461,552	1,908,465
Mobile Home License Tax	355,138	351,196	343,021	357,343	337,608	333,368	332,958	336,176	337,552	340,752
Voluntary Pre-Kindergarten Program	944,568	1,166,415	1,179,030	1,172,921	1,415,531	1,685,859	1,222,565	1,597,903	1,929,689	1,790,079
CO&DS Distribution	221,503	240,897	405,529	337,337	218,639	197,055	186,215	172,396	235,396	383,710
CO&DS Withheld for SBE/COBI Bonds	1,428,124	1,423,716	1,405,301	1,463,925	1,582,622	1,604,025	1,606,315	1,594,289	1,585,659	1,445,620
CO&DS Withheld for Bond Administrative Expenses	25,121	25,495	27,430	27,430	27,430	27,430	26,933	26,772	27,142	28,183
Public Education Capital Outlay	9,306,935	7,625,892	1,626,894	7,029,921	1,752,013	-	-	-	827,659	740,035
Charter School Capital Outlay	1,584,291	1,449,012	1,303,771	1,371,691	1,422,394	1,351,512	1,358,013	1,936,103	1,743,616	1,215,646
Classrooms for Kids	-	34,104,996	-	-	113,181	-	-	-	-	-
Food Services	253,209	274,569	327,849	286,946	292,624	292,792	295,568	-	-	-
State Grants and Other State Sources	1,112,549	1,871,799	6,026,630	848,718	1,406,462	797,277	637,865	813,041	775,648	1,662,335
Total State Sources	140,503,352	164,390,513	127,551,600	115,769,125	133,243,728	129,199,915	154,694,860	172,934,803	178,185,154	177,267,232
Local Sources:										
Ad Valorem Taxes	225,358,121	253,656,291	238,690,445	221,566,902	194,132,519	195,705,499	182,738,394	189,499,853	199,109,098	215,276,740
Food Service	6,676,778	6,932,801	6,509,638	6,337,487	6,204,275	6,292,762	6,000,544	5,596,217	4,990,498	5,040,973
Sales Taxes	23,846,026	22,111,203	20,893,833	20,324,150	21,740,639	23,269,839	23,520,704	28,815,045	28,209,373	30,062,884
Interest Income	11,508,924	6,575,285	2,879,954	719,161	402,187	820,672	838,464	296,773	354,607	560,616
Impact Fees	10,382,282	5,392,577	4,779,897	134,478	33,570	-	-	153,480	-	47,644
Net Increase (Decrease) in Fair Value of Investments	-	-	-	-	-	-	-	-	-	146,079
Other Local Sources	15,865,650	7,465,181	6,891,312	8,625,910	13,618,870	8,180,541	8,545,988	9,056,827	11,847,274	13,205,042
Total Local Sources	293,637,781	302,133,338	280,645,079	257,708,088	236,132,060	234,269,313	221,644,094	233,418,195	244,510,850	264,339,978
Total Revenues	$ 472,042,050	$ 506,137,426	$ 451,440,155	$ 441,127,867	$ 454,454,513	$ 421,159,461	$ 426,295,266	$ 457,581,941	$ 477,237,883	$ 499,390,174

Source: District Records

Schedule 6

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenditures:										
Current:										
Instruction	$ 217,518,038	$ 229,662,631	216,156,651	$ 223,331,679	$ 246,671,653	$ 228,320,663	$ 228,743,209	$ 227,279,854	$ 247,226,992	$ 260,712,412
Student Support Services	17,165,735	18,063,619	19,116,928	19,153,509	19,739,611	18,199,264	17,517,473	18,360,200	18,396,052	18,944,434
Instructional Media Services	4,568,844	4,934,384	4,234,625	4,199,805	4,123,084	3,681,950	3,295,487	3,533,494	4,102,303	4,138,120
Instruction and Curriculum Development Services	9,524,481	12,246,227	13,161,731	11,956,815	11,245,178	10,311,775	9,067,510	9,333,608	9,274,420	11,201,010
Instructional Staff Training Services	5,773,705	5,944,056	7,371,758	5,877,040	6,018,269	3,680,655	3,275,218	4,864,983	5,859,552	5,493,690
Instruction-Related Technology	249,613	242,911	233,264	234,914	209,585	861,628	781,864	189,028	592,642	46,919
School Board	1,273,375	1,149,933	1,605,822	1,819,381	1,796,219	1,269,344	1,560,043	1,336,453	1,092,272	855,187
General Administration	2,346,621	2,496,279	2,497,628	3,498,545	3,233,549	2,106,366	1,873,127	2,479,203	2,628,479	2,993,141
School Administration	21,381,426	24,345,430	22,276,031	22,562,783	22,516,028	21,704,814	21,568,922	20,761,037	23,326,317	24,571,559
Facilities Services	27,186,012	29,529,645	28,904,651	26,564,927	16,202,899	13,118,068	6,827,292	6,122,922	12,675,995	15,472,906
Fiscal Services	2,119,979	1,986,832	1,604,724	1,680,592	1,958,771	1,741,991	1,813,466	1,931,355	2,051,315	2,147,875
Food Services	16,229,804	17,839,292	18,603,069	19,030,147	18,742,272	21,985,596	21,954,420	22,892,878	23,811,556	25,719,583
Central Services	11,126,627	9,522,292	8,409,029	8,436,165	6,348,972	5,780,821	6,530,711	5,493,306	6,494,031	12,350,544
Student Transportation Services	13,092,318	13,392,359	12,572,355	12,177,137	12,980,372	13,388,865	13,114,916	13,073,986	12,713,423	13,046,653
Operation of Plant	27,955,787	29,810,413	29,895,539	29,877,353	32,135,132	31,607,187	31,463,482	29,478,855	28,376,595	29,217,678
Maintenance of Plant	10,122,396	10,478,014	9,571,654	9,545,091	9,851,492	9,153,073	8,785,541	8,779,822	9,194,873	9,122,054
Administrative Technology Services	3,941,371	4,442,643	4,081,164	4,408,660	4,811,483	4,860,669	4,565,389	4,815,676	5,153,758	6,317,131
Community Services	103,855	102,604	126,342	121,518	50,828	138,433	116,793	2,674,306	3,524,656	3,796,746
Capital Outlay:										
Facilities Acquisition and Construction	158,346,682	46,548,920	49,779,462	57,551,106	38,171,205	24,133,040	12,022,264	1,142,319	312,796	3,668,099
Other Capital Outlay	11,722,346	11,178,366	14,139,083	3,357,189	7,059,458	9,275,146	5,456,341	1,357,860	3,931,864	8,983,510
Debt Service:										
Principal	29,935,000	18,565,000	31,880,000	20,615,000	33,070,000	27,365,000	27,295,000	31,996,652	26,475,413	27,330,322
Interest and Fiscal Charges	13,587,090	13,829,280	15,232,706	15,103,692	15,134,174	16,320,292	13,673,727	12,155,040	10,895,436	9,937,318
Total Expenditures	$ 605,271,105	$ 506,311,130	$ 511,454,216	$ 501,103,048	$ 512,070,234	$ 469,004,640	$ 441,302,195	$ 430,052,837	$ 458,110,740	$ 496,066,891
Debt Service as a Percentage of Noncapital Expenditures	11.11%	7.78%	11.77%	8.83%	11.51%	11.15%	10.70%	10.31%	8.22%	7.71%

Source: District Records

Schedule 7

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES, GOVERNMENTAL FUND
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess of Revenues over (under) Expenditures	$ (133,229,055)	$ (173,704)	$ (60,014,061)	$ (59,975,181)	$ (57,615,721)	$ (47,845,179)	$ (15,006,929)	$ 27,529,104	$ 19,127,143	$ 3,323,283
Other Financing Sources (Uses)										
Proceeds of Notes/Loans	-	25,000,000	-	-	5,000,000	-	-	-	-	-
Bonds Issued	1,605,000	-	-	1,125,393	1,769,268	-	-	-	-	-
Discount on Long-Term Debt Issued	(8,113)	-	(712,715)	-	(125,954)	-	-	-	-	-
Proceeds from the Sale of Capital Assets	-	165,399	123,240	157,177	-	-	-	-	-	-
Loss Recoveries	-	-	15,080	-	4,247	99,690	33,075	16,701	-	-
Refunding Bonds/COPs Issued	-	-	-	689,607	600,000	50,130,000	-	-	2,769,000	38,470,000
Premium on Refunding of Bonds	-	-	-	60,438	-	97,744	-	-	263,323	-
Certificates of Participation	60,040,000	59,380,000	47,065,000	-	61,450,000	-	-	-	-	-
Premiums on Long-Term Debt Issued	2,162,925	970,353	-	30,263	268,073	-	-	-	-	-
Capital Lease Agreement	-	-	-	-	-	-	-	429,703	-	425,826
Payment to Refunding Bonds/COPs Escrow Agent	-	(62,902,738)	-	(734,263)	(699,540)	(50,111,732)	-	-	(3,089,758)	(38,236,066)
Proceeds from Sales of Capital Assets	-	-	-	-	-	148,516	550,000	4,350,000	750,000	387,397
Transfers In	46,606,039	56,412,202	64,292,685	49,191,026	60,800,905	57,328,912	53,365,787	57,083,413	50,213,085	49,722,423
Transfers Out	(46,606,039)	(56,412,202)	(64,292,685)	(49,191,026)	(60,800,905)	(57,328,912)	(53,365,787)	(57,083,413)	(56,177,905)	(49,722,423)
Total Other Financing Sources (Uses)	63,799,812	22,613,014	46,490,605	1,328,615	68,266,094	364,218	583,075	4,796,404	(5,272,255)	1,047,157
Net Change in Fund Balance	$ (69,429,243)	$ 22,439,310	$ (13,523,456)	$ (58,646,566)	$ 10,650,373	$ (47,480,961)	$ (14,423,854)	$ 32,325,508	$ 13,854,888	$ 4,370,440

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Just Value: Real Property	Just Value: Personal Property	Just Value: Central Assessed	Less: Exemptions	Total School Taxable Value	Total Direct Rate
2015-2016	$ 35,990,421,239	$ 3,095,531,886	$ 7,971,396	$ 8,477,293,975	$ 30,616,630,546	7.2670
2014-2015	31,747,370,491	2,961,644,950	7,992,261	6,784,230,192	27,932,777,510	7.3760
2013-2014	28,598,236,142	2,724,593,216	8,008,955	5,458,863,540	25,871,974,773	7.5720
2012-2013	27,271,851,487	2,724,131,670	7,509,299	5,117,126,987	24,886,365,469	7.5890
2011-2012	28,200,290,660	2,634,366,187	7,718,842	5,494,138,512	25,348,237,177	7.9600
2010-2011	29,747,730,647	2,734,851,693	6,753,475	5,999,837,717	26,489,498,098	7.5910
2009-2010	35,315,585,698	2,842,782,571	9,162,416	7,730,254,175	30,437,276,510	7.5410
2008-2009	40,532,806,394	2,830,852,629	7,545,814	10,273,262,587	33,097,942,250	7.3720
2007-2008	44,545,058,066	2,781,296,175	7,382,470	12,908,157,185	34,425,579,526	7.6660
2006-2007	39,852,622,216	2,579,405,964	6,482,705	11,787,115,662	30,651,395,223	7.6140

Note: Net Taxable Assessed Values are net Taxable Values after deducting allowable statutory exemptions.

Source: Florida Department of Revenue

Schedule 9

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(per $1,000 Assessed Valuation)
(UNAUDITED)

	Fiscal Year									
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
District School Board:										
Required Local Effort	4.9550	5.0280	4.9910	5.2930	5.3430	5.7120	5.3410	5.3240	5.1280	5.0190
Discretionary Local	0.5100	0.5100	0.4980	0.7480	0.9980	0.7480	0.7480	0.7480	0.7480	0.7480
Supplemental Discretionary	0.1490	0.1280	0.1330	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Capital Improvement	2.0000	2.0000	1.7500	1.5000	1.2500	1.5000	1.5000	1.5000	1.5000	1.5000
Total District School Board	7.6140	7.6660	7.3720	7.5410	7.5910	7.9600	7.5890	7.5720	7.3760	7.2670
Other County-Wide:										
Board of County Commissioners	7.5063	6.3869	6.3949	6.4083	6.4247	6.4296	6.4326	6.4326	6.4326	6.4326
Unincorporated Municipal Service Tax	0.7274	0.6109	0.6109	0.6109	0.6109	0.6109	0.6109	0.6109	0.6109	0.6109
County-Wide Special Districts	0.7368	0.6780	0.6832	0.6878	0.6888	0.5608	0.5608	0.5498	0.5274	0.5104
Total Other County-Wide	8.9705	7.6758	7.6890	7.7070	7.7244	7.6013	7.6043	7.5933	7.5709	7.5539
Total County-Wide	16.5845	15.3418	15.0610	15.2480	15.3154	15.5613	15.1933	15.1653	14.9469	14.8209
Municipalities:										
Anna Maria	2.0000	1.7882	1.7882	1.7882	1.7882	2.0500	2.0500	2.0500	2.0500	2.0500
Bradenton	4.7500	4.1134	4.2843	4.2843	4.9452	5.2002	5.4356	5.8976	5.8976	5.8976
Bradenton Beach	2.4878	2.2579	2.2579	2.1539	2.1539	2.1359	2.3329	2.3329	2.3329	2.3329
Holmes Beach	1.8000	1.5989	1.5989	1.7549	1.7500	1.7500	1.7500	1.7500	1.7500	2.2500
Longboat Key	1.5011	1.5098	1.5583	1.5554	1.9588	1.9549	1.9436	2.1320	3.2993	3.2286
Palmetto	5.1645	4.6662	4.6662	4.6662	4.6662	5.1185	5.2171	5.7171	5.7171	5.9671

Property is assessed as of January 1st and taxes on those assessments are levied according to the tax rate in effect during that tax year and become due on November 1st. Therefore, assessments and tax levies applicable to a certain tax year are collected in the fiscal year ending during the following calendar year.

Source: Manatee County Property Appraiser

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR
(UNAUDITED)

	Fiscal Year					
	2015-2016			2006-2007		
Taxpayer	Rank	Taxable Value (in thousands)	Percentage of Total Taxable Value [1]	Rank	Taxable Value (in thousands)	Percentage of Total Taxable Value [1]
Florida Power & Light Co. - Plant	1	$ 521,330	1.703%	1	$ 773,384	2.523%
Florida Power & Light Co.	2	302,810	0.989%			0.000%
Tropicana Products, Inc.	3	275,490	0.900%	2	321,419	1.049%
Mosaic Fertilizer, LLC	4	166,381	0.543%			0.000%
Gulfstream Natural Gas System, LLC	5	161,350	0.527%	4	124,574	0.406%
Peace River Electric Coop, Inc.	6	114,831	0.375%			0.000%
Manatee Memorial Hospital	7	114,488	0.374%			0.000%
Gulf Coast Factory Shops	8	110,000	0.359%	6	88,380	0.288%
Tropicana Manufacturing Company, Inc.	9	90,834	0.297%			0.000%
Verizon Florida, Inc.	10	82,395	0.269%	3	157,721	0.515%
Wal-Mart Stores, Inc.				5	88,595	0.289%
Benderson				7	76,918	0.251%
Brighthouse Networks				8	75,440	0.246%
Beall's Inc.				9	55,636	0.182%
Merion Building Management				10	49,256	0.161%
Total		$ 1,939,909	6.336%		$ 1,811,323	5.910%

[1] Percent of total taxable value is calculated using total school taxable value from Schedule 8.

Source: Manatee County Property Appraiser

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

		Collected within the Fiscal Year of The Levy			Total Collections to Date	
Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount (1)	Percentage of Levy	Collections In Subsequent Years (1)	Amount (1)	Percentage of Levy
2016	$ 222,703,404	$ 215,050,457	96.56%	$ -	$ 215,050,457	96.56%
2015	206,282,880	194,849,908	94.46%	335,140	195,185,048	94.62%
2014	196,145,025	189,060,242	96.39%	243,210	189,303,452	96.51%
2013	189,012,670	182,738,394	96.68%	176,736	182,915,130	96.77%
2012	202,165,307	195,705,499	96.80%	372,628	196,078,127	96.99%
2011	200,699,079	194,080,446	96.70%	523,719	194,604,165	96.96%
2010	229,524,151	221,283,064	96.41%	462,474	221,745,538	96.61%
2009	245,510,550	238,690,445	97.22%	771,364	239,461,809	97.54%
2008	263,684,926	253,468,832	96.13%	1,283,997	254,752,829	96.61%
2007	233,125,665	225,084,277	96.55%	143,259	225,227,536	96.61%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Source: Manatee County Tax Collector and District Records

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	State Board of Education Bonds	Certificates Of Participation	District Revenue Bonds	Notes Payable	Capital Leases Payable	Total Primary Government (A)	Percentage of Personal Income (B)	Per Capita (B)
2015-2016	$ 6,421,000 (1)	$ 174,713,454 (1)	$ 30,370,000 (1)	$ -	$ 560,791	$ 212,065,245	N/A	N/A
2014-2015	7,549,000 (1)	183,938,455 (1)	45,145,000 (1)	-	257,638	236,890,093	1.647%	698
2013-2014	8,975,000 (1)	194,628,455 (1)	59,640,000 (1)	-	338,051	263,581,506	1.830%	789
2012-2013	10,120,000 (1)	206,553,455 (1)	73,475,000 (1)	5,000,000	-	295,148,455	2.052%	894
2011-2012	11,925,000	216,418,455	86,305,000	8,500,000	-	323,148,455	2.428%	1,022
2010-2011	12,335,000	225,898,455	94,890,000	13,500,000	-	346,623,455	2.695%	1,071
2009-2010	11,610,000	173,578,455	106,325,000	20,000,000	-	311,513,455	2.541%	971
2008-2009	11,425,000	182,218,455	117,395,000	20,000,000	-	331,038,455	2.531%	1,038
2007-2008	12,275,000	143,073,455	128,005,000	32,500,000	-	315,853,455	2.372%	998
2006-2007	13,105,000	150,273,455	138,340,000	10,000,000	-	311,718,455	2.421%	993

Note: The District does not have any business-type activities outstanding debt.
(1) Amount excludes premiums and discounts.
NA - Information not yet available

Source:
(A) District Records
(B) Total Primary Government Debt divided by Personal Income and Population from Schedule 16.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
(UNAUDITED)

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
School District of Manatee County			
Notes Payable	$ -	100.00%	$ -
Bonds Payable	36,791,000 (b)	100.00%	36,791,000
Certificates of Participation	174,713,454 (b)	100.00%	174,713,454
Total Direct Debt			211,504,454
Overlapping Debt: (a)			
City of Anna Maria	2,622,948	100.00%	2,622,948
City of Bradenton	23,514,210	100.00%	23,514,210
Town of Longboat Key	1,350,000	100.00%	1,350,000
City of Palmetto	4,915,473	100.00%	4,915,473
Manatee County	95,137,000	100.00%	95,137,000
Total Overlapping Debt			127,539,631
Total Direct and Overlapping Debt			$ 339,044,085

(a) Information was obtained from the September 30, 2015, financial statements of each respective governmental entity. Since the geographic boundaries of each governmental entity is within the geographic boundaries for which the District serves, 100 percent of the debt has been included.

(b) Amount excludes premiums and discounts.

Schedule 14

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Taxable Assessed Value	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage [a]
2015-2016	$ 30,616,630,546	$ 18,786,423	0.646 mills
2014-2015	27,932,777,510	18,928,666	0.713 mills
2013-2014	25,871,974,773	20,610,364	0.839 mills
2012-2013	24,886,365,469	18,935,551	0.801 mills
2011-2012	25,348,237,177	18,927,269	0.786 mills
2010-2011	26,489,498,098	17,122,274	0.680 mills
2009-2010	30,437,276,510	16,611,189	0.574 mills
2008-2009	33,097,942,250	14,087,545	0.448 mills
2007-2008	34,425,579,526	10,981,194	0.336 mills
2006-2007	30,651,395,223	9,723,621	0.334 mills

[a] Millage rate calculated using 95 percent of the school taxable valuation.

Note: Capital lease arrangements financed by Certificates of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District Records
Schedule 8

Schedule 15

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
HISTORICAL SALES SURTAX COLLECTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Actual Sales Tax Revenues Received by the School Board	Debt Service Payment	Debt Service Coverage
2016	$ 30,062,884	$ 15,471,164	1.94
2015	28,209,372	15,468,243	1.82
2014	26,436,232	15,277,296	1.73
2013	24,379,569	14,855,596	1.64
2012	23,269,839	15,917,127	1.46
2011	21,740,639	15,962,740	1.36
2010	20,324,150	15,977,978	1.27
2009	20,893,833	15,928,865	1.31
2008	22,111,203	16,022,503	1.38
2007	23,846,026	9,885,290	2.41

Source: District Records

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

Calendar Year	Population [1][2]	Personal Income (in thousands) [1]	Per Capita Income [1]	Unemployment Rate [1]
2015	363,369	N/A	N/A	5.00%
2014	339,545	$ 14,384,591	$ 40,895	5.70%
2013	333,880	14,404,101	42,104	6.80%
2012	330,302	14,383,271	43,077	9.00%
2011	316,056	13,307,545	42,105	11.00%
2010	323,506	12,861,627	39,757	11.70%
2009	320,714	12,258,319	38,222	11.60%
2008	318,769	13,077,803	41,026	6.70%
2007	316,409	13,314,181	42,079	4.00%
2006	313,768	12,873,581	41,029	3.00%

Sources:
N/A Not available
(1) Office of Economic & Demographic Research, State of Florida
(2) Personal Income divided by per capita income except for 2015. The source for 2015 is the United States Census Bureau.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	Fiscal Year					
	2015 (1)			2006		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Manatee County School Board	5,500	1	3.60%	5,000	1	3.25%
Bealls Inc.	1,924	2	1.26%	2,100	2	1.37%
Manatee County Government	1,795	3	1.18%	1,730	3	1.13%
Manatee Memorial Hospital	1,445	4	0.95%	1,500	5	0.98%
Tropicana Products, Inc.	1,200	5	0.79%	1,600	4	1.04%
Manatee County Sheriff's Office	1,138	6	0.75%	1,115	6	0.73%
Blake Medical Center	1,100	7	0.72%	1,100	7	0.72%
Publix	875	8	0.57%			
IMG Academies	564	9	0.37%			
State College of Florida	472	10	0.31%			
Sysco Food				395	8	0.45%
Hoverround			-	637	9	0.41%
City of Bradenton				588	10	0.38%
Total - Principal Employers	16,013		10.49%	15,765		10.26%

Source: Manatee County Annual Financial Report
Bureau of Economic and Business Research

(1) 2016 information was not available.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF SELECTED OPERATING INFORMATION
GRADES K - 12
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Number of Schools	Number of Classroom Instructors	Unweighted Full-Time Equivalent Students	Average General Fund Expenditures Per Student
2015-2016	54	3,467	47,644	7,899
2014-2015	53	3,193	46,931	7,497
2013-2014	53	3,071	45,890	7,175
2012-2013	53	2,861	45,150	7,256
2011-2012	53	2,875	44,151	7,285
2010-2011	53	2,601	43,516	7,364
2009-2010	53	2,468	42,349	7,321
2008-2009	52	2,436	42,096	7,754
2007-2008	52	2,603	42,073	8,181
2006-2007	47	2,632	41,756	7,783

Source: Florida Department of Education and District Records

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Schedule 19

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION AND FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(UNAUDITED)

	Placed in Service (1)	Square Footage (2)	Portables	Full-Time Equivalent Enrollment Data 2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Elementary Schools													
Anna Maria Elementary	1949	58,590	2	310.80	291.58	297.00	315.00	299.00	290.52	253.08	264.81	264.20	269.51
Ballard Elementary	1922	76,505	-	531.80	487.43	461.70	403.46	381.00	414.13	418.76	461.43	466.65	436.76
Bayshore Elementary (3)	1958	115,580	3	721.98	772.21	710.24	678.63	712.54	730.39	762.18	725.33	750.48	778.88
Manatee Elementary	1926	115,591	-	431.24	408.00	380.58	386.12	419.61	437.19	399.50	454.66	500.27	489.69
Miller Elementary (3)	1951	105,949	-	678.25	646.15	714.18	741.43	745.82	737.10	749.79	756.30	800.09	780.32
Myakka City Elementary	1915	101,304	-	422.67	335.32	320.13	306.95	286.66	289.02	258.80	253.27	246.20	241.52
Oneco Elementary	1922	102,698	-	672.10	673.34	635.31	649.89	563.96	570.93	536.01	535.28	513.50	540.14
Orange Ridge-Bullock Elementary	1958	122,529	11	745.33	658.86	629.37	589.24	614.47	677.52	692.41	668.17	707.28	704.58
Palm View Elementary	1926	87,160	-	611.09	577.19	495.43	449.56	414.66	399.11	410.50	429.22	361.06	337.85
Palma Sola Elementary	1961	76,468	3	571.68	569.90	573.77	585.79	550.75	536.53	548.35	577.97	565.08	571.05
Palmetto Elementary	1961	103,042	-	820.46	752.74	720.09	716.72	683.38	692.00	694.12	670.00	653.75	673.22
Prine Elementary	1961	124,560	6	819.08	720.10	746.26	710.95	783.87	775.61	773.54	847.65	849.43	798.69
Daughtrey Elementary (3)	1964	117,349	2	710.35	625.98	666.99	690.00	779.97	826.02	828.45	767.40	757.96	734.93
Samoset Elementary	1926	73,433	-	513.33	464.30	496.89	477.69	519.62	578.45	606.93	588.10	539.43	513.90
Tillman Elementary	1964	104,389	6	513.37	453.17	458.74	462.02	461.11	452.12	417.12	485.09	535.73	544.10
Blackburn Elementary	1970	115,425	4	658.65	530.55	492.68	459.82	434.18	415.76	404.72	433.61	435.46	421.24
Wakeland Elementary	1973	81,199	7	360.92	378.05	391.94	441.05	503.50	530.05	519.03	512.43	486.61	485.47
Moody Elementary	1974	86,296	8	678.31	657.34	616.86	602.12	644.05	659.47	661.98	631.88	647.57	645.33
Abel Elementary	1973	79,548	2	595.41	654.35	658.75	600.01	582.04	545.02	528.14	507.63	533.09	553.78
Stewart Elementary	1973	78,054	-	491.95	461.88	460.87	449.04	474.20	529.76	491.25	434.99	416.12	403.15
Bashaw Elementary	1985	95,494	5	686.08	676.68	681.60	664.73	677.44	680.86	614.14	619.07	590.49	541.45
Braden River Elementary	1988	97,776	5	582.77	565.01	534.47	499.01	484.75	529.89	553.75	603.96	658.49	666.99
Sea Breeze Elementary	1990	104,879	-	673.82	684.90	629.87	635.22	600.43	569.70	570.79	597.11	604.33	572.67
Tara Elementary	1991	113,627	5	811.76	763.71	688.77	608.96	605.02	594.81	577.43	570.21	578.75	610.27
Witt Elementary	1993	104,277	3	909.34	580.45	571.76	539.88	521.86	537.42	589.22	603.73	638.87	684.62
Kinnan Elementary	2001	117,052	10	749.66	698.15	697.16	695.10	703.20	698.72	661.50	671.15	629.27	560.85
Rowlett Elementary	2001	109,097	6	791.43	832.43	856.28	913.54	896.32	892.00	879.50	897.21	-	-
McNeal Elementary	2003	100,485	1	698.69	725.23	663.85	677.23	718.56	704.62	711.06	702.46	749.64	760.66
Freedom Elementary	2003	135,217	8	759.18	825.50	715.24	664.17	677.09	713.59	741.01	749.75	776.30	768.91
Mills Elementary	2004	135,136	15	1,029.13	897.65	943.87	963.80	972.45	992.06	996.90	1,041.41	1,112.65	1,161.95
Willis Elementary	2005	116,734	-	477.49	573.35	616.31	655.71	689.78	721.63	707.99	720.57	720.01	746.87
Willams Elementary	2007	112,927	7	-	654.41	732.14	697.75	695.39	698.61	735.88	810.32	882.67	903.83
Gullett Elementary	2007	105,336	-	-	413.32	509.71	480.74	481.66	503.30	571.00	547.25	653.89	769.33
G. D. Rogers Garden Elementary	2009	71,912	-	-	-	-	325.12	280.57	223.92	225.21	212.48	223.66	258.99
Total Elementary				20,028.12	20,009.23	19,768.81	19,736.45	19,858.91	20,147.83	20,090.04	20,351.90	19,848.98	19,931.50
Middle Schools													
Lincoln Middle	1944	161,401	5	1,171.49	775.11	794.25	711.14	628.63	625.58	599.91	564.73	528.12	532.55
Sugg Middle	1974	127,966	5	886.07	830.50	738.60	786.88	830.20	778.37	822.52	810.98	763.63	698.84
Harllee Middle	1974	134,250	9	750.02	673.88	615.30	563.82	561.55	503.84	497.66	460.56	410.34	453.43
King Middle (3)	1978	167,193	4	899.53	878.38	902.00	984.50	1,063.15	1,120.88	1,090.35	1,065.28	1,123.52	1,093.00
Braden River Middle	1990	162,416	5	941.47	896.05	960.20	964.35	967.83	916.46	968.58	954.42	983.39	985.84
Johnson Middle	1992	177,564	4	793.85	625.90	645.85	490.25	478.67	539.97	588.50	490.53	484.80	486.59
Haile Middle	1995	142,348	5	976.33	993.78	1,025.05	972.46	975.33	1,013.17	987.83	1,055.74	1,057.37	1,071.54
Lee Middle	2000	137,462	3	907.39	884.65	925.38	922.14	916.94	906.32	952.30	974.84	1,022.01	972.26
Nolan Middle	2004	140,796	6	765.67	829.50	815.95	837.38	867.30	910.42	982.50	1,085.82	1,115.69	1,146.05
Buffalo Creek Middle	2007	138,697	-	-	698.99	835.49	897.64	886.88	896.94	902.18	971.05	1,093.87	1,037.83
Total Middle Schools				8,091.82	8,086.74	8,258.07	8,130.56	8,176.48	8,211.95	8,392.33	8,433.95	8,582.74	8,477.93
High Schools													
Bayshore High	1959	307,676	4	1,702.47	1,652.55	1,538.80	1,479.55	1,484.59	1,435.63	1,305.71	1,345.35	1,447.32	1,407.00
Manatee High	1926	348,986	5	2,155.57	2,183.85	2,084.76	2,096.73	2,158.97	2,197.39	2,332.86	2,356.58	2,289.28	2,221.62
Palmetto High	1956	285,055	3	1,818.47	1,746.39	1,665.21	1,614.11	1,628.67	1,719.46	1,731.27	1,860.16	2,017.04	2,047.57
Southeast High	1960	329,145	9	1,522.86	1,420.14	1,316.43	1,356.14	1,348.37	1,307.11	1,269.70	1,244.24	1,369.93	1,534.10
Lakewood Ranch High	1996	297,327	24	2,030.98	1,902.11	1,857.51	1,804.60	1,814.49	1,823.41	1,871.97	1,999.03	2,163.40	2,181.77
Braden River High	2005	278,367	11	1,082.68	1,550.34	1,683.53	1,858.72	1,892.36	1,928.72	1,870.48	1,845.87	1,900.03	1,992.93
Total High Schools				10,313.03	10,455.38	10,146.24	10,209.85	10,327.45	10,411.72	10,381.99	10,651.23	11,187.00	11,384.99

(Continued)

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION AND FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(UNAUDITED)

	Place in Service (1)	Square Footage (2)	Portables	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Specialty Schools							12.00	12.00	28.50	32.00	34.50	-	40.25
Manasota ARC (Access to Education)	N/A	N/A	N/A	15.00	15.00	15.00	317.33	294.06	332.39	250.48	88.85	126.64	-
Community High	2000	25,233	24	248.08	329.14	337.38	314.59	331.07	380.69	437.65	396.42	284.54	414.34
Horizons Academy	1999	85,524	-	334.16	350.42	327.79	-	-	0.30	26.07	-	-	12.36
Manatee Technical Institute (4)	1963	376,181	41	-	-	-	643.92	637.13	741.88	746.20	519.77	411.18	466.95
Total Specialty Schools				597.24	694.56	680.17							
Charter Schools							191.50	218.50	155.00	142.50	133.10	135.38	140.29
Manatee School of Arts and Sciences, Inc.	N/A	N/A	N/A	216.51	199.50	210.00	221.88	262.51	289.02	324.00	341.24	392.04	491.61
Team Success formerly PAL Academy Charter	N/A	N/A	N/A	154.51	127.56	188.38	1225.84	1323.63	1,460.73	1,566.76	1,598.01	1,694.80	1,907.76
Manatee School for the Arts	N/A	N/A	N/A	1,071.50	1,092.80	1106.76	-	-	-	-	-	-	-
PAL Opportunity Charter School	N/A	N/A	N/A	60.50	50.50	40.50	-	-	-	-	-	-	-
Manatee County Juvenile Justice	N/A	N/A	N/A	25.85	-	-	242.53	241.27	44.34	-	-	-	-
Richard Milburn Academy	N/A	N/A	N/A	132.78	140.94	215.00	92.00	83.15	95.10	95.50	-	-	-
Center Academy (Bradenton Charter School)	N/A	N/A	N/A	109.50	92.50	89.50	78.50	78.51	94.50	92.50	101.20	110.15	110.09
Oasis Middle School, Inc.	N/A	N/A	N/A	33.00	63.00	79.00	230.74	329.35	373.26	457.59	543.91	474.23	516.93
Imagine Charter School at North Manatee	N/A	N/A	N/A	73.10	164.50	203.52	420.30	573.18	589.68	502.16	443.77	372.66	389.29
Imagine Charter School at Lakewood Ranch	N/A	N/A	N/A	-	-	103.00	-	-	-	483.96	669.29	715.52	756.19
Manatee Charter School	N/A	N/A	N/A	-	-	-	-	335.48	341.46	363.01	362.82	364.17	363.92
Palmetto Charter School, Inc.	N/A	N/A	N/A	-	-	-	-	-	-	-	-	894.45	903.63
William Monroe Rowlett Academy	N/A	N/A	N/A	-	-	-	-	131.29	198.00	330.30	436.80	485.45	493.53
State College of Florida College Charter	N/A	N/A	N/A	-	-	-	-	-	-	85.00	92.77	108.40	109.14
Just for Girls Academy, Inc.	N/A	N/A	N/A	-	-	-	-	-	-	-	62.58	95.64	115.13
Visible Men Academy, Inc.	N/A	N/A	N/A	-	-	-	2703.29	3576.87	3641.09	4443.28	4785.49	5842.89	6297.51
Total Charter Schools				1,877.25	1,931.30	2,235.66							
Other Programs							54.23	53.14	56.48	-	-	-	-
Gulf Coast Marine Institute	N/A	N/A	N/A	65.06	47.90	60.90	81.31	79.33	91.13	58.64	33.48	42.50	59.40
Juvenile Detention Center	N/A	N/A	N/A	79.95	87.61	90.13	-	-	-	-	-	-	-
Children's Haven	N/A	N/A	N/A	11.50	14.50	11.00	-	-	-	-	-	-	-
Manatee Glens Adolescent	N/A	N/A	N/A	13.10	13.00	10.50	13.37	16.49	9.94	12.36	11.05	7.72	4.89
Hospital Homebound Instruction	N/A	N/A	N/A	12.90	13.18	16.10	36.50	37.00	33.50	34.50	25.96	24.00	21.47
Easter Seals	N/A	N/A	N/A	23.00	23.00	28.50	66.78	67.00	66.10	63.75	59.59	63.43	68.47
Practical and Cultural Education - PACE	N/A	N/A	N/A	82.21	92.04	69.52	-	-	-	-	-	-	-
Hurricane Island - Outward Bound	N/A	N/A	N/A	-	-	-	49.00	47.50	46.50	47.45	43.66	47.33	49.75
Just for Girls, Inc.	N/A	N/A	N/A	41.00	35.00	42.17	1.90	0.00	-	-	-	-	-
Manatee Adolescence Treatment	N/A	N/A	N/A	110.90	103.69	109.84	12.50	13.00	25.25	28.47	26.91	6.55	-
Manatee Glens	N/A	N/A	N/A	12.00	12.50	12.50	20.50	20.00	15.00	16.00	12.98	13.00	12.50
Pinnacle Academy, Inc.	N/A	N/A	N/A	21.50	20.50	19.50	58.21	-	-	-	-	-	-
Ramsay Youth Services	N/A	N/A	N/A	29.00	20.00	56.00	16.50	13.00	14.20	17.42	19.14	-	-
Florida Sheriff's Youth Ranch	N/A	N/A	N/A	21.16	18.50	18.50	391.00	362.50	381.50	389.00	445.91	508.70	552.76
McKay Scholarships	N/A	N/A	N/A	311.50	353.00	363.50	61.26	65.33	66.68	51.39	45.85	57.71	67.48
Palmetto Youth Academy	N/A	N/A	N/A	-	28.10	66.50	-	85.00	101.00	59.30	60.10	-	-
Premier Behavioral Solutions (Manatee Palms)	N/A	N/A	N/A	-	-	-	-	-	-	200.93	201.28	-	-
Y Technical High School	N/A	N/A	N/A	-	-	-	11.00	12.00	10.00	17.50	16.00	18.00	11.00
Duette Elementary	1931	7204	1	14.00	13.50	11.00	-	-	-	-	-	-	127.26
e-TECH Virtual	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-	19.51
Sable	N/A	N/A	N/A	-	-	-	50.81	68.23	79.43	99.89	145.54	269.01	90.59
Miscellaneous	N/A	N/A	N/A	-	-	20.43							
Total Other Programs				848.78	896.02	1,006.59	924.87	939.52	996.71	1,096.60	1,147.45	1,057.95	1,085.08
Total District				41,756.24	42,073.23	42,095.54	42,348.94	43,516.36	44,151.18	45,150.44	45,889.79	46,930.74	47,643.96

(1) - Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.
(2) - Square footage is current including portables
(3) - Total Replacement of Existing Facilities: Bayshore (2003), Miller (2007), and Daughtrey (2007) Elementaries, King Middle School (2006), and Horizons Academy (2007).
(4) - Manatee Technical Institute has four campuses- Main, West, North and East.
N/A - Information Not Applicable

Source: District Records

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
NUMBER OF PERSONNEL
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2015-2016	3,467	227	2,403	6,097	13.74	15.27
2014-2015	3,193	190	2,198	5,581	14.70	16.81
2013-2014	3,071	197	2,141	5,409	14.94	15.59
2012-2013	2,861	210	2,287	5,358	15.78	13.62
2011-2012	2,875	185	2,483	5,543	15.36	15.54
2010-2011	3,073	218	2,295	5,586	14.16	14.10
2009-2010	2,934	205	2,221	5,360	14.43	14.31
2008-2009	2,912	213	2,558	5,398	14.46	13.67
2007-2008	2,793	229	2,524	5,546	15.06	12.20
2006-2007	2,823	220	2,458	5,501	14.79	12.83

Note: Full-Time Employees funded out of the General Fund.

A. Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialists Other Professional Instructional Staff
B. Principals, Assistant Principals, Superintendent, Assistant Superintendent, Executive Directors Directors, Managers, Coordinators
C. Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, etc.

Source: District Records, Schedule 19
Florida Department of Education

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
TEACHERS BASE SALARIES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Minimum Salary[a]	Maximum Salary[a]	County Average Salary[b]	Statewide Average Salary[b]
2015-2016	$ 38,285	$ 65,185	$ 47,569	$ 48,179
2014-2015	38,000	64,700	47,387	47,950
2013-2014	37,843	60,375	47,673	47,780
2012-2013	37,843	60,375	45,745	46,583
2011-2012	37,843	60,375	47,103	46,479
2010-2011	38,517	61,450	47,819	45,723
2009-2010	38,517	61,450	48,463	46,696
2008-2009	38,517	60,836	48,810	46,938
2007-2008	39,300	61,450	49,496	46,922
2006-2007	37,550	59,050	47,480	45,296

[a] - 10 Month Teachers with Bachelor's Degree
[b] - Averages include all degree levels

Source: District Records
Florida Department of Education

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
PUBLIC EDUCATION CAPITAL OUTLAY AND CAPITAL OUTLAY & DEBT SERVICE FUNDS
REVENUES
LAST TEN FISCAL YEARS
(UNAUDITED)

	Public Education Capital Outlay Fund				
Fiscal Year	New Construction	Maintenance	Manatee Technical Institute	Total	Capital Outlay & Debt Service Fund
2015-2016	$ -	$ 740,035	$ -	$ 740,035	$ 383,710
2014-2015	-	827,659	-	-	223,524
2013-2014	-	-	-	-	163,843
2012-2013	-	-	-	-	169,279
2011-2012	-	-	-	-	197,055
2010-2011	-	1,752,013	-	1,752,013	218,639
2009-2010	1,917,946	611,975	4,500,000	7,029,921	337,337
2008-2009	-	1,626,894	-	1,626,894	427,795
2007-2008	2,032,482	2,893,210	2,700,000	7,625,692	240,897
2006-2007	6,998,157	2,308,778	946,878	10,253,813	221,503

Source: District Records

AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Manatee County District School Board, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 12, 2017, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

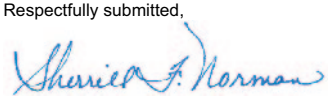
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

We noted certain matters that we reported to District management in our operational audit report No. 2017-092.

Purpose of this Report

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
January 12, 2017
Audit Report No. 2017-096

AUDITOR GENERAL
STATE OF FLORIDA

Sherrill F. Norman, CPA
Auditor General

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

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

Report on Compliance for Each Major Federal Program

We have audited the Manatee County District School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2016. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

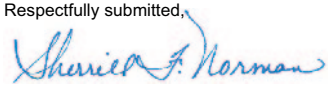
District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
January 12, 2017
Audit Report No. 2017-096

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	15002	$ 4,637,810	$ -
National School Lunch Program	10.555	15001, 15003	15,349,476	-
Summer Food Service Program for Children	10.559	15006, 15007	573,384	-
Total Child Nutrition Cluster			20,560,670	-
Fresh Fruit and Vegetable Program	10.582	15004	407,610	-
Florida Department of Health:				
Child and Adult Care Food Program	10.558	A4195	357,353	-
Total United States Department of Agriculture			21,325,633	-
United States Department of Labor:				
Indirect:				
Florida Department of Education:				
National Farm Worker Jobs Program	17.264	405	341,303	-
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	35,000	-
Federal Work-Study Program	84.033	N/A	54,390	-
Federal Pell Grant Program	84.063	N/A	2,184,626	-
Total Student Financial Assistance Cluster			2,274,016	-
Indirect:				
Special Education Cluster:				
Special Education - Grants to States:				
Florida Department of Education	84.027	262, 263	10,116,471	418,351
Sarasota County District School Board	84.027	N/A	219,878	-
Total Special Education - Grants to States			10,336,349	418,351
Florida Department of Education:				
Special Education - Preschool Grants	84.173	267	322,316	-
Total Special Education Cluster			10,658,665	418,351
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	611,399	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	13,683,884	697,245
Migrant Education - State Grant Program	84.011	217	743,389	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	223	306,701	-
Career and Technical Education - Basic Grants to States	84.048	161	802,832	-
Education for Homeless Children and Youth	84.196	127	93,750	-
Charter Schools	84.282	298	334,512	331,057
Twenty-First Century Community Learning Centers	84.287	244	73,677	70,457
English Language Acquisition State Grants	84.365	102	808,467	-
Mathematics and Science Partnerships	84.366	235	154,328	-
Improving Teacher Quality State Grants	84.367	224	1,371,599	12,273
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	RA111	62,265	-

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
SRI International:				
Investing in Innovation (i3) Fund	84.411	141-000020	103,265	-
Total Indirect			29,808,733	1,529,383
Total United States Department of Education			32,082,749	1,529,383
United Stated Department of Health and Human Services:				
Indirect:				
Early Learning Coalition of Manatee County:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	SR316	$ 58,474	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	SR316	50,974	-
Total CCDF Cluster			109,448	-
Temporary Assistance for Needy Families	93.558	SR316	45,680	-
Social Services Block Grant	93.667	SR316	140	-
Total United Stated Department of Health and Human Services			155,268	-
United Stated Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	539,649	-
Total Expenditures of Federal Awards			$ 54,444,602	$ 1,529,383

The accompanying notes are an integral part of this schedule.

Notes:

(1) Basis of Presentation - The Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the Manatee County District School Board under programs of the Federal government for the year end June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

(2) Summary of Significant Account Policies - Expenditures are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate - The District has not elected to use the 10 percent de minimus cost rate allowed under the Uniform Guidance

(4) Noncash Assistance: National School Lunch Program. Includes $1,727,820 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
CFDA Numbers: 10.553, 10.555, and 10.559 84.010	Name of Federal Program or Cluster: Child Nutrition Cluster Title I Grants to Local Educational Agencies
Dollar threshold used to distinguish between type A and type B programs:	$1,633,338
Auditee qualified as low risk auditee?	No

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for financial statement findings included in the prior audit report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Listed below is the District's summary of the status of prior audit findings required to be reported under 2 CFR 200.511:

Audit Report (Finding No.)	Program/Area	Brief Description	Status	Comments
Moore Stephens Lovelace, P.A. (2015-001)	Interfund Balances	Interfund balances were not properly eliminated in the fund-level balance sheets.	Fully Corrected	
Moore Stephens Lovelace, P.A. (2015-002)	Year End Accruals	Balance sheet accounts were not complete due to unrecorded or misclassified accruals at year end.	Fully Corrected	

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APPENDIX C

COPY OF BOND RESOLUTION

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SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

SALES TAX REVENUE BOND RESOLUTION

ADOPTED FEBRUARY 18, 2003

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BOND RESOLUTION

A RESOLUTION OF THE SCHOOL BOARD OF MANATEE COUNTY, FLORIDA, AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $117,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA SALES TAX REVENUE BONDS, SERIES 2003, TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING, INSTALLATION OF, AND RENOVATION TO, VARIOUS CAPITAL IMPROVEMENTS AND EDUCATIONAL FACILITIES WITHIN THE DISTRICT; PLEDGING MONEYS RECEIVED BY THE DISTRICT FROM THE ONE-HALF CENT LOCAL CAPITAL OUTLAY SALES SURTAX TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; PROVIDING CERTAIN TERMS AND DETAILS OF SAID BONDS, INCLUDING AUTHORIZING A DELEGATED NEGOTIATED SALE OF SAID BONDS AND THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT WITH RESPECT THERETO UPON SATISFACTION OF THE CONDITIONS SET FORTH HEREIN; APPROVING THE USE OF THE PRELIMINARY OFFICIAL STATEMENT RELATING TO THE SALE OF SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT RELATING TO SALE OF SAID BONDS; APPROVING THE REGISTRAR AND PAYING AGENT FOR THE BONDS; APPROVING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

BE IT RESOLVED BY THE SCHOOL BOARD OF MANATEE COUNTY, FLORIDA, AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA:

ARTICLE I

GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation, or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year consisting of 12-30 day months.

"Act" shall mean Chapter 1001, Florida Statutes, Chapter 212, Florida Statutes, and other applicable provisions of law.

"Additional Bonds" shall mean the obligations (including, but not limited to, bond anticipation notes or other similar short-term indebtedness) issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 2003 Bonds.

"Amortization Installment" shall mean (i) with respect to the Series 2003 Bonds, the amounts, if any, designated in the Purchase Agreement as Amortization Installments with respect to the Series 2003 Term Bonds and (ii) with respect to any Additional Bonds, the amounts, if any, designated as such by Supplemental Resolution of the Board and established with respect to the Additional Term Bonds.

"Annual Debt Service" shall mean, at any time, the aggregate amount in the then current Fiscal Year of (1) interest required to be paid on the Outstanding Bonds during such Fiscal Year, except to the extent that such interest is to be paid from deposits in the Interest Account or Construction Fund from Bond proceeds for such purpose, (2) principal of Outstanding Serial Bonds maturing in such Fiscal Year, (3) the Amortization Installments

with respect to such Fiscal Year, and (4) any amounts owing to the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit. For purposes of this definition, all amounts payable on a Capital Appreciation Bond shall be considered a principal payment due in the year of its maturity or date of redemption by Amortization Installment.

"**Authorized Investments**" shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the Board:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation).

(2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(3) Senior debt obligations of other Government Sponsored Agencies approved by the Credit Facility Provider.

(4) Obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank

(5) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations rated "AAA" by Standard & Poor's and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.
- Senior debt obligations of other government sponsored agencies approved by the Insurer.
- Obligations of the Resolution Funding Corporation (REFCORP).
- Senior debt obligations of the Federal Home Loan Bank System.

(6) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.)

(7) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's and "P-1" by Moody's and which matures not more than 270 days after the date of purchase.

(8) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's or "AAA" by Moody's.

(9) Prerefunded Obligations.

(10) Investments in the Florida Local Government Surplus Funds Trust Fund.

(11) Investment agreements approved in writing by the Credit Facility Provider (supported by appropriate opinions of counsel).

(12) Other forms of investments (including repurchase agreements) approved in writing by the Credit Facility Provider.

"Value," which shall be determined at least semiannually, means that the value of any investments shall be calculated as follows:

(a) for securities:

1. the closing bid price quoted by Interactive Date Systems; or

2. a valuation performed by a nationally recognized and accepted pricing service acceptable to the Insurer(s) whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

3. the lower of two dealer bids on the valuation date. The dealers or their parent holding companies must be rated at least investment grade by S&P and Moody's and must be market makers in the securities being valued.

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(c) as to any investment not specified above: the value thereof established by prior agreement between the Board and the Credit Facility Provider.

(13) Any other investments approved in writing by the Credit Facility Provider.

"Board" shall mean the School Board of Manatee County, Florida, the governing body of the District.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean a municipal bond insurance policy issued by an Insurer insuring the payment, when due, of the principal of and interest on a Series of Bonds as provided therein. With respect to the Series 2003 Bonds, "Bond Insurance Policy" shall mean the municipal bond insurance policy issued by Ambac Assurance Corporation guaranteeing, when due, the scheduled principal of and interest on the Series 2003 Bonds.

"Bond Year" shall mean the period commencing on April 2 of each year and ending on April 1 of each year.

"Bondholder" or **"Holder"** or **"holder of Bonds"** or any similar term, when used with reference to a Bond or Bonds, shall mean any Person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Board.

"Bonds" shall mean the Series 2003 Bonds, together with any Additional Bonds, issued pursuant to this Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

"Capital Appreciation Bonds" shall mean those Bonds so designated by Supplemental Resolution of the Board, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital

Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"Chairman" shall mean the Chairman or the Vice-Chairman of the Board, and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules promulgated thereunder.

"Construction Fund" shall mean the School District of Manatee County, Florida Sales Tax Revenue Bonds Construction Fund established pursuant to Section 4.03 hereof.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate to be executed by the Board on or prior to the date of issuance of the Bonds, the form of which is attached hereto as Exhibit A.

"Cost" when used in connection with a Project and permitted by the Act, shall mean (1) the Board's cost of physical construction; (2) costs of acquisition by or for the Board of such Project; (3) any costs of land and interests therein and the costs of the Board incidental to such acquisition (including, without limitation, title insurance and related costs and costs associated with the examination, survey and any remediation required with respect to such land); (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during the period of construction of the Project and a reasonable period subsequent to completion of construction as the Board shall determine; (6) engineering, legal, financial advisory and other consultant fees and expenses; (7) costs and expenses of the financing incurred for the Project, including fees and expenses of any Paying Agent, Registrar, Credit Facility Provider or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest) on any interim or temporary indebtedness of the Board incurred for the Project; (9) costs of machinery, equipment, technology, supplies, spare parts, books, furniture and any other items required by the Board for the commencement of operation of the Project; and (10) any other costs properly attributable to such construction or acquisition or to the issuance of the Bonds which finance the Project, as determined by generally accepted accounting principles applicable to the Project, and shall include reimbursement to the Board for any such items of Cost paid by the Board prior to the issuance of the Bonds or other obligations issued to finance the Project.

"County" shall mean Manatee County, Florida, a political subdivision of the State.

"**Credit Facility**" shall mean as to any particular Series of Bonds, a Bond Insurance Policy, a letter of credit, a line of credit or another credit or liquidity enhancement facility, as approved herein or in the Supplemental Resolution providing for the issuance of such Series of Bonds. With respect to the Series 2003 Bonds, "Credit Facility" shall mean the Bond Insurance Policy issued by Ambac Assurance Corporation.

"**Credit Facility Provider**" shall mean the Insurer, bank or other financial institution issuing a Credit Facility for a particular Series of Bonds.

"**Debt Service Fund**" shall mean the School District of Manatee, County, Florida Sales Tax Revenue Bonds, Debt Service Fund established pursuant to Section 4.04 hereof. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time.

"**District**" shall mean the School District of Manatee County, Florida.

"**Fiscal Year**" shall mean the period commencing on July 1 of each year and continuing through the next succeeding June 30, or such other period as may be prescribed by law.

"**Fitch**" shall mean Fitch, Inc. and any assigns or successors thereto.

"**Hedge Agreement**" shall mean an agreement in writing between the Board and another entity (the "Counterparty") pursuant to which (1) the Board agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to an amount similar to interest (which may be at a fixed or variable rate) payable on the debt (or notional amount) of the Counterparty specified in such agreement in the period specified in such agreement and (2) the Counterparty agrees to pay to the Board an amount, either at one time or periodically, which may, but is not required to, be determined by reference to an amount similar to interest (which may be at a fixed or variable rate) payable on all or a portion of a Series of Bonds (or notional amount) specified in such agreement during the period specified in such agreement.

"**Hedge Payments**" shall mean any amounts payable by the Board as an interest similar payment on the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or by virtue of termination of a Qualified Hedge Agreement.

"Hedge Receipts" shall mean any amounts receivable by the Board on the related notional amount under a Qualified Hedge Agreement.

"Insurer" shall mean with respect to the Series 2003 Bonds, Ambac Assurance Corporation, and with respect to any other Series of Bonds, the Credit Facility Provider, if any, issuing a Bond Insurance Policy with respect to such Series of Bonds.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Interest Date" or **"interest payment date"** shall be such date or dates for the payment of interest on the Bonds as provided pursuant to Sections 2.01 or 2.02 hereof.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding, excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which the Maximum Annual Debt Service shall at any time be computed.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution of the Board delineating the details of such Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear in the future in accordance with the terms of such Supplemental Resolution.

"Moody's Investors Service" or **"Moody's"** shall mean Moody's Investors Service, and any assigns or successors thereto.

"Outstanding" when used with reference to the Bonds and as of any particular date, shall describe all of the Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or Bonds under Sections 2.07, 2.08 and 2.09 hereof, (3) Bonds deemed to have been paid pursuant to Section 9.01 hereof, and (4) Bonds cancelled after purchase in the open market or because of payment at maturity.

"Qualified Hedge Agreement" shall mean a Hedge Agreement with respect to which the Board has received written notice from at least two of Moody's, Fitch or S&P each such rating agency then rating the Bonds that the rating of the Counterparty (as defined in the definition of "Hedge Agreement" herein) is not less than the second highest rating of such rating agencies.

"Paying Agent" shall mean Wells Fargo Bank, National Association, Coral Springs, Florida, appointed as the paying agent for the Bonds pursuant to Section 9.03 hereof.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Funds" shall mean (1) the Sales Tax Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except for the Unrestricted Revenue Account and the Rebate Fund.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable at the option of the obligor prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or securities described in paragraph (2) of the definition of Authorized Investments, secured in the manner set forth in Section 9.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund, are sufficient, as verified by an independent certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above, and (4) which are rated in the highest rating category of Standard & Poor's and Moody's.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Project" shall mean the 2003 Project and the acquisition, construction, equipping installation and improvement of such additional properties and facilities as may be financed by the Sales Tax Revenues pursuant to the Act and approved by the Board.

"Project Resolutions" means the resolutions adopted from time to time by the Board.

"Purchase Agreement" shall mean the Bond Purchase Agreement to be executed between the Board and the Underwriters in accordance with Section 2.02(b) hereof, which Purchase Agreement shall set forth the terms of the Series 2003 Bonds and the form of which is attached hereto as Exhibit B.

"Rebate Fund" shall mean the School District of Manatee, County, Florida Sales Tax Revenue Bonds, Rebate Fund established pursuant to Section 4.04 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Refunding Securities" shall mean any of the items listed in paragraph (1), (2) or (3) of the definition of Authorized Investments and Prerefunded Obligations.

"Registrar" shall mean Wells Fargo Bank, National Association, Coral Springs, Florida, appointed as the paying agent for the Bonds pursuant to Section 9.03 hereof.

"Reserve Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Reserve Account Insurance Policy" shall mean an insurance policy or surety bond deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof including, without limitation, the Series 2003 Surety Bond.

"Reserve Account Letter of Credit" shall mean an unconditional irrevocable letter of credit or line of credit (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account or any subaccount thereof, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) one hundred twenty-five percent (125%) of the average annual debt service for all Outstanding Bonds secured thereby, or (3) ten percent (10%) of the proceeds of the Bonds secured thereby.

"Resolution" shall mean this Sales Tax Revenue Bond Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Restricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"Revenue Fund" shall mean the School District of Manatee, County, Florida Sales Tax Revenue Bonds, Revenue Fund established pursuant to Section 4.04 hereof.

"Sales Tax Revenues" shall mean the proceeds received by the Board from the levy and collection by the District of the one-half cent local capital outlay sales surtax pursuant to Section 212.055(6), Florida Statutes.

"Secretary" shall mean the Superintendent of the District as the Ex-officio Secretary of the Board.

"Serial Bonds" shall mean all of the Bonds other than Term Bonds.

"Series" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or a Supplemental Resolution authorizing the issuance by the Board as a separate Series, regardless of variations in maturity, interest rate, amortization installments or other provisions.

"Series 2003 Bonds" shall mean the School District of Manatee County, Florida Sales Tax Revenue Bonds, Series 2003 authorized and issued pursuant to Section 2.02 of this Resolution.

"Series 2003 Guaranty Agreement" shall mean the Guaranty Agreement to be dated the first day of the month in which the Series 2003 are issued between the Board and Ambac Assurance Corporation, pursuant to which Ambac Assurance Corporation is delivering the Series 2003 Surety Bond. The Series 2003 Guaranty Agreement shall be substantially in the form attached hereto as Exhibit D.

"Series 2003 Surety Bond" shall mean the Surety Bond issued by Ambac Assurance Corporation guaranteeing certain payments into the Reserve Account as provided therein and subject to the limitations set forth therein.

"Standard & Poor's" shall mean Standard and Poor's Ratings Group, and any assigns and successors thereto.

"State" shall mean the State of Florida.

"Subordinated Indebtedness" shall mean that indebtedness of the Board, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof.

"Superintendent" shall mean the Superintendent of the District, and such other person as may be duly authorized to act on his or her behalf.

"Supplemental Resolution" shall mean any resolution of the Board amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

"Taxable Bonds" shall mean any Bonds which state, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes or that such interest is subject to federal income taxation.

"Term Bonds" shall mean (i) with respect to the Series 2003 Bonds, the Series 2003 Bonds, if any, designated as Term Bonds in the Purchase Agreement and (ii) with respect to any Additional Bonds, those Bonds which shall be designated as Term Bonds by Supplemental Resolution of the Board and which are subject to mandatory redemption by Amortization Installment.

"2003 Project" shall mean certain capital improvements and educational facilities to be made within the District, all as more particularly described in the plans and specifications on file or to be on file with the Board, as the same may be modified or amended from time to time.

"Underwriters" shall mean with respect to the Series 2003 Bonds, collectively, A.G. Edwards & Sons, Inc., Banc of America Securities, LLC, Salomon Smith Barney and UBS PaineWebber.

"Unrestricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"Variable Rate Bonds" shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption

of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Board with the Holders of the Bonds and the Insurer and shall be deemed to be and shall constitute a contract between the Board and the Holders from time to time of the Bonds and the Insurer. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Board shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and for the benefit, protection and security of the Insurer. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared:

(A) Pursuant to the Act, the Board is authorized to pledge the Sales Tax Revenues to pay the principal of, premium, if any, and interest on the Bonds.

(B) The Board deems it desirable and in the best interest of the Board to acquire, construct and equip the 2003 Project.

(C) That the most efficient and cost-effective method of acquiring, constructing and equipping the 2003 Project is by the issuance of the Series 2003 Bonds secured by the Pledged Funds.

(D) That the estimated Sales Tax Revenues will be sufficient to pay the principal of and interest on the Series 2003 Bonds, as the same become due, and all other payments provided for in the Resolution.

(E) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2003 Bonds and the complexity of the transactions relating to such Series 2003 Bonds, it is in the best interest of the Board to sell the Series 2003 Bonds pursuant to a delegated negotiated sale, allowing the Board to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Board to obtain the best possible price and interest rate for the Bonds, subject in all respects to satisfaction of the conditions set forth in Section 2.02(b) hereof.

(F) That the principal of and interest on Bonds issued pursuant to this Resolution and all other payments provided for in this Resolution will be paid solely from Pledged Funds, and the ad valorem taxing power of the Board will never be necessary or authorized to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution and, except as otherwise provided herein, the Bonds shall not constitute a lien upon any property with the Board.

(G) The 2003 Project constitutes "fixed capital expenditures" or "fixed capital costs" associated with the construction, reconstruction or improvement of school facilities etc. including technology implementation, within the meaning of Section 212.055(6), Florida Statutes.

SECTION 1.05. AUTHORIZATION OF THE 2003 PROJECT. The Board hereby authorizes and empowers the acquisition, construction and equipping of the 2003 Project.

ARTICLE II

AUTHORIZATION, TERMS, SALE, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. This Resolution creates an issue or issues of Bonds of the Board to be designated as "School District of Manatee County, Florida, Sales Tax Revenue Bonds, Series ____" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Board pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Board may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined hereby or by Supplemental Resolution of the Board.

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places and on such Interest Dates; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; and the proceeds shall be used in such manner; all as determined by Supplemental Resolution of the Board in accordance with the provisions of the Act. The Board may issue Bonds which may be secured by a Credit Facility all as shall be determined hereby or by Supplemental Resolution of the Board.

SECTION 2.02. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2003 BONDS.

(a) In accordance with the Act and the terms of this Resolution, this Resolution hereby creates an issue of bonds of the Board to be designated as "School District of Manatee County, Florida Sales Tax Revenue Bonds, Series 2003," to be issued in the aggregate

principal amount of not exceeding $117,500,000. The Series 2003 Bonds shall be issued for the principal purpose of acquiring, installing and constructing the 2003 Project, and paying certain costs and expenses incurred in connection with the issuance of the Series 2003 Bonds, including the Bond Insurance Policy premium. The exact principal amount of the Series 2003 Bonds to be issued by the Board shall be determined by the Chairman and the Superintendent in accordance with Section 2.02(b) below. In the event the Chairman and Superintendent approve an amount less than $117,500,000 in accordance with Section 2.02(b) hereof, the remaining authorized amount hereunder with respect to the Series 2003 Bonds shall be cancelled.

The Series 2003 Bonds shall be dated as of the first day of the month in which the Purchase Agreement is delivered (or such earlier or later date as set forth in the Purchase Agreement), shall be issued in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R," and shall bear interest from their dated date, payable semiannually, on April 1 and October 1 of each year, commencing on October 1, 2003 (or such earlier or later date as set forth in the Purchase Agreement), at such rates and maturing in such amounts on April 1 of such years as shall be determined by the Chairman and the Superintendent in accordance with Section 2.02(b) below.

The principal of or Redemption Price, if applicable, on the Series 2003 Bonds is payable upon presentation and surrender of the Series 2003 Bonds at the designated corporate trust office of the Paying Agent. Interest payable on the Series 2003 Bonds on any Interest Date will be paid by check or draft to the Holder in whose name such Series 2003 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, at the request and expense of such Holder, by bank wire transfer for the account of such Holder. All payments of principal of and interest on the Series 2003 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) Subject to full satisfaction of the conditions set forth in this Section 2.02(b), the Board hereby authorizes a delegated negotiated sale of the Series 2003 Bonds to the Underwriters in accordance with the terms of a Purchase Agreement to be dated the date of sale and to be substantially in the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Chairman and the Superintendent in accordance with the provisions of this Section 2.02(b), the execution thereof being deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section 2.02(b). The

Purchase Agreement shall not be executed by the Chairman until such time as all of the following conditions have been satisfied:

(1) Receipt by the Chairman and the Superintendent of a written offer to purchase the Series 2003 Bonds by the Underwriters substantially in the form of the Purchase Agreement, said offer to provide for, among other things, (i) the issuance of not exceeding $117,500,000 initial aggregate principal amount of Series 2003 Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of 0.5% of the initial par amount of the Series 2003 Bonds, (iii) a true interest cost of not more than 5.0% per annum, and (iv) the maturities of the Series 2003 Bonds with the final maturity no later than October 1, 2017.

(2) With respect to any redemption terms of the Series 2003 Bonds, the first call date may be no later than October 1, 2013 and no call premium may exceed 2% of the par amount of that portion of the Series 2003 Bonds to be redeemed.

(3) Receipt by the Chairman and Superintendent from the Underwriters of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes and substantially in the form of Exhibit C to the Purchase Agreement.

SECTION 2.03. APPLICATION OF SERIES 2003 BOND PROCEEDS. (a) Except as otherwise provided by Supplemental Resolution of the Board, the proceeds derived from the sale of the Series 2003 Bonds, including accrued interest and premium, if any, shall be applied by the Board as follows:

(i) Accrued and any capitalized interest, if any, shall be deposited to the Interest Account and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 2003 Bonds. Accrued and any capitalized interest shall be held in trust solely for the payment of the Series 2003 Bonds.

(ii) A sufficient amount of the Series 2003 Bond proceeds shall be applied to the payment of the premium of the Bond Insurance Policy and any Reserve Account Insurance Policy or Reserve Account Letter of Credit applicable to the Series 2003 Bonds, if any, and to the payment of costs and expenses relating to the issuance of the Series 2003 Bonds. Such amount or any portion thereof, may, at the option of the Board, be deposited in and disbursed from the Construction Fund.

(iii) The balance of the Series 2003 Bond proceeds shall be deposited to the Construction Fund and shall be used to pay the Costs of the 2003 Project.

(b) The proceeds of any Series of Additional Bonds shall be applied by the Board in accordance with the provisions of the Supplemental Resolution authorizing such Series of Bonds.

SECTION 2.04. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Board with the manual or facsimile signature of the Chairman and the official seal of the Board shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Board or the Board before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Board by such person who at the actual time of the execution of such Bond shall hold the proper office of the Board, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Board may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.05. AUTHENTICATION. No Bond shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Board for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.11 hereof.

SECTION 2.06. TEMPORARY BONDS. Until the definitive Bonds are prepared, the Board may execute, in the same manner as is provided in Section 2.04 hereof, and deliver, upon authentication by the Registrar pursuant to Section 2.05 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Board by subsequent resolution, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Board, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and maturity as the temporary

Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.07. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Board may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Board and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Board or the Registrar may prescribe and paying such expenses as the Board and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Board may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.07 shall constitute original contractual obligations on the part of the Board whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.08. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Board shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

The transfer of any Bond shall be registered only upon the books of the Board, at the office of the Registrar, under such reasonable regulations as the Board may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the registration or transfer of any such Bond, the Board shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond. The Board, the Registrar and any Paying Agent or fiduciary of the Board may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Board as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Board nor the Registrar nor any Paying Agent or other fiduciary of the Board shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to the Bonds, forthwith (A) following the fifteenth day prior to an interest payment date for the Bonds, and (B) at any other time as reasonably requested by the Paying Agent, certify and furnish to the Paying Agent the names, addresses and holdings of the Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or the transfer of Bonds shall be registered, the Board shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the Chairman and Secretary for purposes of exchanging, replacing or registering the transfer of Bonds may occur at the time of the original delivery of the Bonds. All Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar in safekeeping until directed by the Board to be cancelled by the Registrar. For every such exchange or registration of transfer, the Board or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Board and the Registrar shall not be obligated to make any such exchange or transfer of the Bonds during the period commencing on the fifteenth day of the month immediately preceding an Interest Date on the Bonds and ending on such Interest Date.

The Board may elect to issue any Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by Supplemental Resolution. In accordance with Section 2.09 hereof, the Board elects to initially provide for a book entry only system of registration for the Series 2003 Bonds.

SECTION 2.09. FULL BOOK ENTRY FOR SERIES 2003 BONDS. Notwithstanding the provisions set forth in Section 2.09 hereof, the Series 2003 Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of the Series 2003 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). All of the Outstanding Series 2003 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Series 2003 Bonds shall be registered in the name of Cede & Co., all payments of principal on the Series 2003 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Series 2003 Bonds, upon presentation of the Series 2003 Bonds to be paid, to the Paying Agent.

With respect to the Series 2003 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Board, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the "Participants"). Without limiting the immediately preceding sentence, the Board, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2003 Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2003 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, redemption premium, if any, or interest on the Series 2003 Bonds. The Board, the Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Bond for the purpose of payment of principal, redemption premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Series 2003 Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective

to fully satisfy and discharge the Board's obligations with respect to payment of principal, redemption premium, if any, and interest on the Series 2003 Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the Board to make payments of principal, redemption premium, if any, and interest pursuant to the provisions of the Resolution. Upon delivery by DTC to the Board of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to transfers during the 15 days next preceding an Interest Date or mailing of notice of redemption, the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such notice, the Board shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Board of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2003 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2003 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Board that such book-entry only system is burdensome to the Board, the Series 2003 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of this Resolution. In such event, the Board shall issue, and the Registrar shall authenticate, transfer and exchange the Series 2003 Bonds of like principal amount and maturity, in denominations of $5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Letter of Representations executed by the Board and the Registrar and delivered to DTC in order to induce DTC to act as securities depository for the Series 2003 Bonds shall apply to the payment of principal of and interest on the Series 2003 Bonds.

SECTION 2.10. FORM OF BONDS. The text of the Bonds, except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Board, shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the Secretary prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Board's delivery of the Bonds to the purchaser or purchasers thereof):

No. R- $

UNITED STATES OF AMERICA
STATE OF FLORIDA
SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SALES TAX REVENUE BOND, SERIES ____

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
____%	October 1, 20__	February __, ____	

Registered Holder: Cede & Co.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the School District of Manatee County, Florida, a governmental authority created by Article IX, Section 4 of the Florida Constitution (the "Board"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate identified above on April 1 and October 1 of each year commencing _____ until such Principal Amount shall have been paid.

Such Principal Amount and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount on this Bond is payable, upon presentation and surrender hereof, at the designated corporate trust office of _____, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Board maintained by _____, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar

month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of $_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued for the principal purpose of providing moneys for the acquisition, construction and installation of certain capital improvements and educational facilities within the District (all as more particularly described in the hereinafter defined Resolution), under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 1001, Florida Statutes, Chapter 212, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and a Sales Tax Revenue Bond Resolution of the Board adopted on February 18, 2003 (as amended and supplemented from time to time, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable from and secured by a pledge of and lien upon (1) the Sales Tax Revenues (as defined in the Resolution) and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS BOND THAT THE FULL FAITH AND CREDIT OF THE BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL AND INTEREST. THIS BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE BOARD, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS.

Neither the members of the School Board of Manatee County, Florida, as the governing body of the District nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the School District of Manatee County, Florida, acting by and through the School Board of Manatee County, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Chairman of the School Board and countersigned and attested by the manual or facsimile signature of the Secretary to the School Board, and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the Date of Original Issue.

SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

(SEAL)

_____

Chairman of the School Board of Manatee County, Florida

ATTESTED AND COUNTERSIGNED:

_____

Superintendent and Ex-officio Secretary of the School Board of Manatee County, Florida

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

_____

_____, Registrar

_____

Authorized Signatory

(Provisions on Reverse Side of Bond)

[Insert Redemption Provisions]

The transfer of this Bond is registrable in accordance with the terms of the Resolution only upon the books of the Board kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. For every such exchange or registration of transfer, the Board or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Bonds are issuable in the form of fully registered Bonds in the denomination of $5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Board, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Board and the Registrar shall not be obligated to make any exchange or transfer of the Bonds during the period commencing on the 15th day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Board.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____

Insert Social Security or Other
Identifying Number of Assignee

_____

(Name and Address of Assignee)

_____

the within Bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

_____

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. PRIVILEGE OF REDEMPTION; OPTIONAL AND MANDATORY REDEMPTION. (a) The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution.

(b) The Series 2003 Bonds shall be subject to optional and mandatory sinking fund redemption as set forth in the Purchase Agreement and in the Official Statement (referred to in Section 9.02 hereof).

(c) Additional Bonds shall be subject to optional and mandatory redemption in accordance with the terms of the Supplemental Resolution setting forth the details of such Additional Bonds.

SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED. The Bonds shall be redeemed only in the principal amount of $5,000 each and integral multiples thereof. The Board shall, at least thirty-five (35) days and not more than sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than sixty (60) days and not less than thirty-five (35) days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Board or by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of $5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Board and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03. NOTICE OF REDEMPTION. Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Board, and (A) shall

be filed with the Paying Agents of such Bonds and (B) shall be mailed first class, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail notice to the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred.

Each notice of redemption shall state: (1) the CUSIP numbers of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Paying Agent at an address specified, and (10) unless sufficient funds have been set aside by the Board for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption; and provided, further, that such notice and the redemption set forth therein may be subject to the satisfaction of one or more additional conditions set forth therein.

Within sixty (60) days of the date of redemption, the Registrar shall give a second notice of redemption by mailing another copy of the redemption notice to the registered Holders of Bonds called for redemption but which have not been presented for payment within thirty (30) days after the date set for redemption; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

In addition to the mailing of the notice described above, each notice of redemption and payment of the redemption price shall meet the following requirement; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

Each further notice of redemption shall be sent by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the

business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company, New York, New York and Midwest Securities Trust Company, Chicago, Illinois) and to two or more national information services which disseminate notices of prepayment or redemption of obligations such as the Bonds (such information services now being Financial Information, Inc.'s "Daily Called Bond Service," Jersey City, New Jersey, Kenny Information Services "Called Bond Service," New York, New York, Moody's "Municipal and Government," New York, New York and Standard & Poor's "Called Bond Record," New York, New York).

SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Board shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Board shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Each check or other transfer of funds issued by the Paying Agent to pay the Redemption Price of Bonds being redeemed shall bear the CUSIP number or numbers of such Bonds and identify the payments applicable to each CUSIP number. All Bonds which have been redeemed shall be cancelled by the Registrar and shall not be reissued.

ARTICLE IV

SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF BOARD. The Bonds shall not be or constitute general obligations or indebtedness of the Board as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Board, payable solely from and secured by a lien upon and pledge of the Pledged Funds and moneys payable pursuant to the Bond Insurance Policy, with and to the extent set forth in this Resolution. No Holder of any Bond or the Insurer shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Board except from the Pledged Funds in the manner provided herein.

SECTION 4.02. SECURITY FOR BONDS. Except as otherwise provided herein or by Supplemental Resolution, the payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds; provided, however, (i) a Series of Bonds may be further secured by a Credit Facility in addition to the security provided herein; and (ii) a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a separate subaccount in the Reserve Account for such Series of Bonds. The Board does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bonds in accordance with the provisions hereof. The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board.

SECTION 4.03. CONSTRUCTION FUND. The Board covenants and agrees to establish a special fund to be known as the "School District of Manatee County, Florida Sales Tax Revenue Bonds, Construction Fund," which shall be used only for payment of the Costs of Projects. Moneys in the Construction Fund, until applied in payment of any item of the Costs of a Project in the manner hereinafter provided, shall be held in trust by the Board and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The Board shall establish within the Construction Fund a separate account for each Project (including the 2003 Project), the Costs of which are to be paid in whole or in part out of the Construction Fund.

The Board covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The Board shall only make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the Project for which such account was established, except as provided below with respect to any surplus proceeds in a particular account. The Board shall keep records of such disbursements and payments and shall retain all such records for six (6) years from the dates of such records.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on the Series of Bonds for which such account was established or to reimburse a Credit Facility Provider for the payment of such principal and interest.

The date of completion of acquisition and construction of a Project shall be filed by the Superintendent with the Board. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the Costs of such Project, the Board shall deposit in the following order of priority any balance of moneys remaining in the Construction Fund in (A) any other account established in the Construction Fund for which the Superintendent certifies that there are insufficient moneys to pay the Costs of the Project for which such account was established and (B) such other fund or account established hereunder as shall be determined by the Board, provided the Board has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for purposes of federal income taxation.

SECTION 4.04. FUNDS AND ACCOUNTS. The Board covenants and agrees to establish with a bank, trust company or such other entity in the State, which is eligible under the laws of the State to be a depository for District funds the following funds and accounts:

(A) The "School District of Manatee County, Florida Sales Tax Revenue Bonds, Revenue Fund." The Board shall maintain two separate accounts in the Revenue Fund, the "Restricted Revenue Account" and the "Unrestricted Revenue Account."

(B) The "School District of Manatee County, Florida Sales Tax Revenue Bonds, Debt Service Fund." The Board shall maintain four separate accounts in the Debt Service Fund, the "Interest Account," the "Principal Account," the "Bond Amortization Account" and the "Reserve Account."

(C) The "School District of Manatee County, Florida Sales Tax Revenue Bonds, Rebate Fund."

Moneys in the aforementioned funds and accounts, other than the Rebate Fund and the Unrestricted Revenue Account, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

SECTION 4.05. DISPOSITION OF SALES TAX REVENUES. (A) The Board shall promptly deposit upon receipt by the Board the Sales Tax Revenues into the Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the third day prior to the end of each month, commencing in the month immediately following the receipt of Sales Tax Revenues from the State, in the following manner and in the following order of priority:

(1) Interest Account. The Board shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all of the Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). All Hedge Receipts shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to be the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Board (a) for deposit with the Paying Agent to pay the interest on the Bonds on or prior to the date the same become due and (b) for Hedge Payments. The Board shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. Except as provided in Section 4.05(A)(5) below, no further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Qualified Hedge Agreement Counterparty relating to such Bonds shall be paid to the Qualified Hedge Agreement Counterparty on a parity basis with the aforesaid required payments into the Debt Service Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(2) Principal Account. Commencing in the month which is one year prior to the first principal due date (or if the first principal due date is less than one year from the date of issuance of the Bonds, the month immediately following the issuance of the Bonds), the Board shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount on the Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding payment due date from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the Board for deposit with the Paying Agent to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. The Board shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said Account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such proceeding principal due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided or as provided by Supplemental Resolution, and for no other purpose. The Board shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Board, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established at a price not exceeding par plus accrued interest, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms at a price not exceeding par plus accrued interest. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Board shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Board shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Board from the Restricted Revenue Fund.

(4) Reserve Account. There shall be deposited to the Reserve Account an amount which shall not be less than one twelfth (1/12) of the amount which would enable the Board to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto in one (1) year from the date of any shortfall, whether such shortfall was caused by decreased market value or withdrawal. On or prior to each principal payment date and Interest Date for the Bonds, moneys in the Reserve Account shall be applied by the Board to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of (i) investment income, shall be deposited into the Interest Account as provided in Section 4.07 hereof and (ii) a decrease in the Reserve Account Requirement, such surplus moneys shall be deposited by the Board into the Unrestricted Revenue Account, subject to receiving an opinion of Bond Counsel that such application will not have an adverse effect on the tax-exempt status on the Bonds (other than Taxable Bonds), and otherwise to the Debt Service Fund. The Board shall

inform each Credit Facility Provider of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Board shall, on the date of delivery of such Series of Bonds, fund the Reserve Account in an amount at least equal to the Reserve Account Requirement, if so required. Such required amount may be paid in full or in part from the proceeds of such Series of Bonds.

Notwithstanding the foregoing provisions, in lieu or substitution of the required deposits into the Reserve Account, the Board may cause to be deposited into the Reserve Account a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account, if any. The Board may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account upon compliance with the terms of this Section 4.05(A)(4). Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any principal payment date or Interest Date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. The issuer providing such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall either be (a) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus" of such category) by each rating agency rating the Bonds secured by such Account, or (b) a commercial bank, insurance company or other financial institution the obligations payable or guaranteed by which have been assigned a rating by Moody's, Standard & Poor's Corporation or Fitch in one of the two highest rating categories (without regard to gradations, such as "plus" or "minus" of such categories); provided, that notwithstanding the foregoing, such insurer or commercial bank must be rated by any rating agency or agencies providing a rating on the Bonds secured by such Reserve Account Insurance Policy or Reserve Account Letter of Credit.

In the event the Reserve Account contains both a Reserve Account Insurance Policy or Reserve Account Letter of Credit and cash and separate subaccounts have not been established in the Reserve Account, the cash shall be drawn down completely prior to any draw on the Reserve Account Insurance Policy or Reserve Account Letter of Credit. In the event more than one Reserve Account Insurance Policy or Reserve Account Letter of Credit is on deposit in the Reserve Account, amounts required to be drawn thereon shall be done on a pro-rata basis. The Board agrees to pay all amounts owing in regard to any Reserve

Account Insurance Policy or Reserve Account Letter of Credit from the Pledged Funds. Pledged Funds shall be applied in accordance with this Section 4.05(A)(4), first, to reimburse the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit for amounts advanced under such instruments, second, replenish any cash deficiencies in the Reserve Account, and third, to pay the issuer of the Reserve Account Insurance Policy or Reserve Account Letter of Credit interest on amounts advanced under such instruments. This Resolution shall not be discharged or defeased while any obligations are owing in regard to a Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit in the Reserve Account. The Board agrees not to optionally redeem or refund Bonds unless all amounts owing in regard to a Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit in the Reserve Account have been paid in full.

If two (2) business days prior to an interest payment or redemption date or such other period of time as shall be established pursuant to Supplemental Resolution, the Board shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on the Bonds on such date, the Board shall immediately notify (a) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit and submit a demand for payment pursuant to the provisions of such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, (b) the Paying Agent, and (c) the Insurer, if any, of the amount of such deficiency and the date on which such payment is due, and shall take all action to cause such Board or Insurer to provide moneys sufficient to pay all amounts due on such Interest Date including, if necessary, directing the Paying Agent to draw on the Reserve Account Insurance Policy or Reserve Account Letter of Credit.

The Board may evidence its obligation to reimburse the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy by executing and delivering to such issuer a promissory note or agreement therefore (including the Series 2003 Guaranty Agreement); provided, however, any such note (a) shall not be a general obligation of the Board the payment of which is secured by the full faith and credit or taxing power of the Board, and (b) shall be payable solely from the Pledged Funds in the manner provided herein.

To the extent the Board causes to be deposited into the Reserve Account, a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit for a term of years shorter than the life of the Series of Bonds so insured or secured, then the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit shall provide, among other things, that the issuer thereof shall provide the Board with notice as of each anniversary of the date of the issuance of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit of the intention of the issuer thereof to either (a) extend the term of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit beyond the expiration dates thereof, or (b) terminate the Reserve Account Insurance Policy and/or the

Reserve Account Letter of Credit on the initial expiration dates thereof or such other future date as the issuer thereof shall have established. If the issuer of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit notifies the Board pursuant to clause (b) of the immediately preceding sentence or if the Board terminates the Reserve Account Letter of Credit and/or Reserve Account Insurance Policy, then the Board shall deposit into the Reserve Account, on or prior to the end of the first full calendar month following the date on which such notice is received by the Board, such sums as shall be sufficient to pay an amount equal to a fraction, the numerator of which is one (1) and the denominator of which is equal to the number of months remaining in the term of the Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit of the Reserve Account Requirement on the date such notice was received (the maximum amount available, assuming full reimbursement by the Board, under the Reserve Account Letter of Credit and/or the Reserve Account Insurance Policy to be reduced annually by an amount equal to the deposit to the Reserve Account during the previous twelve (12) month period) until amounts on deposit in the Reserve Account, as a result of the aforementioned deposits, and no later than upon the expiration of such Reserve Account Insurance Policy and/or such Reserve Account Letter of Credit, shall be equal to the Reserve Account Requirement applicable thereto.

If any Reserve Account Letter of Credit or Reserve Account Insurance Policy shall terminate prior to the stated expiration date thereof, the Board agrees that it shall fund the Reserve Account over a period not to exceed twenty-four (24) months during which it shall make consecutive equal monthly payments in order that the amount on deposit in the Reserve Account shall equal the Reserve Account Requirement; provided, the Board may obtain a new Reserve Account Letter of Credit or a new Reserve Account Insurance Policy in lieu of making the payments required by this paragraph.

Whenever the amount of cash or securities in the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred to the other Accounts of the Debt Service Fund for the payment of the Bonds.

The Board may also establish a separate subaccount in the Reserve Account for any Series of Bonds and provide a pledge of such subaccount to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount unless otherwise provided by Supplemental Resolution. Moneys shall be deposited to separate subaccounts in the Reserve Account on

a pro-rata basis. In the event the Board shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in such subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance policy or Reserve Account Letter of Credit.

(5) Annual Funding. There shall be next deposited to the Interest Account, the Principal Account and the Bond Amortization Account, in that order, sufficient moneys such that the amounts on deposit therein shall equal, respectively, the interest and principal (including any Amortization Installment) next coming due on all outstanding Bonds during the current Bond Year.

(6) Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.05(A)(1) through (A)(5) hereof may be transferred, at the discretion of the Board, to the Unrestricted Revenue Account or any other appropriate fund and account of the Board and may be used for any lawful purpose including, without limitation, the early redemption of Bonds. In the event moneys on deposit in the Interest Account, the Principal Account and the Bond Amortization Account on the third day prior to an Interest Date are not sufficient to pay the principal of and interest on the Bonds coming due on such Interest Date, the Board shall transfer moneys from the Unrestricted Revenue Account, if any, to the appropriate Account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

(B) The Board, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Outstanding Bonds coming due on the next principal payment date, provided such purchase does not adversely affect the Board's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased.

(C) At least two business days prior to the date established for payment of any principal of or interest on the Bonds, the Board shall withdraw from the appropriate Account of the Debt Service Fund sufficient moneys to pay such principal or interest and deposit such moneys with the Paying Agent. Such deposits with the Paying Agent shall be made in moneys available to make payments of the principal of and interest on the Bonds as the same becomes due.

(D) In the event the Board shall issue a series of Bonds secured by a Credit Facility, the Board may establish such separate subaccounts in the Interest Account, the Principal Account and the Bond Amortization Account to provide for payment of the principal of and interest on such Series as may be required by the Credit Facility Provider; provided one Series of Bonds shall not have preference in payment from Pledged Funds over any other

Series of Bonds. The Board may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in this Section 4.05 as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds. In the case of Bonds secured by a Credit Facility, amounts on deposit in any subaccounts established for such Bonds may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Facility Provider for amounts drawn under such Credit Facility to pay the principal of or redemption price, if applicable, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the Holders thereof for payment.

(E) The Board agrees that at the time of issuing any Variable Rate Bonds it shall establish the Maximum Interest Rate with respect thereto and a Maximum Interest Rate with respect to amounts owed to the Credit Facility Provider which provides liquidity for such Bonds. Any Credit Facility Provider which provides a Credit Facility for liquidity purposes must be rated in one of the two highest short-term rating categories assigned by Standard & Poor's Corporation or Moody's Investors Service. Any accelerated principal payments due to a Credit Facility Provider or any interest due in excess of the interest rate on the Variable Rate Bonds to a Credit Facility Provider must be subordinate to the payment of the scheduled debt service on the Bonds.

SECTION 4.06. REBATE FUND. Amounts on deposit in the Rebate Fund shall be held in trust by the Board and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Board) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. If the rebate requirements of Section 148(f) of the Code are applicable, the Board agrees to undertake all actions required of it in its arbitrage certificate related to the Bonds, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(B) depositing the amount determined in clause (A) above into the Rebate Fund;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Board such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificate may be amended without the consent of any Holder or the Credit Facility Provider from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

SECTION 4.07. INVESTMENTS. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such Fund or Account. Moneys on deposit in the Reserve Account may be invested and reinvested in Authorized Investments which mature no later than ten (10) years from the date of investment. All investments shall be valued at market at least semi-annually.

Any and all income received by the Board from the investment of moneys in the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Restricted Revenue Account and the Reserve Account (to the extent such income and the other amounts in the Reserve Account does not exceed the Reserve Account Requirement) shall be retained in such respective Fund or Account. Any and all income received by the Board from the investment of moneys in the Reserve Account (only to the extent such income and other amounts in the Reserve Account exceeds the Reserve Account Requirement) shall be deposited in the Interest Account.

Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.08. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single, non-exclusive bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

The designation and establishment of the various funds, accounts and subaccounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain

revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

ARTICLE V

SUBORDINATED INDEBTEDNESS, ADDITIONAL BONDS AND COVENANTS OF BOARD

SECTION 5.01. SUBORDINATED INDEBTEDNESS. The Board will not issue any other obligations payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon. The Board may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution and shall not be subject to acceleration prior to maturity. The Board shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Board agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided.

The Board may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing the Costs of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the Board. No such Additional Bonds shall be issued unless (1) no Event of Default (as specified in Section 6.01 hereof) shall have occurred and be continuing hereunder and (2) the following conditions are complied with:

(A) Except as otherwise provided in Section 5.02(D) hereof, there shall have been obtained and filed with the Board a statement of the Superintendent or his/her designee: (1) stating that he or she has examined the books and records of the Board relating to the Sales Tax Revenues which have been received by the Board for deposit to the Restricted Revenue Account; (2) setting forth the amount of such Sales Tax Revenues during any twelve (12) consecutive months designated by the Board within the eighteen (18) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the amount of such Sales Tax Revenues received during the aforementioned 12-month period equals at least 1.25 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such

statement is made. Such report by the Superintendent may be partially based upon a certification of certain matters related to the calculation of the Maximum Annual Debt Service by the Board's financial advisor.

(B) For the purpose of determining the Maximum Annual Debt Service under Section 5.02(A) hereof, the interest rate on any Variable Rate Additional Bonds then proposed to be issued and on any Outstanding Variable Rate Bonds shall be deemed to be the lesser of (1) the interest rate for 20-year revenue bonds published by The Bond Buyer no more than two weeks prior to the sale of the Variable Rate Additional Bonds, or (2) the Maximum Interest Rate.

(C) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution. Except as provided in Sections 4.02 hereof, and 4.05 all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the Board shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Additional Bonds pursuant to this Section 5.02 that in the event the principal thereof is accelerated due to such Bonds being held by the Credit Facility Provider, the lien of any accelerated debt due and owing such Credit Facility Provider on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by this Resolution.

(D) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.02 hereof shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

SECTION 5.03. BOND ANTICIPATION NOTES. The Board may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by resolution of the Board.

SECTION 5.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS. The Board may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Board shall meet all the requirements imposed upon the issuance of Additional Bonds by Section

5.02 hereof, assuming, for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds and (B) the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.05(A)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

SECTION 5.05. BOOKS AND RECORDS. The Board will keep books and records of the receipt of the Sales Tax Revenues in accordance with generally accepted accounting principles, and any Credit Facility Provider, or Holder or Holders of at least $1,000,000 aggregate principal amount of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Board relating thereto.

SECTION 5.06. NO IMPAIRMENT; LIMITATION ON MATURITY OF BONDS. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution, agreement or other proceedings of the Board.

SECTION 5.07. FLORIDA FRUGAL SCHOOLS PROGRAM. The Board covenants that if and when it is recognized by the State Board of Education as having a Florida Frugal Schools Program, it shall use all Sales Tax Revenues in a manner consistent with such recognition under the applicable laws of the State, particularly §212.055(6), Florida Statutes and with uses assured under the Florida Frugal Schools Program.

SECTION 5.08. FEDERAL INCOME TAX COVENANTS. (A) The Board covenants with the Holders of the Bonds (other than Taxable Bonds) that it shall not use the proceeds of the Bonds in any manner which would cause the interest on the Bonds to be or become includable in gross income for purposes of federal income taxation.

(B) The Board covenants with the Holders of the Bonds (other than Taxable Bonds) that neither the Board nor any Person under its control or direction will make any use of the proceeds of the Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Board nor any other Person shall do any act or fail to do any act which would cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation.

(C) The Board hereby covenants with the Holders of the Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation,

including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

SECTION 5.09. RECEIPT OF SALES TAX REVENUES. The Board covenants to do all things necessary or required on its part by the Act, or other applicable provisions of the law, to maintain the levy, collection and receipt of the Sales Tax Revenues. The Board shall exercise all legally available remedies to enforce such levy, collection and receipt now or hereafter available under law. The Board will not take any action, or enter into any agreement that shall result in reducing the level of Sales Tax Revenues received by the Board from that level prevailing at the time the Board takes such action or enters into such agreement.

SECTION 5.10. CONTINUING DISCLOSURE. The Board hereby covenants and agrees that, in order to provide for compliance by the Board with the secondary market disclosure requirements of Rule 15c2-12 of the Security and Exchange Commission (the "Rule"), it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Board and dated the date of the Bonds, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form attached hereto as Exhibit A with such changes, amendments, modifications, omissions and additions as shall be approved by the Chairman who is hereby authorized to execute and deliver such Certificate. Notwithstanding any other provision of this Resolution, failure of the Board to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Resolution; provided, however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Section 5.10 and the Continuing Disclosure Certificate. For purposes of this Section 5.10, "Bondholder" 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 of the Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Bonds for federal income tax purposes.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of or interest on any Bond when due. In determining whether a payment default has occurred, no effect shall be given to payment made under a Bond Insurance Policy.

(B) There shall occur the dissolution or liquidation of the Board, or the filing by the Board of a voluntary petition in bankruptcy, or the commission by the Board of any act of bankruptcy, or adjudication of the Board as bankrupt, or assignment by the Board for the benefit of its creditors, or appointment of a receiver for the Board, or the entry by the Board into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Board in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Board shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Board to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of the Outstanding Bonds or the Insurer. Notwithstanding the foregoing, the Board shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Board in good faith institutes curative action and diligently pursues such action until the default has been corrected.

SECTION 6.02. REMEDIES. Any Holder of the Bonds or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in this 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 Board or by any officer thereof; provided, however, that no Holder, Credit Facility Provider, trustee or receiver shall have the right to declare the Bonds immediately due and payable.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five per cent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Superintendent. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Board and the trustee and notice of appointment shall promptly be given to all Holders of Bonds by first class mail, postage prepaid. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03. DIRECTIONS TO RECEIVER AS TO REMEDIAL PROCEEDINGS. The Holders of a majority in principal amount of the Bonds then Outstanding (or the Credit Facility Provider for any Series of Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to any receiver, to direct the method and place of conducting all remedial proceedings to be taken by any receiver hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of such receiver would he unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05. WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Section 6.05 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient. No Event of Default may be waived without the consent of each Credit Facility Provider, which has honored all its obligations under its Credit Facility.

SECTION 6.06. APPLICATION OF MONEYS AFTER DEFAULT. If an Event of Default shall happen and shall not have been remedied, the Board or a trustee or receiver appointed for the purpose shall apply all Pledged Funds as follows and in the following order:

A. To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

B. To the payment of the interest and principal then due on the Bonds (provided such payments are made in accordance with applicable law), as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied first, to payment of any unfunded rebatable arbitrage, and second, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

SECTION 6.07. CONTROL BY CREDIT FACILITY PROVIDER. Upon the occurrence and continuance of an Event of Default, a Credit Facility Provider (if such Credit Facility Provider shall not have defaulted under its Credit Facility), shall be entitled to direct and control the enforcement of all right and remedies with respect to the Series of Bonds for which it shall have issued such Credit Facility, including any waiver of an Event of Default, and it shall be considered the sole Holder of such Series of Bonds for purposes of exercising remedies available hereunder. The Board shall provide each Credit Facility Provider immediate notice of any Event of Default described in Section 6.01(A) hereof and notice of any other Event of Default occurring hereunder within 30 days of the occurrence thereof.

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Board, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Board in this Resolution other covenants and agreements thereafter to be observed by the Board or to surrender any right or power herein reserved to or conferred upon the Board.

(E) To specify and determine any matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To specify and determine the matters and things referred to in Sections 2.01, 2.02, 2.11 or 4.07 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(G) To authorize Additional Bonds or Projects.

(H) To provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds issued hereunder.

(I) To make any other change that, in the opinion of the Board, would not materially adversely affect the security for the Bonds.

SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' AND CREDIT FACILITY PROVIDER'S CONSENT. Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Board for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular order, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Insurer. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution or as otherwise permitted hereby, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of separate subaccounts in the Reserve Account as permitted hereby), or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or a Credit Facility Provider of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Board shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Superintendent shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books and to all Insurers of Bonds Outstanding. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Superintendent and the Registrar

for inspection by all Bondholders. The Board shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Board shall deliver to the Superintendent an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Board and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

SECTION 7.03. AMENDMENT WITH CONSENT OF CREDIT FACILITY PROVIDER ONLY. For purposes of amending the Resolution pursuant to Section 7.02 hereof, a Credit Facility Provider of a Series of Bonds shall be considered the Holder thereof, provided such Series of Bonds, at the time of the adoption of the amendment, shall be rated by the rating agencies which shall have rated the Bonds no lower than the initial ratings assigned thereto by such rating agencies. The consent of the Holders of Bonds shall not be required if the Credit Facility Provider shall consent to the amendment as provided by this Section 7.03. The foregoing right of amendment, however, does not apply to any amendment to Section 5.05 hereof with respect to the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Prior to adoption of any amendment made pursuant to this Section 7.03, notice of such amendment shall be delivered to the rating agencies rating the Bonds. Upon filing with the Superintendent of evidence of such consent of a Credit Facility Provider as aforesaid, the Board may adopt such Supplemental Resolution. After the adoption by the Board of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notice of an amendment under Section 7.02 hereof.

ARTICLE VIII

PROVISIONS RELATING TO THE SERIES 2003 BOND INSURANCE POLICY, THE INSURER AND THE SERIES 2003 SURETY BOND

SECTION 8.01 AUTHORIZATION OF BOND INSURANCE POLICY AND THE SERIES 2003 SURETY BOND. The Board hereby authorizes the payment of the principal of and interest on the Series 2003 Bonds to be insured pursuant to the Bond Insurance Policy and the Reserve Account to be funded with the Series 2003 Surety Bond issued by the Insurer. The Chairman or the Superintendent are hereby authorized to execute such documents and instruments necessary to cause the Insurer to insure the Series 2003 Bonds in accordance with the Bond Insurance Policy and to issue the Series 2003 Surety Bond in accordance with the terms of the Series 2003 Guaranty Agreement.

SECTION 8.02 CERTAIN PROVISIONS REGARDING SERIES 2003 BOND INSURANCE POLICY AND THE SERIES 2003 SURETY BOND. So long as (i) any Series 2003 Bonds are outstanding and (ii) the Bond Insurance Policy relating to the Series 2003 Bonds or the Series 2003 Surety Bond is in full force and effect and the Insurer has not defaulted in its payment obligations thereunder, the Board agrees to comply with the following provisions:

(A) At least one Business Day prior to each interest payment date for the Series 2003 Bonds the Paying Agent will determine whether the Board has deposited with the Paying Agent sufficient moneys to pay the principal of and interest on the Series 2003 Bonds on such interest payment date. If one business day prior to an interest payment date the Paying Agent determines that the Board has not provided it with sufficient funds to pay the principal of or interest on the Series 2003 Bonds on such interest payment date, the Paying Agent shall so notify the Board and Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2003 Bonds to which such deficiency is applicable and whether such Series 2003 Bonds will be deficient as to principal or interest, or both. If the Paying Agent has not so notified Ambac Assurance one business day prior to an interest payment date, Ambac Assurance will make payments of principal or interest due on the Series 2003 Bonds on or before the first business day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Paying Agent, if any.

(B) The Paying Agent shall, after giving notice to Ambac Assurance as provided in Section 8.02(A) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for

Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Board maintained by the Paying Agent and all records relating to the funds and accounts maintained under this Resolution.

(C) The Paying Agent shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2003 Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Bond Insurance Policy, and, shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2003 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal upon Series 2003 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2003 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(D) The Paying Agent shall, at the time it provides notice to Ambac Assurance pursuant to Section 8.02(A) above, notify registered owners of Series 2003 Bonds entitled to receive the payment of principal or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Series 2003 Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2003 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2003 Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Paying Agent, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Series 2003 Bonds for payment thereon first to the Paying Agent who shall note on such Series 2003 Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(E) In the event that the Paying Agent has notice that any payment of principal of or interest on a Series 2003 Bond which has become due for payment and which is made to a Series 2003 Bondholder by or on behalf of the Board has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time Ambac Assurance is notified pursuant to Section 8.02(A) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds

are not otherwise available, and the Paying Agent shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2003 Bonds which have been made by the Paying Agent and subsequently recovered from registered owners and the dates on which such payments were made.

(F) In addition to those rights granted Ambac Assurance under this Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on the Series 2003 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the Board maintained by the Paying Agent upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Series 2003 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the Board maintained by the Bond Registrar upon surrender of the Series 2003 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(G) Consent of Ambac Assurance.

(i) Any provision of the Resolution expressly recognizing or granting rights in or to a Credit Facility Provider may not be amended in any manner which affects the rights of Ambac Assurance thereunder without the prior written consent of Ambac Assurance.

(ii) Unless otherwise provided in this Section 8.02, Ambac Assurance's consent shall be required in addition to Series 2003 Bondholder consent, when and to the extent required, for the following purposes: (a) execution and delivery of any supplemental resolution, (b) removal of the Paying Agent and selection and appointment of any successor Paying Agent or (c) initiation or approval of any action not described in (a) or (b) above which requires Series 2003 Bondholder consent.

(iii) In the event of any reorganization or liquidation of the Board, Ambac Assurance shall be entitled to vote on behalf of the Series 2003 Bondholders. Any reorganization or liquidation plan with respect to the Board must be acceptable to Ambac Assurance.

(iv) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of an event of default under this Resolution, Ambac Assurance shall, so long as Ambac Assurance has not defaulted on any of its payment

obligations under the Bond Insurance Policy, be entitled to control and direct the enforcement of all rights and remedies granted to the Series 2003 Bondholders under this Resolution.

(v) The Bond shall not enter into any Hedge Agreement without Ambac Assurance's prior written consent.

(H) Notices and Information to be Given to Ambac Assurance. The Board shall furnish to Ambac Assurance:

(i) as soon as practicable after the completion thereof, a copy of the annual report of the Board, which shall include the annual audited financial statements of the Board;

(ii) a copy of any notice to be given to the holders of the Series 2003 Bonds, including, without limitation, notice of any defeasance of the Series 2003 Bonds, and any certificate rendered pursuant to the Resolution relating to the security for the Series 2003 Bonds;

(iii) prior written notice of any removal or resignation of the Paying Agent;

(iv) such additional information it may reasonably request; and

(v) any required notice under the Continuing Disclosure Certificate; and

(vi) notice of any failure of the Board to provide relevant notices, certificates, etc.

All notices required to be given to Ambac Assurance shall be given to the following address:

AMBAC Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: Surveillance Department

The Board will permit Ambac Assurance to discuss the affairs, finances and accounts of the Board or any information Ambac Assurance may reasonably request regarding the security for the Series 2003 Bonds with appropriate officers of the Board. The Board will

permit Ambac Assurance to have access to and to make copies of all books and records relating to the Series 2003 Bonds at any reasonable time and upon reasonable notice.

Ambac Assurance shall have the right upon the occurrence of an event of default under this Resolution to direct an accounting at the Board's expense, and the Board's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed an event of default under this Resolution; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any holder of the Series 2003 Bonds.

NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION, THE BOARD SHALL IMMEDIATELY NOTIFY AMBAC ASSURANCE IF AT ANY TIME THERE ARE INSUFFICIENT MONEYS TO MAKE ANY PAYMENTS OF PRINCIPAL AND/OR INTEREST AS REQUIRED AND IMMEDIATELY UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT UNDER THIS RESOLUTION.

(I) Concerning the Paying Agent. Notwithstanding any other provision of this Resolution to the contrary, no removal, resignation or termination of the Paying Agent shall take effect until a successor is appointed. Any successor Paying Agent shall be a trust company or bank in good standing, authorized to do business in, the State of Florida, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than $50,000,000. Notwithstanding any other provision of this Resolution to the contrary, in determining whether the rights of the Series 2003 Bondholders will be adversely affected by any action taken pursuant to the terms and the provisions of this Resolution, the Paying Agent shall consider the effect on the Series 2003 Bondholders as if there were no Bond Insurance Policy.

(J) Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Board, the Credit Facility Providers, the Paying Agent and the holders of the Series 2003 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, Ambac Assurance, the Paying Agent, any other municipal Credit Facility Providers and the holders of the Series 2003 Bonds.

(K) Third Party Beneficiary. To the extent this Resolution confers upon or gives or grants to Ambac Assurance any right, remedy or claim under or by reason of this

Resolution, Ambac Assurance is hereby explicitly recognized as being a third-party beneficiary under this Resolution and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(L) Calculation of Debt Service on Variable Rate Debt. Notwithstanding the provisions of Section 5.02(B) hereof, the debt service on any Variable Rate Bonds shall be calculated using the Maximum Interest Rate.

SECTION 8.03 THE SERIES 2003 GUARANTY AGREEMENT. The Chairman and the Superintendent are hereby authorized and directed to execute and deliver in the name and on behalf of the Board the Series 2003 Guaranty Agreement in order to provide for the issuance of the Series 2003 Surety Bond. The provisions of the Series 2003 Guaranty Agreement, when executed and delivered by the parties thereto, shall be incorporated by reference herein so long as the Series 2003 Guaranty Agreement remains in effect in accordance with its terms.

SECTION 8.04 PAYMENT PROVISIONS RELATED TO SERIES 2003 SURETY BOND.

As long as (i) any Series 2003 Bonds are outstanding; and (ii) the Series 2003 Surety Bond shall be in full force and effect, the Board and Paying Agent agree to comply with the following provisions:

(a) Upon the later of: (i) one (1) day after receipt by the General Counsel of Ambac Assurance of a demand for payment in the form attached to the Series 2003 Surety Bond as Attachment 1 (the "Demand for Payment"), duly executed by the Paying Agent certifying that payment due under this Resolution has not been made to the Paying Agent by the Board; or (ii) the payment date of the Series 2003 Bonds as specified in the Demand for Payment presented by the Paying Agent to the General Counsel of Ambac Assurance, Ambac Assurance will make a deposit of funds in an account with the Paying Agent or its successor, sufficient for the payment to the Paying Agent, of amounts which are then due to the Paying Agent under this Resolution (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Series 2003 Surety Bond; provided, however, that in the event that the amount on deposit in, or credited to, the Reserve Account, in addition to the amount available under the Series 2003 Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Series 2003 Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Paying Agent shall provide the Board with a copy of any Demand for Payment.

(b) the Paying Agent and the Board, shall, after submitting to Ambac Assurance the Demand for Payment as provided in (a) above, make available to Ambac Assurance all of their records relating to the Funds and Accounts maintained under this Resolution.

(c) the Board, shall, upon receipt of moneys by the Paying Agent from the draw on the Surety Bond, as specified in the Demand for Payment, credit the Reserve Account to the extent of moneys received pursuant to such Demand for Payment.

(d) the Reserve Account shall be replenished by the Board from first available Pledged Funds as set forth in Section 4.05(A)(4) hereof, in the following priority: (i) principal and on the Series 2003 Surety Bond and on any Additional Funding Instrument shall be paid on a pro rata basis; (ii) cash withdrawals from the Reserve Account shall be paid next and (iii) after all such amounts are paid in full, amounts necessary to pay interest on the Series 2003 Surety Bond and on any Additional Funding Instrument shall be paid.

ARTICLE IX

DEFEASANCE; MISCELLANEOUS

SECTION 9.01. DEFEASANCE. If (A) the Board shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Series of Bonds the principal and interest or redemption price due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, and (ii) the Board shall pay all amounts owing to any Credit Facility Provider issuing a Credit Facility with respect to such Series of Bonds, and all covenants, agreements and other obligations of the Board to the holders of such Series of Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Board all money or securities held by them pursuant to the Resolution which are not required for payment or redemption of any Series of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 9.01 if there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Board either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant to be in such amount that the principal of and the interest on or redemption price which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of and interest due and to become due on said Bonds on and prior to the maturity date thereof. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or redemption price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or redemption price of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of maturity; provided, however, the Board may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on or redemption price of the refunded Bonds.

For purposes of determining whether variable rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such variable rate Bonds on or prior to the

maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such variable rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such variable rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such variable rate Bonds in order to satisfy this Section 9.01, such excess shall be paid to the Board free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

The Board shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 9.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 9.01 and stating such maturity date upon which moneys are to be available for the payment of the principal of and interest on or redemption price of said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 9.01.

Notwithstanding anything herein to the contrary, in the event that the principal of or interest due on the Bonds shall be paid by a Credit Facility Provider, such Bonds shall remain Outstanding, shall not be defeased or otherwise satisfied and shall not be considered paid by the Board, and the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Board to the Bondholders shall continue to exist and Credit Facility Provider shall be subrogated to the rights of such Bondholders.

SECTION 9.02. PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT. The use and distribution of the Preliminary Official Statement, the form of which is attached hereto as Exhibit C, by the Underwriters for the purpose of offering the Series 2003 Bonds for sale is hereby authorized. The form, terms and provisions of the final Official Statement, dated the date of the Purchase Agreement, shall be substantially as set forth in the Preliminary Official Statement but reflecting the final terms of the Series 2003 Bonds as set forth in the Purchase Agreement. The Chairman and the Superintendent are hereby authorized and directed to execute and deliver said Official Statement in the name and on behalf of the Board, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions, and additions as approved by the Chairman and the Superintendent, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2003 Bonds to the public. Execution by the Chairman and the Superintendent of the final Official Statement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 9.03. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Wells Fargo Bank, National Association, Coral Springs, Florida, is hereby designated Registrar and Paying Agent for the Bonds. The Chairman and the Superintendent are hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 9.03 and by this Resolution.

SECTION 9.04. CAPITAL APPRECIATION BONDS. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Board or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 9.05. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 9.06. VALIDATION AUTHORIZED. To the extent deemed necessary by Bond Counsel or desirable by Counsel for the Board, Bond Counsel and Counsel for the Board are authorized to institute appropriate proceedings for validation of the Bonds herein authorized pursuant to Chapter 75, Florida Statutes, or any successor provision.

SECTION 9.07. GENERAL AUTHORITY. The members of the Board and the officers, attorneys and other agents or employees of the Board are hereby authorized to do all acts and things required of them by this Resolution, the Purchase Agreement or the Bond Insurance Policy or which are desirable or consistent with the requirements of the Resolution, the Purchase Agreement, the Series 2003 Guaranty Agreement or the Bond Insurance Policy for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Bonds, the Resolution, the Series 2003 Guaranty Agreement and the Purchase Agreement, including the execution of any documents or instruments relating to insuring payment of the Bonds, and each member, employee, attorney and officer of the Board or the Board are hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. The Vice Chairman of the Board is hereby authorized to do all acts or things required of the Chairman by the terms hereof in this Resolution in the event of the Chairman's absence or unavailability.

SECTION 9.08. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 9.09. REPEAL OF INCONSISTENT RESOLUTIONS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 9.10. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the School Board of Manatee County, Florida, as the governing body of the School District of Manatee County, Florida, this 18th day of February, 2003.

Barbara A. Harvey

Chairman of the School Board of Manatee County, Florida

ATTEST:

Superintendent and Ex-officio Secretary of the School Board of Manatee County, Florida

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RESOLUTION

A RESOLUTION OF THE SCHOOL BOARD OF MANATEE COUNTY, FLORIDA AMENDING AND SUPPLEMENTING A SALES TAX REVENUE BOND RESOLUTION ADOPTED BY THE BOARD ON FEBRUARY 18, 2003, AS PREVIOUSLY SUPPLEMENTED; AUTHORIZING THE FINANCING OF VARIOUS CAPITAL IMPROVEMENTS AND EDUCATIONAL FACILITIES WITHIN THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $150,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA SALES TAX REVENUE BONDS, SERIES 2017 IN ORDER TO EFFECT SUCH FINANCING; PROVIDING CERTAIN TERMS AND DETAILS OF SAID SERIES 2017 BONDS, INCLUDING AUTHORIZING A NEGOTIATED SALE OF SAID SERIES 2017 BONDS; DELEGATING CERTAIN AUTHORITY TO THE CHAIRMAN, VICE-CHAIRMAN AND SUPERINTENDENT FOR THE EXECUTION AND DELIVERY OF THE HEREIN DESCRIBED BOND PURCHASE AGREEMENT WITH RESPECT THERETO; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID SERIES 2017 BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; ESTABLISHING A BOOK-ENTRY SYSTEM OF REGISTRATION FOR THE SERIES 2017 BONDS; DELEGATING AUTHORITY TO THE SUPERINTENDENT WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR THE SERIES 2017 BONDS; ESTABLISHING CERTAIN FUNDS AND ACCOUNTS WITH RESPECT TO SUCH SERIES 2017 BONDS; DELEGATING AUTHORITY TO THE SUPERINTENDENT TO DETERMINE THE RESERVE ACCOUNT REQUIREMENT, IF ANY, FOR THE SERIES 2017 SUBACCOUNT OF THE RESERVE ACCOUNT SECURING THE SERIES 2017 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE AND

VARIOUS OTHER CERTIFICATES AND DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2017 BONDS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE SCHOOL BOARD OF MANATEE COUNTY, FLORIDA, AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA;

SECTION 1. FINDINGS. It is hereby ascertained, determined and declared that:

(A) On February 18, 2003, The School Board of Manatee County, Florida (the "Board") as governing body of the School District of Manatee County, Florida (the "District") duly adopted a Sales Tax Revenue Bond Resolution (as previously supplemented, the "Resolution"), for the purposes described therein, authorizing, among other things, the issuance of $112,340,000 School District of Manatee County, Florida Sales Tax Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), which Series 2003 Bonds were issued for the principal purpose of financing the acquisition, construction and equipping of various capital improvements and educational facilities within the District.

(B) On December 19, 2005, the District issued $30,000,000 aggregate principal amount of its Sales Tax Revenue Bonds, Series 2005 (the "Series 2005 Bonds") pursuant to a Supplemental Resolution (as defined in the Resolution) adopted by the Board on November 14, 2005 for the principal purpose of financing the costs of certain educational facilities within the District.

(C) On April 3, 2012, the District issued $49,490,000 principal amount of its Sales Tax Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds") pursuant to a Supplemental Resolution adopted by the Board on March 26, 2012 for the principal purpose of refunding, on an advanced basis, a portion of the Series 2003 Bonds.

(D) The Board deems it desirable and in the best interests of the District that certain additional capital improvements and educational facilities be acquired, constructed and equipped within the District. Such capital improvements and educational facilities are generally described in Exhibit A hereto and are more particularly described in the records, plans and specifications on file with the Board, as the same may be modified or amended from time to time (the "2017 Project").

(E) The 2017 Project constitutes "fixed capital expenditures" or "fixed capital costs" associated with the construction, reconstruction or improvement of school facilities and campuses which have a useful life expectancy of five or more years and any land acquisition, land improvement, design and engineering cost related thereto and for costs of retrofitting and providing for technology implementation including hardware and

software for various sites within the District, within the meaning of Section 212.055(6), Florida Statutes.

(F) The Resolution provides for the issuance of Additional Bonds (as defined in the Resolution) on a parity with the outstanding Series 2005 Bonds and Series 2012 Bonds (collectively, the "Outstanding Parity Bonds") for the purpose of financing the acquisition, construction and equipping of the 2017 Project, upon meeting the requirements set forth in the Resolution.

(G) Pursuant to the Act and the vote of the majority of electors held in a referendum on November 8, 2016, the District is authorized to pledge the Sales Tax Revenues (as defined in the Resolution) to pay the principal of, premium, if any, and interest on the Bonds issued pursuant to the Resolution.

(H) There is hereby authorized the financing of the Cost (as defined in the Resolution) of the acquisition, construction and equipping of the 2017 Project, all in the manner as provided by this Supplemental Resolution.

(I) The most efficient and cost-effective method of financing the acquisition, construction and equipping of the 2017 Project is through the issuance of the School District of Manatee County, Florida Sales Tax Revenue Bonds, Series 2017 (the "Series 2017 Bonds") secured by the Pledged Funds (as defined in the Resolution) in the manner and to the extent provided by the Resolution and this Supplemental Resolution. The Series 2017 Bonds shall be issued on parity in all respects with the Outstanding Parity Bonds pursuant to the terms of the Resolution, provided that the Series 2017 Bonds shall not be secured in any respect by any moneys or Reserve Account Insurance Policy or Reserve Account Letter of Credit now on deposit in the Reserve Account but shall be secured by the Series 2017 Subaccount of the Reserve Account established pursuant to Section 11 of this Supplemental Resolution.

(J) The estimated Sales Tax Revenues will be sufficient to pay the principal and interest on the Series 2017 Bonds and the Outstanding Parity Bonds, as the same become due, and all other payments provided for herein and in the Resolution.

(K) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2017 Bonds and the complexity of the transactions relating to such Series 2017 Bonds, it is in the best interest of the District to sell the Series 2017 Bonds by a negotiated sale, allowing the District to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the District to obtain the best possible price and interest rate for the Series 2017 Bonds.

(L) The District anticipates receiving a favorable offer to purchase the Series 2017 Bonds from Raymond James & Associates, Inc., PNC Capital Markets LLC

and Wells Fargo Bank, National Association (collectively, the "Underwriters") pursuant to the hereinafter defined Purchase Agreement, all within the parameters set forth herein.

(M) Inasmuch as the District desires to sell the Series 2017 Bonds at the most advantageous time, so long as the herein described parameters are met, the Board hereby determines to delegate the award and sale of the Series 2017 Bonds to the Chairman and the Superintendent (as such terms are defined in the Resolution) within such parameters.

(N) The Board hereby certifies that it is current in all deposits into the various funds and accounts established by the Resolution and all payments theretofore required to have been deposited or made by the Board under the provisions of the Resolution have been deposited or made and it is not in default in performing any of the covenants and obligations assumed under the Resolution.

(O) The covenants, pledges and conditions in the Resolution shall be applicable to the Series 2017 Bonds herein authorized and said Series 2017 Bonds shall be on a parity under the Resolution with the Outstanding Parity Bonds and all Additional Bonds hereafter issued pursuant to the Resolution in the manner and to the extent provided herein and in the Resolution, and shall constitute "Bonds" within the meaning of the Resolution; provided, however, any accounts or subaccounts established within the Reserve Account (as defined in the Resolution) that secure a particular Series of Bonds shall only secure the Series of Bonds for which they were established and the Series 2017 Bonds shall be the only Series of Bonds to be secured by the Series 2017 Subaccount of the Reserve Account established pursuant to Section 11 of this Supplemental Resolution.

(P) The Resolution provides that the Series 2017 Bonds shall mature on such dates and in such amounts, shall bear such rates of interest, shall be payable in such places and shall be subject to such redemption provisions as shall be determined by Supplemental Resolution adopted by the Board; and it is now appropriate that the Board set forth the parameters and mechanism to determine such terms and details, which terms and details shall be set forth in the Purchase Agreement.

SECTION 2. DEFINITIONS. When used in this Supplemental Resolution, the capitalized terms defined in the Resolution shall have the meanings therein stated, except as such definitions may be hereinafter amended or defined.

SECTION 3. AUTHORITY FOR THIS SUPPLEMENTAL RESOLUTION. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

SECTION 4. AUTHORIZATION OF THE FINANCING OF THE 2017 PROJECT. The Board hereby authorizes the financing of the Cost of the 2017 Project upon the satisfaction in all respects of the conditions set forth in Section 6 hereof.

SECTION 5. DESCRIPTION OF THE SERIES 2017 BONDS. In accordance with the Act and the terms of the Resolution, this Supplemental Resolution hereby creates an issue of bonds to be designated as "School District of Manatee County, Florida Sales Tax Revenue Bonds, Series 2017," to be issued in the aggregate principal amount of not exceeding $150,000,000. The Series 2017 Bonds shall be issued for the principal purpose of financing the Cost of acquiring, constructing and equipping the 2017 Project, and paying certain costs and expenses incurred in connection with the issuance of the Series 2017 Bonds, including the Bond Insurance Policy premium, if any, and the funding of the Reserve Account Requirement, if any, applicable to the Series 2017 Bonds. The exact principal amount of the Series 2017 Bonds to be issued by the District shall be determined by the Chairman and the Superintendent in accordance with Section 6 below. In the event the Chairman and Superintendent approve an amount less than $150,000,000 in accordance with Section 6 hereof, the remaining authorized amount hereunder with respect to the Series 2017 Bonds shall be cancelled.

The Series 2017 Bonds shall be dated as of their date of delivery (or such earlier date as set forth in the Purchase Agreement), shall be issued in the form of fully registered bonds in the denominations of $5,000 and any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R," and shall bear interest from their dated date, payable semiannually, on April 1 and October 1 of each year, commencing on October 1, 2017 (or such earlier or later date as set forth in the Purchase Agreement), at such rates and maturing in such amounts on October 1 of such years as shall be determined by the Chairman and the Superintendent in accordance with Section 6 below.

The principal of or Redemption Price, if applicable, on the Series 2017 Bonds is payable upon presentation and surrender of the Series 2017 Bonds at the designated corporate trust office of Zions Bank, a division of ZB, National Association, Denver, Colorado, as Paying Agent. Interest payable on the Series 2017 Bonds on any Interest Date will be paid by check or draft of Zions Bank, a division of ZB, National Association, Denver, Colorado, as Paying Agent made payable and mailed to the Holder in whose name such Series 2017 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, at the request and expense of such Holder, by bank wire transfer for the account of such Holder. All payments of principal of and interest on the Series 2017 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on the Series 2017 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Subject to full satisfaction of the conditions set forth in Section 6 below, the Board hereby authorizes a delegated negotiated sale of the Series 2017 Bonds to the Underwriters in accordance with the terms of a Bond Purchase Agreement to be dated the

date of sale and to be substantially in the form attached hereto as Exhibit B (the "Purchase Agreement"), with such changes, amendments, modifications, deletions and additions thereto as shall be approved by the Chairman and the Superintendent in accordance with the provisions of Section 6 below, the execution thereof being deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in Section 6 below.

The Superintendent is authorized and directed to determine, upon the advice of PFM Financial Advisors LLC (the "Financial Advisor") and in consultation with the Underwriters, whether any portion of the Series 2017 Bonds shall be insured by the Bond Insurance Policy described in Section 15 of this Supplemental Resolution.

SECTION 6. CONDITIONS TO EXECUTION OF PURCHASE AGREEMENT. The Purchase Agreement shall not be executed by the Chairman and Superintendent until such time as all of the following conditions have been satisfied:

(A) Receipt by the Chairman and the Superintendent of a written offer to purchase the Series 2017 Bonds by the Underwriters substantially in the form of the Purchase Agreement, said offer to provide for, among other things, (i) not exceeding $150,000,000 aggregate principal amount of Series 2017 Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of 0.40% of the par amount of the Series 2017 Bonds, (iii) a true interest cost of not more than 4.50% per annum, and (iv) the maturities of the Series 2017 Bonds, with the final maturity being not later than October 1, 2032.

(B) With respect to any optional redemption terms for the Series 2017 Bonds, the first call date may be no later than October 1, 2027 and no call premium may exceed 1% of the par amount of that portion of the Series 2017 Bonds to be redeemed. Term Bonds may be established with such Amortization Installments as the Chairman and the Superintendent deem appropriate.

(C) Receipt by the Chairman and the Superintendent of a disclosure statement and a truth-in-bonding statement of the Underwriters complying with Section 218.385, Florida Statutes (which may be part of the Purchase Agreement).

(D) The Superintendent shall have determined, upon advice of the Financial Advisor and in consultation with the Underwriters, whether any of the Series 2017 Bonds will be insured by the Bond Insurance Policy described in Section 15 of this Supplemental Resolution. The Superintendent shall also have determined, upon the advice of the Financial Advisor and in consultation with the Underwriters, the Reserve Account Requirement for the Series 2017 Subaccount of the Reserve Account which Reserve Account Requirement may be $0.00. The amount of the Reserve Account Requirement applicable to the Series 2017 Subaccount of the Reserve Account shall be set forth in the Purchase Agreement.

Upon satisfaction of all the requirements set forth in this Section 6, the Chairman and Superintendent are authorized to execute and deliver the Purchase Agreement containing terms complying with the provisions of this Section 6 and the Series 2017 Bonds shall be sold to the Underwriters pursuant to the provisions of such Purchase Agreement.

SECTION 7. REDEMPTION PROVISIONS FOR SERIES 2017 BONDS. The Series 2017 Bonds may be redeemed prior to their respective maturities from any moneys legally available therefor, upon notice as provided in the Resolution, upon the terms and provisions as determined by the Chairman and the Superintendent and set forth in the Purchase Agreement subject to the conditions contained in Section 6 hereof.

SECTION 8. FULL BOOK-ENTRY. Not withstanding the provisions set forth in Section 2.08 of the Resolution, the Series 2017 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2017 Bond for each of the maturities of the Series 2017 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Series 2017 Bonds are registered in the name of Cede & Co., as Holder of the Series 2017 Bonds, all payments of principal on the Series 2017 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Series 2017 Bonds, upon presentation of the Series 2017 Bonds to be paid, to the Paying Agent.

With respect to Series 2017 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the District, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the "Participants"). Without limiting the immediately preceding sentence, the District, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2017 Bonds, (B) the delivery of any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, Redemption Price, if any, or interest on the Series 2017 Bonds. The District, the Registrar and the Paying Agent may treat and consider the Person in whose name each Series 2017 Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Bond for the purpose of payment of principal, Redemption Price, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose

of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, Redemption Price, if any, and interest on the Series 2017 Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, Redemption Price, if any, and interest on the Series 2017 Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2017 Bond evidencing the obligation of the District to make payments of principal, Redemption Price, if any, and interest pursuant to the provisions of the Resolution. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Resolution with respect to transfers during the 15 days next preceding an Interest Date or first mailing of notice of redemption, the words "Cede & Co." in this Supplemental Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the District shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the District of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2017 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2017 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the District that such book-entry only system is burdensome or undesirable to the District and compliance by the District with all applicable policies and procedures of DTC regarding discontinuation of the book-entry registration system, the Series 2017 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of the Resolution. In such event, the District shall issue and the Registrar shall authenticate, transfer and exchange the Series 2017 Bonds of like principal amount and maturity, in denominations of $5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Issuer Letter of Representations previously executed by the Board and delivered to DTC shall apply to the payment of principal of, premium, if any, and interest on the Series 2017 Bonds.

SECTION 9. APPLICATION OF SERIES 2017 BOND PROCEEDS. The proceeds derived from the sale of the Series 2017 Bonds shall be applied by the Board as follows:

(A) Accrued and capitalized interest, if any shall be deposited to the Interest Account and shall be used only for the purpose of paying the interest which shall thereafter become due on the Series 2017 Bonds. Accrued and capitalized interest, if any, shall be held in trust solely for the payment of the Series 2017 Bonds.

(B) If the Superintendent determines any of the Series 2017 Bonds will be insured by the Bond Insurance Policy described in Section 15 hereof, a sufficient amount of proceeds of the Series 2017 Bonds shall be applied to the payment of the premium of the Bond Insurance Policy applicable to such Series 2017 Bonds, and to the payment of costs and expenses relating to the issuance of the Series 2017 Bonds. The amount related to the costs and expenses of issuing the Series 2017 Bonds or any portion thereof, may, at the option of the Board, be deposited in and disbursed from the 2017 Account of the Construction Fund established pursuant to Section 11(B) hereof.

(C) If the Superintendent, upon the advice of the Financial Advisor and in consultation with the Underwriters, determines that the Reserve Account Requirement applicable to the Series 2017 Subaccount of the Reserve Account is greater than $0.00, then a sufficient amount of the Series 2017 Bond proceeds will be deposited to the Series 2017 Subaccount of the Reserve Account established pursuant to Section 11 hereof.

(D) The balance of the proceeds of the Series 2017 Bonds shall be deposited to the 2017 Account of the Construction Fund established pursuant to Section 11(B) hereof and shall be used to pay the Cost of the 2017 Project.

SECTION 10. SPECIAL OBLIGATION OF THE BOARD. The Series 2017 Bonds shall be a special obligation of the Board secured by and payable from the Pledged Funds in the manner and to the extent provided in the Resolution, particularly Sections 4.01 and 4.02 thereof. The Series 2017 Bonds shall be on parity with and shall rank equally as to lien on and source and security for payment from the Pledged Funds with the Outstanding Parity Bonds and any Additional Bonds that may hereafter be issued pursuant to the Resolution; provided, however, the Series 2017 Bonds shall not be secured in any respect by any moneys or Reserve Account Insurance Policy or Reserve Account Letter of Credit now on deposit in the Reserve Account but shall be secured by the Series 2017 Subaccount of the Reserve Account established pursuant to Section 11 of this Supplemental Resolution.

SECTION 11. ESTABLISHMENT OF SERIES 2017 SUBACCOUNT OF THE RESERVE ACCOUNT AND RESERVE ACCOUNT REQUIREMENT APPLICABLE THERETO; ESTABLISHMENT OF SERIES 2017 ACCOUNT OF THE CONSTRUCTION FUND. (A) Subject to the full satisfaction of Section 6 hereof, there is hereby established within the Reserve Account a separate subaccount to be known as the "Series 2017 Subaccount of the Reserve Account." The Superintendent is authorized and directed to determine, upon the advice of the Financial Advisor and in

consultation with the Underwriters, the Reserve Account Requirement for the Series 2017 Subaccount of the Reserve Account, which Reserve Account Requirement may be $0.00. If the Reserve Account Requirement is determined by the Superintendent to be greater than $0.00, the (i) Reserve Account Requirement applicable to the Series 2017 Subaccount of the Reserve Account shall be funded with proceeds of the Series 2017 Bonds as provided in Section 9 of this Supplemental Resolution and (ii) the amount of the Reserve Account Requirement applicable to the Series 2017 Subaccount of the Reserve Account shall be set forth in the Purchase Agreement as provided in Section 6 of this Supplemental Resolution.

(B) Subject to the full satisfaction of Section 6 hereof, there is hereby established within the Construction Fund a separate account to be known as the "2017 Project Account of the Construction Fund" (the "2017 Project Account"). Moneys deposited to the 2017 Project Account shall be used to pay and/or reimburse Costs of the 2017 Project. The 2017 Project Account shall be maintained and administered in accordance with the applicable provisions of the Resolution.

SECTION 12. PRELIMINARY OFFICIAL STATEMENT. The Board hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit C in connection with the offering of the Series 2017 Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement, it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the Chairman, the Superintendent and the Chief Financial Officer of the District (the "Chief Financial Officer") are each hereby authorized to approve such insertions, changes and modifications. The Chairman, the Superintendent and the Chief Financial Officer are each hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934 in the form as mailed. Execution of a certificate by the Chairman, the Superintendent or the Chief Financial Officer deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

SECTION 13. OFFICIAL STATEMENT. The form, terms and provisions of the Official Statement relating to the Series 2017 Bonds shall be substantially as set forth in the Preliminary Official Statement and shall include all of the specific financial terms of the Series 2017 Bonds. The Chairman and the Superintendent are hereby authorized and directed to execute and deliver said Official Statement in the name of and on behalf of the District, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, deletions and additions as may be approved by the Chairman and the Superintendent. Said Official Statement, including any such changes, amendments, modifications, deletions and additions as approved by the Chairman and the Superintendent and the information contained therein are hereby authorized to be used in connection with the sale of the

Series 2017 Bonds to the public. Execution by the Chairman and the Superintendent of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 14. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Subject in all respect to the satisfaction of the conditions set forth in Section 6 hereof, Zions Bank, a division of ZB, National Association, Denver, Colorado, is hereby designated Registrar and Paying Agent for the Series 2017 Bonds. The Chairman and the Superintendent are each hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 14 and by the Resolution.

SECTION 15. MUNICIPAL BOND INSURANCE. Attached hereto as Exhibit E are certain provisions relating to the standard municipal bond insurance policy of Assured Guaranty Municipal Corp. (the "Insurer"). If the Superintendent determines, upon the advice of the Financial Advisor and in consultation with the Underwriters, that all or any portion of the Series 2017 Bonds (the "Insured Series 2017 Bonds") will be insured by a Bond Insurance Policy, then the insurance provisions contained in Exhibit E shall be incorporated herein with respect to the Insured Series 2017 Bonds in substantially the form contained in such Exhibit E, with such changes or modifications as may be approved by the Superintendent. Any such changes or modifications may be evidenced by the execution of an agreement between the Board and the Insurer. Payment for the premium for the Bond Insurance Policy is hereby authorized from proceeds of the Series 2017 Bonds. Subject in all respects to the satisfaction of the conditions set forth in Sections 5 and 6 hereof, so long as the Bond Insurance Policy issued by the Insurer is in full force and effect and the Insurer has not defaulted in its payment obligations under the Bond Insurance Policy, the Board agrees to comply with the provisions contained in Exhibit E. If the Superintendent determines that none of the Series 2017 Bonds shall be insured by a municipal bond insurance policy, then all of the provisions contained in Exhibit E shall be disregarded and shall be considered void and of no force and effect.

SECTION 16. SECONDARY MARKET DISCLOSURE. Subject in all respects to the satisfaction of the conditions set forth in Section 6 hereof, the District hereby covenants and agrees that, in order to provide for compliance by the District with the secondary market disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission, as amended (the "Rule"), it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form attached hereto as Exhibit D with such changes, amendments, modifications, deletions and additions as shall be approved by the Chairman who is hereby authorized to execute such Certificate and deliver it to Digital Assurance Certification, L.L.C for its execution. Notwithstanding any other provision of the Resolution, failure of the District to comply with such Continuing Disclosure Certificate

shall not be considered an event of default under the Resolution; provided, however, any Series 2017 Bondholder 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 16 and the Continuing Disclosure Certificate. For purposes of this Section 16, "Series 2017 Bondholder" 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 Series 2017 Bonds (including persons holding Series 2017 Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Series 2017 Bonds for federal income tax purposes.

SECTION 17. FINANCIAL ADVISORY SERVICES. The Board hereby authorizes the Superintendent or Chief Financial Officer to execute an engagement letter or agreement with PFM Financial Advisors LLC to provide financial advisory services in connection with the issuance of the Series 2017 Bonds and to pay related fees.

SECTION 18. EXECUTION OF DOCUMENTS. The Chairman, Superintendent, any Deputy Superintendent of the District and the Chief Financial Officer are hereby authorized to execute and deliver such documents and certificates, including the various closing documents and certificates required by Bond Counsel in connection with the issuance of the Series 2017 Bonds (including, but not limited to, incumbency and signature certificates, a general closing certificate, certificate as to delivery and payment, IRS Form 8038-G, the certificate as to arbitrage and other tax matters, cross receipt and the certificate as to certified copy of this Resolution), in addition to those expressly authorized by this Supplemental Resolution, and to take such further actions as they shall deem reasonably necessary or appropriate to effect the issuance of the Series 2017 Bonds and the other transactions contemplated by this Resolution.

SECTION 19. AMENDMENT TO RESOLUTION. (A) The Resolution is hereby amended as provided in this Section 19. Pursuant to the authority provided in Section 7.01(C) of the Resolution, the consent of the Bondholders is not required for the purposes of the amendment set forth herein. Such amendment shall become effective on the day next succeeding the date of issuance of the Series 2017 Bonds.

(B) Section 5.02(A) of the Resolution is hereby amended and restated in its entirety to read as follows:

> "(A) Except as otherwise provided in Section 5.02(D) hereof, there shall have been obtained and filed with the Board a statement of the Superintendent or his/her designee: (1) stating that he or she has examined the books and records of the Board relating to the Sales Tax Revenues which have been received by the Board for deposit to the Restricted Revenue Account; (2) setting forth the amount of such Sales Tax Revenues during any twelve (12) consecutive months designated by the Board within

the eighteen (18) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the amount of such Sales Tax Revenues received during the aforementioned 12-month period equals at least 1.50 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such report by the Superintendent may be partially based upon a certification of certain matters related to the calculation of the Maximum Annual Debt Service by the Board's financial advisor."

SECTION 20. GENERAL AUTHORITY. The members of the Board and the officers, attorneys and other agents or employees of the Board are hereby authorized to do all acts and things required of them by this Supplemental Resolution, the Resolution, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Certificate or the Purchase Agreement or desirable or consistent with the requirements hereof or the Resolution, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Certificate or the Purchase Agreement for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2017 Bonds, the Resolution, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Certificate and the Purchase Agreement and each member, attorney and officer of the Board and the Superintendent is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. If the Chairman is unavailable or unable at any time to perform any duties or functions hereunder including but not limited to those described in Section 6 hereof, the Vice-Chairman is hereby authorized to act on his or her behalf. If the Superintendent is unavailable or unable at any time to perform any duties or functions hereunder including but not limited to those described in Section 6 hereof, any Deputy Superintendent of the District is hereby authorized to act on his or her behalf.

SECTION 21. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2017 Bonds.

SECTION 22. RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Resolution and all the terms and provisions thereof are and shall remain in full force and effect.

SECTION 23. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED, by The School Board of Manatee County, Florida, as the governing body of the School District of Manatee County, Florida this 24th day of January, 2017.

(SEAL)

By: _____
Chairman of The School Board of Manatee County, Florida

ATTEST:

By: _____
Superintendent and Ex-officio Secretary of The School Board of Manatee County, Florida

EXHIBIT A

GENERAL DESCRIPTION OF THE 2017 PROJECT

The 2017 Project generally includes the following, as more particularly described in the plans and specifications on file with the Board, and as the same may be amended or supplemented from time to time:

Construction, reconstruction or improvement of school facilities and campuses which have a useful life expectancy of five or more years and any land acquisition, land improvement, design and engineering cost related thereto and for costs of retrofitting and providing for technology implementation including hardware and software for various sites within the District, as set forth in the Ten Year Capital Outlay Plan of the Board, as the same may be amended from time to time, including, but not limited to the following educational facilities:

New High School - Parish
New Elementary School
New Middle School
An Elementary School Replacement
Two Elementary School Wings
A High School Wing

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

EXHIBIT E

BOND INSURANCE POLICY PROVISIONS

BOND INSURANCE POLICY PROVISIONS

(A) If, on the third business day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Board, after making all transfers and deposits required under the Resolution pursuant to which the Series 2017 Bonds are authorized (referred to herein as the "Resolution"), moneys sufficient to pay the principal of and interest on that portion of the Series 2017 Bonds which are insured by the Bond Insurance Policy (the "Insured Series 2017 Bonds") due on such Payment Date, the Board shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such business day. If, on the second business day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Series 2017 Bonds due on such Payment Date, the Board shall notify the Registrar and cause the Registrar to make a claim under the Bond Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Series 2017 Bonds and the amount required to pay principal of the Insured Series 2017 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second business day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(B) The Registrar shall designate any portion of payment of principal on Insured Series 2017 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Series 2017 Bonds registered to the then current Insured Series 2017 Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Series 2017 Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Registrar's failure to so designate any payment or issue any replacement Insured Series 2017 Bond shall have no effect on the amount of principal or interest payable by the Board on any Insured Series 2017 Bond or the subrogation rights of the Insurer.

(C) The Registrar shall keep a complete and accurate record of all funds deposited by the Insurer into the hereinafter defined Policy Payments Account and the allocation of such funds to payment of interest on and principal of any Insured Series 2017 Bonds. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Registrar.

(D) Upon payment of a claim under the Bond Insurance Policy, the Registrar shall establish a separate special purpose trust account for the benefit of the Insured Series 2017 Bondholders referred to herein as the "Policy Payments Account" and over which the Registrar shall have exclusive control and sole right of withdrawal. The

Registrar shall receive any amount paid under the Bond Insurance Policy in trust on behalf of the Insured Series 2017 Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Registrar to Insured Series 2017 Bondholders in the same manner as principal and interest payments are to be made with respect to the Insured Series 2017 Bonds under the provisions of the Resolution regarding payment of Insured Series 2017 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth in the Resolution, the Board agrees to pay the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Bond Insurance Policy (the "Insurer Advances"); and (ii) to the extent permitted by law, interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (I) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (II) the then applicable highest rate of interest on the Insured Series 2017 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Board hereby covenants and agrees that the Insurer Reimbursement Amounts are payable from the Sales Tax Revenues (as defined in the Resolution) and the amounts on deposit in certain funds and accounts established under the Resolution to the same extent and on the same basis as the Insured Series 2017 Bonds.

(E) Funds held in the Policy Payments Account shall not be invested by the Registrar and may not be applied to satisfy any costs, expenses or liabilities of the Registrar. Any funds remaining in the Policy Payments Account following an Insured Series 2017 Bond Payment Date shall promptly be remitted to the Insurer.

(F) No modification, amendment or supplement to the Resolution pursuant to the Resolution which requires the consent of any Insured Series 2017 Bondholders or would otherwise adversely affect the rights and interests of the Insurer may become effective except upon obtaining the prior written consent of the Insurer.

(G) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Series 2017 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in

connection with any Insolvency Proceeding). The obligations to the Insurer shall survive discharge or termination of the Resolution.

(H) The Board shall pay or reimburse the Insurer any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Resolution; (ii) the pursuit of any remedies under the Resolution or any other related document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other related document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Resolution or any other related document or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Bond Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other related document.

(I) The Insurer shall be entitled to pay principal or interest on the Insured Series 2017 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Board (as such terms are defined in the Bond Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(J) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director - Public Finance - Surveillance; Re: Policy No. _____, Telephone: (212) 974-0100, Telecopier: (212) 339-3556, e-mail: munidisclosure@assuredguaranty.com. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel at the same address or at the following Facsimile Number (212) 445-8705 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(K) The Insurer shall be provided with the following information at no charge:

(i) Annual audited financial statements within 30 days after the completion of the Board's annual audit (and in any event within 270 days of the end of the Board's Fiscal Year) and the Board's annual budget and revised budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Series 2017 Subaccount of the Reserve Account within two (2) business days after knowledge thereof other than (1) withdrawals of amounts in excess of the Reserve Account Requirement and (2) withdrawals in connection with a refunding of the Insured Series 2017 Bonds.

(iii) Notice of any default known to the Registrar or the Board within five business days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Insured Series 2017 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Board commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Series 2017 Bonds;

(viii) A full original transcript of all proceedings relating to any amendment, supplement, or waiver to the Resolution or any related documents;

(ix) All reports, notices and correspondence to be delivered under the terms of the Resolution or any related documents; and

(x) Such additional information as the Insurer may reasonably require.

(L) The Insurer is considered a third party beneficiary under the Resolution.

(M) The rights granted to the Insurer under the Resolution or any related document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Insured Series 2017 Bondholders nor does such action evidence any position of the Insurer, positive or negative, as to whether the Insured Series 2017 Bondholder consent is required in addition to consent of the Insurer.

(N) Amounts paid by the Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Resolution and the Insured Series 2017 Bonds relating to such payments shall remain outstanding and continue to be due and owing until paid by the Board in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(O) The Insurer shall be deemed to be the sole holder of the Insured Series 2017 Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking of any other action that the holders of the Insured Series 2017 Bonds insured by it are entitled to take pursuant to the Resolution subject to the provisions thereof and the provisions of the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Registrar or trustee, if any. In furtherance thereof and as a term of the Resolution and the Insured Series 2017 Bonds, the Paying Agent and each Holder of the Insured Series 2017 Bonds appoint the Insurer as their agent and attorney-in-fact with respect to the Insured Series 2017 Bonds and agree that the Insurer may at any time during the continuation of any proceeding by or against the Board under the United States Bankruptcy Code or any other applicable Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Registrar and each Holder of the Insured Series 2017 Bonds delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Registrar and each Holder of the Insured Series 2017 Bonds with respect to the Insured Series 2017 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(P) No contract shall be entered into by the Board nor any action taken by the Board by which the rights of the Insurer or security for or sources of payment of the Insured Series 2017 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(Q) Notwithstanding the provisions of Section 9.01 of the Resolution, to accomplish the defeasance of the Insured Series 2017 Bonds, the Board shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Insured Series 2017 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), and (iii) an opinion of nationally recognized bond counsel to the effect that the Insured Series 2017 Bonds are no longer "outstanding" under the Resolution; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Board, the Registrar and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. Insured Series 2017 Bonds shall be deemed "outstanding" under the

Resolution unless and until they are in fact paid and retired or the above criteria and the other criteria set forth in Section 9.01 are met.

(R) Notwithstanding satisfaction of other conditions to the issuance of Additional Bonds contained in the Resolution, no such issuance may occur if (i) any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) has occurred and be continuing unless such default shall be cured upon such issuance, and (ii) unless the Reserve Account or applicable subaccount thereof is fully funded at the Reserve Account Requirement applicable thereto, if any (including the proposed issue), upon the issuance of such Additional Bonds, in either case, unless otherwise permitted by the Insurer.

(S) In determining whether any amendment, consent or other action to be taken, or any failure to act, under the Resolution would adversely affect the security for the Insured Series 2017 Bonds or the rights of the Insured Series 2017 Bondholders, the Registrar and the Board shall consider the effect of any such amendment, consent, action or inaction as if there were no Bond Insurance Policy.

(T) Notwithstanding any provisions of the Resolution to the contrary, no interest rate exchange agreement relating to the Insured Series 2017 Bonds shall be entered into by the Board without the prior written consent of the Insurer.

(U) Notwithstanding any other provision herein, if Insured Series 2017 Bonds are purchased in lieu of redemption the prior written approval of the Insurer shall be required if any Insured Series 2017 Bond so purchased is not to be cancelled upon purchase.

(V) The Board will permit the Insurer to discuss the affairs, finances and accounts of the Board or any information the Insurer may reasonably request regarding the security for the Insured Series 2017 Bonds with appropriate officers of the Board and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Board on any business day upon reasonable prior notice.

(W) The Board shall notify the Insurer of any failure of the Board to provide notices, certificates and other information under the transaction documents.

(X) To the extent that the Board has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Series 2017 Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(Y) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(Z) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the Series 2017 Subaccount of the Reserve Account shall be applied solely to the payment of debt service due on the Series 2017 Bonds.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A., WITH RESPECT TO THE SERIES 2017 BONDS

Upon delivery of the Series 2017 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such Series 2017 Bonds in substantially the following form:

(Date of Delivery)

The School Board of Manatee County, Florida
Bradenton, Florida

School Board Members:

We have examined a record of proceedings relating to the issuance of $131,785,000 School District of Manatee County, Florida Sales Tax Revenue Bonds, Series 2017 (the "Series 2017 Bonds"). The Series 2017 Bonds are issued under the authority of the laws of the State of Florida, including, particularly, Chapter 1001, Florida Statutes, Chapter 212, Florida Statutes and other applicable provisions of law, and pursuant to a Sales Tax Revenue Bond Resolution adopted by The School Board of Manatee County, Florida, (the Board"), as the governing body of the School District of Manatee County, Florida (the "District"), on February 18, 2003, as amended and supplemented from time to time, particularly by a Supplemental Resolution adopted by the Board on January 24, 2017 (collectively, the "Resolution").

The Series 2017 Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Resolution. The Series 2017 Bonds will mature on the dates and in the principal amounts and will bear interest at the respective rates per annum, as provided in the Resolution and set forth in the Bond Purchase Agreement executed in connection with the Sale of the Series 2017 Bonds (the "Purchase Agreement"). Interest on the Series 2017 Bonds shall be payable on each April 1 and October 1, commencing on April 1, 2017. The Series 2017 Bonds are being issued in the form of fully registered bonds in denominations of $5,000 and any integral multiple thereof. The Series 2017 Bonds are subject to redemption prior to maturity in accordance with the Resolution and as set forth in the Purchase Agreement.

The Series 2017 Bonds are issued for the principal purpose of providing moneys for the acquisition, construction, equipping, installation of, and renovation to, various educational facilities within the District.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Resolution and in the certified proceedings relating thereto and to the issuance of the Series 2017 Bonds and other certifications of public officials furnished to us in connection therewith, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Resolution. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2017 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

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

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

2. The Board has the right and power under the Constitution and Laws of the State of Florida to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Board, is in full force and effect in accordance with its terms and is valid and binding upon the Board and enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Pledged Funds (as defined in the Resolution), subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The District is duly authorized and entitled to issue the Series 2017 Bonds, and the Series 2017 Bonds have been duly and validly authorized and issued by the District in accordance with the Constitution and Laws of the State of Florida and the Resolution. The Series 2017 Bonds constitute valid and binding obligations of the District as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the benefits of the Resolution and the laws pursuant to which they are issued. The Series 2017 Bonds shall be issued on parity under the Resolution with certain other Bonds (as defined in the Resolution), to the extent and except as provided in the Resolution. The Series 2017 Bonds do not constitute a general indebtedness of the District, the Board or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are

payable solely from the Pledged Funds in the manner and to the extent provided in the Resolution. No holder of the Series 2017 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the District, the Board or the State of Florida or any political subdivision, agency or department thereof to pay the Series 2017 Bonds.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2017 Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to certain corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax. Such opinions are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2017 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2017 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2017 Bonds. The District has covenanted in the Resolution to comply with all such requirements. Ownership of the Series 2017 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2017 Bonds.

It should be noted that except as may expressly be set forth in an opinion delivered by us to the underwriters and the District (on which opinion only they may rely) for the Series 2017 Bonds on the date hereof, we have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Official Statement (as defined in the Purchase Agreement) or other offering material relating to the Series 2017 Bonds and we express no opinion relating thereto, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2017 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Resolution and the Series 2017 Bonds may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as

such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2017 Bonds and, in our opinion, the form of the Series 2017 Bonds is regular and proper.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated as of February 23, 2017, is executed and delivered by the School District of Manatee County, Florida (the "Issuer") and Digital Assurance Certification, LLC, as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Series 2017 Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Series 2017 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Certificate solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Certificate shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Certificate shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Certificate.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Certificate.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Certificate.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Superintendent or the Chief Financial Officer of the Issuer or his or her designee, or such other person as the School Board shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Certificate.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2017 Bonds (including persons holding Series 2017 Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Series 2017 Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

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

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Certificate.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2017 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Series 2017 Bonds, as listed on Exhibit A.

"Series 2017 Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Certificate.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Certificate.

SECTION 2. Provision of Annual Reports. (a) The Issuer shall provide, annually, an electronic copy of the Annual Report to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2017. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Certificate.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Certificate:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Certificate, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Certificate with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Certificate;

(iv) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Certificate:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service" other than those communications included in the Rule;

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures."

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Certificate:

1. "quarterly/monthly financial information;"

2. "timing of annual disclosure;"

3. "change in fiscal year/timing of annual disclosure;"

4. "change in accounting standard;"

5. "interim/additional financial information/operating data;"

6. "budget;"

7. "investment/debt/financial policy;"

8. "information provided to rating agency, credit/liquidity provider or other third party;"

9. "consultant reports;" and

10. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Certificate.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Certificate and all other information required by the terms of this Disclosure Certificate will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. (a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial information and operating data of the type included with respect to the Issuer, including:

1. Updates of information set forth in the Official Statement related to the following tables:

a. Sales Tax Revenues Receipts.

b. Summary of Statistical Data.

c. Assigned and Unassigned Fund Balance for District's General Fund.

d. Summary of General Fund Operations.

e. Summary of Capital Projects Funds Operations.

2. Description of any additional series of Bonds issued under the Resolution.

3. Description of any material litigation which would have been disclosed in the Official Statement if such litigation had occurred and been ongoing at the time the Official Statement is dated.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP"), as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Governmental Accounting Standards Board will be included in the Annual Report. In such event, Audited Financial Statements will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Series 2017 Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events. (a) The occurrence of any of the following events with respect to the Series 2017 Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Series 2017 Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

    Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of

the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4. Such instruction shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new certificates at such time as they are issued or become subject to the Rule, and (ii) any Series 2017 Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Series 2017 Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Certificate do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Certificate.

SECTION 7. Voluntary Filing. (a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time. Such instruction shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time. Such instruction shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Certificate), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Certificate to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Certificate or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in

addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Certificate shall terminate with respect to the Series 2017 Bonds upon the legal defeasance, prior redemption or payment in full of all of the Series 2017 Bonds, when the Issuer is no longer an obligated person with respect to the Series 2017 Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Certificate. The Issuer may, upon thirty (30) days written notice to the Disclosure Dissemination Agent replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Certificate for the benefit of the Holders of the Series 2017 Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Certificate, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Certificate. Any failure by a party to perform in accordance with this Disclosure Certificate shall not constitute a default on the Series 2017 Bonds or under any other document relating to the Series 2017 Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent. (a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Certificate. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Series 2017 Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's

failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Series 2017 Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if the following conditions are satisfied: (a) the amendment or waiver 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 the Issuer, or the type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially impair the interests of the holders, as determined either by parties unaffiliated with the Issuer (such as the trustee or bond counsel), or by approving vote of bondholders pursuant to the terms of the governing instrument at the time of the amendment. Neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriters, and the Holders from time to time of the Series 2017 Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by the laws of the State of Florida.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Certificate to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, LLC,
as Disclosure Dissemination Agent

By:_____
Name: Diana O'Brien
Title: Vice President

THE SCHOOL BOARD OF MANATEE COUNTY, FLORIDA, as Issuer

By: _____
Name: Charlie Kennedy
Title: Chair

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: The School District of Manatee County, Florida

Obligated Person(s): The School Board of Manatee County, Florida

Name of Bond Issue: Sales Tax Revenue Bonds, Series 2017

Date of Issuance: February 23, 2017

Date of Official Statement: February 1, 2017

Maturity (October 1)	Amount	Interest Rates	Initial CUSIP Number
2018	$6,215,000	4.00%	56185PBV4
2019	6,465,000	4.00	56185PBW2
2020	6,725,000	5.00	56185PBX0
2021	7,060,000	5.00	56185PBY8
2022	7,415,000	5.00	56185PBZ5
2023	7,785,000	5.00	56185PCA9
2024	8,175,000	5.00	56185PCB7
2025	8,580,000	5.00	56185PCC5
2026	9,010,000	5.00	56185PCD3
2027	9,460,000	5.00	56185PCE1
2028	9,935,000	5.00	56185PCF8
2029	10,430,000	5.00	56185PCG6
2030	10,955,000	5.00	56185PCH4
2031	11,500,000	5.00	56185PCJ0
2032	12,075,000	5.00	56185PCK7

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The School District of Manatee County, Florida
Obligated Person:	The School Board of Manatee County, Florida
Name(s) of Bond Issue(s):	Sales Tax Revenue Bonds, Series 2017
Date(s) of Issuance:	February 23, 2017
Date(s) of Disclosure Agreement:	February 1, 2017
CUSIP Number:	

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual report with respect to the above-named Series 2017 Bonds as required by the Disclosure Certificate between the Issuer and Digital Assurance Certificate, LLC, as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.]

Dated: _____

DIGITAL ASSURANCE CERTIFICATION, LLC, as Disclosure Dissemination Agent, on behalf of the Issuer

_____

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: The School District of Manatee County, Florida

Issuer's Six-Digit CUSIP Number:

_____

_____

Or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ Principal and interest payment delinquencies;
2. _____ Non-payment related defaults, if material;
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. _____ Substitution of credit or liquidity providers, or their failure to perform;
6. _____ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. _____ Modifications to rights of securities holders, if material;
8. _____ Bond calls, if material;
9. _____ Defeasances;
10. _____ Release, substitution, or sale of property securing repayment of the securities, if material;
11. _____ Rating changes;
12. _____ Tender offers;
13. _____ Bankruptcy, insolvency, receivership or similar event of the obligated person;
14. _____ Merger, consolidation, or acquisition of the obligated person, if material; and
15. _____ Appointment of a successor or additional trustee or the change of name of a trustee, if material.

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Continuing Disclosure Certificate dated as of February 23, 2017, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: The School District of Manatee County, Florida

Issuer's Six-Digit CUSIP Number:

_____

_____

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ Amendment to continuing disclosure undertaking;
2. _____ Change in obligated person;
3. _____ Notice to investors pursuant to bond documents;
4. _____ Certain communications from the Internal Revenue Service;
5. _____ Secondary market purchases;
6. _____ Bid for auction rate or other securities;
7. _____ Capital or other financing plan;
8. _____ Litigation/enforcement action;
9. _____ Change of tender agent, remarketing agent, or other on-going party;
10. _____ Derivative or other similar transaction; and
11. _____ Other Event-based disclosures.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Continuing Disclosure Certificate dated as of February 23, 2017 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: The School District of Manatee County, Florida

Issuer's Six-Digit CUSIP Number:

_____

_____

Or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ Quarterly/monthly financial information;
2. _____ Change in fiscal year/timing of annual disclosure;
3. _____ Change in accounting standard;
4. _____ Interim/additional financial information/operating data;
5. _____ Budget;
6. _____ Investment/debt/financial policy;
7. _____ Information provided to rating agency, credit/liquidity provider or other third party;
8. _____ Consultant reports; and
9. _____ Other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

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APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

SPECIMEN

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

SPECIMEN

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

APPENDIX G

THE FLORIDA RETIREMENT SYSTEM

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The information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Reports available at www. dms.myflorida.com/workforce_operations/retirement/publications/ annual_reports and the Florida Comprehensive Annual Financial Reports available at www. myfloridacfo.com/division/aa/Reports/. No representation is made by the District 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.

The Florida Retirement System (the "FRS") is a cost-sharing multiple-employer public-employee retirement system with two primary plans – the FRS defined benefit pension plan (the "FRS Pension Plan") and the FRS defined contribution plan (the "FRS Investment Plan").

Florida Retirement System

Membership. FRS membership is compulsory for all employees filling a regularly established position in a state agency, county agency, state university, state community college, or district school board. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

There are five general classes of membership, as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.

- *Senior Management Service Class ("SMSC")* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the SMSC in lieu of the Elected Officers' Class.

- *Special Risk Class* - Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001 through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.

- *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.

- *Elected Officers' Class ("EOC")* - Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members initially enrolled during this period. Members

not actively working in a position covered by the FRS Pension Plan 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 requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62. For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class. For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Benefits. 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 is initially enrolled in the FRS Pension Plan 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 is 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.

The Deferred Retirement Option Program ("DROP") became effective July 1, 1998. FRS Pension Plan members who reach normal retirement are eligible to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest. As of June 30, 2016, the FRS Trust Fund held $2,322,967,354 in accumulated benefits for 34,160 DROP participants. Of these 34,160 DROP participants, 29,602 were active in the DROP with balances totaling $1,871,732,532. The remaining 4,558

participants were no longer active in the DROP with balances totaling $451,234,822 to be processed after June 30, 2016, pending a qualifying event. Of the total accumulated DROP benefits, $411,260,011 was due and payable as of June 30, 2016.

Administration. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration (the "SBA") invests the assets of the Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded from earnings on investments of the FRS Trust Fund. Reporting of the FRS Pension Plan is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Contributions. All participating employers must comply with statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, Florida Statutes. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years. Pursuant to Section 121.031(3)(f), Florida Statutes, 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. The balance of legally required reserves for all defined benefit pension plans at June 30, 2016, was $141,780,920,515. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

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Effective July 1, 2011, both employees and employers of the FRS Fare required to make contributions to establish service credit for work performed in a regularly established position. Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the FRS Pension Plan and the FRS Investment Plan. The uniform rates for Fiscal Year 2015-16 are as follows:

Membership Class	Employee Contribution Rate	Employer Contribution Rate[1]	Total Contribution Rate
Regular	3.00%	5.56%	8.56%
Special Risk	3.00	20.34	23.34
Special Risk Administrative Support	3.00	31.25	34.25
Elected Officers – Judges	3.00	34.01	37.01
Elected Officers - Legislators/Attorneys/Cabinet	3.00	44.10	47.10
Elected Officers – County, City, Special Districts	3.00	40.57	43.57
Senior Management Service	3.00	19.73	22.73
Deferred Retirement Option Program	N/A	11.22	11.22

[1] These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66% contribution for the HIS and the fee of 0.04% for administration of the FRS Investment Plan and provision of educational tools for both plans.

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

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Pension Amounts for the FRS Pension Plan.

Schedule of Changes in Net Pension Liability and Related Ratios[1]
(in thousands)

Total Pension Liability	June 30, 2014	June 30, 2015	June 30, 2016
Service cost	$2,256,738	$2,114,047	$2,132,906
Interest on total pension liability	11,489,921	11,721,563	12,109,114
Effect of plan changes	0	0	32,310
Effect of economic/demographic (gains) or losses	(448,818)	1,620,863	980,192
Effect of assumption changes or inputs	1,256,045	0	1,030,667
Benefit payments	(8,714,251)	(10,201,501)	(10,624,925)
Net change in total pension liability	5,839,635	5,254,972	5,660,264
Total pension liability, beginning	150,276,128	156,115,763	161,370,735
Total pension liability, ending (a)	$156,115,763	$161,370,735	167,030,999
Fiduciary Net Position			
Employer contributions	$2,190,424	$2,438,085	$2,438,659
Member contributions	682,507	698,304	710,717
Investment income net of investment expenses	22,812,286	5,523,287	820,583
Benefit payments	(8,714,250)	(10,201,500)	(10,624,925)
Administrative expenses	(18,352)	(18,074)	(18,507)
Net change in plan fiduciary net position	16,952,615	(1,559,898)	(6,673,473)
Fiduciary net position, beginning	133,061,677	150,014,292	148,454,394
Fiduciary net position, ending (b)	$150,014,292	$148,454,394	$141,780,921
Net pension liability, ending = (a) – (b)	$6,101,471	$12,916,341	$25,250,078
Fiduciary net position as a % of total pension liability	96.09%	92.00%	84.88%
Covered payroll[2]	$24,723,565	$32,726,034	33,214,217
Net pension liability as a % of covered payroll	24.68%	39.47%	76.02%

[1] This schedule will fill in to a ten-year schedule as results for new fiscal years are calculated.
[2] For June 30, 2014, covered payroll shown includes defined benefit plan actives and members in DROP, but excludes the payroll for FRS Invest Plan members and payroll on which only UAL rates are charged. For June 30, 2015, and later, covered payroll shown includes the payroll for FRS Investment Plan members and payroll on which only UAL rates are charged.

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

Actuarial Methods and Assumptions for the FRS Pension Plan. The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2016, calculated based on the discount rate and actuarial assumptions below:

	June 30, 2014	June 30, 2015	June 30, 2016
Discount rate	7.65%	7.65%	7.60%
Long-term expected rate of return, net of investment expense	7.65%	7.65%	7.60%
Bond Buyer General Obligation 20-Bond Municipal Bond Index	N/A	N/A	N/A

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees in the determining the projected depletion date. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The actuarial assumptions used to determine the total pension liability as of June 30, 2016, were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

Valuation Date	July 1, 2016
Measurement Date	June 30, 2016
Asset Valuation Method	Fair Market Value
Inflation	2.60%
Salary increase including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age Normal

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

Sensitivity Analysis for the FRS Pension Plan. The following presents the net pension liability of the FRS, calculated using the discount rate of 7.60%, as well as what the FRS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	$188,268,024,512	$167,030,999,000	$149,353,979,968
Fiduciary net position	141,780,920,515	141,780,920,515	148,454,393,902
Net pension liability	$46,487,103,997	$25,250,078,485	$7,573,059,453

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

Retiree Health Insurance Subsidy

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. For the fiscal year ended June 30, 2016, 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. For the fiscal year ended June 30, 2016, the contribution rate was 1.66% of payroll pursuant to Section 112.363, F.S. The state contributed 100% of its statutorily required contributions for the current and preceding two years. 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.

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Pension Amounts for the HIS.

Schedule of Changes in Net Pension Liability and Related Ratios[1]
(in thousands)

Total Pension Liability	June 30, 2014	June 30, 2015	June 30,2016
Service cost	$190,371	$217,519	$256,710
Interest on total pension liability	409,907	405,441	390,757
Effect of plan changes	0	0	0
Effect of economic/demographic (gains) or losses	0	0	(30,826)
Effect of assumption changes or inputs	386,383	607,698	1,352,459
Benefit payments	(407,276)	(425,086)	(449,857)
Net change in total pension liability	579,385	805,572	1,519,243
Total pension liability, beginning	8,864,244	9,443,629	10,249,201
Total pension liability, ending (a)	$9,443,629	$10,249,201	$11,768,445
Fiduciary Net Position			
Employer contributions	$342,566	$382,454	$512,564
Member contributions	0	0	0
Investment income net of investment expenses	219	208	565
Benefit payments	(407,275)	(425,085)	(449,857)
Administrative expenses	(54)	(188)	(188)
Net change in plan fiduciary net position	(64,544)	(42,611)	63,084
Fiduciary net position, beginning	157,929	93,385	50,774
Fiduciary net position, ending (b)	$93,385	$50,774	$113,859
Net pension liability, ending = (a) – (b)	$9,350,244	10,198,427	11,654,586
Fiduciary net position as a % of total pension liability	0.99%	0.50%	0.97%
Covered payroll	29,676,340	30,340,449	30,875,274
Net pension liability as a % of covered payroll	31.51%	33.61%	37.75%

[1] This schedule will fill in to a ten-year schedule as results for new fiscal years are calculated.

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

Actuarial Methods and Assumptions for the HIS. The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial

assumptions below, and then was projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67. The same demographic and economic assumptions that were used in the Florida Retirement System Actuarial Valuation as of July 1, 2016 ("funding valuation") were used for the HIS program, unless otherwise noted. In a given membership class and tier, the same assumptions for both FRS Investment Plan members and for FRS Pension Plan members were used.

	June 30, 2014	June 30, 2015	June 30,2016
Discount rate	4.29%	3.80%	2.85%
Long-term expected rate of return, net of investment expense	N/A	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	4.29%	3.80%	2.85%

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2016 valuation was updated from 3.80% to 2.85%, reflecting the change in the Bond Buyer General Obligation 20- Bond Municipal Bond Index as of June 30, 2016.

The actuarial assumptions used to determine the total pension liability as of June 30, 2016, were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

Valuation Date	July 1, 2016
Measurement Date	June 30, 2016
Inflation	2.60%
Salary increase including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

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Sensitivity Analysis for the HIS. The following presents the net pension liability of the HIS, calculated using the discount rate of 2.85%, as well as what the HIS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85%) or one percentage point higher (3.85%) than the current rate.

	1% Decrease 1.85%	Current Discount Rate 2.85%	1% Increase 3.85%
Total pension liability	$13,484,316,752	$11,768,444,801	$10,344,364,746
Fiduciary net position	113,859,055	113,859,055	113,859,055
Net pension liability	$13,370,457,697	$11,654,585,746	$10,230,505,691

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

FRS Investment Plan

The State Board of Administration administers the defined contribution plan officially titled the FRS Investment Plan. The Florida Legislature establishes and amends the benefit terms of the plan. Retirement benefits are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the years of service required for vesting under the Pension Plan (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. The FRS Investment Plan member directs the investment from the options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer assessment of payroll and by forfeited benefits of plan members. 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 employer pays an employer contribution to fund the disability benefit which is deposited in the FRS Trust Fund. 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.



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